ABSTRACT

VLITP managers face unprecedented expectations for their governance. These expectations are driven by mandates and other demands from host organizations. This chapter is meant to help VLITP professionals around the world meet and exceed such expectations. It details relevant expertise, methodologies, and experience required by VLITP managers to go beyond compliance of regular IT governance issues to deliver objectives that drives business value across the host organization’s enterprise. Implementing a VLITP involves the management of a transitional period which requires a structured approach that will help the host organization evaluate its options for designing the organizational structure that facilitates continuous business improvement. Good IT governance in VLITP focuses on immediate priorities, including a periodic identification and learning lessons to determine both near-term and far reaching strategies for the VLITP. This involves good approach to different stands and compliance issues during the implementation of VLITP.

INTRODUCTION

Organizations are faced with many risks such as natural disasters, information loss, fraud, and human errors (Brown, 2001). All these risks could cause an organization irreparable damage. To reduce the damage or even prevent the risk from happening, systems controls are necessary; thus making internal control a crucial element in
the smooth operations of businesses. This frequently develops an increased need for internal control frameworks (i.e. COSO framework). The COSO framework is the most widely accepted and used framework for internal control. It is seen as the foundation for internal control within organizations based on internal control in general. When a VLITP becomes an important asset for the host organization, manual controls automatically shifts to IT controls, with needs for specific control framework. The last two decades have seen different IT control frameworks developed (such as CobiT, ITIL, ISO17799, and ISO20000). The chapter looks at CobiT is a general control framework for VLITPs, considering it is the most used IT control framework worldwide—mainly because it encompasses all aspects of IT. ITIL and ISO20000 are standards for IT Service Management in particular, while ISO17799 is a standard focused on Information Security, with CobiT.

The chapter also discusses the effective use of SOX Act in VLITPs. As host organizations work on complying with Section 404 of Sarbanes-Oxley Act of 2002 (SOX), which requires officers of a public company to establish, monitor and report on the effectiveness of the controls that ensure the integrity and accuracy of financial data, the challenge they face is not what IT controls to enforce and monitor. Instead, they deal with: identifying the scope of the network that is affected by this regulation; recognizing and standardizing on a set of controls that need to be applied uniformly across all affected IT systems; managing the volume of information that is required to demonstrate that compliance requirements have been met across the entire organization, in a changing threat environment (Trites, 2004). VLITP managers must continuously identify and profile all systems on the enterprise network to ensure all assets are managed and monitored for compliance. The process discloses all hosts, applications, services, and related vulnerabilities, providing a comprehensive view of the network and building the foundation for effective compliance management. It also enables the host organizations to set “Asset Values” to provide business context to the vulnerability scores and denote the value of a particular system in the organization. A system on the network, which is subject to SOX regulation, may have multiple vulnerabilities - each of which is assigned a vulnerability score. Managers of VLITP are able to use the same methodology for accurate, objective measurement of compliance across all networks.

**INTERNAL CONTROL**

Internal controls serves to verify whether information needed to make critical decisions in the organization are accurate and reliable. An organization’s survival in a competitive economy greatly depends on the decisions made by management at all levels. These decisions are based on information they receive from various sources
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