

First edition
2020-02

Information technology — Governance of IT — Application of ISO/IEC 38500 to the governance of IT enabled investments

*Technologies de l'information — Gouvernance des technologies de
l'information — Application de l'ISO/IEC 38500 à la gouvernance des
investissements reposant sur les technologies de l'information*



Reference number
ISO/IEC 38506:2020(E)

© ISO/IEC 2020



COPYRIGHT PROTECTED DOCUMENT

© ISO/IEC 2020

All rights reserved. Unless otherwise specified, or required in the context of its implementation, no part of this publication may be reproduced or utilized otherwise in any form or by any means, electronic or mechanical, including photocopying, or posting on the internet or an intranet, without prior written permission. Permission can be requested from either ISO at the address below or ISO's member body in the country of the requester.

ISO copyright office
CP 401 • Ch. de Blandonnet 8
CH-1214 Vernier, Geneva
Phone: +41 22 749 01 11
Fax: +41 22 749 09 47
Email: copyright@iso.org
Website: www.iso.org

Published in Switzerland

This is a preview of "ISO/IEC 38506:2020". [Click here to purchase the full version from the ANSI store.](#)

Contents

	Page
Foreword	iv
Introduction	v
1 Scope	1
2 Normative references	1
3 Terms and definitions	1
4 Good governance of IT enabled investments	2
4.1 Benefits of good governance of IT enabled investments.....	2
4.2 Focus on value.....	2
4.3 Accountability of the governing body.....	3
5 The model for good governance of IT enabled investments	4
5.1 The model for good governance applied to the governance of IT enabled investments.....	4
5.1.1 Evaluate.....	5
5.1.2 Direct.....	5
5.1.3 Monitor.....	6
6 Principles for governance of IT enabled investments	6
6.1 General.....	6
6.2 Principle 1 — Responsibility.....	7
6.2.1 Applying the principle.....	7
6.2.2 Implications for the governing body.....	7
6.2.3 Desired outcomes.....	7
6.2.4 Governance behaviours.....	7
6.3 Principle 2 — Strategy.....	8
6.3.1 Applying the principle.....	8
6.3.2 Implications for the governing body.....	8
6.3.3 Desired outcomes.....	8
6.3.4 Governance behaviours.....	9
6.4 Principle 3 — Acquisition.....	9
6.4.1 Applying the principle.....	9
6.4.2 Implications for the governing body.....	9
6.4.3 Desired outcomes.....	10
6.4.4 Governance behaviours.....	10
6.5 Principle 4 — Performance.....	10
6.5.1 Applying the principle.....	10
6.5.2 Implications for the governing body.....	10
6.5.3 Desired outcomes.....	11
6.5.4 Governance behaviours.....	11
6.6 Principle 5 — Conformance.....	11
6.6.1 Applying the principle.....	11
6.6.2 Implications for the governing body.....	11
6.6.3 Desired outcomes.....	12
6.6.4 Governance behaviours.....	12
6.7 Principle 6 — Human behaviour.....	12
6.7.1 Applying the principle.....	12
6.7.2 Implications for the governing body.....	12
6.7.3 Desired outcomes.....	13
6.7.4 Governance behaviours.....	13
Bibliography	14

Foreword

ISO (the International Organization for Standardization) and IEC (the International Electrotechnical Commission) form the specialized system for worldwide standardization. National bodies that are members of ISO or IEC participate in the development of International Standards through technical committees established by the respective organization to deal with particular fields of technical activity. ISO and IEC technical committees collaborate in fields of mutual interest. Other international organizations, governmental and non-governmental, in liaison with ISO and IEC, also take part in the work.

The procedures used to develop this document and those intended for its further maintenance are described in the ISO/IEC Directives, Part 1. In particular, the different approval criteria needed for the different types of document should be noted. This document was drafted in accordance with the editorial rules of the ISO/IEC Directives, Part 2 (see www.iso.org/directives).

Attention is drawn to the possibility that some of the elements of this document may be the subject of patent rights. ISO and IEC shall not be held responsible for identifying any or all such patent rights. Details of any patent rights identified during the development of the document will be in the Introduction and/or on the ISO list of patent declarations received (see www.iso.org/patents) or the IEC list of patent declarations received (see <http://patents.iec.ch>).

Any trade name used in this document is information given for the convenience of users and does not constitute an endorsement.

For an explanation of the voluntary nature of standards, the meaning of ISO specific terms and expressions related to conformity assessment, as well as information about ISO's adherence to the World Trade Organization (WTO) principles in the Technical Barriers to Trade (TBT) see www.iso.org/iso/foreword.html.

This document was prepared by Joint Technical Committee ISO/IEC JTC 1, *Information technology*, Subcommittee SC 40, *IT Service Management and IT Governance*.

Any feedback or questions on this document should be directed to the user's national standards body. A complete listing of these bodies can be found at www.iso.org/members.html.

This is a preview of "ISO/IEC 38506:2020". [Click here to purchase the full version from the ANSI store.](#)

Introduction

In today's rapidly evolving digital age, the world is experiencing unpredictable changes through shifts in political and economic power combined with disruptive business models, seemingly constant technology breakthroughs and innovative approaches to conducting business.

How can governing bodies prepare their organizations to address constant and new challenges while being ready for an increasing information and technology driven future?

Information Technology (IT) supports the core functions of all organizations, underpins the basis of almost all business activities and interfaces with customers and other stakeholders. Investments in IT enablement and the contribution of IT to the business capability and performance of the organization play a significant role in the achievement of strategic plans and the delivery of business value.

Effective governance of IT enabled investments will provide governing bodies with a better understanding of their obligations and how value is derived to support the organization's business opportunities and to appropriately mitigate the organisation's risk.

Risks comprise such things as the failure to deliver required capabilities, failure of the business to achieve the required benefits, with the impact on the organization leading to e.g. business disruption, breach of obligations, regulatory non-compliance, failures of security, loss of data, down time. Effective governance will proactively prevent or mitigate the IT aspects of the risk of such events occurring, for example, by addressing prolonged underinvestment.

Governance of IT, including investments in IT, is part of sound corporate governance. Governance of IT is not IT management but should be supported by a governance framework and the organization's IT management system.

This document provides guidelines to members of the governing bodies to apply the principles and model documented in ISO/IEC 38500 to IT enabled investments. Throughout this document the word "investments" is synonymous with IT enabled investments.