

Transparency Principle of GUG Higher Education

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Transparency Principle of GUG For Audit it in Higher Education

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ABSTRACT

The purpose of this study is to get the IT process that needs to be assessed on the principle of transparency in GUG and the recommendations needed to improve the level of capability and search for the IT process that has the most significant impact. This study was conducted based on theoretical exploration in literature review with help from expert who had experience with COBIT 5. From the research, it is found that the level of capability in collage in Indonesia that used as case study is on the average level 1. It is known that the process that has the most significant impact is BAI 01 which means that the alignment of business strategy and IT need to focus on program and project management. Originality of this research is the combination of GUG with COBIT 5 which focuses on aligning business strategy with IT on the principle of transparency as well as obtaining the most significant IT process. The implication of this research is collage can use the assessment which is conducted to know the level of transparency principle based on GUG and also IT process that should be priority to implement.

Keywords *Business Strategy, IT Governance, IT Audit, Good University Governance (GUG), COBIT 5.*

INTRODUCTION

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Strategy is a commitment for a set of coherent, mutually reinforcing policies that aimed to achieving a specific competitive goal (Pisano, 2015), where in each sector of business strategy can different. The strategic goal in banking Sector is to maintain and consider the costs incurred (Ambarwati et al., 2014). Like in the banking sector, all organization must consider their cost. IT operational costs should be the main priority to consider because the cost of IT can increased significantly, this can be due to incompatibility between IT implementation with the needs of the organization (Fuad et al., 2010).

Good governance (GG) is a concept that set a goal not only in and of itself, but also the impact from a variety of other outcomes, especially for economic growth and development (Gisselquis, 2012). GG has many derivative concepts that apply to the organization depending on the organization's focus. Good University Governance (GUG) is one of derivative concept of Good Governance that focuses on higher education (university) governance. While GCG/Corporate Governance focus one profit or efficiency (Zulkafli, Hooy, & Ooi, 2017). This also support by another research that conclude competitiveness of the higher education system does not determine profit of any particular organization, but targets at developing knowledge as a basis for the creation of new knowledge, development of exclusive competencies (Stonkienė, Matkeviciene, & Vaiginiene, 2016).

Almost all organizations use IT to support their business processes, as well as higher education. The two main IT Governance issues are: how IT can deliver sufficient value to the business and how existing and emerging risks of IT existence can be managed (CISA, 2010). Design and Analyse IT governance can use some framework. Control Objective for Information & Related Technology (COBIT) 5 is one of framework that made based on many

best practices in organization, and the latest version is COBIT 5.0 (ISACA, 2012b). COBIT 5 used in this research because there is another research show that COBIT 5 can be integrated with higher education (Nugroho, 2014). The objective of this study is to make an assessment for finding out the level and percentage of transparency principle based on GUG and find the signification IT process for transparency principle in aligning business strategy with IT using COBIT 5 Framework.

LITERATURE REVIEW

Good University Governance (GUG)

GUG is a derived concept from GG (good Governance) that placing sovereignty in the hands of people is more likely to invest in people, channeling public resources to basic education, health care and social services (Kardos, 2012). GCG (Good Company Governance) also a concept that is a derivative of GG that focused on governance in company level. Good corporate governance system is necessary for more transparent information disclosure about the corporation, particularly in the annual reports which are the main sources of information provided to investors (Htay, Salman, & Said, 2013). GCG and GUG is different because the average company focuses on gaining profit while higher education focuses on improving education which can consider as non-profit. This also support by the research that stated governance in higher education is different from the corporation, this is because the core values in terms of academic and social, both of these values value must be preserved in higher education (Nugroho & Surendro, 2013). The most important factors in corporate governance system are a corporate ownership structure and composition (Chee-Wooi & Guat-Khim, 2017), where the structure decided based on the results from shareholder decision (usually from meeting). University is generally managed in a collegial, meaning that the policies adopted by university senate are a common agreement that is a representation of the shareholder (Nugroho & Surendro, 2013). In Indonesia the basic concept of GUG is arranged in law that regulate about higher education. From this law there is 5 principle that is accountability, transparency, nonprofit, effectiveness & efficiency, and quality assurance (Indonesia, 2012). There are 5 principles that become pillars for management of universities, namely accountability, transparency, nonprofit, quality assurance, effectiveness & efficiency (Indonesia, 2012). This research will focus on transparency principle. Transparency principle is the openness and ability to present relevant information accurately to stakeholders in accordance with the provisions of legislation (Indonesia, 2012). A good leader leads an organization transparently, and sets a good example at all levels of governance (Nnabuife, 2010; Othman & Rahman, 2014). The objectives of transparency principle in the study is organization must provide material and relevant information in a manner that is easily accessible and understood by stakeholders (Dharmawan, Saputra, Akhmad, & Ginardi, 2016), which is accordance with the explanation of the Law.

METHODOLOGY

First researcher conducted a mapping for "Alignment of IT and business strategy" using COBIT 5 and found 10 IT process that related, (ISACA, 2012a). Then conduct Mapping for enterprise goal to find the IT process that related to the enterprise goal and found that all IT process in COBIT 5 is related with all 9 Enterprise goal. The 9 Enterprise Goal are Portfolio of competitive products and services, Financial transparency, Agile responses to a changing business environment, Information-based strategic decision making, Optimisation of service delivery costs, Optimisation of business process costs, Managed business change programmes, Operational and staff productivity, Skilled and motivated people. From the results then an assessment is conducted for each IT process that obtain. First in here needs to determine the level expected in the future (To-Be), To determine the expected level, researcher conduct interview and discussion with the expert. The expert in here are people who have experience in COBIT 5 and also lecturer who are responsible for the audit course. From the interview and discussion result the transparency principle is at level 2 on COBIT 5 which is "Process Performance is now implemented in a managed fashion (planned, monitored and adjusted) and its work products are appropriately established, controlled and maintained". This process was level 2 because in its explanation transparency is a government way to collect information resources for arranging, planning, monitoring, monitoring and evaluation as well as development Higher Education coordination. After the level expected (To-Be) then researcher start the assessment to find out the current capability level (As-Is) for each IT process. From

these results then an analysis is conducted to find out the percentage of GUG for transparency principle. This result is calculated using the weighted mean method, where the weighted value is based on the COBIT 5 rating scale. Then used mean method to calculate the total average implementation. Means is used to get the average percentage for each IT process that calculate from the result of weighted means.

RESULT

Researcher find place for case study that associated with this research (case study in here use one of college in Indonesian). The case study college was chosen because the evaluation result was accordance with the purpose of this research. The assessment in here is to find out the level of each IT process that has been mapping before. This is shown in Figure 1.

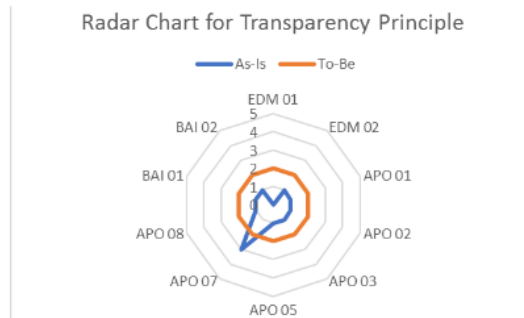


Figure 1 Capability Level As-Is & To-Be for Transparency Principle

Result of the assessment then analyzed to get percentage of implementation of GUG for transparency principle. The next step is to find GUG Implementation, researcher use weighted mean method and for the average GUG implementation, it is used the formula means. The result of implementation GUG for transparency principle shows at Table 1.

GUG Principle	IT Process	IT Related Goal	Level Implementation	Implementation Transparency Principle
Transparency	EDM 01	Ensure Governance Framework Setting and Maintenance	58.33%	77.22%
	EDM 02	Ensure Benefits Delivery	81.94%	
	APO 01	Manage the IT Management Framework	89.58%	
	APO 02	Manage Strategy	80.00%	
	APO 03	Manage Enterprise Architecture	77.00%	
	APO 05	Manage Portfolio	65.28%	
	APO 07	Manage Human Resources	91.20%	
	APO 08	Manage Relationships	75.00%	
	BAI 01	Manage Programmes and Projects	78.87%	
	BAI 02	Manage Requirements Definition	75.00%	

The level of transparency principle in the college that used as case study has a measurement of Implementation 77.22%. The recommendation in here improve the IT process at level 1 and also recommendation can reach capability level 2. From the analysis, researcher obtained 34 recommendations that need to be implemented in order to achieve the expected level (To-Be), this recommendation consists of Level 1 which has 24 recommendations, Level 2 with 10 recommendations. This recommendation is separated by level because of dependencies for each level. This is explained in the literature which means that to reach a higher level the Fully Achieved capability level is required (ISACA, 2012a), so not all recommendation is needed to run but only until the capability level reach fully achieved

85% -100%). Level 2 recommendation can be run if all IT processes at level 1 already reach Fully Achieved capability level, this is due level 2 all have same recommendation based on that is about Generic Practice (GP) and Generic Work Product (GWP). Researcher then find out the significant IT process that associated with alignment strategy business and need to implement first. The result found by counting the activity that need to be done based on the literature framework COBIT 5 (ISACA, 2012b). This study found that BAI 01 (22,87%) in COBIT 5 have higher impact than the other IT process. BAI 01 is an IT process that focus for manage program and project. BAI 01 have the significant role because there are lot of activity that needs to be considered and executed in alignment strategy business with IT. Manage program and project has significant role also support by another research found that many projects are not completed within time limit and budget also do not deliver the expected benefits for organization (Too & Weaver, 2014). This is because many projects are managed not completely and separately without alignment with one and the other or arranged in the form of a portfolio (Knodel, 2004).

CONCLUSION

This research found that collage used as a case study has capability level 1 for all IT process that assess, except EDM 01 which is still at level 0 and APO 07 which at level 3. It shows that the capability level has a gap (1 levels, except EDM 01 which has 2 level gap) with the expected of GUG based on Law about higher education in Indonesia. Then from the analysis results known implementation level for GUG has reached 77.22% which indicates that collage was running a good transparency principle. Given this priority, it is hoped that recommendations can be undertaken with more effective and efficient scheduling and resource sharing, this also explained at another research that decision making involves many criteria to rank the alternatives of a decision (Hsu, Huang, & Tseng, 2016; Saaty, 2008). One of the disadvantages of the COBIT 5 framework is the lack about detail in IT service management, to cover these deficiencies the future research can used another framework for IT service management like ITIL (Information Technology Infrastructure Library), (Iden & Eikebrokk, 2013).

LIMITATION AND FUTURE RESEARCH

Although this study has contributed significantly to the lack of literature on Good University Governance and IT Governance there are some limitations. This study focuses can be applied to another collage/higher education. Therefore, further research needs demonstrate this research. Furthermore, there weakness in framework that used. The weakness is the recommendation from COBIT 5 is just a direction for what to do instead of detailed direction .

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