СЕКЦІЯ IV. МЕНЕДЖМЕНТ, ПУБЛІЧНЕ УПРАВЛІННЯ ТА АДМІНІСТРУВАННЯ

INSTITUTING A ROBUST RISK MANAGEMENT FRAMEWORK FOR THE STATE-OWNED IT GOVERNANCE

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Digitalization stands as an epochal trend in the advancement of human civilization, fostering a more inclusive society and enhancing governance mechanisms. It facilitates broader access to vital sectors such as healthcare, education, and financial services while elevating the quality and scope of public amenities. This transformative wave extends to collaborative practices, enabling people to interact in innovative ways and facilitating access to a broader spectrum of goods at reduced costs. The COVID-19 pandemic has underscored the vital role of digital technologies in safeguarding the welfare of populations and the economic progress of nations.

Crucially, digitalization transcends mere technological utilization, as it entails a profound cultural shift embedded across all realms of endeavor. It signifies a revolution in the orchestration of diverse teams, leading to cost reduction through document digitization and overarching process optimization. This multifaceted transformation encompasses decentralized production, augmented operational efficiency and productivity, swifter and more effective real-time decision-making, heightened environmental sustainability, the production of sustainable goods, expedited product development with reduced time and expenses, enhanced product quality, and swift adaptation to evolving market dynamics. Moreover, digitization fosters diversification in product production across multiple locations, broadening the array of offerings. The transparency of risk management within the realm of project management for state informatization initiatives represents a pivotal facet of sound governance and global accountability standards. The oversight of IT projects by government auditing bodies is fundamentally geared toward securing the durability, efficiency, and efficacy of such endeavors. Consequently, an exploration of international insights and best practices in the domain of public sector IT project management serves as an intellectually stimulating and pragmatically relevant subject of inquiry. In this discourse, we shall expound upon the imperative nature of effective governance, delve into methodologies and global experiences that underpin the long-term viability of IT project execution processes, and elucidate both the benefits and challenges associated with enhancing the overall controllability of preparatory, analytical, developmental, and implementation stages of IT projects. In the fast-evolving landscape of government governance, effective management of risks and regulatory compliance is paramount.

Governments at various levels, including state governments, must adopt robust governance, risk management, and compliance (GRC) systems to ensure transparency, accountability, and efficient service delivery to citizens.

Governance, Risk, and Compliance (GRC) represents a systematic approach that harmonizes information technology with organizational objectives, concurrently overseeing risk management and adhering to pertinent industry and governmental standards [1]. It encompasses a set of instruments and procedures aimed at unifying corporate governance and risk oversight with the integration and execution of technological advancements. Enterprises employ GRC to consistently attain corporate objectives, reduce uncertainty, and adhere to regulatory mandates. The incorporation of GRC as a managerial paradigm within state-owned entities can substantially augment the effectiveness, transparency, and responsibility of budgetary managers. Here we consider and focuses on the following benefits that can bring a value to the IT project governance in public sector [2]:

Data-driven decision-making approach. Data-driven decision making revolves around using empirical data, analytics, and insights to guide and validate decisions. This approach relies on collecting, analyzing, and interpreting data to enhance organizational effectiveness and efficiency.

Governance. GRC embodies strong governance practices that define decision-making hierarchies and frameworks. In the context of data-driven decisions, this provides the structure necessary for ensuring that decisions align with organizational objectives and strategies.

Risk Management. GRC is integral in identifying and mitigating risks, including data-related risks such as security breaches, data loss, or privacy breaches. Effective risk management ensures data integrity and reliability for decision-making purposes.

Compliance. Compliance within the GRC model ensures that organizations adhere to relevant regulations and standards in their data collection, storage, and analysis. Compliance is critical to ensuring that data is obtained and used ethically and legally.

Regulatory Compliance: State governments must adhere to a plethora of regulations. AWS's built-in compliance tools assist in meeting regulatory requirements and automating compliance checks.

Scalability. AWS enables state governments to scale their GRC infrastructure as per their requirements, making it cost-effective and adaptable to changing governance needs.

In the context of perceiving this model as an avenue for nurturing a vertically integrated culture in the administration and execution of IT projects at the state level, it becomes imperative to underscore the primary drivers associated with assuring transparency, accountability, and manageability that the adoption of this model will afford.

Data Governance. The GRC model, in conjunction with AWS, supports data governance by establishing clear data ownership, access controls, and data quality standards. This ensures that data is accurate, reliable, and accessible to those who need it for decision making.

Risk Identification and Mitigation. GRC's risk management component helps identify potential data risks, such as security vulnerabilities or compliance gaps. By addressing these risks, organizations can maintain the integrity and security of their data assets.

Compliance Assurance. GRC ensures that organizations adhere to data-related regulations and standards, which is essential for data-driven decision making. Compliance fosters trust in the data and helps avoid legal and ethical issues.

Audit and Reporting. GRC models often include audit and reporting functionalities that enable organizations to track data usage, changes, and access. This transparency

supports accountability and data quality.

Alignment with Organizational Goals. GRC frameworks align decision-making processes with organizational goals and strategies. Data-driven decisions, when guided by GRC, become more strategic and purposeful.

The process of digitization within Ukraine necessitates the adoption of effective management strategies within state-owned enterprises entrusted with the stewardship of public funds. A pivotal element in implementing such strategies is the cultivation of transparency in decision-making, the allocation of public funds, and the auditing of IT projects. The transparency of audit processes, findings, and reports is contingent upon their accessibility, openness, and comprehensibility. To uphold this foundational aspect of democratic governance, there is a compelling imperative to systematically introduce a model that concretely aligns digitization initiatives with overarching business objectives, thereby ensuring comprehensive risk management and conformity with the prevailing industry and governmental standards and regulations.

One notably efficacious approach, in our assessment, is the implementation of Governance, Risk Management, and Regulatory Compliance (GRC) - a unified and harmonized model that amalgamates governance, risk management, and regulatory compliance. This approach stands to empower state-owned enterprises by curtailing financial losses, enhancing operational efficiency, mitigating the risks associated with non-compliance, and facilitating the more proficient sharing of critical information [3].

References:

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