THE IMPORTANCE OF SYSTEM AUDITS AND IT GOVERNANCE IN IMPROVING INFORMATION TECHNOLOGY PERFORMANCE IN MEDIUM-SCALE ORGANIZATIONS

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Abstract

System audit and information technology management are two crucial elements that ensure the implementation of information technology works effectively and efficiently within an organization. This research aims to provide a simple insight into the significance of system audits and IT management in medium-sized organizations. Through a descriptive-qualitative approach, this study analyzes the advantages of using frameworks such as COBIT 5 in supporting organizations in achieving their business objectives through control and oversight of IT assets. The research findings indicate that organizations that routinely conduct system audits and apply appropriate IT management tend to demonstrate more consistent and measurable IT performance.

Keywords: System audit, IT governance, COBIT, medium organization, IT management

INTRODUCTION

The rapid development of information technology has made information systems a very important element in the operations of various organizations, including medium-sized ones. IT governance is a corporate/organizational governance framework that concentrates on strategic IT resources in management and assessment (Darmajaya Bandar Lampung, 2022). Dependence on information systems drives the need for effective management to ensure the security, efficiency, and sustainability of the systems implemented. Technology makes it easier to carry out activities, so that work becomes more effective and efficient(Riani et al., 2021). However, many organizations still struggle to ensure that investments in information technology actually contribute overall to the achievement of business goals. In recent years, IT governance has enabled organizations to achieve and realize their IT business potential, and reduce IT-related risks to meet various strategic objectives (Fernandes Andry et al., n.d.). Previous studies have emphasized the significance of IT system audits and management in supporting organizational success. The main purpose of the audit is to collect objective evidence, analyze evidence, and compare it with specified requirements (Purwaningrum et al., 2021). It was found that IT in Indonesian branch companies still plays a role as a supporter of the company while their system development process is adopting existing trends (Lumingkewas et al., 2022). Weill and Ross in 2004 stated that good IT management is directly related to organizational performance, especially in terms of innovation and efficiency. ISACA in 2012, through the COBIT 5 framework, emphasized that there needs to be integration between IT management and governance so that IT not only functions as a complement, but also as a major driver of achieving business goals. Romney and Steinbart in 2018 added that regular system audits can help prevent and detect potential deviations and cybersecurity threats. Information technology (IT) governance focuses on technology performance and transformation to meet current and future business needs, both from an internal and external business perspective (Irawan & Trias Hanggara, 2023). The scientific novelty of this study lies in its approach that integrates system audits and IT governance in the context of medium-sized organizations in Indonesia, which has not been widely discussed in the literature. IT Governance is intended based on business processes that have an impact on organizational goals and achievements (Soebijono & Sony Erstiawan, 2020). This study not only explores the importance of IT audits and governance, but also provides a practical overview of how medium-sized organizations can gradually and effectively implement these principles despite limited resources. The problem to be answered in this paper is how system audit and IT management can improve the efficiency and reliability of information systems in medium-sized organizations. In addition, this paper also examines the extent to which organizations understand and apply IT management principles in practice. The purpose of this paper is to underline the importance of integration between system audit and IT management in improving the quality of information technology management, as well as to provide practical insights that can be adopted by medium-sized organizations to strengthen their strategic position through effective IT management.

METHODS
This study applies a descriptive qualitative method and was conducted in two medium-sized organizations in Jakarta: an educational institution and an information technology service company. Information was obtained through direct observation and semi-structured interviews with four respondents, including IT managers and internal auditors from each organization.
The analysis was carried out using a content analysis approach, based on Krippendorff (2013), to find patterns of audit implementation on IT systems and management. The validity of the data was strengthened through triangulation between interview results, internal documents, and observations made.
The main tool used in this study was Microsoft Excel for data processing and grouping. Evaluation indicators are guided by the COBIT 5 framework from ISACA (2012), especially in the APO (Align, Plan and Organize) and MEA (Monitor, Evaluate and Assess) domains.

FINDINGS AND DISCUSSION
This study shows that IT system audits and management in medium-sized organizations are still carried out in a limited manner and are not well organized. Although many organizations recognize the importance of IT audits, their implementation has not followed official guidelines or frameworks such as COBIT 5. For example, based on observations in the field, both organizations conducted system audits internally without involving external parties and did not have regular documentation. The main finding of this study is that the lack of understanding of IT management principles makes the system audit process only focus on administration and does not have a direct impact on improving the quality of IT services. This is due to limited training, lack of resources, and the absence of internal regulations that regulate the audit cycle regularly. This phenomenon can be understood through the basic principles of IT governance, where success in implementing management is highly dependent on managerial support, a well-defined organizational structure, and data-based performance measurement. The absence of performance indicators forces organizations to be unable to assess the extent to which IT systems help achieve business goals. The purpose of internal audit is to evaluate the adequacy and effectiveness of the company's internal control system and determine the extent of the implementation of responsibilities that are actually carried out (Oleh & Solechan, n.d.). When compared to research by Syamsuddin and Hwang, which revealed that the implementation of COBIT in public organizations successfully increased service efficiency, this finding shows that medium-sized organizations in the private sector often lag behind in adopting governance frameworks. This is also in line with the findings of Rahmat and Mustakim who stated that the lack of integration between system audits and IT policies has the potential to cause operational inefficiencies and increase systemic risk.
In addition, the tendency to rely on individual technical experience rather than formal standards makes audits subjective and inconsistent. This answers the central question in the introduction that system audits and IT management have not fully contributed to increasing IT system efficiency in medium-sized organizations.
As a consequence, gradual steps are needed to improve the skills of the internal IT team, as well as the implementation of at least a framework such as COBIT that is tailored to the organization's capacity. This is in line with the principle of fit-for-purpose governance which emphasizes the importance of agility in implementing IT management.

CONCLUSION

This study concludes that current system audits have not provided maximum contribution to information technology efficiency in medium-sized organizations due to the lack of integration with formal IT management. Lack of understanding of frameworks such as COBIT and lack of support from management are the main inhibiting factors.

This finding emphasizes the importance of implementing simple but organized IT management so that system audits can function as an efficient control tool. In the future, it is necessary to develop a flexible IT management model that is in accordance with the capacity of medium-sized organizations.

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