

Executive Summary

Information Systems have been playing an important role in the transaction processing, routine business activities, data management and information quality control today. Particularly for public companies or SEC (Securities Exchange Commission) registrants, the effectiveness of IS (Information Systems) and IT (Information Technology) controls, which are important components of business, are subjected to be audited by external auditing firms in order to ensure the benefits of the stakeholders. Thus, the driving force on the establishment of IT controls within the company is mainly from external regulations, and bearing the additional operating cost of implementing and maintaining IT general controls (ITGC) is evitable. From the internal perspective of an organization, business value of IT controls perhaps is commonly neglected.

The objective of this research is to study and investigate the business value of IT controls, specifically ITGC for the companies in China that have established and implemented ITGC in compliance with the business regulations in the market. This research is intended to highlight the importance of ITGC through the four ITGC processes (i.e. Program Development, Program Change, Access to Program and Data, and Computer Operations) to the organization from a business perspective. ITGC should be perceived as, not only an IS management interest but also, a business management interest, for any aspect of IS management is nowadays an inseparable part of business management.

Interviews and questionnaires with the IT professionals from different organizations are conducted focusing on the four processes of ITGC for determining the benefits obtained from implementing effective ITGC in the interviewees' organizations. An explanatory questionnaire and measurement metrics are developed to investigate the effectiveness of ITGC processes and the IT business values. The value indicators of the IT business values (i.e. Strategic Alignment, System Performance, and System/Information Security) are served as the dependent variables in the research.

Multi-regression analyses are carried out to examine and determine whether there is any causal relationship between ITGC processes and the expected IT business values. Results indicated that Program Development and Program Change are the only significant dimensions of ITGC that are positively related to the IT business value of Strategic Alignment; Access to Program & Data has positive influence to the IT business value of System Security; Computer Operation is significantly related to the business value of System Performance. It is, therefore, suggested that organizations should provide resources for establishing and developing ITGC processes in order to generate greater value for business management and business development.