

ABSTRACT

TRANSFORMATION OF INSURCO THROUGH DESIGNING INFORMATION TECHNOLOGY RISK MANAGEMENT USING COBIT 2019 IT RISK MANAGEMENT FRAMEWORK

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The rapid advancement of Information Technology (IT) plays a crucial role in facilitating innovation within a company. Previous research has successfully identified that IT Governance (ITG) has a significant role in the process of Digital Transformation (DT). However, a more comprehensive analysis is still required to understand how IT risk management contributes to supporting such changes, particularly through a case study focused on the state-owned insurance company, InsurCo. This research employs the Design Science Research (DSR) method, based on interview data and the COBIT 2019 IT Risk Management framework, to design IT risk management within the state-owned company, InsurCo. Assessments of capabilities, gap analysis, potential improvements, design of remedies, roadmap development, and impact estimation of implementing improvements have been conducted for seven ITG components. InsurCo is a state-owned company bound by government regulations in Indonesia, as stated in PER-2/MBU/03/2023 regarding Guidelines for Corporate Governance and Significant Corporate Activities of State-Owned Enterprises. Additionally, there is also the 2021-2025 Master Plan for the Financial Services Sector, emphasizing the acceleration of DT. The prioritized ITG objectives required by InsurCo are derived from three determinants: design factors, focus areas, and ITG mechanisms toward DT, resulting in the prioritized ITG objectives: APO12 Managed Risk, EDM03 Ensure Risk Optimization, and DSS04 Managed Continuity. The initial assessment results for the three TKMTI objectives are 2.7. After implementing the recommended improvements, there is an estimated increase of 0.2 or 3.57% in all three TKMTI objectives to achieve the target of 2.9. The research results in a set of recommendations for the seven governance system components that can enhance the risk capability index within InsurCo. This research contributes to advancing the understanding of determining priority IT risk management to support digital transformation within organizations, particularly providing practical implications for InsurCo to support the success of strategic programs and benefit the insurance industry.

Kata Kunci: Digital Information, IT Governance, InsurCo, COBIT 2019 IT Risk Management, IT Management