Corporate Governance of ICT Charter

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GLOSSARY

AG	Auditor-General of South Africa
CIO	Chief Information Officer
CGICTPF	Corporate Governance of ICT Policy Framework
DPSA	Department of Public Service and Administration
DCOG	Department of Cooperative Governance
ICT	Information and Communications Technology
ISO/IEC	International Organisation for Standardisation (ISO) and the International Electro technical Commission (IEC)
ISO/IEC 38500	International Standard on Corporate Governance of ICT (ISO/IEC WD 38500: 2008: 1)
ITGI™	ICT Governance Institute
King IV	The King IV Report and Code on Governance for South Africa
MICTGP	Municipal ICT Governance Policy
M&E	Monitoring and Evaluation
PSCGICTPF	Public Service Corporate ICT Governance Policy Framework
SALGA	South African Local Government Association
SDBIP	Service Delivery and Budget Implementation Plan

CORPORATE GOVERNANCE OF ICT CHARTER

1. Purpose of Charter

The purpose of this Charter document is twofold; firstly, it will guide the creation and maintenance of effective enabling governance structures, processes and practices as dictated by the Municipal Corporate Governance of ICT Policy.

Secondly, the Charter also clarifies the governance of ICT-related roles and responsibilities towards achieving the municipality's strategic goals. In order to achieve this, various best practices, standards and legislation are used.

2. Introduction

The Charter depicts how the Municipal Corporate Governance of ICT Policy will be implemented and describes the related structures, processes, functions, accountability, roles and responsibilities, delegations and reporting responsibilities. This Charter has been customized to accommodate Mkhambathini Municipality's unique operating environment, whilst ensuring the principles of the Municipal Corporate Governance of ICT Policy are maintained.

In order to understand the Charter and its supported elements, Figure 1 will be used for reference.
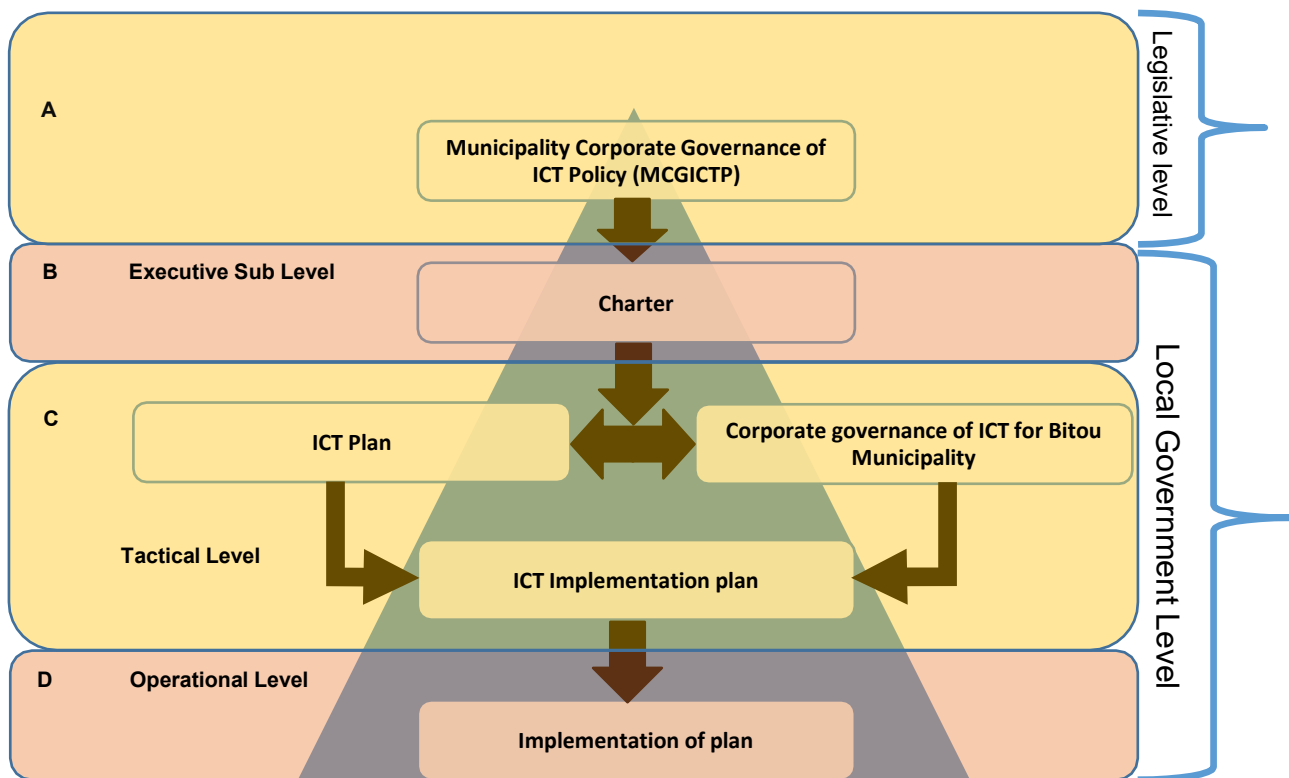
Figure 1: Supporting Elements of Charter

From Figure 1 it is clear that two main levels exist. Firstly the Legislative Level comprises the Municipal Corporate Governance of ICT Policy, referred to as "a" in Figure A. This is a legislative document from the Department of Cooperative Governance and Traditional Affairs containing requirements that local government must adhere to.

Secondly, Figure b shows the Local Government Level. This level comprises of multiple elements, which is further divided into sub-levels.

The first sub-level is the Executive sub-level, which contains the Charter, referred to as "B" in Figure 1. This Charter receives various inputs from "A" but also flows into the next sub-level

The second sub-level is the Tactical sub-level which receives input from "A" and contains Corporate Governance of ICT Policy. This element will provide guidance and input for the third element, the ICT Strategy Plan, referred to as "D" in Figure 1.

The third sub-level contains the implementation of the combined elements and is called the Operational sub-level. Within this sub-level, the Implementation of Plan, referred to as "D" in Figure 1, is housed and receives input from both "C" an "B" in the Tactical sub-level.

All these elements together address the Corporate Governance of ICT in Bitou Municipality.

3. Legislation

As dictated by the Municipal Corporate Governance of ICT Policy (Figure 1: A), multiple best practices and standards and legislation were used in order to draft this Charter.

3.1. External Inputs

1. ISO/IEC 38500 standard

2. King Code

3. COBIT processes

3.2. Legislation

1. Municipal Systems Act 2000 (Act 32 of 2000)

2. Municipal Finance Management Act 2003 (Act 56 of 2003)

These best practices, standards and legislation form the basis of the structures needed in order to implement the Corporate Governance of ICT.

4. Scope

This Charter for Corporate Governance of ICT (Figure 1: B) is applicable to Mkhambathini Municipality collectively, as stated in the approved Municipal Corporate Governance of ICT Policy (Figure 1: A). The Executive Authority, Accounting Officer and Executive Management are important driving factors in this regard. This Charter is the mandate on how the Governance of ICT will be established in Mkhambathini Municipality.

5. Key Elements

5.1. King Principles

1. The Municipal Council of local government should be responsible for Information Communication Technology (ICT) Governance.

The King Code recommends that strategic management (the Municipal Council in this case) should establish an ICT Charter (Figure 1: B). Furthermore, this ICT Charter should outline the decision-making rights and accountability framework for the Governance of ICT that would enable the desirable culture in the use of ICT within the municipality.

Supporting the above mentioned King Code, are COBIT key elements.

5.2. COBIT Key Elements

1. **Strategic alignment** focuses on ensuring the linkage of business and ICT plans, defining, maintaining and validating the ICT value proposition, and aligning ICT operations with enterprise operations.

1. **Value delivery** is about executing the value proposition throughout the delivery cycle, ensuring that ICT delivers the promised benefits against the strategy, concentrating on optimising costs and proving the intrinsic value of ICT.

2. **Resource management** is about the optimal investment in, and the proper management of, critical ICT resources: applications, information, infrastructure and people. Key issues relate to the optimisation of knowledge and infrastructure.

3. **Risk management** requires risk awareness by senior organisational officers, a clear understanding of the enterprise's appetite for risk, understanding of compliance requirements, transparency about the significant risks to the enterprise and embedding of risk management responsibilities into the organisation.

4. **Performance measurement** tracks and monitors strategy implementation, project completion, resource usage, process performance and service delivery, using, for example, balanced scorecards that translate strategy into action to achieve goals measurable beyond conventional accounting.

Based from these above mentioned key elements, the objectives of this Charter can clearly be defined below.

6. Objectives of Charter

As dictated by the Municipal Corporate Governance of ICT Policy (Figure 1: A), the objectives of the Charter (Figure 1: B) are as follows:

A.   To identify and establish a Corporate Governance of ICT Policy (Figure 1: A) and implementation guideline for the municipality;

B.   To embed the Corporate Governance of ICT as a subset of the municipal governance objectives.

C.   Create municipal value through ICT enablement by ensuring municipal IDP and ICT strategic alignment;

D. Provide relevant ICT resources, organizational structure, capacity and capability to enable ICT service delivery;

E. Achieve and monitor ICT service delivery performance and conformance to relevant internal and external policies, frameworks, laws, regulations, standards and practices;

F. Implement the governance of ICT in the municipality, based on an approved implementation plan (Figure 1: C).

G. Regarding the above mentioned objectives, certain structures need to be in place in order to address each objective. These structures need to be in place

7. Structures, Functions, Roles and Responsibilities

The Charter outlines the decision making rights and accountability of ICT governance that will enable the desirable culture in the use of ICT within the municipality. This is achieved by requiring ICT management to provide timely information to comply with direction given by Municipal Council and to conform to the principles of good governance.

7.1. Structures

Specific structures should be established to give effect to the Governance of ICT, and the management of ICT functions.

7.1.1. High Level Structure

The Corporate Governance of ICT has three tiers, and each tier has a process for decisions and reporting, as listed in Table 1.

Structure	Position	Responsibility	Process
Executive Authority Level	Mayor/Council and Municipal Manager	Direct and Monitor the Performance of ICT	Municipal Council Meetings
Tactical Management	Municipal Manager/HODs/Assigned councilors.	Supervise, check and act to effectively leverage ICT resources	ICT Steering committee/Head of Department Meetings
Process Level	ICTUnit	Activities are preformed, controlled and checked in alignment with businessobjectives	Day to day processes

Table 1: Three-Tiered Structure

Other structures should also be established that could support the three-tiered structure.

Figure 2: Structure – Charter Directive
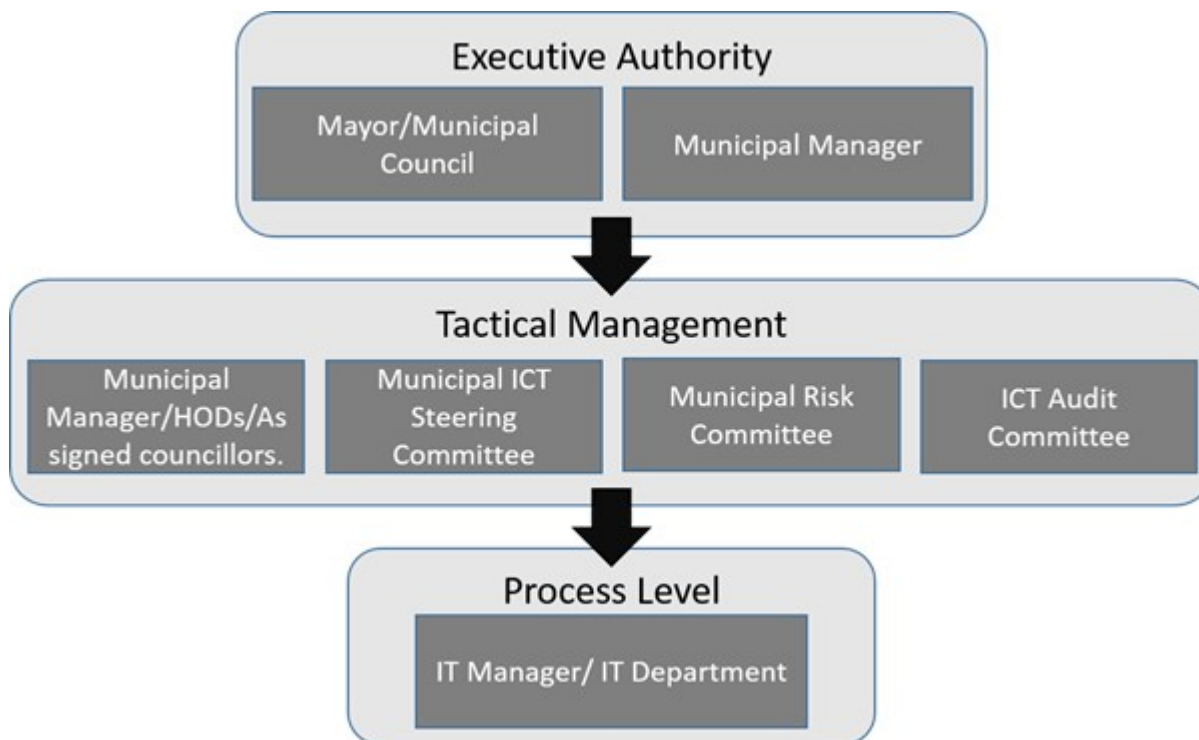
7.1.2. Other Structures

7.1.3. The Municipal Council

The Municipal Council must provide political leadership and strategic direction through:

- Determining policy and providing oversight;
- Take an interest in the Corporate Governance of ICT to the extent necessary to ensure that a properly established and functioning Corporate Governance of ICT system is in place in the municipality to leverage ICT as an enabler the municipal IDP;
- Assist the Municipal Manager to deal with intergovernmental, political and other ICT-related Municipal issues beyond their direct control and influence; and
- Ensuring that the municipality's organisational structure makes provision for the Corporate Governance of ICT.

7.1.4. The Municipal Manager

The Municipal Manager must provide strategic leadership and management of ICT through:

- Ensuring alignment of the ICT strategic plan with the municipal IDP;
- Ensuring that the Corporate Governance of ICT is placed on the municipality's strategic agenda;
- Ensuring that the Corporate Governance of ICT Policy Framework, and related policies for the institutionalisation of the Corporate Governance of ICT are developed and implemented by management;
- Determining the delegation of authority, personal responsibilities and accountability to the Management with regards to the Corporate Governance of ICT;
- Ensuring the realisation of municipality-wide value through ICT service delivery and management of Municipal and ICT-related risks;
- Ensuring that appropriate ICT capability and capacity are provided and a suitably qualified and experienced Governance Champion is designated;
- Ensuring that appropriate ICT capacity and capability are provided and that a designated official at a Management level takes accountability for the Management of ICT in the municipality; and
- Ensuring the monitoring and evaluation of the effectiveness of the Corporate Governance of ICT system e.g. ICT steering committee.

7.1.5. Municipal ICT Steering Committee

- The establishment of an appropriate ICT steering Committee will ensure that the application, management and review of the organizations ICT strategies and plans are consistent with the goals and objectives of the organization and will ensure that the department complies with legislation
- The ICT Steering Committee will advise management on all matters related to ICT

7.1.6. Municipal Risk Committee

- The establishment or use of an appropriate Municipal Risk Committee will accept the responsibility to perform an oversight role for the identification and mitigation of ICT-related risks

- The Municipal Risk Committee will assist management in carrying out the Corporate Governance of ICT accountabilities and responsibilities

7.1.7. Audit Committee

- The use of the established and appropriate Audit Committee will accept the responsibility to perform management of ICT audit and governance compliance
- The Audit and Audit Performance Committee will assist management in carrying out the Corporate Governance of ICT accountabilities and responsibilities

7.1.8. Management

Management must ensure that:

- ICT strategic goals are aligned with the municipality's strategic goals and support the municipal processes;
- Municipal-related ICT strategic goals are cascaded throughout the municipality for implementation and are reported on.

Specific policies and plans need to be established to support the mentioned structures.

7.1.9. Established Policies and Plans

Policy Plan	Owner	Approval
1. Corporate Governance of ICT Policy	Municipal Manager	Council
2. Corporate Governance of ICT Charter	Municipal Manager	Council
3. ICT Steering Committee Charter	Municipal Manager	ICT Steering Committee
Operational Policy	**Owner**	**Approval**
4. ICT Disaster Recovery Policy	ICT	Council
5. ICT Data Backup and Recovery policy	ICT	Council
6. ICT Operating Security Control Policy	ICT	Council
7. ICT Security Control Policy	ICT	Council
8. ICT User Access Management policy	ICT	Council
Policy Plan	**Owner**	**Approval**
9. ICT Service Level Agreement and Contract Management	ICT	ICT Steering Committee
10. ICT Disaster Recovery Plan	ICT	ICT Steering Committee
11. ICT Strategy Plan	ICT	ICT Steering Committee

13. Risk Management Policy	Internal Audit	Council
14. Internal Audit Plan	Internal Audit	Audit Committee

According to the Municipal Corporate Governance of ICT Policy (Figure 1: A), the above mentioned structures, including established policies and plans, should be established in order to complete the phases of Corporate Governance of ICT.

7.2. Functions, Roles and Responsibilities

According to the Municipal Corporate Governance of ICT Policy (Figure 1: A), specific functions, roles and responsibilities should exist, regarding the established structures.

These functions, roles and responsibilities are addressed in this Charter (Figure 1: C).

7.3. Members

Regarding the structures previously mentioned, specific members need to form part of each structure. The ICT Steering Committee Charter addresses the members of each structure.

All mentioned structures, functions, roles and responsibilities are important to give effect to the Governance of ICT.

8. Framework Policies and Guidelines

Corporate Governance of ICT is a collection of various documents and policies which guides council in decision making, monitoring risks and performance. These are required to ensure that status quo, business direction and management procedures are documented and available. The following policies and documents are required to ensure the governance of ICT and is linked to this Charter document:

Policy	Requirements
Corporate Governance of ICT Charter (This Document) (Figure 1: B)	• Accountability of allocated to departments • Business and ICT structures defined • Business and ICT role and responsibilities defined • Business and ICT decision making powers defined • Business and ICT delegations allocated

Policy	Requirements
ICT Plan (ICT strategy/ /ICT Book of standards) (Figure 1: c)	• Mapping of elements of information plan in ICT plan • Departmental business assurance that ICT understands the business and its processes • Business service delivery and ICT alignment • Current and future ICT status: skills, structure and policies • Multi-year high level ICT implementation roadmap
ICT Operational Manual	• Owned and developed by IT but executive management must ensure it is aligned to business • ICT operational policies • IT assets, resources, capacity and capability optimised • Applications, information and technology use and management • Management of ICT related business risk
Continuous Improvement Roadmap	• Policies revised at least annually (developed by businesson a strategic level and IT department on an operational level) • ICT Strategic Plan • Roadmap linked to Annual Performance Plans to improve and functionality of: • CGICT system • Business and ICT service delivery alignment • Business management of ICT • Governance of and management of ICT

Table 4: Framework Policies and Guidelines

9. Evaluation and Review

The review of policies, procedures and charters ensures the adaption to new legislation, executive decision making platforms that may change and maturing of ICT governance. Associated Policies must be reviewed or revised.

The policies and charters must be developed or reviewed by management on a strategic level and IT department on an operational level. This process must be linked on the Improvement Roadmap and Annual Performance Plans.

The Executive Authority Level and Executive Management give their full support, for determining the required processes needed for Corporate Governance of ICT as well as the implementation thereof, as far as possible from an administrative and financial capability.

APPROVALS & ADOPTION

ENDORSEMENT

Policy **ENDORSED** by the ICT Steering Committee sitting in Virtually on the 28th day of June 2021

Ms Phumelele Ngubane
Name: Chairperson (ICT Steering Committee)   Signature

APPROVAL

Policy **APPROVED** by the Executive Committee sitting in Virtually

on the 30th day of June 2021

Cllr. E Ngcongo   30th June 2021
 Executive Mayor   Date

ADOPTION

Policy **ADOPTED** by Council Meeting sitting in Virtually

on the 30th day of June 2021

Council Resolution   LC9.6/30.06.2021

Cllr T A Gwala   30 June 2021
Speaker   Date