



ICT Governance Policy

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1. ABBREVIATIONS

AG	Auditor-General of South Africa
CMMI	Capability Maturity Model Integration
CIO	Chief Information Officer
CGICTPF	Corporate Governance of ICT Policy Framework
COBIT®	Control Objectives for Information Technology
DPSA	Department of Public Service and Administration
DCOG	Department of Cooperative Governance
ICT	Information and Communications Technology
ISACA®	Information Systems Audit and Control Association
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
ITIL	The Information Technology Infrastructure Library
King III	The King III Report and Code on Governance for South Africa
MICTGPF	Municipal ICT Governance Policy Framework
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

2. ICT GOVERNANCE OVERVIEW

- 2.1 Information and Communications Technology (ICT) Governance has been described as the effective and efficient management of ICT resources to facilitate the achievement of organizational goals and objectives. ICT does not exist for its own sake within an organisation, ICT is there to make sure that organizations achieve sustainable success through the use of their ICT.
- 2.2 The ICT Governance Institute describes ICT Governance as, "...the responsibility of the board of directors and executive management. ICT is an integral part of enterprise governance and consists of the leadership and organisational structures and processes that ensure that the organisation's ICT [the infrastructure as well as the capabilities and organisation that is established to support ICT] sustain and extends the organisation's strategies and objectives".
- 2.3 Governance has risen in importance because of the widening gulf between what the organization expects and what ICT delivers. ICT has grown to be seen as a cost centre with growing benefits to the organisation ICT serves. An ICT Governance framework is meant to align ICT functions to the organizational goals, minimise the risk ICT introduces and ensure that there is value in the investment made in ICT.
- 2.4 The view that ICT should be governed and managed at all levels within a given organizational structure is supported by internationally accepted good practices and standards. These practices and standards are defined in the King III Code of Good Governance, ISO 38500 Standard for the Corporate Governance of ICT and other best practice ICT Process Frameworks which form the basis of this document.

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- 2.5 Translated into a municipal operating environment the corporate governance of ICT places a very specific responsibility on the Council and Management within a municipality to ensure that the decision-making process for ICT-related investments and the operational efficiencies of the municipality's ICT environments remain transparent and are upheld. This accountability enables the municipality to align the delivery of ICT services with the municipality's Integrated Development Plans and strategic goals.
- 2.6 The Council and Management of municipalities need to extend their governance functions to include the Corporate Governance of ICT. In the execution of the Corporate Governance of ICT, they should provide the necessary strategies, architectures, plans, frameworks, policies, structures, procedures, processes, mechanisms and controls, and culture which comply with the best practice of ICT Governance Frameworks.
- 2.7 To strengthen the Corporate Governance of ICT further, responsibility for the decision-making of ICT programmes and projects should be placed at a strategic level in the municipality. The Corporate Governance of ICT is a continuous function that should be embedded in all operations of a municipality, from the Council and Management level to all areas within a municipality including ICT service delivery.
- 2.8 According to the established frameworks, the Governance of ICT is implemented in two different layers:
- 2.8.1 Corporate Governance of ICT – the Governance of ICT through structures, policies and processes, in other words, the system by which the current and future use of ICT is directed and controlled.
- 2.8.2 Governance of ICT – through Standard Operating Procedures, in other words, the individual processes and procedures which ensure the

compliance of the ICT environment based on a pre-agreed set of principles.

- 2.9 To address the above-mentioned, the Western Cape Department of Local Government in collaboration with the Department of Cooperative Governance (DCOG), the Department of Public Service and Administration (DPSA), the South African Local Government Association (SALGA), and the Western Cape Provincial Treasury, developed this Municipal Corporate Governance of ICT Policy for application in the Local Government sphere.
- 2.10 The purpose of the Municipal ICT Governance Policy is to institutionalise the Governance of ICT as an integral part of corporate governance within municipalities. This Municipal ICT Governance Policy Framework provides the Municipal Council and Management within a municipality with a set of principles and practices that must be complied with, together with an implementation approach to be utilised for the implementation of ICT Governance within Municipalities.
- 2.11 To enable a municipality to implement this Municipal Corporate Governance of ICT Policy, a three-phase approach will be followed:
- 2.11.1 Phase 1 – Enabling Environment: The Corporate Governance of ICT environments will be established in Municipalities through the adoption of this Municipal Corporate Governance of ICT Policy and its associated policies through Council resolution;
- 2.11.2 Phase 2 – Business and Strategic Alignment: Municipalities will plan and implement the alignment between IDP's, strategic goals and ICT strategy.

2.11.3 Phase 3 – Continuous Improvement: Municipalities will enter into an ongoing process to achieve continuous improvement of all elements related to the Governance of ICT.

2.12 This Corporate Governance of ICT Policy will allow municipalities to maintain alignment of strategic ICT functions to meet their needs and apply best practices to reduce costs and increase the effectiveness of the ICT service delivery to the municipality.

3. PURPOSE

3.1 The purpose of this policy is to institutionalise the Corporate Governance of ICT as an integral part of corporate governance within municipalities in a uniform and coordinated manner. The policy provides a set of principles and practices which will assist to institutionalise the Corporate Governance of ICT.

4. LEGISLATIVE FRAMEWORK

4.1 The following legislation, among others, was considered in the drafting of this policy/plan:

4.1.1 Constitution of the Republic of South Africa Act, Act No. 108 of 1996;

4.1.2 Copyright Act, Act No. 98 of 1978;

4.1.3 Electronic Communications and Transactions Act, Act No. 25 of 2002;

4.1.4 Minimum Information Security Standards, as approved by Cabinet in 1996;

4.1.5 Municipal Finance Management Act, Act No. 56 of 2003;

4.1.6 Municipal Structures Act, Act No. 117 of 1998;

4.1.7 Municipal Systems Act, Act No. 32, of 2000;

4.1.8 National Archives and Record Service of South Africa Act, Act No. 43 of 1996;

- 4.1.9 Promotion of Access to Information Act, Act No. 2 of 2000;
- 4.1.10 Protection of Personal Information Act, Act No. 4 of 2013;
- 4.1.11 The Disaster Management Act, Act No. 57 of 2002; Regulation of Interception of Communications Act, Act No. 70 of 2002; and
- 4.1.12 Treasury Regulations for departments, trading entities, constitutional institutions and public entities, Regulation 17 of 2005.

5. BENEFITS OF GOOD GOVERNANCE OF ICT

- 5.1 When the Governance of ICT is effectively implemented and maintained, the following benefits are realised:
 - 5.1.1 Establishment of ICT as a strategic enabler in a municipality.
 - 5.1.2 Improved achievement of municipal integrated development plans;
 - 5.1.3 Improved effective service delivery through ICT-enabled access to municipal information and services;
 - 5.1.4 Improved ICT enablement of a municipality;
 - 5.1.5 Improved delivery of ICT service quality;
 - 5.1.6 Improved stakeholder communication;
 - 5.1.7 Improved trust between the municipality and the community through the use of ICT
 - 5.1.8 Lower costs (for ICT functions and ICT-dependent functions)
 - 5.1.9 Increased alignment of ICT investment towards municipal integrated development plans;
 - (i) Improved return on ICT investments;
 - (ii) ICT risks are managed in line with the ICT priorities and risk appetite of the municipality
 - (iii) Appropriate security measures to protect both the municipality's and its employee's information;
 - (iv) Improved management of municipal-related ICT projects;

- (v) Improved management of information as ICT is prioritised on the same level as other resources in municipalities;
- (vi) ICT pro-actively recognises potential efficiencies and guides municipalities in timeous adoption of appropriate technology;
- (vii) Improved ICT ability and agility to adapt to changing circumstances; and
- (viii) ICT is executed in line with legislative and regulatory requirements.

6. CORPORATE GOVERNANCE OF ICT GOOD PRACTICE AND STANDARDS

6.1 In recognition of the importance of ICT Governance, a number of internationally recognised frameworks and standards, have been developed to provide context for the institutionalisation of the governance of ICT:

6.1.1 The **King III Code**: The most commonly accepted Corporate Governance Framework in South Africa is also valid for Municipalities. ICT was used to inform the Governance of ICT principles and practices and to establish the relationship between Corporate Governance of and Governance of ICT.

6.1.2 **ISO/IEC 38500**: Internationally accepted as the standard for Corporate Governance of ICT; ICT provides governance principles and a model for the effective, efficient, and acceptable use of ICT within municipalities.

6.1.3 **Other** internationally accepted process frameworks for implementing Governance of ICT.

7. LAYERED APPROACH TO CORPORATE GOVERNANCE OF ICT IN MUNICIPALITIES

7.1 Corporate Governance of ICT encompasses two levels of decision-making, authority and accountability to satisfy the expectations of all stakeholders. These levels are:

7.1.1 Facilitating the achievement of a municipality's strategic goals (Corporate Governance of ICT); and

7.1.2 The efficient and effective management of ICT service delivery (Operational Governance of ICT).

7.2 The implementation of Corporate Governance of ICT in Municipalities thus consists of the following layered approach:

7.2.1 This Municipal Corporate Governance of ICT Policy addresses the Corporate Governance of the ICT layer.

7.2.2 Other best practice frameworks will be adapted to give effect to the governance of the ICT operational environments within municipalities.

8. CORPORATE GOVERNANCE IN MUNICIPALITIES:

8.1 Corporate governance is a vehicle through which value is created within a municipal context. Value creation means realising benefits while optimising resources and risks. This value creation takes place within a governance system that is established by the municipal policy framework. A governance system refers to all the means and mechanisms that enable the municipality's Council and Management team to have a structured and organised process.

8.2 The Corporate Governance of ICT is an integral part of the governance system in municipalities. The Corporate Governance of ICT involves evaluating, directing and monitoring the alignment of the municipal ICT strategy with the municipal IDP's and related strategies. The Corporate Governance of ICT also involves the monitoring of ICT service delivery to ensure a culture of continuous ICT service improvements exists in the municipality.

- 8.3 The Corporate Governance of ICT includes determining ICT strategic goals and plans for ICT service delivery as determined by the Service Delivery and Budget Implementation Plan (SDBIP) objectives of the municipality.

9. MUNICIPAL CORPORATE GOVERNANCE OF ICT POLICY OBJECTIVES

- 9.1 The objectives of this Corporate Governance of ICT Policy for municipalities seek to achieve the following:
- 9.1.1 Institutionalising a Corporate Governance of ICT Policy that is consistent with the Corporate Governance Frameworks of the municipality;
 - 9.1.2 Aligning the ICT strategic goals and objectives with the municipality's strategic goals and objectives;
 - 9.1.3 Ensuring that optimum Municipal value is realised from ICT-related investment, services and assets;
 - 9.1.4 Ensuring that Municipal and ICT-related risks do not exceed the municipality's risk appetite and risk tolerance;
 - 9.1.5 Ensuring that ICT-related resource needs are met optimally by providing the organisational structure, capacity and capability;
 - 9.1.6 Ensuring that the communication with stakeholders is transparent, relevant and timely; and
 - 9.1.7 Ensuring transparency of performance and conformance and driving the achievement of strategic goals through monitoring and evaluation.

10. PRINCIPLES FOR THE CORPORATE GOVERNANCE OF ICT IN MUNICIPALITIES:

- 10.1 This Municipal Corporate Governance of ICT Policy is based on principles as explained in international good practices and standards for ICT governance, namely, King III Code, ISO/IEC 38500 and other best practice process frameworks.

- 10.2 The principles which have been adopted in the Public Service Corporate ICT Governance Policy Framework (PSCGICTPF) which have been adapted for municipalities.

10.2.1 Principle 1: Political Mandate

The Governance of ICT must enable the municipality's political mandate. The Municipal Council must ensure that the Corporate Governance of ICT achieves the service delivery mandate of the municipality.

10.2.2 Principle 2: Strategic Mandate

The Governance of ICT must enable the municipality's strategic mandate. The Municipal Manager must ensure that Corporate Governance of ICT serves as an enabler of the municipality's strategic plans.

10.2.3 Principle 3: Corporate Governance of ICT

The Municipal Manager is responsible for the Corporate Governance of ICT. The Municipal Manager must create an enabling environment in respect of the Corporate Governance of ICT within the applicable legislative and regulatory landscape and information security context.

10.2.4 Principle 4: ICT Strategic Alignment

ICT service delivery must be aligned with the strategic goals of the municipality. Management must ensure that ICT service delivery is aligned with the municipal strategic goals and that the administration

accounts for the current and future capabilities of ICT. ICT must ensure that ICT is fit for purpose at the correct service levels and quality for both current and future Municipal needs is met.

10.2.5 Principle 5: Significant ICT Expenditure

Management must monitor and evaluate significant ICT expenditures. Management must monitor and evaluate major ICT expenditures, ensure that ICT expenditure is made for valid Municipal enabling reasons and monitor and manage the benefits, opportunities, costs and risks resulting from this expenditure while ensuring that information assets are adequately managed.

10.2.6 Principle 6: Risk Management and Assurance

Management must ensure that ICT risks are managed and that the ICT function is audited. Management must ensure that ICT risks are managed within the municipal risk management practice. ICT must also ensure that the ICT function is audited as part of the municipal audit plan.

10.2.7 Principle 7: Organisational Behaviour

Management must ensure that ICT service delivery is sensitive to organisational behaviour/culture. Management must ensure that the use of ICT demonstrates an understanding of and respect for organisational behaviour/culture.

11. MUNICIPAL CORPORATE GOVERNANCE of ICT POLICY

11.1 The following functions have been assigned to specific designated municipal structures and officials to achieve the objectives and principles contained in this Municipal Corporate Governance of ICT Policy:

11.2 The Municipal Council must:

11.2.1 Provide political leadership and strategic direction through, approving ICT Policy and providing oversight;

11.2.2 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 of the municipal IDP;

11.2.3 Assist the Municipal Manager to deal with intergovernmental, political and other ICT-related municipal issues beyond their direct control and influence; and Ensure that the municipality's organisational structure makes provision for the Corporate Governance of ICT.

11.3 The Municipal Manager must:

11.3.1 Provide strategic leadership and management of ICT,

11.3.2 Ensure alignment of the ICT strategic plan with the municipal IDP;

11.3.3 Ensure that the Corporate Governance of ICT is placed on the municipality's strategic agenda;

11.3.4 Ensure that the Corporate Governance of the ICT Policy Framework, charter and related policies for the institutionalisation of the Corporate Governance of ICT are developed and implemented by management;

- 11.3.5 Determine the delegation of authority, personal responsibilities and accountability to the Management with regard to the Corporate Governance of ICT;
 - 11.3.6 Ensure the realisation of municipality-wide value through ICT service delivery and management of Municipal and ICT-related risks;
 - 11.3.7 Ensure that appropriate ICT capability and capacity are provided and a suitably qualified and experienced Governance Champion is designated.
 - 11.3.8 Ensure 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.
 - 11.3.9 Ensure the monitoring and evaluation of the effectiveness of the Corporate Governance of the ICT system e.g. ICT steering committee.
- 11.4 The Municipal ICT Steering Committee, Risk and Audit Committee must:
- 11.4.1 Assist the Municipal Manager in carrying out his/her Corporate Governance of ICT accountabilities and responsibilities.
- 11.5 Management must ensure:
- 11.5.1 ICT strategic goals are aligned with the municipality's Municipal strategic goals and support;
 - 11.5.2 The Municipal-related ICT strategic goals are cascaded throughout the municipality for implementation and are reported on.

12. PRACTICAL IMPLEMENTATION OF THIS ICT GOVERNANCE POLICY.

- 12.1 Upon approval of this Policy, the municipality must approve a Corporate Governance of ICT Charter and practical implementation plan.
- 12.2 The Charter should guide the creation and maintenance of effective enabling governance structures, processes and practices. ICT should also

clarify the governance of ICT-related roles and responsibilities towards achieving the municipality's strategic goals.

12.3 In order to give effect to the Corporate Governance of ICT in Municipalities, the following objectives should be included in the municipality's ICT Governance charter:

12.3.1 Identify and establish a Corporate Governance of ICT Policy and implementation guidelines for the municipality;

12.3.2 Embed the Corporate Governance of ICT as a subset of the municipal governance objectives.

12.3.3 Create Municipal value through ICT enablement by ensuring municipal IDP and ICT strategic alignment;

12.3.4 Provide relevant ICT resources, organisational structure, capacity and capability to enable ICT service delivery;

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

12.3.6 Implement the governance of ICT in the municipality, based on an approved implementation plan.

13. DESIGN OF THE MUNICIPAL CORPORATE GOVERNANCE of ICT CHARTER

13.1 This charter should be approved at a strategic level in the municipality and should contain the following:

13.1.1 How the ICT strategic goals and their related service delivery mechanisms will be aligned with municipal IDP, monitored and reported on to the relevant stakeholders;

13.1.2 How ICT service delivery will be guided at a strategic level to create ICT value in the municipality;

13.1.3 How the administration ICT-related risks will be managed;

13.1.4 The establishment of structures to give effect to the Governance of ICT, and the management of ICT functions. The members of these structures and the roles, responsibilities and delegations of each should be defined.

13.2 The proposed structures are as follows:

13.2.1 ICT STEERING COMMITTEE (Committee of Management)

13.2.2 The members of the ICT Steering are as follows:

- (i) Designated Members of Management and the ICT Manager.
- (ii) The Chairperson shall be a designated member of the Management of the Municipality duly appointed by the Municipal Manager.

13.2.3 The mandate/responsibilities are:

- (i) Has a specific delegated responsibility to ensure the planning, monitoring and evaluation, of the municipalities ICT structures and ICT policies.
- (ii) Planning and monitoring of the ICT procedures, processes, mechanisms and controls regarding all aspects of ICT use (Municipal and ICT) are clearly defined, implemented and enforced
- (iii) ICT Performance Management.
- (iv) ICT Change Management.
- (v) ICT Contingency Plans.
- (vi) ICT Strategy Development.
- (vii) Management of ICT Security and Data Integrity.
- (viii) The establishment of the municipalities ICT Ethical culture.
- (ix) The evaluation, directing and monitoring of ICT-specific projects.

- (x) ICT Strategic Alignment.
- (xi) ICT Governance Compliance.
- (xii) ICT Infrastructure Management.
- (xiii) ICT Security.
- (xiv) ICT Application Management.
- (xv) ICT Value.
- (xvi) ICT Data availability and integrity.
- (xvii) ICT Vendor Management.
- (xviii) The evaluation, directing and monitoring of ICT processes

13.2.4 Audit Committee and Risk Committee

13.2.5 The members of the Audit Committee and Risk Committee are as follows:

- (i) Nominated members of the Audit and Risk committee/s of the municipality;
- (ii) The CFO or ICT Manager.

13.2.6 The mandate/responsibilities are:

- (i) Has a specific responsibility to perform an oversight role for the Identification and Management of ICT audit and governance compliance, and ICT Risks.

14. MUNICIPAL IDP AND ICT STRATEGIC ALIGNMENT

- 14.1 This accountability assigned to the leadership of a municipality through this ICT Corporate Governance Policy Framework enables the municipality to align the delivery of ICT strategies and services with the municipality's Integrated Development Plans and strategic goals.
- 14.2 This is achieved through the development and adoption of an ICT strategic plan which is informed by the enterprise architecture plan which clearly outlined the roles, responsibilities and business processes contained in the IDP.

15. CONTINUOUS SERVICE IMPROVEMENT OF ICT IN MUNICIPALITIES

- 15.1 In this phase, detailed measurable criteria for the implementation of and compliance against the approved ICT Corporate Governance Policy and implementation plan are established and can be measured for compliance.
- 15.2 In this phase, the applicability of all elements of the ICT Corporate Governance Policy Framework is tested for efficacy and efficiency.

16. THE DETAILED PHASED APPROACH

- 16.1 Implementation deliverables per financial year

16.1.1 **Phase 1 (Enablement Phase):** Completed by June 2017 (Finalised)

- (i) Municipal Corporate Governance of ICT Policy approved and implemented;
- (ii) ICT Governance Charter approved and implemented;
- (iii) Governance Champion designated and responsibilities allocated;
- (iv) A proficient ICT Manager or CIO appointed functioning at a strategic level.
- (v) Approved and implemented ICT Governance Framework;
- (vi) Approved ICT Disaster Recovery Plan informed by Municipal Continuity Plan and Strategy.
- (vii) Approved ICT User Access Management policy.
- (viii) Approved **ICT Security Controls policy.**

16.1.2 Phase 2 (Strategic Alignment): Completed by June 2019

- (i) Approved ICT Strategic Plan;
- (ii) Approved ICT Performance Indicators as contained in the municipality's performance management system.

16.1.3 Phase 3: Continuous improvement of Corporate Governance and Governance of ICT

- (i) The successful implementation of a Corporate Governance of the ICT system leads to continuous improvement in the creation of value for the municipality. ICT delivery must be assessed on an ongoing basis to identify gaps between what was expected and what was realised. Assessments must be performed coherently and encompass both the Corporate Governance of ICT (ICT contribution to the realisation of Municipal value) and the Governance of ICT. (Continuous improvement of the management of ICT)

17. CONCLUSION

- 17.1 This Corporate Governance of ICT Policy has been designed for the exclusive use and alignment of Municipalities. The Implementation thereof had been phased over a longer period to provide municipalities with the time required to implement this ICT Governance Policy Framework effectively.
- 17.2 The policy will be reviewed annually.