

MOPANI DISTRICT MUNICIPALITY



INFORMATION TECHNOLOGY

IT GOVERNANCE FRAMEWORK

Version 1.2



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DEFINITIONS OF ABBREVIATIONS AND TERMS

Accountability	Ensuring that the actions of an entity or individual may be traced uniquely to that entity or individual, who may then be held responsible for that action.
AG or AGSA	Auditor General of South Africa
Authentication	Authentication is the act of verifying the identity of a user or process. It is the process of determining whether someone or something is, in fact, who or what it is declared to be. It answers the question: " <i>Are you who you say you are?</i> "
Authorisation	The function of specifying access rights to information technology resources
Availability	Being accessible and useable upon demand by an authorised entity
CIO	Chief Information Officer
COBIT™	Control Objectives for Information Technology
Confidentiality	the principle that information is not made available or disclosed to unauthorised individuals, entities or processes
Corporate Governance	"... the set of responsibilities and practices exercised by the board and executive management with the goals of providing strategic direction, ensuring that objectives are achieved, ascertaining that risks are managed appropriately and verifying that the enterprise resources are used responsibly". (IT Governance Institute® Glossary:5)
Information & Communication Systems	applications and systems to support the business, utilising information technology as an enabler or tool
Governance of ICT	"The system by which the current and future use of IT is directed and controlled. It involves evaluating and directing the plans for the use of IT to support the organisation and monitoring this use to achieve plans. It includes the strategy and policies for using IT within an organisation" (ISO 38500: 2008:9)
Governance principles	The vehicle to translate the desired behaviour into practical guidance for day-to-day management (COBIT™ 5 Framework Exposure Draft: 29)
ICT	Information and Communication Technology
ICTGF	ICT Governance Framework
Information Technology	any equipment or interconnected system or subsystem of equipment, that is used in the automatic acquisition, storage, manipulation, management, movement, control, display, switching, interchange, transmission or reception of vocal, pictorial, textual and numerical data or information
Institution	National and provincial departments and public entities reporting to these departments, including their subsidiaries and trading entities; municipalities and municipal entities, and independent institutions established in terms of the constitution of the Republic of South Africa
ISACA	Information Systems Audit and Control Association
IT	Information Technology
ITGI™	IT Governance Institute
ITO	Information Technology Office, manned by the ICT practitioners.



King III	The King Code of Corporate Governance for Southern Africa 2009
MANCO	Management Committee, composed of senior managers and MM
MDM	Mopani District Municipality
MM	Municipal Manager
Monitoring	performance measurement to ensure the confidentiality, availability and integrity of operational systems and information
MTEF	Medium Term Expenditure Framework
Municipality	Mopani District Municipality, established in terms of Constitution of South Africa
Risk Appetite	The amount of residual risk that the institution is willing to accept. (PSRMF 2012:15)
Risk Management	A systematic and formalised process to identify, assess, manage, and monitor risks (PSRMF 2010:16)
SLA	Service Level Agreement
SITA	State IT Agency
Where reference is made to one gender in this policy it also includes and refers to the other gender.	



1. INTRODUCTION

- 1.1.1 In the recent years there has been a growing realisation of the importance of corporate governance of IT, as emphasised by King III (Chapter 5)¹, the PRC² report and AG findings.
- 1.2. ICT Governance as being an integral part of corporate governance also needs to be address as an important aspect.
- 1.3. Political (executive authority) and Senior (executive) Management leadership of the municipality need to extend governance as a good management practice to ICT and evaluate, direct, and monitor the execution of ICT in line with the strategies of the municipality.
- 1.4. There are international and national mechanism available that provides guidance and frameworks for the implementation of governance of ICT, such as:
 - a) King III
 - b) ISO 38500
 - c) COBIT™
- 1.5. It is therefore important that the municipality understands and manage the risks, benefits, and constraints of ICT. As a consequence, the executive leadership and management should understand the strategic importance of ICT, assume responsibility for the ICT governance and place it on the strategic agenda. In order to achieve this, the municipality needs to implement a governance system for the ICT Framework (ICTF).

2. WHAT IS CORPORATE GOVERNANCE

- 2.1. The purpose of corporate governance is to create value for the stakeholder of Public Service. It consists of a governance system that effect the way the Public Service Institutions are managed and controlled. It also defines the relationships between stakeholders and the strategic goals of the Public Service and Institutions.
- 2.2. Corporate governance is a vehicle through which value is created within Institutional context. Value creation means realizing benefits at an optimal resource cost whilst optimizing risk. This value creation takes place within a governance system that is established through this Framework.
- 2.3. Corporate Governance is also concerned with individual accountability and responsibilities within an Institution; it describes how the instruction institution is directed and controlled. It is in particular concerned with the Organisation-management and policies.

3. WHAT IS ICT GOVERNANCE

- 3.1. The ICT Governance is a subset of corporate governance and is an integral part of the governance system within an institution.
- 3.2. The ICT Governance is defined as "the system by which the current and future use of IT is directed and controlled. It involves evaluating and directing the plans for the use

¹ King III Report on Good Corporate Governance, Chapter 5: The Governance of ICT

² Presidential Review Commission Report: 1998



- of IT to support the organisation and monitoring this use to achieve the plans. It includes the strategy and policies for using IT within an organisation". (SANS 38500: 2008:9)
- 3.3. The executive authority (i.e. Council) and the executive management (i.e. Management Committee) of Mopani District Municipality are accountable and responsible to ensure that governance of ICT is implemented in line with this framework.
- 3.4. Effective governance of ICT in the municipality will be effected by:
- a) Assigning responsibilities to executive and/or senior managers with decision making authority,
 - b) Utilizing appropriate governance mechanisms,
 - c) Aligning ICT goals with business (municipality) goals and ensuring that business (municipality) benefits are realised and risk managed,
 - d) Investing in ICT to enable the municipality in the realization of business (municipality) value,
 - e) Ensuring that appropriate business ownership of ICT projects are established,
 - f) Providing the necessary capacity and capability in ICT to support business (municipality), and
 - g) Ensuring that ICT is monitored and measured.

4. PURPOSE OF THE ICT GOVERNANCE FRAMEWORK

- 4.1. The purpose of this ICTGF is to institutionalize the ICT governance as an integral part of corporate governance within the municipality in order to:
- a) Align the ICT of the municipality with the strategy of the municipality;
 - b) Provide an on-going means to solicit the broad range of professional expertise and insight that are necessary to enable high-quality enterprise ICT planning and management;
 - c) Define roles and responsibilities that are necessary to ensure proper ICT governance;
 - d) Enable new strategic capabilities that allow Mopani District Municipality and all its business units to operate efficiently, effectively, economically, and sustainably;
 - e) Identify and manage risks and protect Mopani District Municipality resources; and
 - f) Appropriately balance the need for coordinated action at municipal level.

5. SCOPE OF THIS FRAMEWORK

- 5.1. This ICT Governance Framework applies to Mopani District Municipality and all of its entities as per prescription of the Constitution of the Republic South Africa Act No. 108 of 2006, Municipal Finances Management Act No. 56 of 2003, and Municipal Structures Act No. 32 of 2000.
- 5.2. The framework looks at a number of aspects of ICT governance, namely Structures, Processes, Communications, Roles and Responsibilities, and Implementation.



6. LEGISLATIVE REQUIREMENTS

6.1. The following are the legislations applicable to and within the context of the governance of ICT within Mopani District Municipality:

- a) Municipal Finances Management Act No. 56 of 2003,
- b) Municipal Structures Amendment Act No. 33 of 2000
- c) Municipal Systems Act No. 32 of 2000, and
- d) State Information Technology Agency Act No. 108 of 1998

7. OBJECTIVES OF THE ICT GOVERNANCE FRAMEWORK

7.1 The following are the framework objectives:

- a) Establish ICT Governance implementation guideline for the municipality;
- b) Embed governance of ICT as a subset of corporate governance within MDM;
- c) Create business value through ICT enablement;
- d) Achieve ICT service delivery performance by conforming to relevant internal and external frameworks, standards, and practices;
- e) Implement governance of ICT in the municipality based on COBIT™; and
- f) Function of Management of ICT as an integral part of the Executive Management (Management Committee) of the municipality.

8. BENEFIT OF ICT GOVERNANCE

- a) Improve public service delivery;
- b) Increased productivity;
- c) Increased access to information and services;
- d) Improved return on investment in ICT;
- e) Improved management of risks associated with ICT;
- f) Improved communication;
- g) Improved delivery of ICT service;
- h) Improved trust between ICT unit and the business (other units of the municipality);
- i) Increased alignment of investments in ICT and strategic goals of the municipality;
- j) Continuous improvement of business and ICT alignment; and
- k) Improved ICT programme and project management.

9. THE FRAMEWORK AND STANDARDS BASE

9.1. From the governance perspective this framework is based on the following:

- a) The **King Report on Good Corporate Governance** (currently in its third iteration). King III Report is the most commonly accepted corporate governance framework in Southern Africa and also applicable in Public Service. It has also been used to provide the governance of ICT principles and establishes the relationship between corporate governance and the governance of ICT. King III is applied on a comply-or-else-explain basis, and is therefore adaptable to any corporate environment.



- b) **ISO/IEC 38500³** is internationally accepted as the standard for governance of ICT and provides governance principles and model. This international standard is adopted by South Africa as SANS 38500.
 - c) **COBIT™** is an internationally accepted process framework for the implementation of governance of ICT.
- 9.2. Considering the size and the complexity of the ICT operations, MDM elected to adopt the following related standards and frameworks:
- a) Enterprise Architecture (e.g. GWEA/TOGAF)
 - b) ICT Security (e.g. ISO 27 000 set)
 - c) Service Management (e.g. ITIL)
 - d) Interoperability Standards (e.g. MIOS)
 - e) Portfolio, Programme, and Project Management (e.g. PRINCE 2/PMBOK)
- 9.3. Training plans are to be developed and implemented in order to skill the relevant IT personnel in order to ensure proper implementation of the above mentioned frameworks and/or standards.

10. THE ICT GOVERNANCE PRINCIPLES

- 10.1. The ICT Governance Framework (ICTGF) of MDM is based on principles as explained in the international standard for IT governance, ISO/IEC 385003, King III Report, and COBIT™.
- 10.2. Table 1. Governance of ICT Principles

Principle Number	Principle Description
1.	<p>Executive Mayor/Executive Authority is accountable to ensure that:</p> <ul style="list-style-type: none"> f) An ICT Governance Framework is implemented in the municipality, and g) The business and ICT strategic goals/intents of MDM are aligned with political mandate.
2.	<p>Accounting Officer (Municipal Manager) is accountable for:</p> <ul style="list-style-type: none"> a) The implementation of the governance of ICT in the municipality, b) Ensuring that the management practices embrace the concepts of delegation of authority, personal responsibility, accountability, and performance management, c) The development of an ICT management policy for the institutional management of ICT, d) Monitor the effectiveness of the governance of ICT, and e) Ensuring that IT is aligned with the performance and sustainability objectives of the municipality. f) Ensuring that the ICT receive periodic independent assurance of the effectiveness of the Municipality's technology and information arrangements on all municipal systems

³ ISO/IEC 38500



3.	<p>Executive/Senior Management (Management Committee) is accountable to ensure:</p> <ul style="list-style-type: none"> a) ICT is aligned with the strategic and business objectives of the municipality, b) Business related ICT goals are cascaded throughout the municipality for implementation, c) A fit for purpose ICT capacity and capability is created to meet current and future business requirements, d) Monitoring and evaluation of significant ICT investments and expenditure, e) Proper management of critical ICT resources, f) Information assets are managed efficiently, and g) Performance management by tracking and monitoring strategy implementation, project success, resource usage, process performance, and service delivery.
4.	<p>The Risk Management Committee and The Audit Committee should assist the Accounting Officer and the Executive Authority in carrying out their ICT accountability and responsibilities.</p> <p>Management of risks associated with ICT should form an integral part of the management of risks in the municipality.</p> <p>Risks associated with ICT should be managed by addressing the safeguard of ICT assets, developing and implementing disaster recovery and continuity of business operations of the municipality.</p>

11. MOPANI DISTRICT MUNICIPALITY ICT GOVERNANCE ENABLING STRUCTURES

11.1 To give effect to the recommendations of this governance framework and to improve the delivery of ICT service in the municipality, different structures/entities have to be established: These include:

- a) The **IT Division** (also referred to as IT Office or ITO), located within the Corporate Services Directorate, headed by the Assistant Director at post level three, reporting to Director for Corporate Services, was established to align and execute ICT service delivery with the strategic plans/intent and management plans of the municipality;
- b) **Contracted Service Providers** (such as SITA, Fujitsu (Pty) Ltd, PayDay Software Systems (Pty) Ltd, etc.), Munsoft systems and MAB Technologies as appointed from time to time, are utilized as the ICT execution arms of the municipality for delivery of ICT service;
- c) **Mopani District ICT Forum**, composed of ICT and related practitioners within Mopani district municipalities, established to share challenges, successes, standards, and for benchmarking amongst municipalities within Mopani District and beyond. The forum has also been established with a view of enabling sharing of ICT resources where economics of scale will benefit all municipalities. Projects that are of common interest and benefit to all municipalities within Mopani District will also be identified, discussed, and implemented through this forum to realize



benefit of economics of scale. A Shared Services Centre business case study will also be done through this forum.

- d) The **ICT Steering Committee** is to be established to bring about and promote principles of good ICT governance, coordinate inputs into development of standards, identify value adding IT projects and mobilize for resources for implementation of such projects. The committee will also consider requests for major changes to MDM ICT environment, act as the Change Management Board to MDM, and carry out all other roles and responsibilities as set out in the ICT Steering Committee Terms of Reference or as directed by the accounting officer or Council. This committee should ideally be constituted by members of Executive/Senior Management, and may include stakeholders such as CoGHSTA, SALGA, etc.
- e) The **Website Content Management Committee** is to be established to assist the municipality in developing, publishing, and maintaining a dynamic website that is current and relevant to all stakeholders and in compliance to legislation requirements applicable to the municipality. This committee will also develop, implement and carry out any other roles and responsibilities as outlined in the MDM Website Management Policy.

- 11.2. These structures/entities, however, does not negate the accountability and/or responsibilities of the Executive Mayor, the Accounting Officer (Municipal Manager), and/or members of The Executive (Senior) Management to direct, evaluate, and monitor ICT service delivery of the various directorate of their responsibility.

12. ICT GOVERNANCE OVERSIGHT STRUCTURE

Mopani District Municipality has formal governance mechanism and structures established as per prescripts of the applicable legislations. The mechanism and structures are in place to ensure good IT governance, and governance in general, within Mopani District Municipality.

ICT Governance Oversight Structures include:

- a. The Auditor General of South Africa;
- b. The Accounting Officer (Municipal Manager);
- c. MDM Management Committee (MANCO);
- d. The ICT Steering Committee;
- e. Internal Audit Unit;
- f. The Mayoral Committee;
- g. Risk Management Committee
- h. The Audit Committee
- i. Council

13. ROLES AND RESPONSIBILITIES

- 13.1 To ensure proper coordination between stakeholders, the following oversight structure will be considered:



ROLES and RESPONSIBILITIES	
Roles	Responsibilities
The Auditor General of SA	Conducts compliance and performance audits and reports the findings to the relevant authorities
The Executive Mayor/Authority (EM/Council)	<ul style="list-style-type: none"> To be involved in all major municipality business related strategic ICT decision-making and its expenditure; Approval of policies to be implemented in the municipality to ensure ICT governance; Delegation of duties to the relevant oversight structures/entities as per King III, COBIT™, and other relevant frameworks, guidelines, and policies, to ensure Governance of ICT
The Accounting Officer (Municipal Manager)	<p>Is responsible to ensure that:</p> <ul style="list-style-type: none"> ICT is aligned with the strategic and business objectives of the municipality; Plays an important role in setting up strategic goals of the municipality; Management of risks associated ICT form integral part of the municipal risk management; Ensure the establishment and functioning of the ICT Steering Committee, Website Content Management Committee, and District ICT Forum; Create a suitable environment for implementation of ICT governance.
MDM Executive/Senior Management (MANCO)	<ul style="list-style-type: none"> Create a sustained enabling environment for implementation of the ICT Governance; Ensure that the governance of ICT is monitored and managed in such a way as to achieve continuous improvement of ICT enabled service delivery; Ensure that governance of ICT is on the strategic agenda of Mopani District Municipality; Support and provide advice to the Accounting Officer in defining and formulating ICT strategic goals; Delegate and communicate governance of ICT to the relevant management (business and ICT management); Clearly define, implement, enforce, and evaluate the necessary culture, structures, policies, procedures, guidelines, processes, standards, mechanisms, and controls regarding all aspects of ICT use (municipal business and ICT); Ensure that everyone in MDM understands and accepts their responsibilities and the link between municipal business and ICT objectives with respect to the demand and supply of ICT services; Effectively manage ICT assets, privacy, and security;



	<ul style="list-style-type: none"> • Ensure that significant ICT investments and expenditure are informed by the enterprise architecture, motivated (by business cases), monitored and evaluated; and • Ensure that the use of ICT demonstrates understanding and respect for human behavior.
ICT Steering Committee	<ul style="list-style-type: none"> • Advise the Accounting Officer on ICT governance implementation; • Manage major changes to the ICT environment of the municipality; • Mobilize for resources for implementation of ICT projects to ensure governance of ICT, efficient and effective ICT service delivery; • More detailed responsibilities of the ICT Steering Committee are outlined in the separate Terms of Reference for the committee.
Website Content Management Committee	<ul style="list-style-type: none"> • Develop and or foresee development of the municipality's website. • Consider documents and materials presented by various business units of the municipality for relevance and compliance to legislation before publishing. • Publish onto or foresee publishing or relevant stakeholder information required as per legislation. • Ensure compliance to this policy.

IMPLEMENTATION

14. APPROACH

- 14.1. COBIT™ framework will be used to implement the ICT governance within the context of this framework.
- 14.2. Mopani District Municipality will follow a phased approach in implementing ICT Governance since it is a huge task, requiring extensive resources, skills, and change management capacity, which the municipality does not fully have in-house.
- 14.3. The implementation of the ICT governance can be achieved through the following means and mechanism:
 - 14.3.1. Means and mechanisms:
 - a) Frameworks;
 - b) Principles;
 - c) Policies;
 - d) Sponsorship; and
 - e) Structures.
 - 14.3. Decision making mechanisms:
 - a) Roles and responsibilities;
 - b) Processes; and
 - c) Practices.
- 14.4. The above creates the direct, monitor, and compliance context for strategic alignment of ICT to municipal business strategy and goals.
- 14.5. The high level approach to implementation consists of the following four steps:



- **Step 1:** Current State of Maturity (*'where we are'*)
 - *What governance controls have we got in place?*
- **Step 2:** Desired Future State of Maturity (*'where do we want to be'*)
 - *Are they appropriate for the municipality and in tune with best practice?*
 - *Where do we need to or want to improve in future and by how much?*
- **Step 3:** Aggregate GAP analysis
- **Step 4:** Report Performance, Recommendations, and Improvements (*'how do we get there'*)

15. HIGH LEVEL IMPLEMENTATION PROCESS

- a. Develop and approve ICT Governance Policies;
- b. Create the necessary structures and assign roles and responsibilities;
 - i) Establish ICT Steering Committee
 - ii) Establish District ICT Forum
- c. Position the Management of ICT (i.e. Assistant Director for Information Technology) as an integral part of the Executive (Senior) Management;
- d. Define the necessary processes and procedures;
 - i. Project management methodology and processes;
 - ii. System development methodology;
 - iii. Infrastructure standardization; and
 - iv. Procurement processes.
- e. Provide relevant skills and competencies;
 - i. Assessing people skills and competencies
 - ii. Provide training (COBIT™, ITIL, TOGAF, MIOS, ISO 27000, PMBOK, ISO/IEC 385003)
- f. Apply change management, and
- g. Continuous improvement of the ICT governance through the following iterative processes as mentioned on a high level implementation approach.
 - i. Conducting assessments to determine the 'as-is' situation;
 - ii. Develop and implement roadmaps to achieve the desired state; and
 - iii. Embed monitoring and evaluation as a continuous responsibility.



16. ICT GOVERNANCE PROCESSES (COBIT™)

COBIT™ provides the process and structure that ICT management can use to assess, manage, and minimize risk across every aspect of an organization.

COBIT™ describes the IT lifecycle with the help of four domains, namely

- i. Plan and Organize
- ii. Acquire and Implement
- iii. Deliver and Support
- iv. Monitor and Evaluate

16.1 Plan and Organize

It is concerned with ICT usage and how best it can be utilized in helping an organization realize its goals and objectives. It also highlights both the organizational and infrastructural shape ICT must take.

16.2 Acquire and Implement

This domain is mainly about ICT requirements and purchasing of technology. It also focuses on implementation of ICT within existing business processes. The domain is also involved with the development of the maintenance plan for the ICT systems.

16.3 Deliver and Support

This domain focuses mainly on the delivery side of ICT. It also looks at how ICT systems are being supported.

16.4 Monitor and Evaluate

This domain focuses mainly on the effectiveness of the internal controls. It looks at how is the ICT performance delivering value to the Mopani District Municipality. It gives an insight on the effectiveness of the governance controls. The domain also deals with issues related to independent assessment of ICT systems in meeting municipal objectives. It keeps checks and balances on compliance with legislative requirements.

17. IT PROCESSES

The following IT processes will be put in place within Mopani District Municipality in conjunction with the applicable framework.



Table 3. IT Processes in MDM

DOMAIN	All IT PROCESS	IT PROCESS to be followed in MDM	FRAMEWORK
PLAN and ORGANISE		PO1: Define a Strategic ICT plan;	TOGAF
		PO2: Define the Information Architecture	
	PO3: Determine technological direction;		
	PO4: Define the ICT organization and relationships		
	PO5: Manage the ICT investment		
	PO6: Communicate management aims and direction		
	PO7: Manage human resources		
	PO8: Ensure compliance with external requirements		
		PO9: Assess and manage ICT risks	ISO 27000
		PO10: Manage Projects	Prince2
		PO11: Manage Quality	
ACQUIRE AND IMPLEMENT (AI)	AI1: Identify automated solutions		CMMI in conjunction with ITIL
		AI2: Acquire and maintain application software	
		AI3: Acquire and maintain technology infrastructure	
		AI4: Develop and maintain procedures	
	AI5: Install and accredit systems; and manage changes.		



DELIVER AND SUPPORT (DS)		DS1: Define and manage service levels.	ITIL
	DS2: Manage third-party services		
	DS3: Manage performance and capacity.		
		DS4: Ensure continuous services	
		DS5: Ensure system security	
	DS6: Identify and allocate costs		
		DS7: Educate and train users	
	DS8: Assist and advise customers.		
	DS9: Manage the configuration		
		DS10: Manage problems and incidents; Manage service desk.	
	DS11: Manage Data		
	DS12: Manage Facilities		
	DS13: manage operations		
MONITOR AND EVALUATE		ME1: Monitor the processes. Monitor and Evaluate ICT Performance	ISO 9000
		ME2: Assess internal controls adequately. Monitor and evaluate internal controls.	
	ME3: Obtain independence assurance.		
	ME4: Provide for independent audit.		



18. REFERENCES

- i. National ICT Governance Framework
- ii. IT Governance Institute, 2011 COBIT ® 5: The Framework Exposure Draft



ANNEXTURE A: FULL DESCRIPTION OF THE PUBLIC SERVICE ICT GOVERNANCE PRINCIPLES.

Principle	Description
<p>Principle 1: All within the organization have to understand and accept the responsibility in respect of both supply of, and demand for IT.</p>	<p>Principle 1 - Board (Council) Reasonability: The board (council) should be responsible for information technology (IT) governance.</p> <ul style="list-style-type: none"> • The board (council) should assume the responsibility for the governance of IT and place it on the board (council) agenda; • The board (council) should ensure that an IT charter, and policies are established and implemented; • The board (council) should ensure promotion of an ethical IT governance culture and awareness and of a common IT language; • The board (council) should ensure that an IT internal control framework is adopted and implemented; • The board (council) should receive independent assurance on the effectiveness of the IT internal controls. <p>Principle 3 - IT Governance Framework: The board (council) should delegate to management the responsibility for the implementation of an IT Governance Framework.</p> <ul style="list-style-type: none"> • Management should be responsible for the implementation of the structures, processes, and mechanisms for the IT Governance Framework; • The board (council) may appoint an ICT Steering Committee or similar function to assist with its governance of IT; • The CEO (Accounting Officer- Municipal Manager) should appoint a Chief Information Officer (CIO) responsible for the management of IT. • The CIO should be a suitably qualified and experienced person who should have access and interact regularly on strategic IT matters with the board (council) and/or appropriate board (council) committee and executive (senior) management (MANCO).
<p>Principle 2: The organisation's business strategy takes into account the current and future capabilities of IT</p>	<p>Principle 2 - Performance and Sustainability: IT should be aligned with the performance and sustainability objectives of the company (municipality).</p> <ul style="list-style-type: none"> • The board (council) should ensure that the IT strategy is integrated with the company's (municipality's) strategic and business processes; • The board (council) should ensure that there is a process in place to identify and exploit opportunities to improve the performance and sustainability of the company (municipality) through use of IT;
<p>Principle 3: All IT acquisitions are made for valid reasons on the basis of the appropriate and on ongoing analysis with clear and transparent decision making.</p>	<p>Principle 4 – IT Investments: The board (council) should monitor and evaluate significant IT investments and expenditure.</p> <ul style="list-style-type: none"> • The board (council) should oversee the value delivery of IT and monitor the return on investment from significant IT projects; • The board (council) should ensure that intellectual property contained in information systems is protected; • The board should obtain independent assurance on the IT governance and controls supporting outsourced IT services.
<p>Principle 4: IT is fit for the purpose in supporting the</p>	<ul style="list-style-type: none"> • Same as Principle 2 above.



organization, providing the services, levels of service and service quality required to meet current and future business requirements.	
<p>Principle 5: Compliance should form an integral part of the risk management process. The risk of non-compliance should be identified, assessed, and responded to in the risk management process.</p>	<p>Principle 5 – Risk Management: IT should form an integral part of the company's (municipality's) risk management.</p> <ul style="list-style-type: none"> • Management should regularly demonstrate to the board (council) that the company (municipality) has adequate business resilience arrangements in place for disaster recovery; • The board (council) should ensure that the company complies with IT laws and that IT related rules, codes, and standards are considered.
<p>Principle 6: IT Policies, practices, and decisions demonstrate respect for Human Behavior, including the current and evolving needs of all the "people in the process".</p>	
	<p>Principle 6 – Information Security: The board (council) should ensure that information assets are managed effectively.</p> <ul style="list-style-type: none"> • The board (council) should ensure that there are systems in place for the management of information which should include information security, IT and information privacy; • The board (council) should ensure that all personal information is treated by the company (municipality) as an important business asset and is identified; • The board (council) should ensure that an Information Security Management System is developed and implemented; • The board (council) should approve the information security strategy and delegate and empower management to implement the strategy.
	<p>Principle 7 – Governance Structures: A risk committee and audit committee should assist the board (council) in carrying out its IT responsibilities.</p> <ul style="list-style-type: none"> • The risk committee should ensure that IT risks are adequately addressed; • The risk committee should obtain appropriate assurance that controls are in place and effective in addressing IT risks; • The audit committee should consider IT as it relates to financial reporting and the going concern of company (council); • The audit committee should consider the use of technology to improve audit coverage and efficiency.



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ADOPTION BY COUNCIL:

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15.AUTHORITY


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