



ICT GOVERNANCE FRAMEWORK
2024/25

EXECUTIVE SUMMARY

Effective Corporate Governance of ICT is essential to ensure that ICT supports business goals, ensures benefit realisation from ICT expenditure, and appropriately manages ICT-related business risks and resources at the Mandeni Local Municipality (MLM).

The DPSA Policy Framework that the Cabinet approved in 2012 focused mainly on compliance with no performance considerations. This weakness was confirmed by the repeat audit findings of the Auditor-General of South Africa (AGSA) on IT governance weaknesses where IT projects do not meet the business expectations.

The revised Policy Framework (Public Service Corporate Governance of ICT Policy Framework, version 2) has been primarily developed to address performance shortcomings. It directs the strategic leadership (Senior Management) of the MLM to take responsibility for the governance of ICT equivalent to the other departments, including but not limited to finances and human resources.

The Policy Framework aligns with the new developments that occur after the approval of the DPSA Policy Framework, 2012, including but not limited to:

- Public Service Regulations, 2016;
- King IV code; and
- COBIT 2019.

MLM has realised the need to develop its ICT Governance Framework (this Framework) aligned with the Public Service Corporate Governance of ICT Policy Framework, version 2 ("Policy Framework").

This Framework provides for the following:

- **Principles:** Rules (compulsory to comply with) that guide decision-making and behaviour. These principles establish the context for effective, efficient, and acceptable use of ICT.
- **Practices:** Specific actions that prescribe how and by whom the principles will be implemented.
- **A system:** A set of means and mechanisms that enable the implementation of corporate governance of ICT.

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REVISION CONTROL AND DESCRIPTION OF CHANGES

REVISION NUMBER	PAGE NUMBER/S	CHANGES EFFECTED	DATE OF CHANGE
0.1	1-18	New document drafted	02-11-2022
	1-18	Review	14-06-2024

REFERENCES

1. Public Service Corporate Governance of Information and Communication Technology Policy Framework, Version 2
2. Implementation Guideline for Corporate Governance of Information and Communication Technology Policy Framework, Version
3. King III and IV Reports on Corporate Governance
4. COBIT 2019 Governance and Management Framework
5. MLM ICT Governance Charter

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GLOSSARY OF TERMS AND ABBREVIATIONS

Table 1: Terms and Abbreviations

Term/Abbreviation	Definition
AGSA	Auditor-General of South Africa
Applicability	Appositeness, appropriateness, relevance, pertinence, relatable, affiliation
Business	The business of the organisation refers to the organisation's core activities and internal support activities
Corporate governance	King IV defines corporate governance as the exercise of ethical and effective leadership by the governing body towards the achievement of the following governance outcomes: <ul style="list-style-type: none"> - Ethical culture; - Good performance; - Effective control; and - Legitimacy. (IODSA, 2016: 11)
Corporate governance champion	The Municipal Manager is the corporate governance champion. The accountability cannot be delegated , but this function may be delegated to a senior manager responsible for driving corporate governance within the MLM.
Corporate governance of ICT	The system by which the current and future use of ICT is directed and controlled. Corporate governance of ICT involves evaluating and directing ICT use to support the organisation and monitoring this use to achieve plans. It includes the strategy and policies for using ICT within an organisation. (ISO/IEC 38500:2015)
DPSA	Department of Public Service and Administration
ICT	Information and communication technology
ICT initiative	Includes all ICT information systems and related information technology used to enable business/services. An ICT initiative refers to using information and application systems and technology to achieve business objectives to enable service delivery. In terms of planning, this refers to related existing and planned initiatives. This generic term relates to: <ul style="list-style-type: none"> • Bespoke and off-the-shelf information and application systems; and • Technology infrastructure to host and provide an electronic communication platform. The management of initiatives addresses all the elements of the full lifecycle of ICT.

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Term/Abbreviation	Definition
IEC	International Electrotechnical Commission
Institutionalisation	Embed corporate governance of ICT as a custom or norm within the organisation or culture
ISO	International Organization for Standardization
ISO/IEC 38500:2015	An international standard for corporate governance of IT published jointly by ISO and the IEC
IT	Information technology
IT Service Management	A set of policies and practices for implementing, delivering, and managing IT services for end-users in a way that meets the stated needs of end-users and the stated goals of the business (IBM, 2020)
Key driver	A key driver is an activity in the performance value chain of an organisation. Within the context of the implementation of the corporate governance of the ICT system, key drivers are those leading factors or processes that affect the downstream activities or conditions. It provides for metrics to monitor implementation progress and performance.
King IV	Report on Corporate Governance for South Africa, 2016
PFMA	Public Finance Management Act, 1999 (Act No. 1 of 1999)
Regime	A set of rules or a system or an ordered way of doing things that regulate the operation or way of doing things within an organisation.
Responsible	Refers to the person who must ensure that activities are completed successfully
Responsible, Accountable, Consulted, Informed (RACI) chart	A diagram that identifies users' key roles and responsibilities against major tasks within a project (Software Advice, 2020)
Risk appetite	The amount of residual risk that the organisation is willing to accept (PSRMF 2010:15)
Risk management	A systematic and formalised process to identify, assess, manage and monitor risks (PSRMF 2010:16)

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1. INTRODUCTION

ICT has evolved and brings about new opportunities for the MLM to expedite service delivery, reach citizens promptly, and promote two-way online communication between MLM and its clients. Furthermore, it provides MLM senior management with the ability to make informed decisions based on easily accessible and reliable information.

To derive the expected value from the ICT investments, MLM should strengthen ICT prescripts, ICT plans, ICT-enabled projects, and institutional arrangements. Therefore, the senior management needs to incorporate ICT governance into existing corporate governance arrangements to oversee the performance of ICT.

1.1. What is Corporate Governance

King IV defines corporate governance as the exercise of ethical and effective leadership by the governing body towards the achievements of the following governance outcomes:

- Ethical culture;
- Good performance;
- Effective control; and
- Legitimacy (IODSA, 2016: 11)

When applied in the MLM, corporate governance encompasses the mechanisms by which MLM and those in leadership are held to account, the risk is monitored and assessed, and performance is optimised.

It provides an appropriate control environment that enables the Council and Senior Management to discharge their responsibilities and oversee compliance with legislation and prescripts.

1.2. What is Corporate Governance of ICT

The Corporate Governance of ICT involves evaluating and directing ICT use to support the organisation and monitoring this use to achieve plans (ISO/IEC 38500:2015).

Corporate governance of ICT is a subset of the corporate governance system and consists of principles and practices within a system that enables the Council and Senior Management to execute their oversight roles and responsibilities.

King IV code, Principle 12 states: "The governing body should manage technology and information in a way that supports the organisation in setting and achieving its strategic objectives" (IoDSA, 2016).

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COBIT 2019 resonates with the King Code's provisions. It highlights that the Councils must exercise oversight to "enable both business and IT people to execute their responsibilities in support of business/IT alignment and the creation of business value from I&T-enabled business investments" (ISACA, 2018).

Because information is a critical asset in MLM, its management, including the associated technological channels, requires the attention of decision-makers to ensure that information assets are utilised for the intended purposes. Therefore, decision-makers need to have appropriate governance oversight over technology that produces information and information itself. In view of MLM's dependency on ICT for its successful existence and that ICT must be governed from the highest level of authority, corporate governance of ICT must be an integral part of the corporate governance system of MLM. This approach will enable the Council and Senior Management to execute its accountability, roles and responsibilities.

This Framework provides for the following:

- a) **Principles:** Rules (compulsory to comply with) that guide decision-making and behaviour. These principles establish the context for effective, efficient, and acceptable use of ICT.
- b) **Practices:** Specific actions that prescribe how and by whom the principles will be implemented.
- c) **A system:** A set of means and mechanisms that enable the implementation of corporate governance of ICT.

This MLM Corporate Governance of ICT Policy Framework ("this Framework") has been developed in line with the Public Service Corporate Governance of ICT Policy Framework, version 2 ("Policy Framework").

2. OBJECTIVES OF THIS FRAMEWORK

The objectives of this Framework are to instil:

- a) Senior Management involvement and leadership in the governance of ICT within MLM to create value and improve performance;
- b) Transparency, accountability, and efficiency in matters related to the management of ICT; and
- c) Enhanced level of ICT compliance and performance in the MLM.

3. BENEFITS OF THE CORPORATE GOVERNANCE OF ICT

When the corporate governance of ICT is effectively implemented and maintained in the MLM, the following benefits are to be realised:

- a) Deriving business value from ICT investment;

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- b) Using, which includes sharing of resources (including but not limited to people, process, information and communication technology) when investing in, operating and using ICT;
- c) Mitigating ICT-related business risks of investing, owning, operating, and using ICT within a secure environment;
- d) Improving ICT's ability to learn and the agility to adapt to changing circumstances; and
- e) Improving ICT monitoring, evaluation, auditing, and reporting.

4. LAYERED APPROACH TO CORPORATE GOVERNANCE OF ICT

Corporate governance of ICT encompasses two levels of decision-making, i.e., **governance** and **management**.

- a) **Corporate Governance of ICT:** the Senior Management is accountable for achieving the MLM's mandate and strategic objectives through, among other things, the use of ICT. The accountability for corporate governance of ICT must be facilitated through clearly defined, implemented, and audited controls.
- b) **Management of ICT:** the responsibilities and activities of ICT management and corporate governance of ICT differ. ICT management entails a process whereby all operational activities concerning ICT resources are aligned to the MLM's priorities and needs. It includes tangible resources like networking hardware, computers, and people and intangible resources like software and data. The central aim of ICT management is to generate value through technology.

The MLM's ICT division is responsible for managing ICT processes that will ensure the effective and efficient execution and monitoring of ICT.

5. CORPORATE GOVERNANCE OF ICT PRINCIPLES AND PRACTICES

Principles: Rules (compulsory to comply with) that guide decision-making and behaviour. These principles establish the context for effective, efficient, and acceptable use of ICT.

Practices: Specific actions that prescribe how and by whom the principles will be implemented.

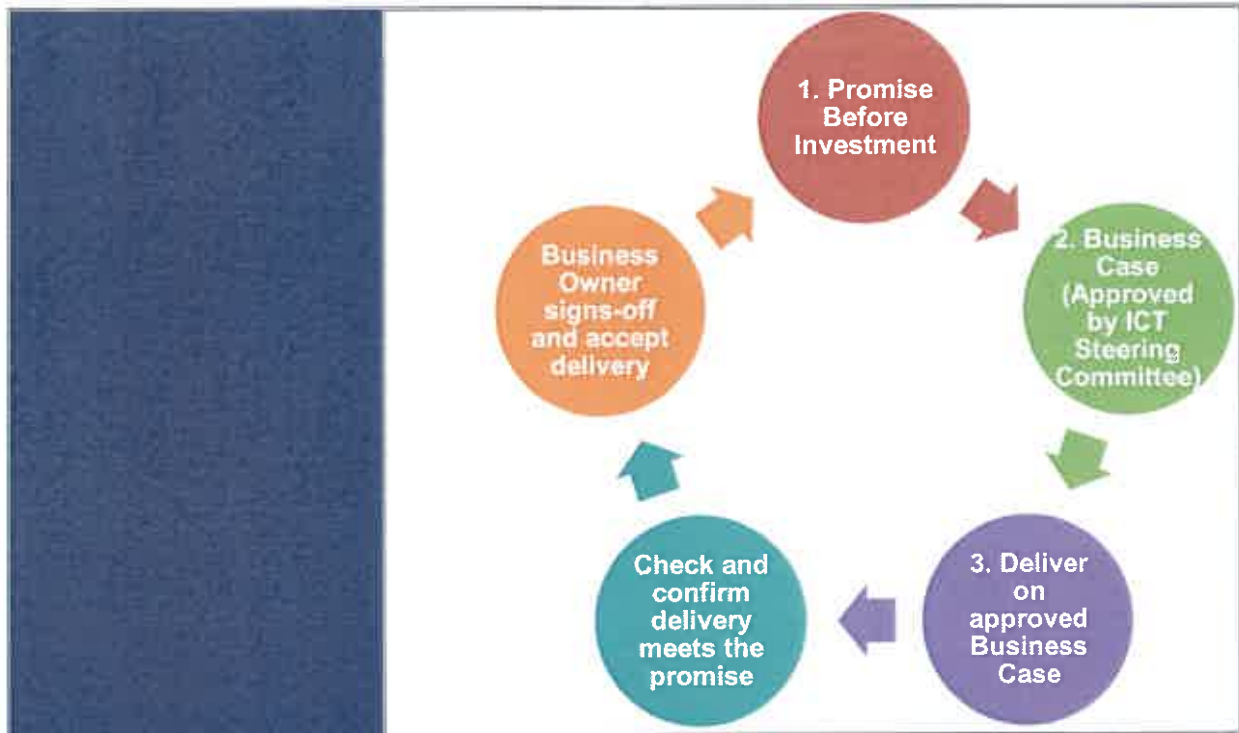
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Table 2: The Corporate Governance of ICT Principles and Practices

Principle 1: Strategic mandate	ICT (current and future capabilities) must enable the MLM to achieve its strategic mandate and objectives.
Practices	The Senior Management shall: <ol style="list-style-type: none"> 1.1. Ensure that corporate governance of ICT is included in the strategic meetings to achieve the strategic objectives of the MLM; 1.2. Provide strategic structural requirements of the ICT function to provide adequate capacity and capability for the use of ICT to enable business; and 1.3. Ensure that ICT planning methodology and instruments are aligned with the business requirements.
Principle 2: Institutionalisation of corporate governance of ICT	Corporate governance of ICT must be institutionalised within the corporate governance regime of the MLM.
Practices	The Council shall: <ol style="list-style-type: none"> 2.1. Ensure that corporate governance of ICT is embedded in the corporate governance regime of the MLM; and 2.2. Provide oversight to ensure that effective ICT prescripts, structures, strategic plans, and corporate governance of the ICT system are institutionalised to evaluate, direct, and monitor ICT use.
Principle 3: Value and benefit realisation from ICT investment	All ICT investments must achieve the predetermined value and benefits.
Practices	The ICT Steering Committee shall: <ol style="list-style-type: none"> 3.1. Ensure that responsible ICT investment practices are in place to promote good governance and the creation of value and benefits; 3.2. Determine upfront the expected benefits and value from an ICT investment; 3.3. Oversee the value and benefits delivered through these major ICT investments and significant ICT operational expenditure; 3.4. Concurrence of the ICT Manager in all ICT related decisions, including procurement; and 3.5. Ensuring that the ICT Manager responsible for the ICT initiative/project signs off, confirming value realisation as per the figure below.

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<p>Principle 4: Manage ICT-related business risks</p>	<p>The ICT-related business risks, including security and cybersecurity, must be managed (mitigated and audited regularly).</p>
<p>Practices</p>	<p>The Audit & Risk Committee shall:</p> <ul style="list-style-type: none"> 4.1. Ensure that ICT related business risks (including cybersecurity) are addressed as part of the risk and audit regime of the MLM; and 4.2. Oversee that financial and other risks of major ICT investments are managed.
<p>Principle 5: Change management/organisational behaviour</p>	<p>Corporate governance of ICT must be implemented through appropriate change management interventions.</p>
<p>Practices</p>	<p>The Municipal Manager shall:</p> <ul style="list-style-type: none"> 5.1. Set the example to adopt and influence culture change within the MLM (lead by example); 5.2. Direct and oversee that culture change of organisational behaviour is effected through change management; and 5.3. Support and be early adopter of change initiatives.
<p>Principle 6: Monitoring and evaluation (This principle cuts across all the other principles and practices)</p>	<p>Monitor and evaluate the use and performance of ICT.</p>
<p>Practices</p>	<p>The Audit & Risk Committee shall:</p> <ul style="list-style-type: none"> 6.1. Provide oversight to ensure that the principles and practices are implemented, monitored, and

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- evaluated to ensure the governance mechanisms remain functional and effective;
- 6.2. Oversee compliance with regulatory prescripts, policies, and standards that have an impact on the performance of ICT; and
- 6.3. Oversee performance against targets and objectives (benefits realisation, alignment with business goals, risk management, and resource optimisation).

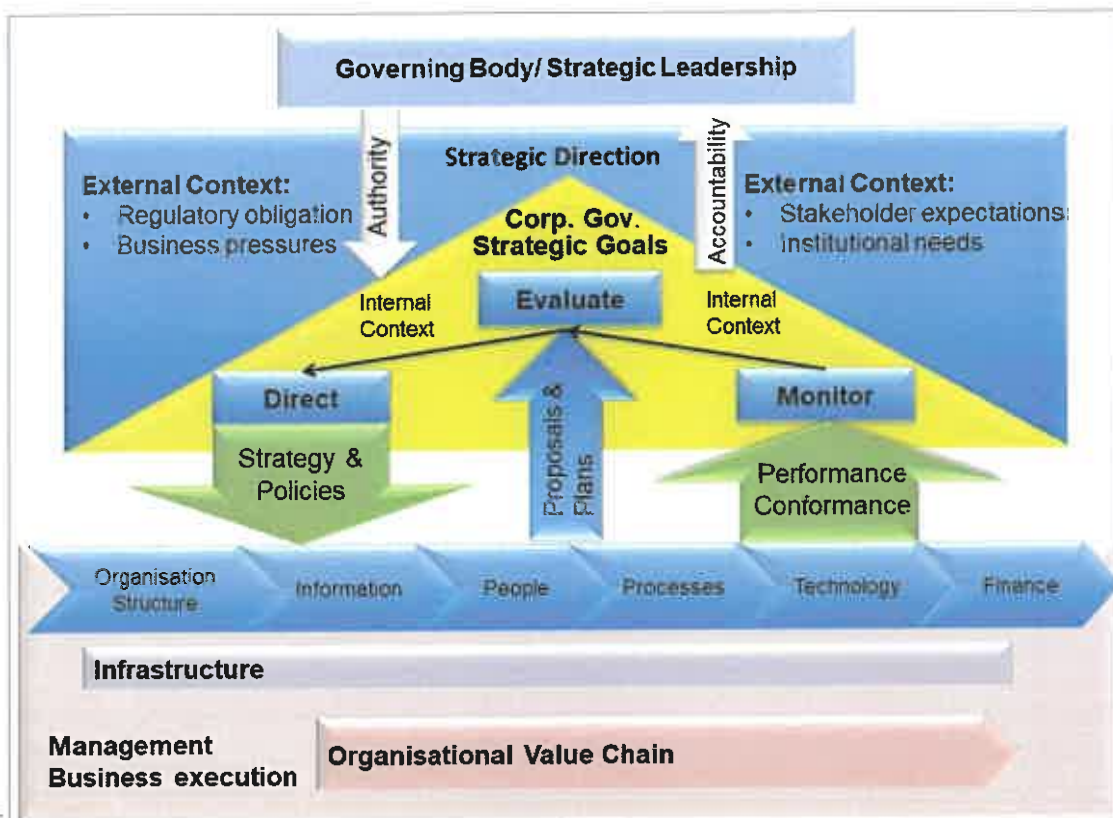
6. CORPORATE GOVERNANCE OF ICT SYSTEM

This Framework will be institutionalised through corporate governance of the ICT system, which explains the relationship between governance, strategic leadership, and management and their associated responsibilities.

The corporate governance of the ICT system is the system by which the current and future use of ICT resources is directed and controlled to facilitate the achievement of the organisation’s strategic objectives. It refers to all the means and mechanisms that enable the organisation’s Council and Senior Management to provide direction and oversight.

The system mentions the corporate governance tasks of evaluating, directing, and monitoring used to apply the principles and practices, as explained in Section 5 above.

The functioning of the corporate governance of the ICT system is depicted in figure 1 below.



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Figure 1: Corporate Governance of the ICT System

- At the core of the corporate governance of the ICT system are leadership, structures, prescripts, and procedures to evaluate, direct and monitor the efficient and effective use of ICT to achieve the strategic mandate and objectives of the MLM, appropriate management of risks and responsible use of resources. It includes determining the alignment between business requirements and ICT plans;
- Through these governance tasks, stakeholder needs and options are evaluated to determine the organisational objectives. Direction is provided through prioritisation of proposals/options, and decision-making and monitoring are done by measuring performance and compliance against agreed-on direction and objectives;
- The Council provides the strategic direction of the MLM. The strategic direction and the external and internal context determine the strategic objectives. The management of business execution is done through the organisational structure and use of the relevant resources;
- The different accountability structures must monitor, evaluate and report on the execution of these initiatives to ensure that the desired outcomes are achieved within the prescriptive and a secure environment; and
- All the ICT-related initiatives, such as regulatory prescripts, standards, and transversal initiatives, which impact ICT performance, must be reviewed regularly.

7. CORPORATE GOVERNANCE OF ICT STRUCTURES AND ROLES

This section details the key stakeholders of the Corporate Governance of ICT within the MLM. A figure below illustrates these structures and roles. Reference shall be made to the *ICT Governance Charter* for the responsibilities of these structures and roles.

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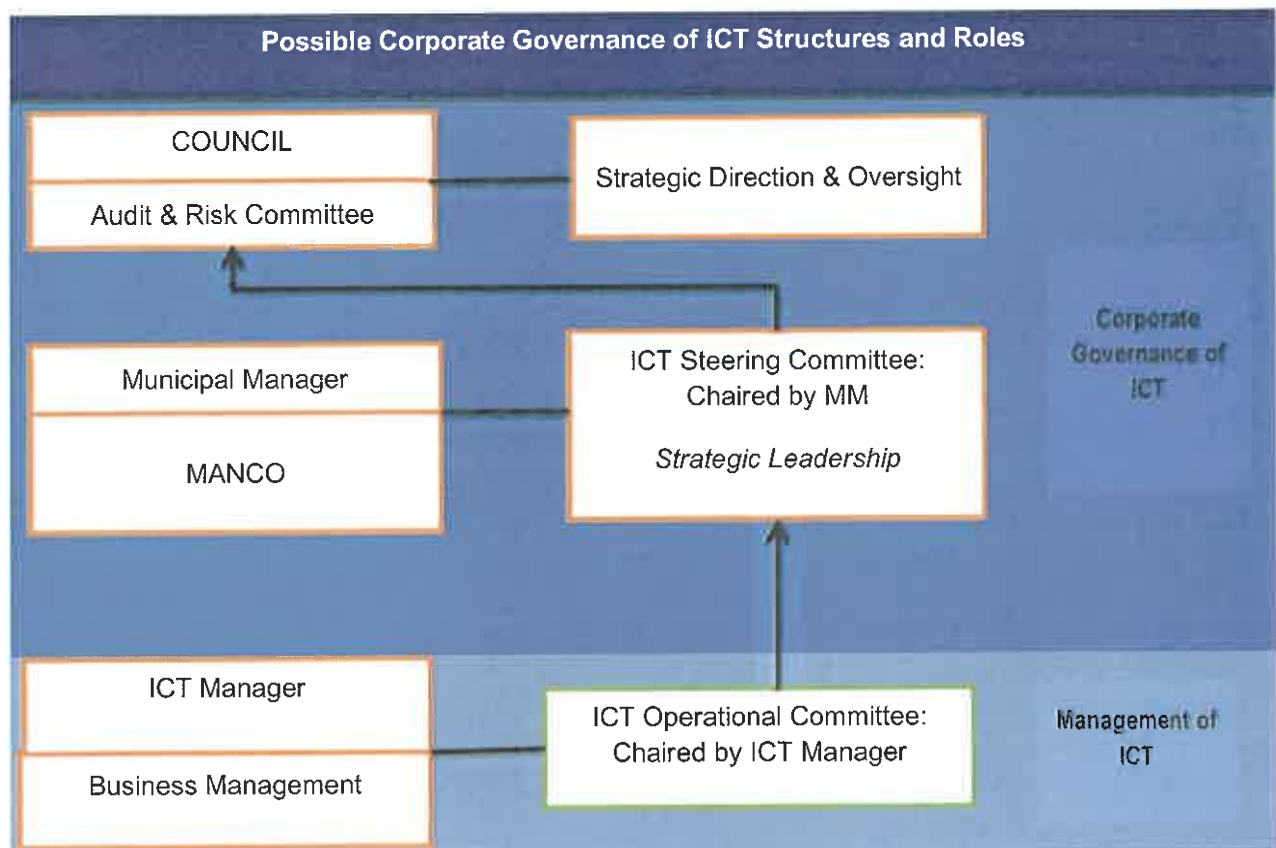


Figure 2: Possible CGICT Structures and Roles

8. CORPORATE GOVERNANCE OF ICT DECISION DOMAINS

This section details key governance aspects determined by the strategic direction of MLM, in terms of the vision, strategic goals and objectives for services, processes and systems that are required to support the institutional areas and so to eventually to create a better MLM, reflecting its core values, mandates and responsibilities.

The decision making domains are as follows:

- a) Corporate Governance of ICT
- b) Management of ICT
- c) ICT Risk Management
- d) ICT Compliance
- e) ICT Strategic Planning
- f) ICT Administration
- g) ICT Investments and Projects

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- h) ICT Sourcing
- i) ICT Operations
- j) Business and ICT Architecture
- k) Information Management
- l) Application Management
- m) ICT Security
- n) ICT Change Management

9. IMPLEMENTATION OF A CORPORATE GOVERNANCE OF THE ICT SYSTEM

The MLM shall establish a Corporate Governance of the ICT environment by developing the means and mechanisms such as strategies, structures, policies, frameworks, procedures, plans, controls, change management, and ethical culture will be developed and implemented. Whereby such means and mechanisms exist, the review and update will be undertaken to keep them current.

The implementation of the MLM's ICT Governance Framework will be informed by COBIT 2019 processes. The GITOC (2012) adopted 12 minimum COBIT processes that should inform implementation. These processes are informed by the priority focus areas for ICT audits, as defined by the AG. The minimum processes are defined in Table 3 below:

Table 3: Minimum COBIT Processes

Process	Purpose
EDM01 - Ensured Governance Framework Setting and Maintenance	Provide a consistent approach integrated and aligned with the enterprise governance approach. I&T-related decisions are made in line with the enterprise's strategies and objectives and desired value is realised. To that end, ensure that I&T-related processes are overseen effectively and transparently; compliance with legal, contractual and regulatory requirements is confirmed; and the governance requirements are met.
APO01 - Managed I&T Management Framework	Implement a consistent management approach for enterprise governance requirements to be met, covering governance components such as management processes; organisational structures; roles and responsibilities; reliable and repeatable activities; information items; policies and procedures; skills and competencies; culture and behavior; and services, infrastructure and applications.
APO02 - Managed Strategy	Support the digital transformation strategy of the organisation and deliver the desired value through a road map of incremental changes. Use a holistic I&T approach, ensuring that each initiative is clearly connected to an overarching strategy. Enable change in all different aspects of the organisation, from channels and processes to data, culture, skills, operating model and incentives.

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Process	Purpose
APO03 - Managed Enterprise Architecture	Represent the different building blocks that make up the enterprise and its interrelationships as well as the principles guiding their design and evolution over time, to enable a standard, responsive and efficient delivery of operational and strategic objectives.
APO05 - Managed Portfolio	Optimise the performance of the overall portfolio of programs in response to individual program, product and service performance and changing enterprise priorities and demand.
APO10 - Managed Vendors	Optimise available I&T capabilities to support the I&T strategy and road map, minimise the risk associated with nonperforming or noncompliant vendors, and ensure competitive pricing.
APO12 - Managed Risk	Integrate the management of I&T-related enterprise risk with overall enterprise risk management (ERM) and balance the costs and benefits of managing I&T-related enterprise risk.
APO13 - Managed Security	Keep the impact and occurrence of information security incidents within the enterprise's risk appetite levels.
BAI01 - Managed Programs	Realise desired business value and reduce the risk of unexpected delays, costs and value erosion. To do so, improve communications to and involvement of business and end users, ensure the value and quality of program deliverables and follow up of projects within the programs, and maximise program contribution to the investment portfolio.
DSS01 - Managed Operations	Deliver I&T operational product and service outcomes as planned.
DSS04 - Managed Continuity	Adapt rapidly, continue business operations and maintain availability of resources and information at a level acceptable to the enterprise in the event of a significant disruption (e.g., threats, opportunities, demands).
MEA01 - Managed Performance and Conformance Monitoring	Provide transparency of performance and conformance and drive achievement of goals.
APO14 – Managed Data	<i>Ensure effective utilisation of the critical data assets to achieve enterprise goals and objectives.</i>

In addition, the MLM may identify additional processes to align with their requirements. The first desirable step towards implementing these recommendations would be to perform maturity assessment for each process to identify areas of improvement.

One critical recommended additional process is APO14: Managed Data. APO14 will assist the MLM to comply with the POPIA requirements to protect privacy of sensitive information. King IV also requires that the Council exercises ongoing oversight of the management information that results to the protection of privacy of personal information.

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Reference shall be made to the MLM ICT Governance Charter for detailed implementation.

10. ICT ALIGNMENT PLANNING

The MLM must use ICT as a strategic resource to create value by enabling its strategic mandate and objectives. To achieve this, the MLM should plan over the long, medium, and short term for ICT to enable the business and create value for the organisation.

ICT planning must follow the relevant planning prescripts, methodology, and planning periods. This planning practice culminates in the following plans:

- a) **ICT Strategic Plan** – MLM must indicate how ICT will be used to support the achievement of the organisational targets and objectives.
- b) **ICT plan (three-year plan)** – MLM must develop and maintain an ICT plan aligned to the medium-term expenditure framework for the organisation. This plan must address the people, processes, and technology matters to achieve organisational objectives.
- c) **ICT operational plan (one-year plan)** – MLM must develop and maintain an ICT operational plan that reflects the current year's implementation and monitoring of ICT initiatives and projects.

The MLM is currently developing its ICT Strategy (2022 - 2027) to align with the current IDP (2022-2027) of MLM.

The ICT Strategy addresses the ICT Strategic Plan, ICT Plan and the ICT Operational Plan of the MLM.

11. MONITORING AND EVALUATION

Compliance with this Framework and the performance of the ICT shall be measured to enable the achievement of business objectives and value creation for the MLM. This section therefore details how this Framework will be monitored and evaluated.

Monitoring and evaluation processes of this Framework should include:

- a) Adequate version control detailing changes made and version numbering
- b) Approval by senior management and Council on a periodic basis in order to ensure this framework is updated to the current financial year
- c) This framework should be transparent to all employees of the MLM
- d) Acceptance of this framework should be performed by all stakeholders
- e) All updates to this framework should be controlled adequately
- a) The ICT Steering Committee should use this framework as a baseline for the implementation of the ICT policies and procedures.

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12. APPROVAL

The following steps should be performed in terms of approval:

- a) Each of the stakeholders should review the document, giving their inputs for the document and formally disclosing their comments
 - b) The changes will be implement depending on whether the change can be implemented
 - c) ICT Steering Committee will review the document and formally approve via formal minutes as the sign-off for the document
 - d) The document must be updated on a regular basis, undergo re-review and formal signoff.
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PREPARED BY: P.E NTANZI

DATE OF ADOPTION BY COUNCIL: 10 JULY 2024

COUNCIL RESOLUTION NO: C01



MUNICIPAL MANAGER

S.G KHUZWAYO

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