JOE MOROLONG LOCAL MUNICIPALITY

IT GOVERNANCE CHARTER

JOE MOROLONG LOCAL MUNICIPALITY

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1. Terms of Reference

1.1 Purpose:

Communicate the primary responsibilities and delegated authority of the Municipal Manager, IT Steering Committee and Manager of Information Technology for the effective and efficient management of IT resources and to facilitate the achievement of corporate objectives.

1.2 THE DELEGATION OF AUTHORITY:

Authority delegated to the Municipal Manager, IT Steering Committee and IT Manager is founded on the following principles:

1. Does not divest the Council of their responsibilities concerning the exercise of the delegated power or the performance of the assigned duties herein.
2. Is given to a committee whose membership integrates both IT and business
3. Is subject to the statutory and legal limitations, recorded herein, and such other lawful limitations as may be applicable to the Municipality form time to time.
4. Is subject to any limitations, conditions, policies and/or directives that may be developed and implemented by Council in the exercise of such delegated powers.
5. May at any time be revoked or varied by the Municipal Manager
6. The Municipal Manager may confirm, vary or revoke any decision taken by the IT Steering Committee and IT Manager as a result of a delegation in terms hereof, subject to any rights that may have become vested as a consequence of the decision.
7. Unless otherwise specified, the Municipal Manager, IT Steering Committee and IT Manager is hereby authorized, in writing, and subject to paragraphs 1 to 6 above:

    a. To delegate further any powers and authority delegated to the Municipal Manager, IT Steering Committee and IT Manager to an officer, employee, any person or committee and to allow delegation of such powers only once and, where necessary, in terms of the needs of the business, subject to the policies, directives and conditions that the Council may from time to time prescribe, and the reporting of such authority.
    b. To impose any limits or conditions in such further delegation to ensure good governance and controls with regard to the exercise of such powers and may, in writing, confirm, vary or revoke any decision taken subject to any rights that may have become vested as consequence of such decision.
8. The Municipal Manager, IT Steering Committee and IT Manager shall ensure that any further delegation or sub-delegation is to a functionary with appropriate seniority, skill, expertise and knowledge to exercise such authority in an effective manner, ensure that such authorities are reviewed on a regular basis.
9. The Municipal Manager, IT Steering Committee and IT Manager or any other person with delegated powers may only exercise those powers in respect of the responsibility and functions allocated to them from time to time, in terms of performance agreement or specific instructions or mandates.
10. Reporting is to follow the delegation process i.e. any approvals need to be reported to the next level of authority. Non-conformance with the delegated powers shall be reported to the next higher level of authority.

1.3 MEMBERS OF IT STEEERING COMMITTEE:

- Chair: Director Corporate Services
- Member 1: Chief Financial Officer
- Member 2: Director Technical Services
- Member 3: Legal and Compliance officer

1.4 STANDING INVITEES:

- IT Manager
- Communication Officer
- Manager Financial Controller

1.5 GOALS:

1. Manage business risks
2. High service availability
3. Agility in responding to changing business requirements
4. Automate and integrate the enterprise value chain
5. Compliance with internal policies, selected industrial standards, external laws and regulations.

1.6 RESPONSIBILITIES (BASED ON KING III):

1.6.1   Organizational structure, relationships, frameworks and process

1.6.1.1 Municipal Manager

- Develop and implement an IT Governance Charter and policies
- Implement a suitable organizational structure and define terms of reference
- Implement an accountability framework to assign decision-making rights

1.6.1.2 IT Steering Committee

- Establish a bridge between IT and the business
- Encourage the desirable use of IT by requiring managers to provide timely information, comply with the direction given and to conform to the principles of good governance
- Incorporate IT governance in corporate governance
- Create an awareness of the maturity levels of governance

1.6.1.3 IT Manager

- Implement IT processes and governance mechanism
- Implement IT frameworks, policies, procedures and standards
- Provide transparency through regular reporting to the IT Steering Committee

1.6.2   Strategic Alignment

1.6.2.1 IT Steering Committee

- Have a strategic approach and facilitate the integration of IT into business strategic thinking
- Implement a strategic IT planning process that is integrated with the business strategy development process
- Sustain and enhance the company`s strategic objective
- Integrate IT plans with business plans
- Define, maintain and validate the IT value proposition
- Enable the improvement of the company`s performance and sustainability

1.6.2.2 IT Manager

- Align IT operations with business operations
- Align IT activities with environmental sustainability objectives
- Implement a robust process to identify and exploit, where appropriate, opportunities to improve performance and sustainability of the company in line with triple bottom line objectives
- Include relevant representation from the business in oversight structure
- Have regard for the legislative requirements that apply to IT
- Understand business requirements and long-term strategy
- Translate business requirements into efficient and effective IT solutions
- Support the business and governance requirements in timely and accurate manner through acquisition of people, process and technology

1.6.3   Value Delivery

1.6.3.1 Municipal Manager

- Enable IT to add value to the business and mitigate risk
- Implement an Ethical IT Governance and management culture

1.6.3.2 IT Steering Committee

- Incorporate IT into the business processes in a secure, sustainable manner
- Ensure that the business value proposition is proportional to the level of investment
- Build management skill and competencies to govern and promote a common language
- Promote sharing and re-use of IT assets

1.6.3.3 IT Manager

- Deliver the expected return from IT investments
- Measure and manage the amount spent on and the value received from technology
- Promote sharing and re-use of IT assets
- Ensure all parties in the chain from supply to disposal of IT services and goods apply good governance principles
- Monitor and enforce good governance across all suppliers

1.6.4   Resource Management – IT Manager

- Exercise care and skill over the design, development, implementation and maintenance of sustainable IT solutions
- Optimize resources usage and leverage knowledge
- Protect information and intellectual property
- Conduct post-implementation reviews to learn from each implementation
- Manage information assets effectively
- Ensure the integrity and availability of information systems in a timely manner
- Implement information records management and ensure information assets are identified, classified, retained, stored, archived, and protected and made available when required for business and legal purposes
- Obtain independent assurance that outsourced service providers have applied the principles of IT governance
- Regularly demonstrate to the management that municipality has adequate business resilience arrangements in event of a disaster affecting IT .

1.6.5   Risk Management

1.6.5.1 IT Steering Committee

- Minimize risk
- Implement a risk management process based on the council risk appetite
- Select and use an appropriate framework for managing risk (e.g COSO)
- Comply with applicable laws and regulations
- Maintain an IT risk register, including IT legal risks
- Design and monitor the IT risk management plan
- Obtain assurance on the effectiveness of the IT control framework
- Perform continual risk assessment
- Consider appropriate risk response
- Implement an information security strategy
- Establish a business continuity program for the company`s information and successful execution of the business` activities

1.6.5.2 IT Manager

- Minimize risk
- Implement and monitor the IT risk management plan
- Implement an IT control framework
- Implement appropriate risk responses
- Implement an information security management system in accordance with an appropriate information security framework
- Identify all personal information processed by the company and treat this as important business asset, including being processed in accordance with applicable laws
- Provide the Audit and Risk committees with relevant information about IT risks and the controls in place.

1.6.6   Performance Management

- Measure, manage and communicate IT performance
- Implement processes to ensure that reporting to council is complete, timely, relevant and accessible
- Report to council on IT performance

1.7 DELIVARABLES

- Agendas for meetings
- Minutes of meetings
- Criteria for decision-making
- IT governance framework
- Accountability framework
- Framework of authorities
- Authorised policies
- Authorised standards, procedures and practices
- Defined value proposition for IT
- Cascade of business goals to IT process activity goals
- Criteria for evaluating IT performance
- Criteria for aligning IT activities with environmental sustainability objectives
- Integrated IT and business plans
- Information record management
- IT controls framework
- Strategic IT planning process integrated with business strategy development process
- Business value proposition statements
- Process to identify and exploit opportunities for IT to improve
- IT risk register
- Information security strategy
- Information security management system
- Business continuity programme
- Report on internal controls
- Report to risk committee
- Report to Audit committee
- IT performance reports

1.8 SCOPE / JURISDICTION

The IT manager is responsible for directing, controlling and measuring the IT activities and processes of the company.

The accountability of the IT manager spans

- Operational/"business as usual" activities that compromise the processes within the scope of its authority
- Transformation programs and projects that affect the process within the scope of its authority

The Municipal Manager is required to ensure sufficient organizational capability exists to enable the processes within its scope to perform and deliver the results expected by the business.

The primary role of the IT Steering Committee is to exercise its authority in support of the IT process owner`s endeavors to achieve the outcomes expected and to periodically evaluate performance and monitor remedial actions to remedy instances of poor performance.

The IT Steering Committee will work with the IT process owners to identify suitable criteria that are to be used for decision-making within the processes

1.9 GOVERNANCE FROM THE COUNCIL

In working towards the achievement of the service delivery through development and execution of the IT processes defined to be within scope, the Municipal Manager will need to respond to the direction provided by the council and seek approval of goals being targeted in the short and long term.

1.10 RESOURCE AND BUDGET

The IT Manager is required to ensure that the IT processes within the scope of its authority remain within the approved budget at all times.

1.11 GOVERNANCE

Governance of the IT Steering committee is being provided by the Municipal Manager

1.12 ADJUSTMENTS AND APPROVAL

The IT Steering Committee is to review recommended adjustments to these terms of reference at least once within 12 months period. These terms of reference cannot be adjusted without approval of the Council

1.13 MANAGEMENT RELATIONSHIPS AND DUTIES

1.13.1 Official Members

Committee membership shall be comprised of directors and senior management from the Municipality. If for some reasons, a member is unable to commit to participation, he shall designate another senior level manager from within the department

1.13.2 The Chair

Director Corporate Services will serve as the Chair; the Chair shall have the authority to delegate functions and responsibilities to the extent that this Charter does not expressly prohibit such delegation. The chair shall set agendas for and preside over, meetings of the IT Steering Committee the chair shall ensure that the actions of IT Steering Committee meetings are recorded and distributed.

1.13.3 The Vice-chair

The chair shall appoint a vice-chair, who shall preside over IT Steering Committee meetings in Chair`s absence.

1.13.4 Meetings

The chair shall establish a schedule for the regular meetings of the IT Steering Committee Upon written notice of no less than two (2) business days. Written notices may be in the Form of email.

1.13.5 Voting Members

All members of the IT Steering Committee are voting members

1.14   QUORUM AND VOTING

A quorum, for conducting business and making recommendations regarding actions for items coming before the IT Steering Committee, shall consist of two-thirds of voting members. A simple majority of those voting in favour of the motion shall pass a motion. The Chair shall only vote among voting members.