CEDERBERG

RB9.1.2/28-03-2019 **2019/2020 DRAFT ANNUAL BUDGET**

Draft Annual Budget Speech by the Executive Mayor:

"Dit is my voorreg, eer en as Uitvoerende Burgemeester my plig om ingevolge artikel 16 (2) van die Wet op Munisipale Finansiële Bestuur die 2019/2020 to 2021/2022 Medium Termyn Inkomste en Uitgawe Raamwerk ter tafel te lê.

Aangesien hierdie begroting die voorgestelde finansiële plan vir die volgende 3 jaar insluit, het dit natuurlik 'n impak op die gemeenskap as geheel en dit is dus uiters belangrik om die gemeenskap te raadpleeg om bewustheid te skep en om gesamentlike eienaarskap en verantwoordelikheid te ondersteun in die bestuur van die munisipaliteit se finansiële sake.

Die 2019/20-begrotingsoorsig beklemtoon dat, hoewel globale risikofaktore hoog bly, die wêreldekonomie steeds 'n ondersteunende platform bied vir Suid-Afrika om handel en belegging uit te brei. Die ekonomiese groei in die wêreld is op sy hoogste sedert 2014 en hou steeds tred met die groei in bruto binnelandse produk (BBP) wat oor al die breë ekonomieë toeneem.

Suid-Afrika het 'n tydperk van uitgerekte swak ekonomie ervaar wat privaat belegging verminder. Dit kan toegeskryf word aan huishoudelike beperkinge, wat verband hou met politieke onsekerheid en dalende sake- en verbruikersvertroue. Die plaaslike ekonomie begin vroeg in 2017 herstel ná 'n kort resessie, maar die verbetering is onvoldoende. Die groei het stagneer op minder as 2% en die werkloosheid bly hoog op 26,7%. Die voorvereistes vir verhoogde inkomste en uitgebreide dienslewering is vinniger groei, belegging en werkskepping.

Die hoofrisiko's vir die ekonomiese vooruitsigte is voortgesette beleidsonsekerheid en agteruitgang in die finansies van staatsbesit. Die droogte wat in verskeie provinsies ervaar word, bied groot risiko's vir landbou en toerisme vir die komende tydperk, en dit kan werk in hierdie sektore bedreig. Die huidige waterkrisis in die Wes-Kaap en ander provinsies sal ekonomiese groei beïnvloed. Terwyl die droogte se impak onduidelik is, hang baie af van hoe lank dit sal heers, die mate waarin spesifieke opvanggebiede geraak word, en die sukses van versagtende maatreëls.

Hierdie ekonomiese uitdagings sal voortgaan om druk uit te oefen op munisipale inkomste- en invorderingsvlakke. Daarom word 'n konserwatiewe benadering aangeraai vir inkomsteprojeksies. Munisipaliteite wat deur die droogte geraak word, moet ook die impak daarvan op inkomste voortbrenging oorweeg. Daarbenewens sal munisipaliteite hul pogings moet verbeter om nie-prioriteitsbesteding te beperk en streng maatreëls vir kostebeperking te implementeer.

Cederberg Munisipaliteit is geensins immuun teen die harde ekonomiese realiteite nie. Cederberg Munisipaliteit, soos soveel ander munisipaliteite in Suid-Afrika, word gekonfronteer met verskeie uitdagings wanneer gehalte basiese dienste gelewer moet word op die finansiële en administratiewe vermoëns van die munisipaliteit. Hierdie uitdagings sluit in, maar is nie beperk tot die volgende nie:

- Verouderde infrastruktuur as een van die grootste bedreigings vir volhoubare dienslewering;
- Bevolkingsgroei plaas druk op die munisipale infrastruktuur om aan dienslewerings behoeftes te voldoen;
- Behuisingsagterstande;
- Armoede in die munisipale gebied en die vermoë om vir basiese dienste te betaal; en
- Uitputting van kontantreserwes

Die BBP-groeikoers word in 2019 op 1,5% voorspel en 2,1% in 2021. Swak ekonomiese prestasie en oorblywende probleme in belastingadministrasie het groot inkomste tekorte tot gevolg gehad

Die verslegtende finansiële posisie van staatsbeheerde maatskappye het addisionele druk op die openbare finansies geplaas. In die lig van hierdie oorwegings is die begrotingsprioriteite van 2019 die volgende:

Beperk die begrotingstekort.

Ondersteun herstrukturering van die elektrisiteitsektor.
Hernu ekonomiese groei deur private beleggings te versterk.
Verbetering in die beplanning en implementering van infrastruktuurprojekte.

Die Cederberg-gebied se hoofbron van inkomste en werksgeleenthede is van landbou. Met die huidige droogte wat ons in die gesig staar en die Clanwilliam-damvlakke onder 50% is, is daar 'n risiko dat werkloosheidsyfers gedurende hierdie droogtydperk kan styg.

Bestuur binne plaaslike regering speel 'n belangrike rol in die versterking van die skakel tussen die inwoner en die owerheid se oorhoofse prioriteite en bestedingsplanne. Die doel moet wees om dienslewering te verbeter wat daarop gemik is om die lewensgehalte vir alle mense binne die Cederberg-streek te verbeter.

Begroting handel hoofsaaklik oor die keuses wat die munisipaliteit moet maak tussen mededingende prioriteite en fiskale realiteite. Die uitdaging is om meer te doen met die beskikbare hulpbronne. Ons moet gefokus bly op die effektiewe lewering van die kern munisipale dienste deur die toepassing van doeltreffende en effektiewe diensleweringsmeganismes.

Die toepassing van gesonde finansiële bestuursbeginsels vir die samestelling van die munisipaliteit se finansiële plan is noodsaaklik en krities om te verseker dat die munisipaliteit finansieël lewensvatbaar bly en dat munisipale dienste volhoubaar, ekonomies en billik aan alle gemeenskappe voorsien word.

Die Munisipale Begrotings en Verslagdoenings regulasies skryf 'n nuwe formaat en inhoud van die jaarlikse begroting en ondersteunende dokumentasie voor. Hierdie regulasies het op 1 Julie 2009 in werking getree. Die jaarlikse begroting moet aan die raad voorgelê word in ooreenstemming met hierdie nuwe regulasies tesame met MFMA sirkuleer 94 en aankope planne vir transaksies bo R 30 duisend.

Die saamgestelde jaarlikse begroting kan soos volg opgesom word.

<u>Buitengewone Provinsiale Koerant nr 8058 gedateer 05 Maart 2019</u>

- Finansiële Bestuur Ondersteuningstoekenning van R480 duisend
- Finansiële Bestuurs kapasiteitsbou toekenning van R380 duisend
- Menslike nedersettingsontwikkelingstoekenning van R12.8 miljoen
- Vervangingsbefondsing vir Biblioteke van R4.6miljoen
- Paaie ondersteuningstoekenning R 69 duisend

Staats Koerant nr 42217 gedateer 08 Februarie 2019

- Equitable Share van R49.2 miljoen
- Finansiele bestuur toekenning van R 2 miljoen
- Munisipale Infrastruktuur toekenning van R15,6 miljoen
- Waterdiens Infrastruktuur toekenning van R30 miljoen
- Geïntegreerde Nasionale Elektrifiseringsprogram van R 9.6 miljoen
- Uitgebreide publieke werke Program van R 1.9 miljoen,

Die inkomste begroting het in totaal gestyg met R22.7 miljoen (7.3%) en kan as volg opgesom word:

- Eiendomsbelasting R46.9 miljoen
- Diensteheffings R150.8 miljoen
- Rente verdien uitstaande Debiteure R3.7 miljoen
- Verkeers Boetes R20.9 miljoen in terme van iGRAP1
- Verkeers Agentskapdienste R3.3 miljoen

Die Uitgawe begroting het in totaal gestyg met R22.4 miljoen (7.5%) en kan as volg opgesom word:

- Werknemersverwante koste R118.5 miljoen
- Finansieringskoste R8.4 miljoen
- Grootmaat elektrisiteit en water aankope R 82.3 miljoen
- Gekontrakteerde dienste R16.2 miljoen
- Die munisipaliteit is genoodsaak om vir die eerste keer brandweerfunksies te begroot vir R 2.6 miljoen .
- Groot fokus in die begroting is om roetine herstelwerk asook om aan wetgewing te voldoen in terme van vullisverwydering.

Top Tien Projekte bedrae sonder BTW

1. WSIG: Citrusdal Riool Suiwerings netwerk: R 20 miljoen
2. Opgradering van Grootmaat Water en Riool Voorsiening (Behuising) – Lambertsbaai: R 17.8 miljoen
3. Water Dienste Infrastruktuur Skenking: R 10 miljoen
4. Opgradering van Paaie en Stormwater Infrastruktuur: Citrusdal: R 9.7 miljoen
5. Geintegreerde Nasionale Elektrifiseringsprogram: R 9.6 miljoen
6. Busroete Lambertsbaai- R 3.1 miljoen
7. Voltooing van Clanwillam Sportveld : R 3 miljoen
8. Nuwe vloot voertuie : R 3 miljoen

<u>Tariewe</u>

Tariewe is in lyn soos voorgeskryf in MFMA sirukleer 94 gedateer 08 Maart 2019

Eiendomsbelasting verhoog met 6%.Die raad gaan ook nie op die eerste R 50 000 van die waarde van die eiendom geen belasting hef nie.Belasting korting is ook in gebring vir pensionarisse op n glyskaal.

Water tariewe verhoog met 6%

Elektrisiteit tariewe in konsep behorting verhoog met 11.2% in lyn met riglyne van SALGA aangesien geen NERSA kommunikasie beskikbaar was met die opstel van die konsep begroting.Die Munisipaiteit het op 27 Maart 2019 kommunikasie ontvang dat die verhoging vir verbruikers 13.87% en vir munisipaliteite 15.63% onderskeidelik gaan wees.

Vullisverwydering verhoog met 6% op basies heffings en 15% vir die fisiese diensgelwer in lyn met lewensvatvaaarheid studie wat gedoen is om die koste van die streeks stortingsterein te dek.

Riooldienste verhoog met 6%
Vakansieoorde en algemene tariewe verhoog met 6%

Deernis kliente

Die armes van die armes kry die volgende gratis dienste vanaf die munisipaliteit.

50 eenhede gratis Elektrisiteit
6 Kiloliter gratis Water
40% afslag op Eiendomsbelasting asook vrystelling van waarde tot op R 50 000.
100% afslag op Riool
Vullisverwyderings word die basiese heffings vrygstel.

Een van die belangrikste funksies van politieke leierskap en strategiese bestuur is om bykomende fondse te verkry deur proaktiewe beplanning van projekte en die indien van sakeplan aan provinsiale en nasionale regeringsdepartemente. Die administrasie is positief dat hulle die kapitaalbegroting kan spandeer op die broodnodige kapitaalprojekte om die lewensgehalte van ons inwoners te verbeter. My span en ek wil graag vir elke inwoner van Cederberg verseker dat ons onvermoeid sal werk om dorpe van uitnemendheid vir almal te skep met die fondse wat aan ons toevertrou is.

Dankie vir elke raadslid wat die begroting inset sessies bygewoon het.Die administrasie gaan datums kommunikeer aan die raad vir die finale insette op die konsep begroting sodat die dokumente en beleide gewerkswinkel kan word voor die finale goedkeuring van die begroting einde Mei.

Geagte Speaker in die item wat voor die Raad dien en die aanbevelings soos uiteengesit in die jaarlikse begrotings item, lê ek hiermee formeel die aanbevelings aan die Raad voor vir, oorweging en goedkeuring van die konsep jaarlikse begroting 2019/2020 tot 2021/2022 vir die publiek se insette in terme van Seksie 21A van die Munisipale Stelsel Wet 2000(Wet 32 van 2000).'

RESOLVED:

1. Council approves the draft annual budget Report APPENDIX A.

2. Council approves the draft annual budget tables as prescribed by the Budgeting and Reporting Regulations, as set out in APPENDIX B.

3. Council approves the draft annual budget supporting tables as prescribed by the Budgeting and Reporting Regulations, as set out in APPENDIX C.

4. Council approves the Quality Certificate signed by the Accounting Officer, as set out in APPENDIX D.

5. Council approves the revised budget related policies, as set out in APENDIX E.
   - Absenteeism and Desertion Policy
   - Accounting Policy to the AFS
   - Asset Management Policy
   - Borrowing Policy
   - Budget Policy
   - Cash Management Policy
   - Cederberg Risk Management Policy Annex A - rating scales amended
   - Code of Ethics Policy
   - Consumer Service Charter - Cederberg LM
   - Customer Care Improvement Policy
   - Customer Care, Credit Control and Debt Collection Policy
   - Drought Communication Strategy
   - E3-Sexual Harassment policy
   - Education Training and Development Policy
   - Employment Equity Policy
   - Enterprise Risk Management Policy
   - Enterprise Risk Management Strategy
   - Finance Management Internship Policy
   - Fleet Management Policy
     - Fleet Pol. 1 Trip Authorisation - Outside Cederberg

- Fleet Pol. 2 - After Hours Usage authority
  - Fleet Pol. 3 - Monthly inspection register
  - Fleet Pol. 4 Accident report form
  - Fleet Pol. 5- Motor Claim Form
  - Fleet Pol. 6 - Log sheet
  - Fleet Pol. 7 - Pre - Trip Inspections
  - Fleet Pol. 8 Trip Authorisation form - Pool Vehicles
  - Fleet Pol. 9 Logstate inhandig
- Fraud and Corruption Prevention Policy
- Fraud and Corruption Prevention Strategy
- Free Basic Energy Policy Guidelines
- Funding and Reserves Policy
- HIV AND AIDS Workplace Policy
- ICT Data Backup and Recovery Policy
- ICT Municipal Corporate Governance of ICT - Cederberg
- ICT Operating System Security Controls Policy
- ICT Security Controls Policy
- ICT User Access Management Policy
- ICT Strategy Implementation Plan
- IGR Policy
- Indigent Support Policy
- Insurance Management Policy
- Investment Policy
- Kollektiewe ooreenkoms rakende Dissiplinere Prosedure
- Long-Term Financial Plan Policy
- Out of Pocket Expenses Policy
- Overtime & Standby Policy
- Performance Management Framework Policy
- Petty Cash Policy
- Property Rates Policy
- Records Management Policy
- Revenue Enhancement Policy
- Risk and Ethics Management Committee Terms of Reference
- Risk assessment Methodology
- Risk Management Committee Charter
- Risk Management Policy
- Risk Management Risk Appetite Framework
- Risk Management Strategy
- Social Media

- Special Rating Areas Policy
- Study Bursary Policy
- Substance Abuse Policy
- Supply Chain Management Policy - Cederberg Municipality 2018
  - Annexure A: General principles governing the municipality in its interaction with bidders
  - Annexure B: Criteria to Evaluate Technical and Financial Ability
  - Annexure C: The Code of Conduct for Supply Chain Management Practitioners and Other Role Players
  - Annexure D: National Small Business Amendment Act, 2003 - Schedule
  - Annexure E: Delegations for Supply Chain management Policy
- Tariff Policy
- Travel and Subsistence Allowances Policy
- Virement Policy - MSCOA compliant
- Watermeter Vervangings Beleid
- Whistle Blowing Policy
- Write-Off Policy

6. Council approves the property rates and charges on properties, tariffs, tariff structures and service charges for water, electricity, refuse, sewerage and other municipal services, as set out in APPENDIX F.

7. That council approves the Procurement Plans & Budget Locking certificate, as set out in APPENDIX H & I

8. The Draft Budget for the period 2019/2020 is made available to the public for comment.

Proposed: Cllr. R Pretorius
Seconded: Cllr. F Sokuyeka

VOORSITTER / CHAIRPERSON

28-03-2019

DATUM / DATE

2018

Municipal Corporate Governance of Information and Communication Technology Policy

ICT - GOVERNANCE

CEDERBERG

Cederberg Municipality

ICT Manager:

R. Meyers

Director Corporate Services:

A. MCCullum

Strategic Steercom Chair:

L. Volschenk

Reandro Meyers – ICT Manager
Cederberg Municipality
1/12/2018

Municipal Corporate Governance of Information and Communication Technology Policy

January 2015

EXECUTIVE SUMMARY

Information Communication Technology (ICT) Governance has been described as the effective and efficient management of ICT resources and processes to facilitate the achievement of Municipal goals and objectives. The ICT Governance Institute describes ICT Governance as, "...the responsibility of the board of directors and executive management."

ICT 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. A Governance of ICT framework is meant to align ICT functions to the organisational goals, minimise the risk ICT introduces and ensure that there is value in the investment made in ICT.

The view that ICT should be governed and managed at all levels within a given organisational structure is supported by internationally accepted good practice 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 forms the basis of this document.

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 municipalities 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.

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 are in compliance with the best practise ICT Governance Frameworks.

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 Council and Management level to all areas within a municipality including ICT service delivery.

The Governance of ICT should be implemented in two different layers:

(a) Corporate Governance of ICT – the Governance of ICT through structures, policies and processes.

(b) Governance of ICT – through Standard Operating Procedures.

The difference between the Corporate Governance of ICT and the Governance of ICT can be defined as follows:

Corporate Governance of ICT: *The system by which the current and future use of ICT is directed and controlled.*

Governance of ICT: *The individual processes and procedure which ensure the compliance of the ICT environment based on a pre-agreed set of principles.*

In November 2012, Cabinet approved the Public Service Corporate Governance of ICT Policy Framework and made ICT applicable to National and Provincial Departments, Provincial Administrations, Local Governments, Organs of State and Public Entities for implementation by July 2014.

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.

The purpose of the Municipal Corporate Governance ICT Policy is to institutionalise the Corporate Governance of ICT as an integral part of corporate governance within municipalities. This Municipal Corporate Governance ICT Policy 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 implementation of ICT Governance within Municipalities.

To enable a municipality to implement this Municipal Corporate Governance of ICT Policy, a three-phased approach will be followed:

(a) **Phase 1 – Enabling Environments :** 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;

(b) **Phase 2 – Business and Strategic Alignment:** Municipalities will plan and implement the alignment between IDPs, strategic goals and ICT strategy.

(c) **Phase 3 – Continuous Improvement:** Municipalities will enter into an on-going process to achieve continuous improvement of all elements related to the Governance of ICT.

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

TABLE OF CONTENTS

GLOSSARY

AG	Auditor-General of South Africa
	not mentioned in document
CIO	Chief Information Officer
CGICTPF	Corporate Governance of ICT Policy Framework
	not mentioned in document
~~DPSA~~	~~Department of Public Service and Administration~~
DCOG	Department of Cooperative Governance
ICT	Information and Communications Technology
®	I not mentioned in document
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
	not mentioned in document
King III	The King III Report and Code on Governance for South Africa
MICTGP	Municipal ICT Governance Policy
M&E	Monitoring and Evaluation
PSCGICTPF	Public Service Corporate ICT Governance Policy Framework
SALGA	South African Local Government Association
SDBIP	Service Delivery and Budget Implementation Plan

1. ICT GOVERNANCE OVERVIEW

1.1 INTRODUCTION

Information and Communications Technology (ICT) Governance has been described as the effective and efficient management of ICT resources to facilitate the achievement of organisational goals and objectives. ICT does not exist for its own sake within an organisation; ICT is there to make sure that organisations achieve sustainable success through the use of their ICT. 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".

1.2 PURPOSE

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.

1.3 LEGISLATIVE FRAMEWORK

Municipalities must be aware of and comply with the legislative landscape applicable to their context. This includes the Local Government Municipal Systems Act, Act 32, of 2000, Local Government: Municipal Structures Act, Act 117 of 1998, the Public Administration Management Act, Act 11 of 2014 and the Local Government: Municipal Finance Management Act, Act 56 of 2003.

This policy has been developed with the following sections of legislation in mind:

a. In terms of the Municipal Systems Act, Act 32, of 2000, Section 55(1):
"the municipal manager of a municipality is, subject to the policy directions of the municipal council, responsible and accountable for:
(a) The formation and development of an economical effective, efficient and accountable administration:
(i) equipped to carry out the task of implementing the municipality's integrated development plan in accordance with Chapter 5:
(ii) Operating in accordance with the municipality's performance Management system in accordance with Chapter 6;"

b. In terms of the Municipal Finance Management Act, Act 56 of 2003, Section 62:

> " The accounting officer of a municipality is responsible for managing the financial administration of the municipality, and must for this purpose take all reasonable steps to ensure -
> (a) that the resources of the municipality are used effectively, efficiently and economically;
> (b) that full and proper records of the financial affairs of the municipality are kept in accordance with any prescribed norms and standards;"

c. In terms of the Municipal Finance Management Act, Act 56 of 2003, Section 78 of the Municipal Finance Management Act stipulates that:

> "Each senior manager of a municipality and each official of a municipality exercising financial management responsibilities must take all reasonable steps within their respective areas of responsibility to ensure -
> (a) that the system of financial management and internal control established for the municipality is carried out diligently;
> (b) that the financial and other resources of the municipality are utilised effectively, efficiently, economically and transparently;
> (c) that any unauthorised, irregular or fruitless and wasteful expenditure and any other losses are prevented;"

1.4 SCOPE

This Policy has been developed to guide and assist all municipalities to be aligned with the Corporate Governance of ICT best practise frameworks. This Policy does recognise that municipalities are diverse in nature.
This Policy therefore adopts the approach of establishing and clarifying principles and practices to support and sustain the effective Corporate Governance of ICT.

1.5 BENEFITS OF GOOD GOVERNANCE OF ICT

When the Corporate Governance of ICT is effectively implemented and maintained, the following benefits are realised:

a. Establishment of ICT as a strategic enabler in a municipality;
b. Improved achievement of municipal integrated development plans;
c. Improved effective service delivery through ICT-enabled access to municipal information and services;
d. Improved ICT enablement of a municipality;
e. Improved delivery of ICT service quality;
f. Improved stakeholder communication;
g. Improved trust between the municipality and the community through the use of ICT;
h. Lower costs (for ICT functions and ICT dependent functions);
i. Increased alignment of ICT investment towards municipal integrated development plans;
j. Improved return on ICT investments;
k. ICT risks managed in line with the ICT priorities and risk appetite of the municipality;

l. Appropriate security measures to protect both the municipality's and its employees information;
m. Improved management of municipal-related ICT projects;
n. Improved management of information as ICT is prioritised on the same level as other resources in municipalities;
o. ICT pro-actively recognises potential efficiencies and guides municipalities in timeous adoption of appropriate technology;
p. Improved ICT ability and agility to adapt to changing circumstances; and
q. ICT executed in line with legislative and regulatory requirements.

1.6 CORPORATE GOVERNANCE OF ICT GOOD PRACTICE AND STANDARDS

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.

a. 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.
b. **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.
c. **Other** internationally accepted process frameworks for implementing Governance of ICT.

1.7 LAYERED APPROACH TO CORPORATE GOVERNANCE OF ICT IN MUNICIPALITIES

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

a. Facilitating the achievement of a municipality's strategic goals (Corporate Governance of ICT); and
b. The efficient and effective management of ICT service delivery (Operational Governance of ICT).

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

a. This Municipal Corporate Governance of ICT Policy, which addresses the **Corporate Governance of ICT** layer at a strategic level.
b. Other best practise frameworks which will be adapted to give effect to the governance of the ICT operational environments within municipalities.

1.7.1 CORPORATE GOVERNANCE IN MUNICIPALITIES:

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. 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.

1.7.2 CORPORATE GOVERNANCE OF ICT IN MUNICIPALITIES:

The Corporate Governance of ICT is an integral part of the corporate 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 exist in the municipality. 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.

1.8 MUNICIPAL CORPORATE GOVERNANCE OF ICT POLICY OBJECTIVES

The objectives of this Corporate Governance of ICT Policy for municipalities seek to achieve the following:

a. Institutionalising a Corporate Governance of ICT Policy that is consistent with the Corporate Governance Frameworks of the municipality;
b. Aligning the ICT strategic goals and objectives with the municipality's strategic goals and objectives;
c. Ensuring that optimum Municipal value is realised from ICT-related investment, services and assets;
d. Ensuring that Municipal and ICT-related risks do not exceed the municipality's risk appetite and risk tolerance;
e. Ensuring that ICT-related resource needs are met in an optimal manner by providing the organisational structure, capacity and capability;
f. Ensuring that the communication with stakeholders is transparent, relevant and timely; and
g. Ensuring transparency of performance and conformance and driving the achievement of strategic goals through monitoring and evaluation.

1.9 MUNICIPAL CORPORATE GOVERNANCE OF ICT PRINCIPLES

The 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 practise process frameworks.

Table 1 below contains the principles which have been adopted in the Public Service Corporate Governance of ICT Policy Framework (PSCGICTPF) which have been adapted for municipalities.

Principle 1: Political Mandate The Governance of ICT must enable the municipality's political mandate.
The Municipal Council must ensure that Corporate Governance of ICT achieves the service delivery mandate of the municipality.
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 to the municipality's strategic plans.
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.
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 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 are met.
Principle 5: Significant ICT Expenditure Management must monitor and evaluate significant ICT expenditure.
Management must monitor and evaluate major ICT expenditure, 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.
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.
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 the understanding of and respect for organisational behaviour/culture.

Table 1: Corporate Governance of ICT Principles

1.10 MUNICIPAL CORPORATE GOVERNANCE OF ICT POLICY PRACTICES

The following practices, outlined in Table 2 below, have been assigned to specific designated municipal structures and officials in order to achieve the objectives and principles contained in this Municipal Corporate Governance of ICT Policy:

Practice No.	Practices Description
1.	**The Municipal Council must:** Provide political leadership and strategic direction through: a) Determining policy and providing oversight; b) 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 for the municipal IDP; c) Assist the Municipal Manager to deal with intergovernmental, political and other ICT-related Municipal issues beyond their direct control and influence; and d) Ensure that the municipality's organisational structure makes provision for the Corporate Governance of ICT.
2.	**The Municipal Manager must:** a) Provide strategic leadership and management of ICT; b) Ensure alignment of the ICT strategic plan with the municipal IDP; c) Ensure that the Corporate Governance of ICT is placed on the municipality's strategic agenda; d) Ensure that the Corporate Governance of ICT Policy, charter and related policies for the institutionalisation of the Corporate Governance of ICT are developed and implemented by management; e) Determine the delegation of authority, personal responsibilities and accountability to the Management with regards to the Corporate Governance of ICT; f) Ensure the realisation of municipality-wide value through ICT service delivery and management of Municipal and ICT-related risks; g) Ensure that appropriate ICT capability and capacity are provided and a suitably qualified and experienced Governance Champion is designated; h) 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; and i) Ensure the monitoring and evaluation of the effectiveness of the Corporate Governance of ICT system e.g. ICT steering committee.
3.	**The Municipal ICT Steering Committee, Risk and Audit Committee must**Assist the Municipal Manager in carrying out his/her Corporate Governance of ICT accountabilities and responsibilities.
4.	**Management must ensure:** a) ICT strategic goals are aligned with the municipality's Municipal strategic goals and support the municipal processes; and b) Municipal-related ICT strategic goals are cascaded throughout the municipality for implementation and are reported on.

Table 2: Corporate Governance - Practices

2. PRACTICAL IMPLEMENTATION OF THIS MUNICIPAL CORPORATE GOVERNANCE OF ICT POLICY.

Upon approval of this Policy, the municipality must approve a Corporate Governance of ICT Charter and practical implementation plan.

2.1 THE CORPORATE GOVERNANCE OF ICT CHARTER

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.

2.1.1 OBJECTIVES OF THE MUNICIPAL CORPORATE GOVERNANCE OF ICT CHARTER

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

a. Identify and establish a Corporate Governance of ICT Policy and implementation guideline for the municipality. Policy must first be in place then the Charter;
b. Embed the Corporate Governance of ICT as a subset of the municipal governance objectives;
c. Create Municipal value through ICT enablement by ensuring municipal IDP and ICT strategic alignment;
d. Provide relevant ICT resources, organisational structure, capacity and capability to enable ICT service delivery;
e. Achieve and monitor ICT service delivery performance and conformance to relevant internal and external policies, frameworks, laws, regulations, standards and practices;
f. Implement the corporate governance of ICT in the municipality, based on an approved implementation plan.

2.1.2 DESIGN OF THE MUNICIPAL CORPORATE GOVERNANCE OF ICT CHARTER

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

a. 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;
b. How ICT service delivery will be guided at a strategic level to create ICT value in the municipality;
c. How the administrations ICT-related risks will be managed; and
d. 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. The proposed structures are as follows:

STRUCTURE	MEMBERS	MANDATE/RESPONSIBILITIES
ICT STEERING COMMITTEE (Committee of Management)	Designated Members of Management and the ICT Manager. The Chairperson shall be a designated member of the Management of the Municipality duly appointed by the Municipal Manager.	Has a specific delegated responsibility to ensure the planning, monitoring and evaluation, of the municipalities: • ICT structures. • ICT policies. • ICT procedures, processes, mechanisms and controls regarding all aspects of ICT use (Municipal and ICT) are clearly defined, implemented and enforced. • ICT Performance Management. • ICT Change Management • ICT Contingency Plans. • ICT Strategy development. • Management of ICT Security and Data Integrity. • The establishment of the municipalities ICT Ethical culture. • The evaluation, directing and monitoring of ICT specific projects. • ICT Strategic alignment. • ICT Governance compliance. • ICT Infrastructure Management. • ICT Security. • ICT Application Management. • ICT Value. • ICT Data availability and integrity. • ICT Vendor Management. • The evaluation, directing and monitoring of ICT processes
Audit Committee and Risk Committee	Nominated members of the Audit and Risk committee/s of the municipality and the ICT Manager or CIO.	Has a specific responsibility to perform an oversight role for the Identification and Management of ICT audit and governance compliance, and ICT Risks.

Table 3: ICT Governance roles, responsibilities and delegations

2.2 MUNICIPAL IDP AND ICT STRATEGIC ALIGNMENT

This accountability is assigned to the leadership of a municipality through this ICT Corporate Governance Policy which enables the municipality to align the delivery of ICT strategies and services with the municipality's Integrated Development Plans and strategic goals.

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.

2.3 CONTINUOUS SERVICE IMPROVEMENT OF ICT IN MUNICIPALITIES

In this phase, all aspects of the **Corporate Governance of ICT** should demonstrate measurable improvement from the initial implementation phase 2016–20. In this phase, detailed measurable criteria for the implementation of and compliance against the approved Corporate Governance of ICT Policy and implementation plan are established and can be measured for compliance. In this phase the applicability of all elements of the Corporate Governance of ICT Policy is tested for efficacy and efficiency.

2.4 THE DETAILED PHASED APPROACH

Implementation deliverables per financial year

Phase 1 (Enablement Phase): To be completed by June 2017

1) Municipal Corporate Governance of ICT Policy approved and implemented;
2) Corporate Governance of ICT Governance approved and implemented;
3) The following capabilities created in the municipality:
   - Governance Champion designated and responsibilities allocated;
   - A proficient ICT Manager or CIO appointed functioning at strategic level.
   - Approved and implemented **Risk Management Policy** that includes the management of Municipal-related ICT risks;
   - Approved and implemented **Internal Audit Plan** that includes ICT audits;
   - Approved and implemented **ICT Management Framework**;
   - Approved and implemented municipal **Portfolio Management Framework** that includes ICT portfolio/programme and project management;
   - Approved **ICT Disaster Recovery Plan** informed by Municipal Continuity Plan and Strategy.
   - Approved **Data Backup and Recovery policy**.
   - Approved **ICT Service Level Agreement Management policy**.
   - Approved **ICT User Access Management policy.**
   - Approved **ICT Security Controls policy.**
   - Approved **ICT Operating System Security Controls policy.**

Phase 2 (Strategic Alignment): To be completed by June 2019

1) Approved **Enterprise Architecture** informing the ICT Architecture;
2) Approved medium term ICT Strategy.
3) Approved **ICT Migration Plan** with annual milestones linked to an enabling budget;
4) Approved **ICT Performance Indicators as contained in the municipality's performance management system**.

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

The successful implementation of a Corporate Governance of ICT system leads to continuous improvement in the creation of value to the municipality. ICT delivery must be assessed on an on-going basis to identify gaps between what was expected and what was realised. Assessments must be performed coherently and encompass both:

a) The Corporate Governance of ICT (ICT contribution to realisation of Municipal value); and
b) Governance of ICT. (Continuous improvement of the management of ICT).

3. CONCLUSION

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 Corporate Governance of ICT Policy effectively. This Corporate Governance of ICT Policy will be supplemented with an implementation plan that will give guidance to the practical implementation of the framework.