DETERMINATION AND DIRECTIVE ON THE IMPLEMENTATION OF THE PUBLIC SERVICE CORPORATE GOVERNANCE OF INFORMATION AND COMMUNICATION TECHNOLOGY POLICY FRAMEWORK

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TABLE OF CONTENTS

DEFINITIONS

TERM	DEFINITION
AGSA	Auditor – General South Africa
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: - Ethical culture; - Good performance; - Effective control; and Legitimacy. (IODSA, 2016: 11)
DEPARTMENT	National or provincial department, or a government component, the Office of a Premier, a Provincial department, or a provincial government component.
DIGITALIZATION	The use of digital technologies to change a business model and provide new revenue and value-producing opportunities; it is the process of moving to a digital business (Gartner, 2022)
DPSA	Department of Public Service and Administration
EXCO	Executive Committee – highest decision-making structure consisting of executive management in the department
GITO	Government Information Technology Officer as established through Cabinet Memorandum 38(a) of 2000
CGICTPF	Corporate governance of ICT Policy Framework
HEAD OF DEPARTMENT	The incumbent of a post mentioned in column 2 of Schedule 1, 2, or 3 of the Public Service Act includes any employee acting in such post.
ICT	Information and communication technology refers to all communication technologies.
IT	Information Technology
ITSM	A set of principles 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
KING IV	Report on Corporate Governance for South Africa, 2016
MIOS	Minimum Interoperability Standard
MPSA	Minister for the Public Service and Administration
MTEF	Medium-Term Expenditure Framework
PUBLIC SERVICE ACT	Public Service Act, 1994, as amended

1. INTRODUCTION

1.1. Information and Communication Technology (ICT) has evolved. It brings about new opportunities for the public service to expedite service delivery, reach citizens promptly, and promote two-way online communication between government and service beneficiaries.

1.2. ICT allows senior management in the public service to make informed decisions based on easily accessible and reliable information.

1.3. Adopting ICT prescripts, ICT plans, ICT-enabled projects, and institutional arrangements becomes a priority to derive the expected value from the ICT.

1.4. Executive management is tasked with establishing corporate governance arrangements and incorporating ICT governance to oversee the performance of ICT.

1.5. 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).

1.6. The DPSA introduced the Corporate Governance of ICT Policy Framework in 2013. Having implemented the Policy Framework from 2013, the DPSA identified enhancements to improve the institutionalization of corporate governance of ICT.

1.7. The Cabinet approved the revised Public Service Corporate Governance of ICT Policy Framework on 9 March 2022, attached at **Annexure A.** This Policy Framework provides broad principles and practices for implementing corporate governance of ICT.

2. PURPOSE

This Determination and Directive aims to provide norms and standards to implement the revised Public Service Corporate Governance of ICT Policy Framework.

3. AUTHORIZATION

This Determination and Directive is issued in terms of section 3(1)(f) and (g) of the Public Service Act, 1994.

4. SCOPE OF APPLICATION

This Determination and Directive applies to all departments and employees employed in terms of the Public Service Act, and the members of the services only as the Determination and Directive's provisions are not contrary to the laws governing their employment.

5. REGULATORY FRAMEWORK (PROVIDES THE CONTEXT WITHIN WHICH THE DIRECTIVE EXISTS)

5.1. Constitution of the Republic of South Africa, 1996;

5.2. Minimum Information Security Standards (MISS);

5.3. Minimum Interoperability Standards (MIOS);

5.4. Promotion of Access to Information Act 2 of 2000 (PAIA);

5.5. Public Service Act, 1994;

5.6. Public Service Regulations of 2016;

5.7. Public Finance Management Act, 1999 (Act No. 1 of 1999);

5.8. Public Administration Management Act, 2014 (Act No. 11 of 2014);

5.9. State Information Technology Act No. 88 0f 1998; and

5.10. The Protection of Personal Information Act 4 of 2013(POPIA).

6. TRANSITIONAL ARRANGEMENTS

A Head of Department must ensure that all requirements of this Determination and Directive are achieved within 12 months of the approval of this determination and directive.

7. NON-COMPLIANCE MANAGEMENT

Failure to comply with this Determination and Directive must be dealt with in terms of sections 16A and 16B of the Public Service Act, 1994.

8. DATE OF IMPLEMENTATION

This Determination and Directive shall come into effect on the date of approval by the MPSA.

9. CORPORATE GOVERNANCE OF ICT PRINCIPLES

The implementation of the revised corporate governance of ICT policy framework by departments is underpinned by the following principles:

9.1. PRINCIPLES

PRINCIPLE	OBJECTIVE
Principle 1: Strategic mandate	ICT (current and future capabilities) should enable the department to achieve its strategic mandate and objectives.
Principle 2: Institutionalization of corporate governance of ICT	Corporate governance of ICT should be institutionalized within the corporate governance regime of the department.
Principle 3: Value and benefits realization from ICT investment	All ICT investments should achieve the predetermined value and benefits.
Principle 4: Manage ICT-related business risks	The ICT-related business risks, including security and cybersecurity, should be managed (mitigated and audited regularly).
Principle 5: Change management/departmental behaviour	Corporate governance of ICT should be implemented through appropriate change management interventions.
Principle 6: Monitoring and evaluation	Monitor and evaluate the use and performance of ICT.

Table 1: Corporate governance of ICT principles

9.1.1. The Head of Department must ensure that the corporate governance of ICT principles are upheld when developing and implementing all ICT policies, processes, and procedures.

10. CORPORATE GOVERNANCE OF ICT MECHANISMS

10.1.1. As the designated governance champion accountable for the corporate governance of ICT, the Head of Department must establish the corporate governance of ICT system and monitor its performance. A system is a set of structures, roles, and processes that enable the implementation of corporate governance of ICT, as depicted in the figure below:
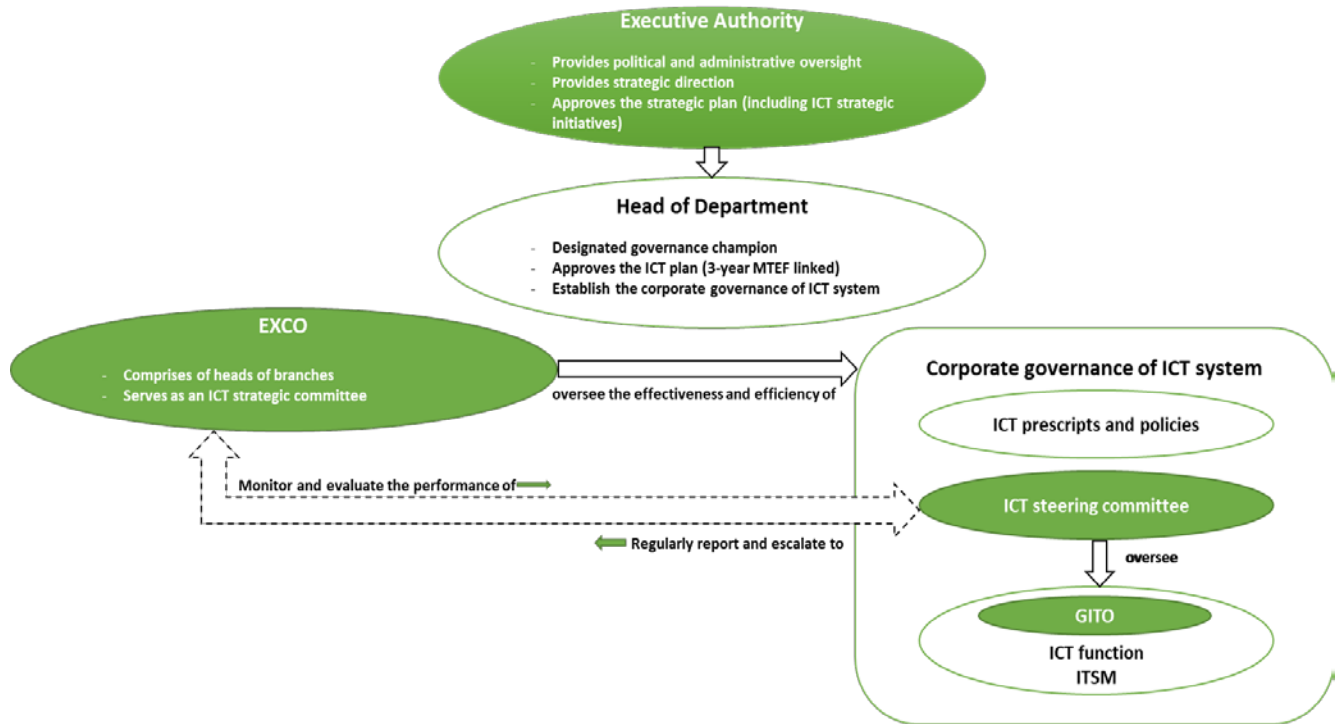
Figure 1: Corporate governance of the ICT system

10.1.2. The Head of Department must ensure the development of the departmental corporate governance of ICT policy as an instrument to implement the Determination and Directive within the department. The Policy must describe the corporate governance of ICT system, which at a minimum, must include:

(a) The policy objectives for the implementation of corporate governance of ICT;

(b) Governance structures with clear roles and responsibilities, composition and reporting arrangements between structures (e.g., Executive committee (EXCO), ICT steering committee.);

(c) The roles and responsibilities of the key role players (e.g., Head of Department, Head of ICT.);

(d) Identification of all ICT policies that support the implementation of corporate governance of ICT (e.g., Information security policy, ICT end-user policy (acceptable use), IT service management policy.); and

(e) Proposed measures to monitor and evaluate ICT performance as contemplated in paragraph 10.5.3.

10.1.3. The Head of Department must ensure the designation of a suitable Head of ICT/GITO in the department. At a minimum, the Head of ICT must:

(a) continuously seek new methods and approaches to digitalize the department's services;

(b) develop and define an IT service management (ITSM) policy. This Policy must set out the implementation and management of quality ICT services that meet the business needs and will serve as the ICT functional commitment to the business;

(c) develop an ICT plan aligned to the MTEF, to prioritize ICT initiatives supporting the departmental strategic plan;

(d) develop an ICT operational plan to reflect how department intends to implement the strategic plan over the financial year;

(e) manage the implementation of the ICT plan and the ICT operational plan;

(f) oversee and direct the day-to-day activities of the departmental ICT function, ensuring that systems, services, and infrastructure work reliably and securely in line with the ITSM policy;

(g) provide regular executive summary reports to the ICT steering committee on the ITSM policy, including but not limited to:

- Information security management (user access, etc);
- ICT availability management;
- ICT service continuity;
- Management of external service providers;
- Configuration management;
- ICT Projects status (including procurement and expenditure); and
- Information Systems Audit improvement plans (both internal and external (AGSA) audits); and

(h) ensure that duplication of ICT solutions and associated technology is eliminated.

10.2. **GOVERNANCE STRUCTURES**

10.2.1. The Head of Department must ensure that EXCO plays a broad governance role in overseeing ICT governance in the department.

10.2.2. At a minimum, EXCO must:

(a) recommend the approval of the ICT plan and relevant ICT policies for approval by the Head of Department;

(b) provide support to the functioning of the ICT steering committee;

(c) monitor and evaluate the performance of the ICT steering committee and processes; and

(d) review and ratify quarterly ICT steering committee reports.

10.2.3. The Head of Department must establish the ICT steering committee for the ICT governance structure responsible for evaluating the use of ICT to enable the department's business and oversee ICT service delivery, thereby ensuring continuous service delivery improvement. At a minimum, the ICT steering committee must:

(a) provide business leadership towards the digitalization of the department, including ICT projects and services;

(b) monitor the joint ICT planning and resourcing of the ICT programme across the department;

(c) monitor the implementation of approved ICT plans, policies, and strategies;

(d) monitor the mitigation of ICT-related business risks;

(e) monitor the performance of the audit improvement plans for both internal and external audits;

(f) track the benefits realized from ICT investments or projects;

(g) regularly review the ICT reports indicated in paragraph 10.1.3 of the Determination and Directive; and

(h) provide recommendations and regular reports to EXCO on pertinent ICT issues, including ICT plans.

10.2.4. The members of the ICT steering committee are nominated and appointed by the Head of Department and must comprise:

(a) representatives from each programme;

(b) The Head of ICT must be a member of the committee; and

(c) A member of the EXCO, other than the head of ICT, must chair the committee.

10.2.5. It is not recommended for the branch head responsible for the ICT function to chair the ICT steering committee.

10.3. ICT PLANNING

10.3.1. The Head of Department must ensure the development and implementation of ICT plans over the long, medium, and short term for ICT to enable the business and create value for the department. At a minimum, the following ICT plans must be in place:

(a) **Departmental strategic plan** – departments must indicate how ICT will be used to enable support or the achievement of the departmental targets and objectives as contemplated in regulation 25(e) of the Public Service Regulations, 2016. The strategic plan must now contain a section for digitalizing the prioritized strategic objectives. The section must contain the following:

    i.   Related objectives;

    ii.   A brief description of the digitalization project in support of the business objective;

    iii.   Planned annual targets for the implementation of the initiative over 5 years.

    iv.   The expected outcome or business value related to the project; and

    v.   The department branch responsible for the project;

(b) **ICT plan (three-year plan)** – departments must develop and maintain an ICT plan aligned to the department's strategic plan and medium-term expenditure framework. This plan must address the people, processes, and technology matters to achieve departmental objectives as per the objectives contained in the departmental strategic plan. At a minimum, the plan must-

    i.   Describe how the identified digitalization objectives in the strategic plan will be realized;

    ii.   Where the strategic plan is silent on digitalization efforts, this plan must identify digitalization initiatives to support the business objectives;

    iii.   Identify the expected outcome or business value related to the initiatives;

    iv.   Indicate the annual targets that the initiatives should meet together with its estimated budget for each year;

    v.   Indicate the budget estimates for each digitalization project over the MTEF period (3 years).

    vi.   Determine ICT infrastructure enabling initiatives in support of the business modernization, including but not limited to:

       (a)   ICT network modernization;

       (b)   The use of cloud computing;

       (c)   End-user device technology refresh (desktop PC, Laptop, printers, etc.); and

       (d)   Backend technology refresh (application and databases).

    vii.   Determine initiatives the department will undertake to reduce the duplication of ICT systems; and

    viii. Set out the human resource requirements for each identified initiative in the plan.

(c) **ICT operational plan (one-year plan)** – departments must develop and maintain an ICT operational plan that reflects the current year's

implementation of ICT initiatives and projects. The ICT operational plan must operationalize the ICT plan by providing:

i. Annual targets in relation to the ICT plan (3-year) initiatives;

ii. The breakdown of the quarterly targets;

iii. The activities to achieve the targets;

iv. Associated human resources;

v. The costs associated with the ICT projects; and

vi. Any other operational projects undertaken by the ICT function.

10.4. ICT PROJECT MANAGEMENT

10.4.1. The revised Corporate Governance of ICT Policy Framework (CGCITPF) requires departments to manage significant ICT investments or major ICT changes through a project management approach. The Head of Department must define significance based on size, complexity, and risks associated with the ICT investment (reflected in the departmental corporate governance of ICT policy);

10.4.2. Where the department has an existing project management framework, the Head of Department must ensure that the ICT projects are managed according to that framework.

10.4.3. An ICT project management framework must be adopted when the department does not have an approved project management framework. At a minimum, it must ensure that each project defines:

(a) Project Governance (roles and responsibilities);

(b) Project Conceptualisation;

(c) Project Prioritization;

(d) Project Initiation;

(e) Project Planning;

(f) Project Execution;

(g) Project monitoring and control;

(h) Quality Management; and

(i) Risk Management.

The detailed description of the above items is included in the Project Management guideline attached as **Annexure B**.

10.4.4. Business-enabling ICT projects must be owned and sponsored by the appropriate business representative.

10.4.5. Before an ICT investment exceeding R10 million is made, the Head of Department must ensure that there is an approved business case. At a minimum, the business case must contain:

(a) Scope of the ICT initiative;

(b) Financial metrics;

(c) Human resources;

(d) Timelines;

(e) The link to the strategic objectives of the department (business drivers);

(f) Value management indicators (departments must indicate how value will be determined);

(g) The business risks associated with the ICT initiative;

(h) Interoperability (seamless exchange of data and information access between the department's systems in line with MIOS;

(i) Any conditions that have an impact on the proposed ICT initiative. E.g., skills shortages or SITA as the procurement agent for the public service

(j) The economies of scale; and

(k) Elimination of duplication.

The detailed description of the above items is included in the Business Case guidelines and template attached as **Annexure C**.

10.4.6. Where a department's annual ICT expenditure does not exceed the R10 million threshold, the Head of Department must define an appropriate trigger for a business case. This must be reflected in the departmental corporate governance of ICT policy.

10.4.7. Departments are however encouraged to develop a business case for all significant ICT expenditure items.

10.4.8. The Head of Department must ensure that the value promised in the business case is realized before any ICT initiative can be considered complete.

10.5. **MONITORING AND EVALUATION**

10.5.1. The DPSA will measure the implementation of this Determination and Directive using a balanced scorecard approach with guiding criteria to assess a department's compliance and performance of ICT.

10.5.2. The DPSA will provide the departments with an assessment standard to measure (self-assessment) ICT compliance and performance.

10.5.3. The Head of Department must ensure that the annual self-assessment is conducted in line with the DPSA guidelines that will be issued periodically. At a minimum, the self-assessment criteria include:

(a) **Compliance with ICT prescripts**

    i. Departmental corporate governance of ICT policy;

    ii. Information security policy;

    iii. ICT end-user policy (acceptable use);

    iv. IT service management policy;

    v. ICT project management framework; and

    vi. ICT service continuity plan.

(b) **Financial performance**

    i. ICT budget (% ICT budget vs. total departmental budget);

    ii. ICT capital (% transformational projects vs operational activities); and

    iii. ICT spend (% planned vs actual).

(c) **Annual customer satisfaction surveys**

    i. Executive management satisfaction survey;

    ii. ICT projects (system owners & system users); and

    iii. ICT end-user satisfaction (incident management, call resolution, and quality).

(d) **Value management**

    i. Project plans and progress reports; and

    ii. Business cases (promise before investment, business case approval by the delegated authority, delivery on the approved business case checking and confirming delivery, and business owner sign-off and delivery acceptance).

10.5.4. The DPSA will conduct an annual assessment using the criteria mentioned above through the assessment process indicated in the figure below:
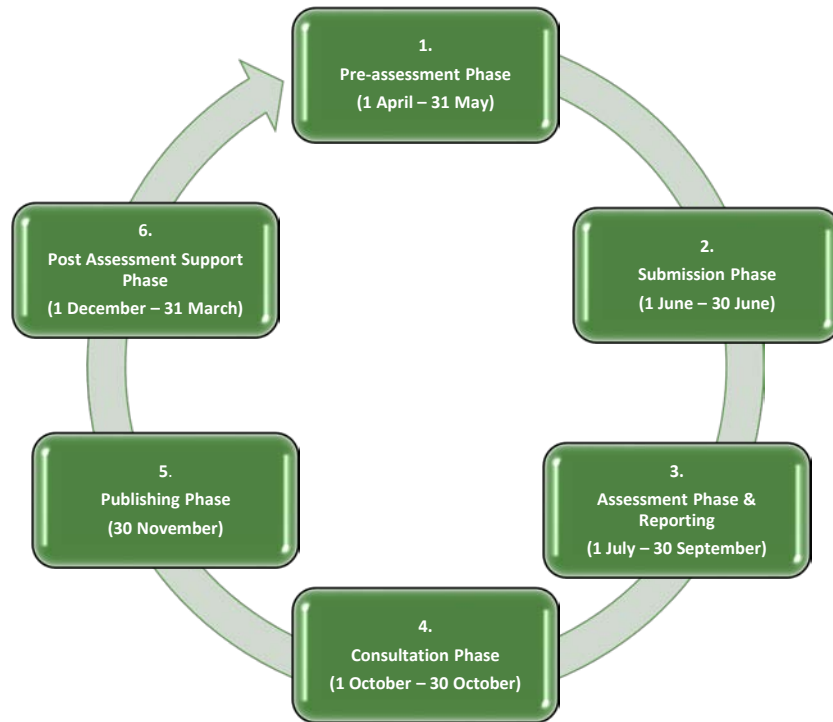
Figure 2: DPSA Corporate governance ICT assessment process

APPROVED BY THE ACTING MINISTER FOR PUBLIC SERVICE AND ADMINISTRATION

_____
MR TW NXESI, MP
ACTING MINISTER FOR THE PUBLIC SERVICE AND ADMINISTRATION
DATE:

11. REFERENCES

(1)   Department of Public Service and Administration. *Cabinet Memorandum 38a of 2000.* Pretoria: Department of Public Service and Administration.

(2)   IBM. (2020). IT Service Management (ITSM). IBM Cloud Education Retrieved from https://www.ibm.com/za-en/cloud/learn/it-service-management [Accessed 24 November 2021].

(3)   Institute of Directors in Southern Africa. (2016). *King IV Report on Corporate Governance for South Africa 2016.* Johannesburg: Institute of Directors in Southern Africa.

(4)   Gartner. (2022). Information Technology Gartner Glossary. Retrieved from https://www.gartner.com/en/information-technology/glossary/digitalization [Accessed 29 June 2022].

ANNEXURE A: PUBLIC SERVICE CORPORATE GOVERNANCE OF ICT POLICY FRAMEWORK VERSION 2

ANNEXURE B: PROJECT MANAGEMENT GUIDELINE

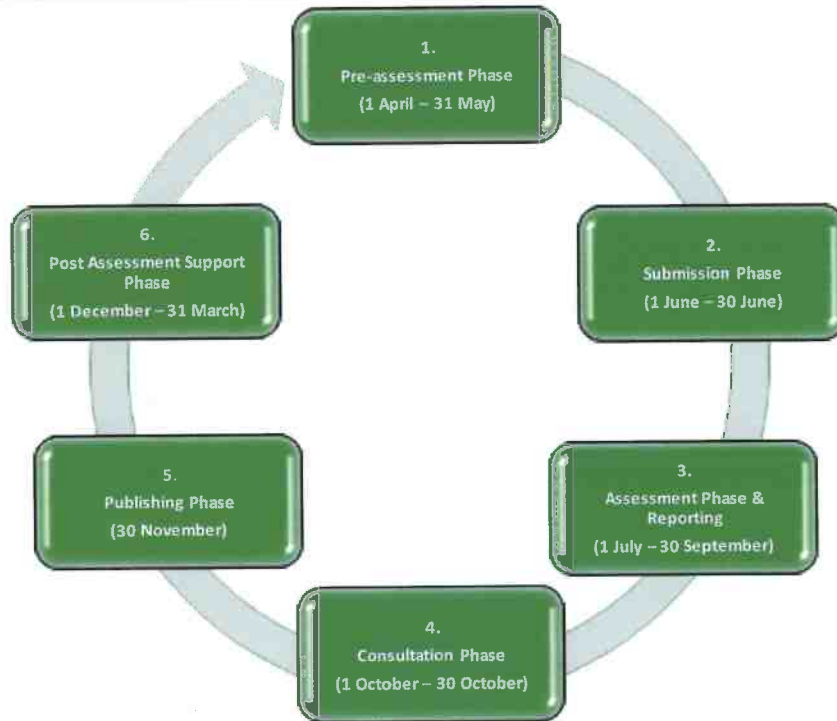## ANNEXURE C: BUSINESS CASE GUIDELINES AND TEMPLATE

Figure 2: DPSA Corporate governance ICT assessment process

APPROVED BY THE ACTING MINISTER FOR PUBLIC SERVICE AND ADMINISTRATION

MR TW NXESI, MP
ACTING MINISTER FOR THE PUBLIC SERVICE AND ADMINISTRATION
DATE: 17\11\2022