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AT THE HEART OF IT ALL

CENTLEC
Reg No. 2003/011612/30

INFORMATION AND COMMUNICATION TECHNOLOGY FRAMEWORK CENTLEC (SOC) LTD

DIRECTORATE: OFFICE OF THE CEO	
SUBJECT:INFORMATION AND COMMUNICATION TECHNOLOGY FRAMEWORK CENTLEC (SOC) LTD	POLICY NO:
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GLOSSARY OF TERMS AND DEFINITIONS	
ARC	Audit & Review Committee
CEO	Chief Executive Officer
CGICTF	Corporate Government Information and Communication Technology Framework
CGICT	Corporate Governance of Information and Communication Technology
GICT	Governance of Information and Communication Technology
COBIT	Control Objectives for Information and Related Technology
GICTF	Government Information and Communication Technology Framework
GEIT	Governance of Enterprise IT
DPSA	Department of Public Service and Administration
ICT	Information and Communication Technology
IM	Information Management
ITIL	Information Technology Infrastructure Library
ITSC	Information Technology and Services Company
ISACA	Information Systems Audit and Control Association
King IV	Corporate Governance Ethical Code of Conduct
Organisation	CENTLEC (SOC) LTD
PMBOK	Project Management Body of Knowledge
RACI	Responsible, Accountable, Consulted and Informed
SALGA	South African Local Government Association

1. BACKGROUND

CENTLEC ICT Governance Framework is informed by both the South African Local Government Association (SALGA) and the Department of Public Service and Administration Governance Frameworks. Both frameworks are explained in detail below. However, the roadmap to Successful SALGA ICT Governance, should be seen as complimentary to the DPSA Framework as it builds on to the concepts, standards, codes and best practice that is listed in the DPSA Framework. While the DPSA Framework is strategically positioned, the SALGA Framework, although also strategic in nature, are more tactically and operationally focused. It should be considered as moving from "strategic intent" (the DPSA Framework) to "operational excellence".

1.1 SALGA

In 2010 the SALGA National Members Assembly made the following proposal that were approved and adopted:

- Recognition that ICT's can be better leveraged to effective administration, service delivery and socio-economic development and are therefore integral to the functioning of any well run municipality;
- Raising the political and actual profile of ICT within local authorities (and down to the community level); and
- To mandate and capacitate SALGA to be an effective coordinator and champion in driving for more effective use of ICT's for and in local government SALGA's agenda to Local Government, in terms of ICT's, lies within the Directorate of Economic Development & Planning

SALGA adopted the ICT Governance Framework with the anticipation of the following:

- Raising the profile of ICT within municipalities.

- Raising the profile of ICT as a strategic enabler for effective administration and service delivery.
- Bringing international good practices into the municipal arena.
- Further strengthening corporate governance of ICT as well as ensuring the CIO (head of ICT) be an integral part of the executive management of a municipality.
- Institutionalizing IT governance as an integral part of municipal corporate governance.
- Creating a process whereby IT governance standards across and within the local government sector can be introduced.
- Improving the IT governance literacy and lingo within municipalities.

The following SEVEN ICT Governance principles were adopted:

Principle 1: Political Mandate	• The Corporate Governance of ICT must enable the Centlec's political mandate. •The Executive Authority must ensure that the Corporate Governance of ICT achieves the political mandate of Centlec.
Principle 2: Strategic Mandate	• The Corporate Governance of ICT must enable the Centlec's strategic mandate. •The Accounting Officer must ensure that the Corporate Governance of ICT assists in achieving the municipality's strategic plans.
Principle 3: Corporate Governance of ICT	• The Accounting Officer is responsible for the Corporate Governance of ICT. •The Accounting Officer 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. •The Executive Management must ensure that ICT service delivery is aligned with the Centlec's strategic goals and accounts for current and future capabilities of ICT. It must ensure that ICT is fit for purpose at the current service levels and quality for both current and future municipal needs.
Principle 5: Significant ICT Expenditure	• The Executive Management must monitor and evaluate significant ICT expenditure. •Executive Management must monitor and evaluate major ICT expenditure, ensure that the ICT expenditure is made for valid Centlec business 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	• Executive Management must ensure that ICT risks are managed and that then ICT function is audited. •Executive Management must ensure that ICT risks are managed within the Centlec's risk management practice. It must also ensure that the ICT function is audited as part of the municipal audit plan.
Principle 7: Organisational Behavior	• Executive Management must ensure that ICT service delivery is sensitive to organizational behavior / culture. •Executive Management must ensure that the use of ICT demonstrates the understanding of and respect for the organisational behavior / culture.

To support SALGA in applying these principles, the Association decided to establish a Corporate Governance ICT Guideline which comprises the definition and importance of Governance within the public sector, alignment to legislation and standards for municipalities, definition and clarity on decision making mechanisms, and alignment to the public service ICT Governance Framework.

1.2 Public Service Corporate Governance of ICT Policy Framework

On the 19th December 2012 the Minister for Public Service and Administration (DPSA) approved the Public Service Corporate Governance of Information and Communications Technology Policy Framework (CGICTPF). The purpose of the framework is to institutionalize the Corporate Governance and the Governance of Information and Communications Technology (ICT) as an integral part of Corporate

Governance within the Public Service. It further aims to transform Public Service delivery through ICT and determine whether ICT in the Public Service delivers an enabling service.

The preface further states that Corporate Governance of ICT requires that all-important ICT decisions should come from managerial leadership and not to be delegated to ICT management. The intention of this accountability is to enable the CENTLEC to align the delivery of the ICT services with the management strategic goals. The document cite that Corporate Governance of ICT is a continuous function that should be embedded in all operations of the Organisation, from Executive Authority and Executive Management level to the business and the ICT service level.

Through practices, principles and implementation approach, CGICTPF seeks to provide the CENTLEC with direction to implement Corporate Governance of ICT (CGICT) within the spheres of accountability and responsibility.

In accordance with the approved Corporate Governance of ICT Policy Framework (Cabinet approval 21 November 2012) and the King IV Code of Good Governance, the responsibility of corporate governance of ICT is the sole responsibility of the Executive of CENTLEC.

The implementation of Corporate Governance of ICT consists of two layers.

- Executive Layer that will oversee the corporate governance of ICT and to facilitate the achievement of CENTLEC strategic goals.
- ICT Management Layer that will adapt and implement processes needed to translate the derived ICT goals into CENTLEC strategic goals. COBIT 5 will be used as the process vehicle to achieve and align ICT related goals. This is further elaborated in the ICT Strategy document.

ICT governance is an integral part of Corporate Governance, consists of the leadership and organizational structures, and processes for governing the planning, development and use of ICT within CENTLEC.

The adopted framework uses multiple frameworks and standards as outlined below:

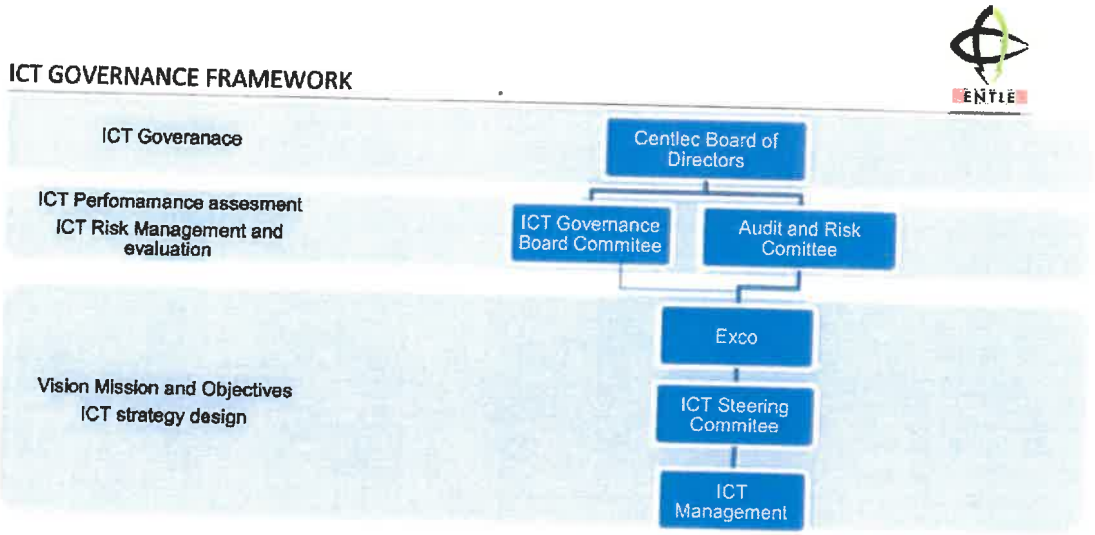

Figure 1 : Centlec ICT Governance Frameworks Layers

1.3 Implementation Guidelines

The Policy Framework requires that CENTLEC implement the Corporate Governance of ICT (CGICT) and the Governance of ICT (GICT) as an integral part of its Corporate Governance arrangements within the organisation. The DPSA guidelines outline three approaches with implementation dates that are detailed below:

Phase 1: March 2014: Creation of an enabling environment through the implementation of the CGICT and GICT. This incorporates the following:

- Corporate Governance of ICT Policy and Charter depicting how CGICT will be implemented and managed in the context of the departments;
- Designation of the Governance Champion to Coordinate the development of and the implementation of the CGICT;
- Governance and Management of ICT Framework for the governance and management of the ICT unit by the Chief Information Officer (CIO).

Phase 2: March 2015: Strategic Alignment through the implementation of business and ICT alignment. This incorporates the following:

- ICT Strategic Plan (ICT Plan), Implementation Plan and ICT Operational Plan which is aligned with CENTLEC strategic plan;
- Optional deliverables that will allow CENTLEC to improve the articulation of ICT enablements and management of information.

Phase 3: Beyond March 2015: Continuous improvement of governance and strategic alignment arrangements through:

- Continuous improvement roadmap depicting CENTLEC improvement plans for its CGICT and strategic alignment arrangements to optimise ICT enablement's of service delivery.

Though the implementation guidelines and the measurement standards have been developed by the Department of Public Service and Administration, CENTLEC is required to develop its own systems of Corporate Governance and Governance of ICT based on the DPSA outlined principles and practices.

The Corporate Governance of ICT and the Governance of ICT will ensure that CENTLEC ICT sustain and extend its strategies and objectives. Furthermore, it identifies opportunities for improved ICT use across the Organisation, make decisions transparent, minimise risk, encourage the realisation of benefits, and encourage compliance with policies and standards.

2. INTRODUCTION

ICT governance is the process of making decisions about ICT as a function, it ensures that ICT investments are optimised, aligned with business strategy and delivering value within acceptable risk taking into account the culture, organisational structure, maturity and strategy.

2.1 ICT Governance dimensions

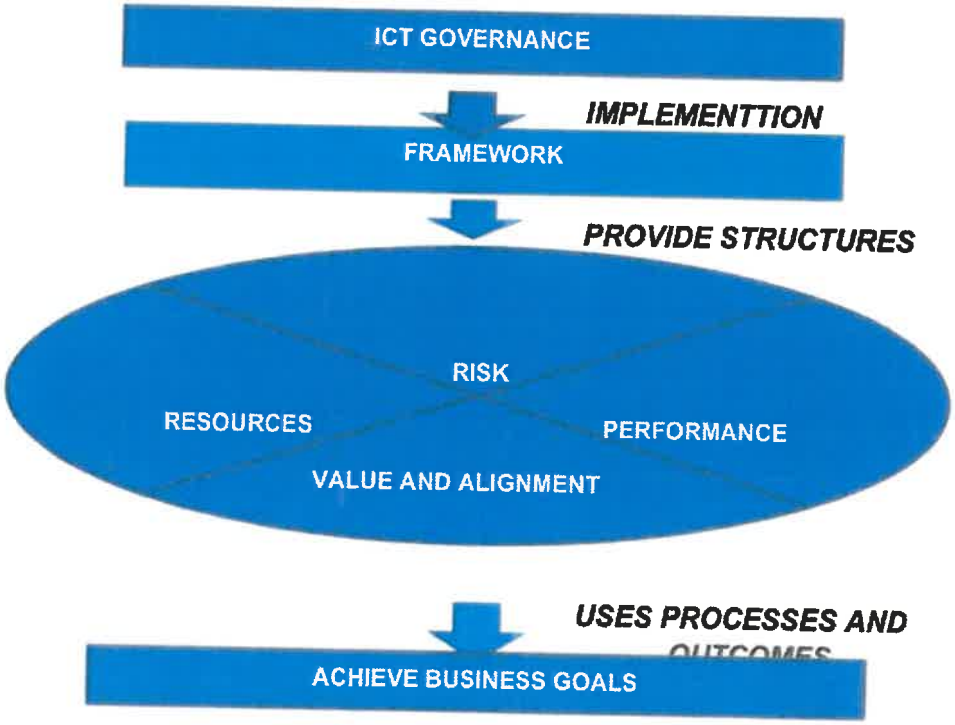

Figure 2 – Centlec ICT Governance dimensions

The above ICT Governance dimensions are explained in detail below:

2.1.1 Value and alignment

The primary goal of ICT governance is to ensure alignment between the business and ICT. By creating the necessary structures and processes through:

ICT resource Management

All of the ICT resources are managed in accordance with its needs and priorities. These resources includes tangible investments like computer hardware, software, data, networks and data center facilities, as well as the personnel responsible to manage and maintain them.

Performance Measurement

To the monitoring and measurement of relevant performance metrics to assess the performance of ICT resources.

Compliance Management

Compliance means conforming to stated requirements. At an organizational level, it is achieved through management processes which identify the applicable requirements (defined for example in laws, regulations, contracts, strategies and policies), assess the state of compliance, assess the risks and potential costs of non-compliance against the projected expenses to achieve compliance, and hence prioritize, fund and initiate any corrective actions deemed necessary

Governance of Enterprise IT (GEIT) addresses how IT is applied within the organisation. A key element of GEIT is concerned with two issues: that IT delivers value to the business and that IT risks are managed. The first is driven by strategic alignment of IT with the business. The second is driven by embedding accountability into the organisation. Executive Management achieves this in addressing the following focus areas:

- Strategic alignment
- Value delivery
- Resource management
- Risk management
- Performance measurement

Executive management should ensure that only projects that are aligned with the business strategic objectives are approved and allocated the required resources. These projects will deliver value to the business through proper Project Management, on time, on budget and deliver the expected results.

IT acquisition and disposal processes

Information technology should be in the position to facilitate the process of procurement of computers, laptop and software required across CENTLEC departments. Information and technology department should determine computers with the life span over three years. These process should include Assets division for the disposal of the asset. Upon the disposal Information and technology division should ensure that data residing on those assets is wiped off before disposal.

IT / IS Security Policy and related procedures

Information and technology division should ensure that IT security policy is available to guide the risks associated with the cyber security for social engineering, hacking and sabotage. This policy should be available to all the users through awareness and publications.

User Account Management Policies and Procedures

User accessing the network should be monitored through user access policies. This policy should states the level of access, revokes. All other aspects relating to users access should also controlled by the user account management procedure dealing with the password reset, access level and user monitoring access.

Disaster Recovery / IT Continuity plan

The entity should implement Disaster recovery plan detailing the servers and location of the site. Disaster recovery plan must provide the surety for data recovery and business continuity.

Backup Policy and Strategy

Backup policy should be aligned with the disaster recovery plan. The policy should also address the strategy critical systems and data format.

2.1.2 Risk Management

Most of the organisations value propositions are based on ICT, thus risks associated with ICT are the same as the risks of the business. As a result, managing ICT risk is important, by formulating an understanding the Organisational risk appetite through identification, analyses, evaluation, and communicating the impact of the risk. ICT risks thought not limited to security risks includes lack of user knowledge, lack of security functionality, inadequate user awareness, untested technology, transmission of unprotected communications, hacking, cyber-attacks, denial of service, identity theft, system outages and the risks associated with project failures.

Risk Management within ICT is a key part of IT Governance and should be a subset of the organisation wide risk management framework. There should be a

process within Centlec to identify ICT risk on an ongoing basis, appropriate measures to evaluate, prioritise and mitigate risks, monitor risks and measure ICT risk mitigation on a regular basis.

As the first line of defence, the Centlec ICT is responsible for risk management in the ICT environment. With the internal controls guidance, the Centlec ICT technical staff are responsible for information security governance by providing technical security processes.

Centlec ICT Management is responsible for ICT governance by aligning ICT process with Centlec business processes.(.i.e. Setting of standards, organisation management and physical and environment control)

Centlec board of directors provides strategic leadership, and guide Centlec ICT in line with corporate governance.

2.1.3 Performance and sustainability

Performance in ICT should be measured using a balanced scorecard. The ICT balanced scorecard is a process management evaluation technique that can be applied to the ICT governance process in assessing ICT functions and processes. The performance management of ICT includes but not limited to the strategic goals and objectives of Centlec, the alignment of the ICT and Centlec.

The Executive Manager's performance contract entails the performance management of the ICT environment

2.1.4 Resources

The effective and efficient management of ICT resources is central to King IV definition of ICT Governance. The Board or delegated authority should ensure that

the organisation treats its economic, social and environmental resources responsibly and this performance should be reported on a quarterly basis.

3. SCOPE OF APPLICATION

3.1 The Information and Communication Technology (ICT) Governance Framework is based on the SALGA and the DPSA Governance Frameworks.

3.2 The Framework covers all areas of governance and the management of the ICT function within CENTLEC.

3.3 This framework shall provide guidance and apply to all employees of CENTLEC including any person who utilises CENTLEC ICT infrastructure or interacts with CENTLEC ICT.

3.4 The framework will be consistent and transparent in its application. It will be applied in a manner that will be cost effective and efficient in enabling the Organisation to achieve its objectives.

4. BENEFITS OF CORPORATE GOVERNANCE OF ICT

The following benefits are expected to be realised with the proper implementation of the framework:

a) Improved stakeholder communication.
b) Achievement of the ICT strategic goals.
c) Effective service delivery through ICT-enabled access to information and services.
d) Improved ICT enablement of business.
e) Improved delivery of ICT service quality.
f) Continuous improvement of business and ICT alignment.
g) Efficient management of risk and resources.
h) Increased alignment of investment towards strategic goals.

i) Improved ICT ability to learn and agility to adapt to changing circumstances.

j) ICT executed in line with legislative and regulatory requirements.

5. ICT GOVERNANCE STRUCTURE

The Organisation ICT operations are decentralised, however, ICT key Strategic activities are performed at Head Office, including ICT decisions, human capital and budget management. The Information Management Manager takes the lead in developing the governance processes and this are submitted to the ICT Steering Committee for deliberations, recommendations and approval by the Executive Committee.

The CENTLEC governance structure is illustrated below:

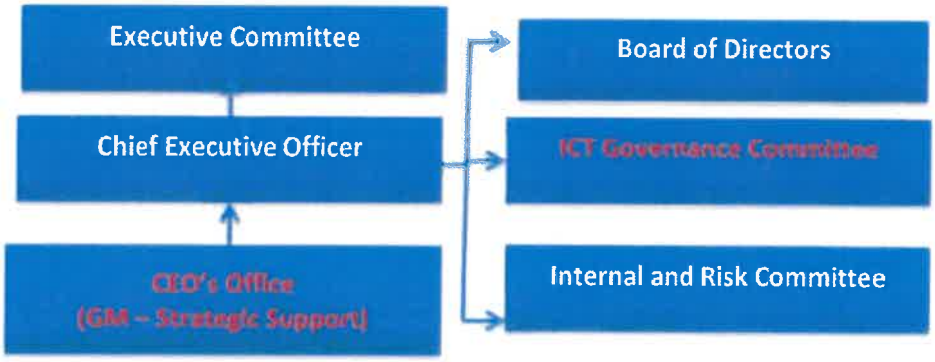

Figure 3 – ICT Governance Structures

5.1 Reporting Structure

5.1.1 Chief Executive Officer

National Treasury has outlined the required Municipal Competency Levels for the Accounting Officer. Amongst a number of competencies, the following are more

relevant for this document, Strategic Leadership and Management, Governance, Ethics and Values in Financial Management, Risk and Change Management, Project Management, Legislation, Policy and Implementation, Audit and Assurance.

5.1.2 Board of Directors

The board should:

5.1.2.1 Ensure that ICT is on the agenda, ICT charter exists, It policies are in place, ICT internal control framework exist and independent assurance on effectiveness of ICT controls is obtained.

5.1.2.2 Align ICT to performance and sustainability objectives of the company.

5.1.2.3 Delegate responsibility for implementation of an ICT governance framework to management (appoint the ICT Steering Committee).

5.1.2.4 Monitor and evaluate significant ICT spend in terms of value and return on investment.

5.1.2.5 Ensure protection of Intellectual property, information management and security of the ICT systems.

5.1.2.6 Ensure compliance with ICT laws and standards.

5.1.2.7 Obtain independent assurance on ICT governance and control on outsourced ICT services.

5.1.2.8 Management should demonstrate adequate disaster recovery arrangements.

5.1.2.9 The Risk Committee should ensure that ICT risks are adequately addressed and there is appropriate assurance on controls.

5.1.3 ICT Steering Committee

The ICT Steering Committee meets quarterly as outlined in the committee terms of reference. The committee provides oversight into the ICT Strategic Plan and the

implementation thereof. The committee is responsible to ensure that the ICT Strategy plan is in alignment with the organisational goals and meet business and operational requirements whilst exercising financial governance and abiding by the regulatory and legislative laws. The recommendations of the committee are submitted to the Executive Committee (EXCO) for resolution.

5.1.4 Audit and Risk Committee

The Audit and Risk Committee has a dual role of ensuring that the Audit and risk matters as outlined below are addressed accordingly and follows prescribed frameworks. Though the responsibilities are combined, Committee has the delegated responsibilities as outlined in the Treasury Audit Committee Framework (referred to as Chapter 2). As a result, they should be updated on ICT Risks and investment in ICT. ICT should be represented at the Audit and Risk Committee and report on issues relating to the ICT environment. This includes the risk assessments and documentation of the ICT risk register, action and implementation plan.

The audit committee must, amongst others review the following:

5.1.4.1 The effectiveness of the internal control systems.

5.1.4.2 The effectiveness of the internal audit function.

5.1.4.3 The risk areas of CENTLEC operations to be covered in the scope of internal and external audits.

5.1.4.4 The adequacy, reliability and accuracy of financial information provided to management and other users of such information.

5.1.4.5 Any accounting and auditing concerns identified as a result of internal and external audits.

5.1.4.6 The institution's compliance with legal and regulatory provisions.

5.1.4.7 The activities of the internal audit function, including its annual work programme, coordination with the external auditors, the reports of

significant investigations and the responses of management to specific recommendations.

5.1.5 ICT General Manager

The ICT General Manager responsibilities include formulating overall strategy, managing people and establishing policies. The attributes of ICT GM should be a thoughtful leader and a confident decision-maker, helping IT personnel to develop and be productive, while ensuring profits of the organisation rise. The GM in ICT reports to the office of the CEO or Senior Executive.

5.1.6 IM Manager

The ICT department plays a strategic supporting role for CENTLEC. The Information Management Manager heads the department and deals with the day to day operations of ICT. The incumbent responsibilities includes but not limited to the secure and effective operation of all computer systems, related applications, hardware and software that is used within the organisations. IM Manager report to the General Manager

6. ICT GOOD PRACTICES AND STANDARDS

The Corporate Governance of and Governance of the ICT good practices and standards relates to some of the outlined frameworks and best practices.

6.1 Frameworks

There are several ICT governance frameworks that can be used to measure the effectiveness of the ICT Operations within CENTLEC. However, as guided by the DPSA, the following ICT governance frameworks are adopted by CENTLEC in line with the DPSA framework:

6.1.1 King III and IV Code

King III and IV highlight the role of ICT governance and the board related responsibilities. This is a new and expanded area for King, More resources and director's time and commitment is required to address ICT governance and related procedures and practices. ICT governance will impact on risk management, assurance and reporting frameworks. In terms of King IV, the board is responsible for ICT governance. It outlines the following specific responsibilities of the board that are also outlined in paragraph 5.1.2 above.

The board should:

(i) Ensure that ICT is on the agenda, ICT charter exists, It policies are in place, IT internal control framework exist and independent assurance on effectiveness of ICT controls is obtained.

(ii) Align ICT to performance and sustainability objectives of the company.

(iii) Delegate responsibility for implementation of an ICT governance framework to management (appoint the ICT Steering Committee).

(iv) Monitor and evaluate significant ICT spend in terms of value and return on investment.

(v) Ensure protection of Intellectual property, information management and security of the ICT systems.

(vi) Ensure compliance with ICT laws and standards.

(vii) Obtain independent assurance on ICT governance and control on outsourced ICT services.

(viii) Management should demonstrate adequate disaster recovery arrangements.

(xii) The risk committee should ensure that ICT risks are adequately addressed and there is appropriate assurance on controls.

6.1.2 ISO/IEC 38500

The ISO 38500 standard for Corporate Governance of ICT sets out a framework of six (6) principles, a model and guidance for the corporate governance of ICT that all organisations should apply. Corporate governance of ICT is described as the system by which the current and future use of ICT is directed and controlled. It is different to management, the system of controls and processes required to achieve the strategic objectives set by the organization's governing body.

The first challenge for most organisations in applying the ISO 38500 standard for the corporate governance of ICT is to identify what are the essential requirements. The six principles of the ISO 38500 standard for good corporate governance of ICT address:

- Responsibility;
- Strategy;
- Acquisition;
- Performance;
- Conformance; and
- Human Behaviour.

Incorporating these principles in decision making about ICT will drive the effective, efficient and acceptable use of ICT within CENTLEC.

The six principles of ISO 38500 define a rigorous framework for governing ICT which, if adopted, will assist directors and top management balance risk and encourage opportunities arising from the use of ICT. Proper corporate governance of ICT assists in contributing positively to the performance of the organization, through the following:

(i). Appropriate implementation and operation of ICT assets.

(ii) Clarity of responsibility and accountability for the use and provision of ICT in achieving the goals of the organization.

(iii) Business continuity and sustainability.

(iv) Alignment of ICT with business needs.

(v) Efficient allocation of resources.

(vi) Innovation in services, markets, and business.

(vii) Good practice in relationships with stakeholders.

(viii) Reduction in the costs.

(ix) Realization of approved benefits from each ICT investment.

6.1.3 COBIT

The Information Systems Audit and Control Association (ISACA) create control Objectives for Information and Related Technology (COBIT). The recent release is COBIT 5.

COBIT is the only business framework for the governance and management of enterprise ICT. This evolutionary version incorporates the latest thinking in enterprise governance and management techniques, and provides globally accepted principles, practices, analytical tools and models to help increase the trust in, and value from information systems. COBIT 5 builds and expands on COBIT 4.1 by integrating other major frameworks, standards and resources, including ISACA's Val IT and Risk IT, Information Technology Infrastructure Library (ITIL) and related standards from the International Organization for Standardization (ISO).

COBIT 5 will help to create optimal value from ICT by maintaining a balance between realizing benefits and optimizing risk levels and resource use. The framework addresses both business and ICT functional areas across CENTLEC and considers the ICT-related interests of internal and external stakeholders. Enterprises of all size, whether commercial, not-for-profit or in the public sector, can benefit from COBIT 5.

COBIT will help CENTLEC to benefit in:

(i) Maintain high-quality information to support business decisions.
(ii) Achieve strategic goals and realize business benefits through the effective and innovative use of ICT.
(iii) Achieve operational excellence through reliable, efficient application of technology.
(iv) Maintain ICT-related risk at an acceptable level.
(v) Optimize the cost of ICT services and technology.
(vi) Support compliance with relevant laws, regulations, contractual agreements and policies.

COBIT 5 is based on five key principles for governance and management of enterprise ICT:

- Principle 1: Meeting Stakeholder Needs
- Principle 2: Covering the Enterprise End-to-End
- Principle 3: Applying a Single, Integrated Framework
- Principle 4: Enabling a Holistic Approach
- Principle 5: Separating Governance from Management

6.1.4 Information Technology Infrastructure Library (ITIL)

The Central Computer and Telecommunications Agency (CCTA) responded to the growing dependence of ICT by developing a set of recommendations. It recognised that without standard practices, government agencies and private sector contracts had started independently creating their own ICT management practices. As a result the Information Technology Infrastructure Library (ITIL) was born.

ITIL is a public framework that describes Best Practice in ICT service management. It provides a framework for the governance of ICT, the 'service wrap', and focuses on the continual measurement and improvement of the quality of ICT service

delivered, from both a business and a customer perspective. This focus is a major factor in ITIL's worldwide success and has contributed to its prolific usage and to the key benefits obtained by those organizations deploying the techniques and processes throughout their organizations.

Some of these benefits include:

(i) Increased user and customer satisfaction with ICT services.

(ii) Improved service availability, directly leading to increased business profits and revenue.

(iii) Financial savings from reduced rework, lost time, improved resource management and usage.

(iv) Improved time to market for new products and services.

(v) Improved decision making and optimized risk.

The Information Technology Infrastructure Library (ITIL) is the most widely accepted approach to ICT service management in the world. ITIL provides a cohesive set of best practice, drawn from the public and private sectors internationally. ITIL describes processes, procedures, tasks and checklists that are not organization-specific, used by an organization for establishing integration with the organization's strategy, delivering value and maintaining a minimum level of competency. It allows the organization to establish a baseline from which it can plan, implement, and measure. It is used to demonstrate compliance and to measure improvement.

ITIL advocates that ICT services must be aligned to the needs of the business and underpin the core business processes. It provides guidance to organizations on how to use ICT as a tool to facilitate business change, transformation and growth. It enables organizations to deliver appropriate services and continually ensure they are meeting business goals and delivering benefits. It is the basis for ICT Service Management or IT Service Support Management (ITSM or ITSSM) that ensure the implementation and management of quality IT services that meet the needs of the business. IT service management is performed by IT service providers through an

appropriate mix of people, process and information technology. The following represents a characteristic statement from the ITSM literature. It should be noted that there are several frameworks that contribute to the ITSM.

Adopting ITIL can offer users a huge range of benefits that include:

- Improved ICT services.
- Reduced costs.
- Improved customer satisfaction through a more professional approach to service delivery.
- Improved productivity.
- Improved use of skills and experience.
- Improved delivery of third party service.

The key principles of IT Service Management:

- Service Strategy;
- Service Design;
- Service Transition;
- Service Operation; and
- Continual Service Improvement

6.2 Project Management

CENTLEC has adopted the Project Management Body of Knowledge 5 (PMBOK 5) as a guide for the development and the management of projects. Though PMBOK has been adopted, there are service providers that follow a similar methodology but not detailed as PMBOK, such methodology will be applied with caution and ICT management will make certain that such methodology will not compromise the end product.

Processes and structures should be in place to monitor ICT projects to ensure they deliver on their value proposition. Formal reporting back to the ARC and Board n the benefits, risks, and status of projects should be implemented for all major investments.

Centlec ICT staff members and are responsible for project governance in line with PMBOK 4 and 5 standards of project management. Centlec ICT management is responsible for oversight monitoring of project and activities in the ICT environment.

7. GOVERNANCE MODEL AND IMPLEMENTATION

Corporate governance describes the relationships between stakeholders and the strategic goals of CENTLEC and creating value for the organisation. These are achieved by assigning accountability and responsibilities to structures and functions within the CENTLEC. This is illustrated in the diagram below:

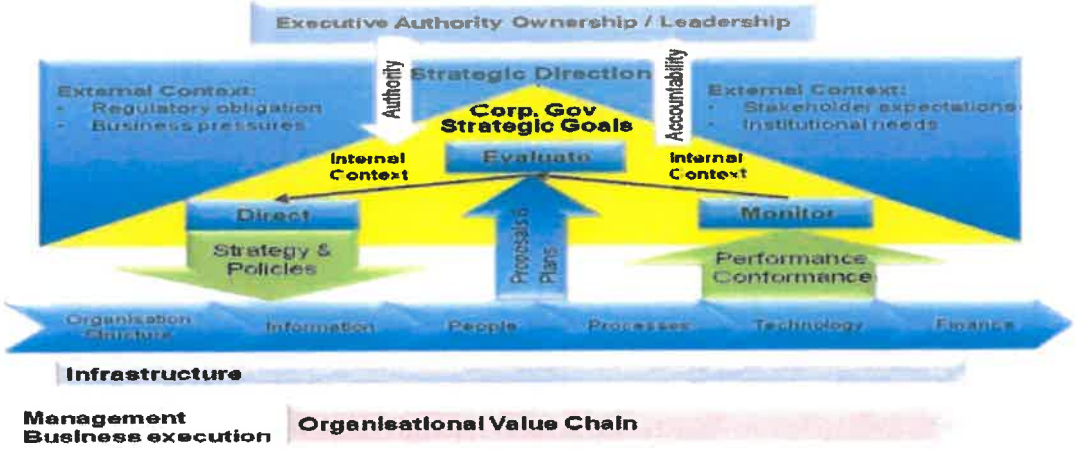

Figure 3: Contextual Governance Model

8. CORPORATE GOVERNANCE OF ICT CHARTER

The Charter outlines the decision-making rights and accountability for ICT governance that will enable the desirable culture in the use of ICT within CENTLEC. This is achieved by requiring ICT management to provide timely information to conform to the principles of good governance. Reference should also be made to the ICT Charter.

The corporate governance of ICT is a subset of corporate governance and it involves the evaluating, directing and planning the ICT infrastructure and resources to achieve its strategic objectives. In the case of CENTLEC:

- The Board of Director and the Board sub-committees, viz. ICT Governance Committee will act in the best interest of CENTLEC and form the focal point of Corporate governance with responsibilities extending to the shareholders.
- The Chief Executive Officer as the Accounting Officer will provide strategic leadership.
- Executive Management and Business Units Heads or their delegated personnel as the representatives and members of the ICT Steering Committee will ensure that the governance of ICT is implemented and managed.

9. DECISION MAKING PROCESS

While CENTLEC Information Management Manager remains solely accountable to both customers and stakeholders for all ICT direction, policy and strategy in the Business Unit, this ICT Governance Framework reflects the changes in roles and responsibilities to reflect on business leadership participation and buy-in.

9.1 The ICT Steering Committee will serve as the most diverse governance body both in representation (including business leadership, expertise), and in scope for advice and consultation.

9.2 The Information Management Manager will maintain a flexible governance process, particularly in planning that will allow for consultation with subject matter expertise, stakeholders and industry experts and the formation of additional formal or informal groups in a manner that will improve the decision-making process and the best outcomes for the ICT function.

9.3 Five areas in which ICT decisions are required in the context of CENTLEC are strategy, architecture, infrastructure, business applications and major investments. These are be described as follows:

9.3.1 **ICT strategy:** high-level statements on how ICT resources are used in CENTLEC. These may be articulated as a set of principles or strategic directions.

9.3.2 **ICT architecture:** the organising framework for data, applications and technical infrastructure, captured in a set of policies, organisational structures and technology choices to achieve the effective integration of systems, processes and data.

9.3.3 **ICT Infrastructure:** the foundation of ICT capability (both technical and human) available across the organisation as shared, reliable services used by multiple applications. This includes the network, the servers and the software.

9.3.4 **Business applications:** software applications that leverage and extend the enterprise architecture to meet business needs.

9.3.5 **Major investments:** how much the department invest in ICT and the benefits thereof.

10. RACI MATRIC MODEL

The CENTLEC ICT governance framework utilise the RACI Matrix Model to identify and describe the participation of key players especially for tasks in cross-functional areas and processes. RACI is outlined and explained below:

RACI Role	Role Description
Responsible (R)	Those who do the work to achieve a task. A responsible person or persons get their authority from the individual that is accountable. The CIO delegates responsibility to his teams.
Accountable (A) (also approver or final approving authority)	The one person that has ultimate decision-making authority and is answerable for the correct and thorough completion of deliverables. This person can delegate responsibility for completion of the deliverables to others, but remains accountable. The Manager - Information Management is solely accountable to both customers and stakeholders for all ICT decisions and activities.
Consulted (C)	Those whose opinions are sought, typically subject matter experts and advisors. There is two-way communication between individuals that are consulted and those responsible.
Informed (I)	Those that are kept up to date on progress, often only on completion of the deliverables.

10.1RACI application

	ICT Team	IM Manager	ICT Steering Committee	EXCO	Audit and Risk Committee	Board of Directors
Develop ICT Strategy	C	R A				
Approve document for submission		R	R A			
Check for alignment against organisation wide strategy		A	R		C	
Approve ICT Strategic Plan				R		A
Adopt ICT Strategic Plan			R A		C	
Implementation of the Plan	R	R A	I			

11. POLICY FRAMEWORK STRUCTURE

Policies are a fundamental component of the governance toolset to help ensure that good governance is in the for the ICT function. It is essential for Centlec to ensure that relevant ICT policies are implemented to maximise governance, risk and security of the organisation and to enable the ICT department to best support the business. Based on the governance structure, below are descriptions of the key forums and individuals responsible for policy formulation and approvals.

	ICT Team	IM Manager	ICT Steering Committee	EXCO	Audit and Risk Committee	Board of Directors
Develop of ICT Policies	C	R A				
Approve document for submission		R	R A			
Check for alignment against organisation wide strategy		A	R		C	
Approve ICT Policies				R		A
Adopt ICT Policies			R A		C	
Implementation of the ICT policies	R	R A	I			
Project Governance	R A	R A	A	C I		
ICT Performance Management	R A	R A	A			
ICT Risk Management	R A	R A	A	C	A	I

12. REVIEW AND APPROVAL

This policy and underlying strategies will be reviewed at least annually, or as necessary, to ensure its continued application and relevance.

Revised by:

Signed: 

Manager: Information Management

Date: 22/05/2023.

Supported by:

Signed: 

Act Executive Manager: Engineering Retail

Date: 22/05/2023

Approved by:

Signed: 

Chief Executive Officer

Date: 22/05/2023