

IT Governance: Status and Level of Implementation in Zimbabwean Urban Local Authorities

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Abstract

Information Technology has become an indispensable tool in enabling business processes. The study sought to assess the status and level of implementation of IT governance in Local authorities in Zimbabwe. Three local authorities were used as case studies and respondents were purposively selected from Councillors of the three local authorities. Interviews were then conducted with senior personnel; Chamber Secretary, Town Clerk and the Treasurer. In order to assess the status and level of implementation, reference was made to the Institute of Information technology (ITGI) governance framework. It was discovered that, the Local authorities in Zimbabwe's IT functions are not aligned to business strategies. Urban Local authorities in Zimbabwe need to properly take on board IT in order to improve service delivery.

Keywords: Local authorities, IT governance, Service delivery, business strategy, ITGI

Introduction

Local governments are a vital arm of the governance system of any nation. Just like any other entity, these entities are accountable to various stakeholders. In the Zimbabwean local governments are governed under the Urban Councils Act [chapter 29:15] for urban local authorities whilst rural local authorities are governed under the Rural Councils Act [Chapter 29:13]. In these local authorities corporate governance issues are of utmost importance as local authorities are subjected to immense public scrutiny and are supposed to instil confidence in various stakeholders. This is essential when it comes to attracting fresh capital for financing public services. The operating environment is becoming very complex and local authorities find themselves in a quadrant where they have no option other than to keep abreast with technological changes.

The adoption of technology has resulted in new challenges for organizations in terms of governance issues. This has led to a robust focus on corporate governance. Since the subject of IT governance is relatively new in Zimbabwe, the study seeks to establish the status and level of implementation of Information Technology governance in Zimbabwe's local governments. Local authorities in Zimbabwe are now operating in a technology dependent world, it is vital to identify the governance structure, processes and value metrics in place so as to make a comparison with the best practices in IT governance.

Literature review

Governance of Urban local authorities in Zimbabwe

Urban local authorities in Zimbabwe are governed in terms of the Urban Councils Act (Chapter 29:15). They fall under Local Government, Public Works and National Housing ministry. The Minister responsible for this portfolio has an overall say in the governance issues of local authorities. The council is the highest decision making board for a Local authority. In terms of section 64 of the Urban Councils Act (chapter 29:15), the Mayor is mandated to preside over all meetings of the council when present. In this case the Mayor is more like a Chairman of the board. Section 49 on election and qualification of Mayor allows one to take up the post if one is forty years and above, ordinarily resident in the local authority for the five years immediately preceding the election. The act sets five ordinary level subjects as the minimum entry point.

In the execution of his duties the Mayor is supposed to be assisted by elected Councillors in terms of section 40, for one to be elected as a Councillor, one should have attained the age of thirty and is an eligible voter. The act does not prescribe the minimum educational qualifications for Councillors. The council is run along the committee system of governance.

Various committees are available to aid the governance of a council, in terms of section 92 of the Urban Councils Act (chapter 29:15) immediately after an election there is need for the Council to appoint an executive committee which consists of the Mayor, Deputy Mayor and the chairman of every committee of Council. Section 99 allows the executive committee to appoint more sub-committees for specific tasks. The Act further allows the setting up of special committees as per section 100 (1a,b).

Convergence of corporate governance and Information Technology governance.

The subject of corporate governance has taken centre stage over the last two decades with the crafting of the Cadbury report in 1992 being the major turning point in the entity governance systems. This was a direct

response to major company failures with these failures being attributed to poor corporate governance. According to the Cadbury report (1992) corporate governance is described as the way in which companies are directed and controlled. According to the ITGI, the Cadbury report was mainly focused on financial reporting and auditing but it also cascades down to wider concepts of governance such as openness, integrity and accountability. In this regard, Information Technology governance is viewed as emanating from the overall corporate governance concept. IT governance is defined in various ways; Van Grembergen (2003) defines IT governance as the organizational management of IT and business systems in such a way that they are integrated to realize a common goal. Patel (2002) further concurs with the above notion as the author defines IT governance as the alignment of IT with business objectives thereby creating value for the organization. Panker, Peterson and Ribbers (2002) definition is centred on the fusion of business and IT. The IT governance institute (2000) also defines IT governance as the delivery of IT taking into consideration of IT related risks .

Overview of IT governance

The concept of IT governance has received widespread recognition owing to its impact on corporate performance. Organizations invest heavily in IT to maintain or secure competitive advantages (Applegate et al., 2003). Bowen (2007) attributes the success of any business on effective management and control of IT to maximize on benefits. Every organization strives to maximize value for stakeholders. So issues of IT nature cannot be ignored without some serious repercussions. There are three main dimensions of IT governance which should be given due recognition, these are IT governance structure, process and metrics (Bowen et al., 2007). IT governance is aimed at achieving strategic alignment of IT with business. This involves mechanisms for decision making, vision setting and mechanisms for spreading the organizational policies. In as far as IT governance processes are concerned the major thrust is on embedding systems that ensures that there is accountability. That is putting in place mechanisms that ensure that concerned parties are answerable. In this case the board is charged with the responsibility of providing direction and management is concerned about the implementation part (www.itgi.org). IT metrics is concerned about measurement of the impact of IT structure and processes to ensure that a desired outcome is realized. Emphasis is on conformance to set objectives and consistent realignment.

IT governance frameworks

Wessels and Van Loggernberg (2006) note that organizations have developed various IT governance frameworks. Despite the variation in frameworks, these new developments are all anchored in the generic frameworks to govern IT within organizations. In concurrence with Wessels and Van Loggernberg, Barton (2004) postulate that even though the frameworks vary in terms of content, their main thrust is on upping efficiency of IT. In accordance with Anthes (2004) IT governance frameworks seek to create value from IT.

Information Technology Information Library (ITIL)

Kim (2003) describes ITIL as a process oriented approach to IT activities. The emphasis is on IT service management. Organisations should strive to reduce system down time. According to ITIL version 3, 80% of unplanned system down time is attributed to failure of processes and people not technology .In accordance with the Office Government Commerce(2002: 1-4) ITIL is divided into business perspectives, service delivery, service support , infrastructure management, application management, planning to implement service management and security management.

Business perspective – the aim is to enlighten management on the relevance of ICT as part their business process.

Service delivery

The organization must identify services to be offered so as to ensure that users are given adequate support. The emphasis is on user satisfaction.

Service support

The focus is on customer satisfaction by ensuring that they get assistance. This may be in the form of desk support.

ICT infrastructure management

The major concern is on more technical issues such as network service management, operations management and systems management.

Application management

Emphasis is on complex software development life process. The business objectives need to be integrated with the application development.

Planning to implement the service management

Focus on the steps of introducing IT governance and approaches that can be adopted to introduce it.

Security management

Organisations should strive to implement security measures to safeguard information assets and secure delivery of organizational services.

Control Objectives on Information Technology (COBIT)

Cobit was developed by the Itgi and ISACA in 1998(Hines ,2005). It aims to strike a balance between IT risks and investments in IT controls (Carrol, Ridley and Young (2004). The Cobit 5 is concerned about governance and management of information assets . It goes well beyond IT governance and include information governance. This is a stakeholder oriented framework which takes into consideration the interests of various stakeholders.

Information Technology governance institute framework (ITGI)

According to www.itgi.org information plays a critical role in the success of any organization. Proper governance of IT ensures that there is alignment of IT to business goals, value generation and effective risk management and utilization of opportunities. The focal points for this framework is on ; IT alignment, IT value generation , IT resources management, IT performance management and risk management. This is the framework which is adopted for this research.

Research methodology

This study targeted urban local authorities in Zimbabwe as the research universe. A cross sectional survey was used. Three Urban local authorities were randomly selected and the unit of analysis were the Councillors and top management. Bless and Higson-Smith (2000) define unit of analysis as the person or object where data is collected. The data can be used as a true representative of the group from which the unit is extracted. Forty Councillors were purposively selected. David and Sutton (2004:152) say that as for purposive sampling, “.... the units are selected according to the researcher’s own knowledge and opinion about which ones will be appropriate to the topic area.” The Councillors were selected owing to their oversight role on Councils governance issues. Top management were also included as they play an unequivocal role in the policy implementation. The data was collected using questionnaires which were distributed at Councils’ offices and follow up semi-structured interviews were conducted with top management. Document review also formed a rich reservoir of secondary data.

Results and discussion

Questionnaire response rate

Out of the 40 questionnaires distributed, 35 were returned which represents a questionnaire response rate of 88% and the remaining 5 (12%) were not returned as the targeted respondents were either busy or absent.

Councillors’ educational background

Figure 1 below shows the educational levels of the selected Councillors.

N=35

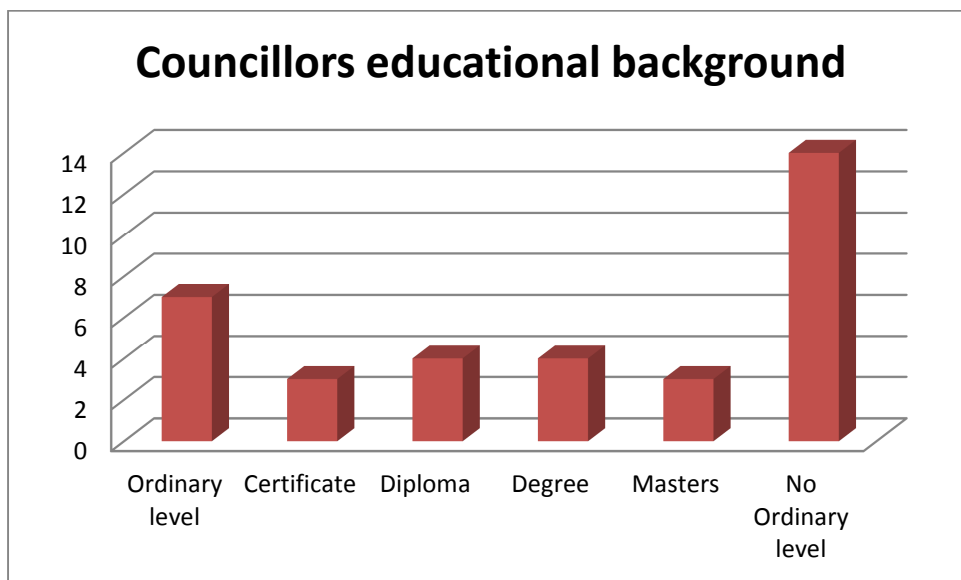


Figure 1: Councillors educational background

The research revealed that 7 (20%) respondents were five ordinary level subjects holders,3 (9%) were certificate holders, 4 (11%) had diploma qualifications, 4(11%) held degrees in various disciplines, 3(9%) were masters’ degree holders and 14(40%) had no five ordinary level subjects. These educational profiles are a clear indication as to the impact of the absence of mandatory minimum qualifications on Councillors. The Council by virtue of having an oversight role on council operations should be comprised of the right mix of skills so as to ensure that there is balance at board level. The local authorities are dominated by Councillors who are not educated and at times operate along partisan grounds since they are elected Councillors who have to further the political

ideologies of the various parties that they represent. This affects policy formulation and implementation.

Representation of IT at Council level

In an Interview with the one of the Town Clerks, it was noted that there was no direct IT representation at Council level. The IT department through the IT manager reports directly to the Town Clerk. Such a reporting structure affects the full integration of IT and business processes to optimise Council operations.

Responsibility for IT governance

Table 1 below shows responses on the responsibility for IT

	Number of respondents	Percentage
Town Clerk	26	74
Internal audit	3	9
Council	4	11
IT manager	2	6

Table 1: Responsibility for IT governance

Given above are responses on the responsibility for IT governance. A total of 26 (74%) respondents indicated that IT governance was the responsibility of the Town Clerk, 3 (9%) respondents showed that IT governance was the responsibility of the internal audit. 4 (11%) indicated that IT governance was the responsibility of Council and the Other 2 (2%) respondents attributed the governance of Information technology to the IT manager. The varied responses point towards the absence of a clear responsibility for IT. This also confirms the earlier submission that IT is viewed as an appendage of the Town Clerk. The Town Clerks have different educational orientation as opposed to the demands of the IT which requires specialised skills.

Championship for IT projects

	Number of respondents	Percentage
IT manager	22	63
Council	9	26
others	4	11

Table 2: Championship for IT

As shown in Table 2, 22 (63%) of the respondents showed that the IT projects were being spearheaded by the IT manager. A total 9 (26%) of the respondents signified that IT projects were the responsibility of Council. The other 4 (11%) demonstrated that IT related projects were the responsibility of other players. In this case other players were in the form of Outsourced service providers. The absence of an IT steering committee is a major drawback in terms of IT projects implementation. It can be noted that the success of any project is hinged on the involvement of the board and top management. This is vital as top management and the board are seen as the vision bearers of the organization and their involvement in IT related initiatives brings success to IT project management.

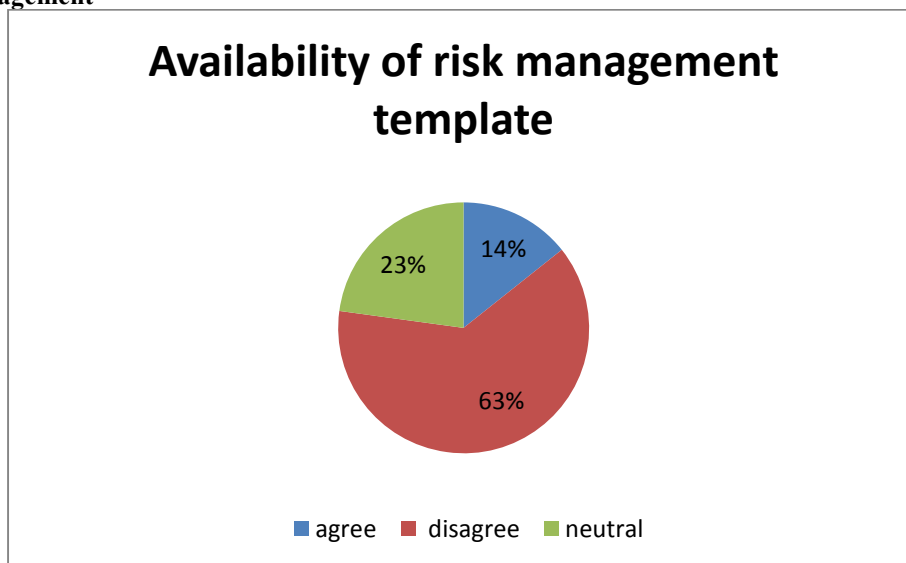
Council procedures on IT related issues

As per the interview with one of the Chamber Secretaries, it was noted that IT related issues are rarely included on the Council’s agenda. The failure of realizing the importance of IT governance indicates that the Councillors’ are ignorant of IT governance. Such a disposition exposes the Local government as opportunities are foregone and the entity’s assets are exposed to greater risk. Problems of this nature arise due to lack of mandatory qualifications on Councillors who are supposed to oversee the council’s operations. The Urban Councils Act (Chapter 29:15) does not prescribe educational qualifications on Councillors. The technocrats are diploma, first degree holders and Masters Degree holders and are supposed to be supervised by someone without educational qualifications. IT governance is a specialized area which requires specialised understanding and knowledge

IT Value creation

Interviews with Chamber Secretaries revealed that the Councils were realizing value on part of their automated functions. This is mainly in the area of billing. In this area there is improved customer satisfaction and timely distribution of statements to residents. Other functions were not realizing any value as the systems are still manual.

IT risk management



The entity has no clearly defined risk management template, this is supported by 22 (63%) respondents who disagree. 8 (23%) of the respondents are neutral whilst 5 (14%) respondents agree that the council has a risk management template. Neutral responses are an indication that there is absence of IT risk management template. Follow up interviews with senior management revealed that IT risk management was being included as part of the overall risk management for the organization. It was further noted that the organization was always adopting a reactive approach to IT risk management.

IT Performance measurement

In-depth interviews with one of the Chamber Secretaries revealed that there was no laid down procedure for measuring the performance of IT. However, only qualitative improvements were noted down these included increased residents' satisfaction and improved billing and revenue collection. IT performance measurement is the prerogative of the IT manager. This presents challenges in terms of IT investments as Council will not be carry an oversight on IT investments.

Alignment of IT strategy and business strategy

The Councils' IT strategy and business strategy are not interlinked. This came out of the interviews as the researchers sought to determine how the local authorities were coping in the face of the ever changing technology. One interviewee noted that they were facing myriad of challenges in an attempt to align IT and business strategy. These challenges range from financial constraints and political willingness as the local authorities are run on political grounds.

Conclusion and recommendations

Local authorities in Zimbabwe's business strategies are not aligned to IT strategy. In this regard the local authorities lose opportunities associated with IT investments. There is no representation of IT at the council level and in most instances the IT manager reports to the Treasurer. The local is implies the absence of IT at both the executive level and board level. IT risks are not given due attention that they deserve, this exposes the organization's information assets. Zimbabwean local authorities have no formalised way of reflecting on IT performance and IT governance is not a major priority for Councils.

Recommendations

More emphasis should on human capital development, especially the elected Councillors so that they take a leading role in IT governance. Minimum qualifications for Councillors' should be made mandatory so as to ensure that they successfully add value to the organization. There should be a form of IT representation at council level, especially through the election of special Councillors. This will ensure that Councillors are made aware of the relevance of IT to the business strategy.

The Council should ensure that IT policies are communicated across the board. This proffers compliance and effective implementation. IT risk management should be a top priority so as to protect the institution's information assets. The development of a risk management template is panacea to IT governance and management.

More emphasis should be placed on measuring IT performance and value addition of IT. This is also essential when it comes to managing public resources. The general public will always look for those investments that add value to their interests. So this should be a council top priority role.

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