

**IMPACT OF FUNDING ON INFORMATION TECHNOLOGY DIVISION
SERVICE DELIVERY IN THE DEPARTMENT OF FINANCE: NORTH WEST
PROVINCE**

BY

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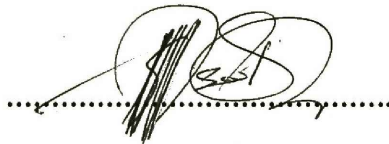
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DECLARATION

I declare that the dissertation for the degree of Masters of Business Administration at the University of the North West hereby submitted, has not been previously submitted by me for the degree at this or any other University, that is my own work in design and execution and that all materials contained herein have been duly acknowledged

A handwritten signature in black ink, consisting of stylized, overlapping loops and strokes, positioned above a horizontal dotted line.**KELEBOGILE MABEL TSOBANE**

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ABSTRACT

The aim of this research project was to investigate the impact of funding on the service delivery of the Information Technology Division in the Department of Finance, North West Province. A secondary related purpose of the study was to determine the existence and utilisation of a proper strategic plan in the Division of Information Technology. A Division or Programme without a proper strategy would not be in a position to compile a credible budget.

Two different self-administered questionnaires were developed. The first questionnaire was a survey of all Information Technology staff members including high-ranking officials such as assistant directors, deputy directors and managers. The second questionnaire was directed to provincial departmental officials across various departments who were willing to take part in the study. Eight provincial departments were chosen and the sample represented a total population of twelve provincial departments in the North West Provincial government. In addition to the surveys, direct interviews were conducted in cases where the respondents were not able to complete questionnaires without assistance.

Although the intention of the study was to determine the impact of funding on the service delivery of information technology Division in the Department of Finance, the overall findings revealed that the strategic plan, which was not well defined, was found as the major problem that impacted on the process of compiling a reasonable budget. This, in effect, had a greater impact on service delivery than the actual funding of the Division.

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CHAPTER ONE: ORIENTATION

1.1 INTRODUCTION AND BACKGROUND TO THE PROBLEM

Public and private organisations are dependent on Information Technology to effectively execute their daily functions and activities. The development of Information Technology over the last 20 years or so has dominated the financial service sector, transforming financial services with regards to the nature of their work and the structure of their organisation, as well as the way they design and deliver their products and services to customers.

Individual managers within large enterprises are constantly exposed to a rapid pace of innovation, which increases the need for Information Technology specialists in organisations. Today a great number of senior executives are managing complex information tasks. These tasks are processed by computer applications such as computer-aided designs; computer aided manufacturing systems, multimedia and Internet applications. It should be pointed out that the nature of work is changing as technology reduces the amount of basic administrative and routine tasks particularly in the area of traditional or manual processing of activities.

A true business potential of Information Technology can only be realized when Information Technology is directed simultaneously towards streamlining a company's internal efficiency in order to create new business opportunities. Some of the Companies have achieved tangible business benefits by benefiting from imaginative use of Information Technology to improve the economies of scale and the scope of the economy. Successful companies control their Information Technology investments by continuously adapting it to the devolving dynamics of the current business environment. Changes in market conditions, in customer demands, employee's expectations and technological processes are reported as the most common challenges facing management Griffiths and Hochstrasser (1991:123)

Expenditure in Information Technology is progressively consuming a greater proportion of South Africa national budget. It is vital to strike an overall balance between Information Technology's rate of investment and rate of return in order to derive some benefits, payback and savings that are meant to result. Information Technology should not be viewed as a means to an end but as an instrument enabling the re-engineering of the South African government and its processes. This re-engineering requires bold decision on the part of politicians and policy makers who are accountable to public funds. Despite this, the principle that should guide the funding of Information Technology should focus on the deployment of consistent and appropriate function that has proven reliable and uphold value for money. The other funding principle should take into consideration data and infrastructure redundancy and the use of effective system development methodology that includes adequate user participation and plans for data security and disaster recovery. Sant (1997)[www.comnet-it.org.]

All Information Technology related goals are defined within the Information Technology Directorate attached to the Department of Finance in the North West Province and address the mandate of central Information Technology functions. This suggests that improvement opportunities have not been explored within the department of Finance, which also inhibits the ability to identify cross- departmental improvement opportunities. One example of a possible area of improvement may be to define budgets and expenditure on sub-programme level per department in order to improve visibility of expenditure on the lower levels, which may require information system development. The Department of Finance in the North West Province is aggressively developing market penetration, which implies that the Department is inclined to sacrifice budget restrictions in order to take its Information Technology service to the clients. Factors that contribute to this orientation are the availability of funds, as well as the perception that Information Technology is an enabler to support this drive. This implies that if Information Technology Division could be provided with sufficient funding it will be in a position to improve service delivery through its initiatives. Budgetary planning and procedures are crucial in ensuring translation into social, technological and other

developmental goals of the government for effective implementation strategies. It remains the responsibility of the government to create a balance between reallocation of the resources amongst functions and reprioritisation within the budgetary constraints of the main spending programmes like Information Technology Public Service Regulations (2001:61).

Callons (1996:60) states that the revision of the Information Technology policies as well as the introduction of new financial policies in the North West government is expected to create an environment within which the departments and the Information Technology do business. The author argues that this type of environment should clearly define different levels of appropriate budgeting for Information Technology and the functions to be performed by the different role players. Innovative use of Information Technology requires a systematic approach that will benefit all users. According to Callons, the creation of competitive advantage through the use of Information Technology involves all of the many challenges of any competitive endeavor. Different information systems can actually increase the challenges because they must be designed and implemented. This entire process requires a budget and this will only be possible if the government can accept Information Systems as indispensable and crucial for business survival.

According to the Provincial government's laid down rules and regulations all employees must understand the vision of the organisation in order to maintain the right direction. In addition, strategic and operational plans must be clearly defined so that Information Technology Division in the Department of Finance, North West Province is in a better position to determine if it will accomplish the major objectives as directed by the vision.

1.2 OBJECTIVE OF INFORMATION TECHNOLOGY

Robson (1997:123) state that the main objective of information technology is to increase staff productivity, to utilise resources better or to offer better information sharing within a company. The author further states that information technology systems are introduced to increase the accuracy of information. With the introduction of Information

Technology, companies always bring about a wide range of changes in the way the organisation is structured and in the way employees work. These objectives can result in radical shifts in the job description, salary structures, and role of middle management and in traditional divisions between functions.

In his provincial budget speech to Parliament, the MEC for Finance in the North West province highlighted the importance of Information Technology which has now become an important enabler for business decision-making and provides effective communication (North West MEC for Finance Budget Speech, 2003:11). The government has decided to catch up with the advancement of technology commencing with the preparation and roll out of e-Government. The current situation in South Africa is that the environmental pressures and business drivers necessitate transformation to e-Government. Pressures include shrinking budgets and productivity demands, rapid technology advances, shift in customer expectations and labour pool limitations. Business drivers include more significant customer focus and a commitment to providing excellent services Kuskus (2003:11).

Policy makers and actors in the effective application of Information Technology are facing new responsibilities driven by the technology –push. One of this is to think beyond highly traditional structures applications involving large volumes of repetitive transaction processing. The sharing and collation of data enhances the integrity of that data and also enhances planning and management processes. It is only through Information Technology Systems where volumes of data can be processed within a short space of time, stored and retrieved when needed.

1.2.1 INFORMATION TECHNOLOGY IN THE PROVINCIAL DEPARTMENT OF FINANCE (ENVIRONMENTAL ANALYSIS)

The Department of Finance utilises internal Information Technology resources that perform the full spectrum of Information Technology functions relating to the department specific business system. The demarcation of responsibilities, communication and coordination between the departmental Information Technology and centralised Information Technology do not seem to be clear and efficient. Centralised Information Technology is utilised mainly for desktop support to provincial departments.

Information Technology is the main centre of focus in large organisations where computers are the main instruments controlling the activities of such organisations like in the public and private. In the provincial department of Finance, Information Technology is split into sections and allocated different specific tasks. These sections are:

- **Helpdesk or Customer Care Centre**

This section is responsible for attending to customer queries. Calls are logged and assigned to the relevant staff members. The Customer Care Unit also make calls to prospective customers to follow up on outstanding services or to remind customers about defaulting payments.

- **Computer Room**

This is where the mainframe of the organisation resides. The section is made up of a Central Processing Unit, which is the brain of the computer. Information is backed up in tapes for storage purposes or in case of a disaster. The staff in this section is responsible for printing cheques, reports and pay slips.

- Network

Network is responsible for the linking of all users to the mainframe computer as well as to the e-mail and Internet connections. These staff members also repair personal computers and printers which might be out of working order. They are responsible for deploying the various hubs, routers, smart switches and servers so as to make connection possible from various areas and buildings to the mainframe.

- Data Development

This section is responsible for writing programmes for different applications and to train personnel of various departments on how to use such applications. Staff in their section also maintain software and hardware on the Mainframe platform and facilitate all aspects of Information Technology.

- Data Base Administrator

This section does the maintenance of the mainframe systems as well as the databases. Staff must ensure that space is available in the computer for various jobs to be processed. They carry out daily housekeeping tasks like to delete all unwanted programmes and check to see to it that all backups are functioning. They also monitor the performance of the main frame.

1.2.2 LINKAGE OF INFORMATION TECHNOLOGY DIVISIONS TO FUNDING, PLANNING AND SERVICE DELIVERY

The extent to which the Information Technology is forward looking is determined by an orientation towards planning for long term on most aspects related to the management of the department's Information Technology.

Planning

Information Technology's strategic planning defines how the needs will be met based on the priorities in the Information System. For example, Information Technology in the Department of Finance in collaboration with the Office of the Premier and (SITA) is in the process of developing an Information System or technology baseline security policy with appropriate internal control systems and written procedures. This is done as a means of fostering ethical climate where all users who access the North West Provincial Government system are responsible in ensuring that the Provincial Government affairs are conducted in the highest standard and corporate conduct (Finance Annual Report 2002:35). Since the success of services in Information Technology arena is driven by funding, one important aspect that should be taken into serious account is prioritisation of the activities. For example information application should be rated as number one priority, followed by E-2 projects, that is the upgrading of the systems and lastly performance management systems.

Funding

Peter and Coffee (2003:5) argue that an information technology budget is not merely a shopping list but rather represents an entire sheaf of policy statements. That is the breadth of Information Technology budgeting system must grow to meet this increasingly complex charter of more difficult decisions. The authors further states that it is essential to link the budget to line items that closely correlate with tangible results. In order that Information Technology can deliver effective service, information technology tools and processes must make a good faith effort not only to quantify risk, but also to integrate into each line items of the related costs to ensure continuity of operations including appropriate security measures. Essential is to have information technology budget analysis that fully reflects the life cycle costs so that business units like data technology, networks, consulting services, customer care centres can be confident that an information technology initiative will yield benefits that they can afford to enjoy.

When an information technology division modernises its budget process it builds the credibility of its division as a solution provider to other Provincial Departments. It is important for the information technology division to demonstrate that any brief inconvenience is worth the effort of integrating legacy systems into the standard base network even in the current climate with pressure to minimise short- term cost (Peter and Coffee, Vol 19:2003:6).

Service Delivery

Information Technology in the Provincial Department of Finance provides services like systems analysis, development and maintenance of the systems as well as the acquisition of information systems. All provincial departments register their requests through Customer Care Center Unit. The nature of service provided by this Unit is like part of the systems development life cycle process. However, ad-hoc requests to make use of Information Technology's system analysts must be addressed in writing or e-mail. In another section called Systems Development and Maintenance enhancement of services like transversal systems, business specific user department's applications are approved. Information Systems Acquisition Service advise on the drafting of information systems, technology tenders. They also provide professional service, hardware, software, databases, communication and peripheral products.

Data Management Services provide customers with data management planning as well as data dictionary development implementation and maintenance. The Support Services or technical support provide installation, maintenance of computers, laptops, file servers, mainframe, desktop printers, network printers and mainframe printers. Most of the services provided by the Information Technology Division are run on 24 hourly basis except, Customer Care Services which is run for 8 hours on working days.

Currently there are some government policies like the Growth, Employment and Redistribution strategy in which the use of Information Technology in the government sector is perceived of paramount importance. For instance emphasis has been made that

the government personnel must be trained in order to enhance human capability across all labour markets segments and product lines, to exploit technological flexibility and add value on competitive terms (www.polity.org.za 1996:7). Apart from that there are two information technology committees that run parallel as defined in Chapter V of the Treasury Financial Handbook (1994:208). The first is the Provincial Information Technology Committee and the second is the Departmental Information Technology Committee. The Information Technology Division of the Department of Finance provides a service to the whole of the North West provincial government. Information Technology is centrally controlled in the North West provincial government to prevent duplication and unnecessary expenditure on Information Technology services. The Provincial Information Technology Committee (PITC) of the North West provincial government is responsible for controlling this. Role players in this committee comprises the Deputy Director General in the Department of Finance, Chief Director Treasury, Director of information Technology, Deputy Director Information Technology- Network, representatives from the office of the Auditor General, the Director General's office as well as from the office of the Provincial Service Commission (North West Provincial Financial Handbook, 1994:200).

According to the North West Provincial Financial Handbook the departmental Information Technology Committee (DITC) should be established in each Department for scrutinising all information technology requests by the user department. The role players in this committee comprise the Head of the Department who must act as Chairperson, Heads of Directorates within the Department and a representative from the Information Technology Division. When the South African democratic government came into power during 1994, there were slight changes in the Information Technology arena. Provincial departmental structures were revised and information technology officers were seconded or deployed in the provincial departments to render on-the-spot services. An important aspect to this development is that such revised structures are failed to consider Information Technology as integral parts of each other (North West Provincial Financial Handbook, 1994: 206).

1.2.3 INFORMATION TECHNOLOGY AND GOVERNMENT

According to Webster and Robins (1989:30) in every advanced democratic society, such as South Africa, the government has to take a special interest in technological innovation and devise comprehensive policies to stimulate and facilitate its introduction. For instance the state should intervene and create:

- *A sense of awareness and acceptance of Information Technology.*
- *Provide appropriate qualified personnel and Information Technology graduates to service Information Technology.*
- *Speed up the development of Information Technology by funding and challenging Information Technology research projects.*
- *Integrate and consolidate disparate corporate interests to meet the expected competition from foreign corporation and state institutions.*
- *Subsidize Information Technology ventures from public funds and if necessary instigate the Information Technology industry under state auspices.*
- *Help with the telecommunication infrastructure. Apart from information systems like computers, there are other divisions in the Department of Finance such as the Section entrusted with telecommunication, which serve all twelve Provincial Departments (Webster and Robins 1989:31).*

In the South African context, modern and different needs of the government require new and more innovative responses from information systems, information technology as well as information management. Therefore when the government begins to deliver those systems that will enable more effective functioning this characterises the well being of the government in the information age. This however, places greater emphasis on the government to accommodate the rapid technological surge. Information Technology is also found as a major catalyst for creating change. Every day the emergence of new challenges and advantages are witnessed in terms of what it brings to the business environment, both in the public and the private sector. Department of Public Service Administration [www.ecomm-debate.2000:6].

It is within this context that the North West Provincial government affirmed its commitment to building an environment where Information Systems and Information Technology are not aligned to the broader business processes of service delivery but where exploitation thereof can lead to the greater competitive advantage for the North West Provincial government and its people. To achieve this requires appropriate funding, a proper information technology strategic plan, commitment and synergy in effort. Sant[www.commnet-it.org 2003: 4].

1.3 PROBLEM STATEMENT

In order for the North West Provincial Department of Finance to optimize its services, especially with regard to adequate funding towards Information Technology it is worthwhile for a recommendation to be made to the North West Provincial Executive Council to consider Information Technology as one of its priorities. If one has to think broadly, it can be realized that government priorities like education, health, infrastructures are dependent on Information Technology to effectively carry out different responsibilities.

The mandate of the Department of Finance was prescribed in Chapter V of the Provincial Treasury's Financial Handbook in which the Information Technology Division was expected to render information technology service to all Provincial Departments. This prescript has been repealed and there is no specific clause in the revised prescript that explains information technology aspects. This could be the reason for funding towards information technology services not being taken seriously.

1.3.1 Statement

The objective of this research was set out to investigate the impact of funding on the service delivery of Information Technology Division in the Department of Finance, North West Province.

1.4 OBJECTIVE OF THE STUDY

1.4.1 GENERAL OBJECTIVE

The general objective of this study was to determine how poor funding and planning has previously prevented the Information Technology Division in the Department of Finance in the North West Province from delivering the expected levels of service to customers.

Positive Spin- Offs

Although the Information Technology Division in the past could not be in a position to produce positive results towards meeting clients satisfaction at the ultimate end the division managed to introduce policies that would improve its state of existence. For example, the following policies have been developed to ensure that information technology related projects in the Government are implemented in a predictable degree of uniformity and dependability to meet the related specific corporate needs and priorities thus ensuring service delivery that leads to a better quality of service and life for all.

- Internet and E-mail Policy
- Information Technology and Information System Security Policy.
- Project Management Policy

Another development is the designing of a Master System Plan for the North West Province with the purpose of fortifying and creating synergy between governments social and technical system. The success in implementing these policies will be depend on sufficient budget allocation (Draft policy on North West Provincial Information Technology).

Negative Spin- offs

Past experience was that Information Technology was allocated a budget which could not meet their requirements. This was attributed by the fact that information technology activities were disintegrated despite the existence of a centralised information technology function housed in the Department of Finance. For example there was lack of involvement of the department's end-users in activities such as requirements analysis and testing during application development. This could potentially result in the Information Technology Division not really understanding the requirement of the end-users and producing the application that could not manage to meet the requirements of the clients. The above statement clearly indicates that the Information Technology did not have a proper strategic plan in place. This resulted in misdirecting or misallocating funds to carry out activities that were not included in the plan and; not meeting the requirements of the clients.

The requirements of Chapter 5 of the Public Service Regulation (2001:60) emphasises the objective and usage of Information Technology. For instance this Chapter deals with principles underlying the electronic systems in the government sector in which the departments are expected to manage Information Technology effectively and efficiently. The Batho Pele principles of offering equal access to service increase in productivity and increasing costs informs the acquisition, management and use of information technology to the best optimum. Information Technology should be used as a tool to leverage service delivery by the public service and therefore, it could not be acquired for its own sake.

1.4.2 GUIDELINES FOR QUANTITATIVE FUNDING AND STRATEGY

The following points were suggested guidelines stated in the draft of the North West Information Technology policy document.

- *It is very crucial to communicate Information Technology plans with all divisions in the Department of Finance.*
- *Let the budget follow information technological needs.*
- *Build a strong Information Technology service delivery.*
- *Building credibility for the value of Information Technology services.*
- *Prioritization of Information Technology investments and formalizing the planning process.*
- *To save costs, it is very crucial to integrate systems. That is no Department should operate on a separate system that was not approved by the Information Technology in the Department of Finance.*
- *Ensure that Information Technology projects are developed in line with the Information Technology plan.*
- *Consolidate all Information Technology plans into a single department wide Information Technology Plan.*
- *Manage Information Technology as professional market focused organization for top quality and at a fair price level*
- *Establish clear provincial/ strategic mandate and planning process for the Provincial Information Technology Committee and develop a plan of action.*
- *Rationalize the integration of Customer Care information Centers in the NWPG. This strategy relates to the establishment of a Provincial Call Center as a single point of entry for all customers queries and complaints.*
- *Create customer and user alignment through the development of packets of service for each provincial department.*

- *Provide sufficient budget in order to increase proficiency through the standardization and integration of islands of technologies in the North West Province.*
- *Develop, implement and maintain generic policies, procedures and standards to facilitate the provision of Information Technology services to stakeholders.*
- *Identify and lead the provincial departments and develop crosscutting data integration projects with cost implications. Implement and review projects.*
- *Plan, develop and implement information/ business- driven systems to enhance and strengthen user- departments service delivery to its communities. This include:*
 - *Exploitation of Statistical Analysis System (SAS)*
 - *Persal reports.*
 - *Upgrading of Walker Financial System.*
 - *Document Management system.*
 - *Budget planning systems.*
 - *Risk Management system.*

1.4.3 SPECIFIC OBJECTIVES

The specific objectives of this study were:

- To determine how Information Technology planning is done by Provincial Heads of the Departments.
- To find out whether there is Information Technology strategy in place in the department of Finance.
- To find out from the Department of Finance's Information Technology staff whether are there no other means of generating revenue in an attempt to alleviate the existing problem of funding.
- To find out whether a specific clause that deals with Information Technology related matters could be annexed in the Public Finance Management Act no 1 of 1999 as amended (PFMA).

1.5 RESEARCH QUESTION

Based on the above objectives, the primary research question of the study was to determine whether there was a need for adequate funding towards information technological functions in the North West Provincial Government as well as for putting sound financial control practices in place in the Division of Information Technology. The study therefore meant to determine what impact does funding of Information Technology Division had on service delivery in the Department of Finance.

1.6 RESEARCH METHODS

The research methodology used in conducting this research was a survey. The primary instruments were the questionnaires and personal interviews. The aim of the questionnaire was to gather information from the Information Technology Division staff on the impact of funding on service delivery in that Division. The reason for choosing this population was because all Provincial Departments and the division experience poor service delivery due to inadequate budget provision. Personal interviews were meant to elicit more information from participants. As such this type of interview shall be used with the aim of gathering additional information from respondents about their experiences pertaining to services they are obligated to render based on insufficient funding. Staff members in eight provincial departments representing the sample were interviewed by means of self-administered questionnaires with the aim of finding out whether they were satisfied with the type of service they received from the Information Technology Division.

1.6.1 POPULATION

The population consisted of Information Technology users in the Department of Finance as almost 90% of the staff in the department make use of computers to execute their daily

1.9 THEORETICAL SCOPE

According to Stacey (1993) if excellent companies have mastered the prescription of the conventional wisdom it should be reasonable to expect such companies to remain successful over long periods of time. Internally, in many organisations there were struggles for increased productivity and more efficiency, which could be facilitated by greater automation. Such shifts require new perceptions skills and as a result many managers feel threatened. There was often a gap between the behaviour of an organisation and the imperative of this new environment such as quality of working life demanded by more affluent workforce. In the 1980s competition was intensified through internationalisation of business, scarcity of resources and the acceleration of technological innovation (Cowling and Lundy 2000:35).

1.10 PLAN OF THE STUDY

Chapter 1

Orientation

This Chapter attempts to give the reader the general picture pertaining to the fundamental importance of the Information Technology in the modern world especially in both government and private sectors. Main concepts that were found in the topic were defined in an attempt to outline the broader picture about the study.

Chapter 2

Literature Review

Chapter 2 reflects the literature reviewed for the study. Some of the literatures that were conducted in the past about this research were not closely related to the current topic. Previous studies conducted were based on Information Technology Strategic Management Systems especially in Private Sectors and other dealt with Information Technology funding in private sectors.

1.9 THEORETICAL SCOPE

According to Stacey (1993) if excellent companies have mastered the prescription of the conventional wisdom it should be reasonable to expect such companies to remain successful over long periods of time. Internally, in many organisations there were struggles for increased productivity and more efficiency, which could be facilitated by greater automation. Such shifts require new perceptions skills and as a result many managers feel threatened. There was often a gap between the behaviour of an organisation and the imperative of this new environment such as quality of working life demanded by more affluent workforce. In the 1980s competition was intensified through internationalisation of business, scarcity of resources and the acceleration of technological innovation (Cowling and Lundy 2000:35).

1.10 PLAN OF THE STUDY

Chapter 1

Orientation

This Chapter attempts to give the reader the general picture pertaining to the fundamental importance of the Information Technology in the modern world especially in both government and private sectors. Main concepts that were found in the topic were defined in an attempt to outline the broader picture about the study.

Chapter 2

Literature Review

Chapter 2 reflects the literature reviewed for the study. Some of the literatures that were conducted in the past about this research were not closely related to the current topic. Previous studies conducted were based on Information Technology Strategic Management Systems especially in Private Sectors and other dealt with Information Technology funding in private sectors.

Chapter 3

Problem Statement

The Chapter represents the statement of the problem investigated in this study. It focuses on some of the problems that hindered Information Technology to deliver the expected services by the customers. For example budget constraints, improper strategic plan, no specific legislation that addressed Information Technology issues, duplication of services by the Cluster Committees.

Chapter 4

Research Design

The Chapter reflected the research methodology that was used to conduct the study. For example, the structured questionnaire method. In some instances direct or personal interviews were applied in order to probe and gather more information.

Chapter 5

Data analysis and Interpretation

The Chapter reflected the type of data analysis through the application of qualitative technique. Tables and graphics were used to explain the data collected. The data was to be interpreted to ascertain if the intended population was covered and if the objective of the study was attained.

Chapter 6

Summary, Findings and Recommendation

The Chapter reflected both the advantages and the disadvantages observed through out the research process and introduced recommendations in an attempt to give and advise on what could be the possible remedy to improve the budget allocations and service delivery in Information Technology Division.

CHAPTER TWO: LITERATURE REVIEW

2.1 INTRODUCTION

In this chapter an attempt shall be made to place the research problem in the context of the theoretical background of Information Technology funding. It is also important to reflect the exposition of available studies on Information Technology focusing on service delivery and strategic planning. Highlights of the existing studies on Information Technology funding as well as which areas of Information Technology have been emphasised and which have been neglected, will be indicated.

2.2 DEFINITION OF THE CONCEPTS

According to Reynolds and Stair (2001:4) it has been advocated that to be an effective manager in any area of business there is a need to understand that information is one of an organisation's most valuable and important resources.

2.2.1 Information

Before one can define and discuss information technology it is important to realise what information is and what it entails.

The concept information can be seen from two viewpoints as structural, process and power adapted from Information Systems in Business, Harry (1994).

2.2.2 Structural view

Information might be seen as consisting of lots of components to form a structure. These components or data like character figures or words are organised in a particular way to form information. There are two main views to distinguish information technology

functions, namely the centralised and the decentralisation. Robbins (1989) identifies two forms of decision-making authority which is concentrated at a single point in the organisation. In the North West government, Information Technology Division operates on the basis of a centralised function.

2.2.3 Information as a process and power

Information is organised data whose construction follows a certain process. It is a substance which is gathered, transmitted, transformed, assembled and recorded. One could say it is a kind of a “factory” which produces products or raw materials called data. Having information is having power because one cannot have power if he/she cannot make the right decisions similarly one cannot make the right decisions if one does not have enough information.

It will be appropriate to introduce and define the main concepts in this study, namely information technology, funding or budgeting as well as service delivery. The reason for this precaution is that these concepts could have different meanings for various activities and understood differently by different people.

2.2.4 Information Technology

Sleight (2000:50) defines Information Technology in its widest sense as any technology controlled by a microprocessor (or computer chip). For example microprocessors are used to control the delivery of essential services such as water, electricity and telecommunication. They are also a crucial part of most types of manufacturing and distribution processes. However, most managers involvement with Information Technology is limited to two types of computer systems, that is those that store and manipulate data and those that provide fast and efficient communication between people and businesses.

From the definition above it is evident for employees to understand the concept of Information Technology because currently information technology is dominating the market, working environment both in private and public sectors. Sleight maintains that there is no organisation that can afford to ignore the empowering technology of the modern world. Current Information Technology Systems can help a business to be more responsive, efficient and flexible in the face of continuous and rapid change. Properly used Information Technology will allow an organisation to streamline its processes and focus on the core skills and abilities that differentiate it from its competitors in the market place. Failure to embrace the opportunities that are offered by Information Technology today is likely to result in business failure more especially if budget provision is not adequate to enable sectors to compete with modern technology.

2.2.5 Funding and Budgeting

According to Robson (1997:206) managing Information Technology costs is firstly about identifying all costs. i.e., the hidden as well as the apparent. Secondly it is about understanding the contribution that each element makes to the total picture. Thirdly, it is about establishing appropriate levels for these costs. In other words, once what is spent is estimated then what should be spent on what can be decided. An organisation should seek to match the Information System cost level with the strategic imperatives.

Budget is the major financial and economic statement that outlines the provincial revenue and spending plans and is presented to parliament by the Head of the Treasury in the Department of Finance every year. It describes how the money raised through taxes and borrowing will be allocated between provinces and municipalities to be spend on improving public services such as education, health and social welfare. According to National Treasury Budget Guide (2003:435) the aim of the national and provincial budget is to build a better life for all the people of South Africa.

The definition provided in the preceding discussion implies that Information Technology is not necessarily considered as one of the Provincial priorities although it plays a

prominent role in enabling organisations to fulfill their functions. According to Abedian and Biggs (1998:100) funding or budgeting is the single most important ingredient of public service delivery. It is the most crucial instrument for translating government priorities, strategic plans and priorities into public goods and services. The budgetary process allocates available public resources in support of the government's planned objectives over a specific time period. Budget is perceived as the primary vehicle through which access to social services can be assured. Nearly half of the government spending is devoted to education, welfare, housing and related services. The strengthening of the redistributive thrust of these expenditures remains a fundamental objective of the country's economic policy.

Any policy or plan, which fails to respect budgetary constraints, is unlikely to be successfully implemented. All budget systems have three basic functions namely, to maintain overall fiscal discipline, to ensure "allocative efficiency" (resources allocations are made in accordance with government priorities) and to promote "delivery efficiency," i.e. adherence to the least- cost provision of public services.

2.2.6 Service delivery

Service delivery is a dynamic process out of which a relationship is developed between the public service and its individual clients. In order to successfully implement a programme, public service managers require new management tools. These tools are broadly the tools of the new public service management. In essence these are assignment of responsibilities to individual managers for delivering specific results for a specified level of resources and for obtaining value for money in the use of those resources.

The only problem with service delivery in the government sector is that there is no yardstick to measure performance. Complaining about services often has little effect and can in any case be a daunting and time consuming process. Lack of information, limited resources and complex regulations are also barriers to good service delivery. Too many government forms are complicated and not really designed with the user in mind. For

example in the Division of Information Technology of the Department of Finance there are so many forms that need to be completed before one can be assisted on any computer faults yet there are e-mail facilities where such faults could be logged and automatically get attended to at the press of the button.

2.3 THEORETICAL FOUNDATION

The Provincial government has positioned itself in a manner that enables it to deliver services to the satisfaction of citizens. Although technology is not viewed as a driver in the government's context, but an enabler, it plays a meaningful role in facilitating service delivery in ways that traditional means cannot achieve. The government's vision is to create a single window to enable citizens to access public services without hassles on a 24hrs a day and seven a day week basis throughout the year. In the present study it has been observed that the Departmental Programmes are mostly aligned with the Cluster Focus Areas and mandated requirements therefore, this situation hampers the Department of Finance to exercise effective decision making on information technology matters.

Currently, there is lack of business goals that are aimed at leveraging and improving service delivery through the utilization of Information Technology systems. This implies that improvement opportunities have not been explored in the Department and this inhibits the ability to identify cross-departmental improvement opportunities. For instance, an area of improvement may be to integrate and enhance the different Management System (MS) databases utilised in various departments into a consolidated database application.

In the North West Province there is no model or a specific matrix that describes the manner in which Information Technology should be funded. Government depends on a well-defined strategic plan as well as the budget guidelines that are provided annually to all provincial departments by the Treasury to enable every department to budget in accordance with the budget baseline figure provided. The Information Technology Division like any other component in any department is allowed to motivate for

additional funding on condition that there are pressing policy changes with financial implications. The current constraints for Information Technology Division to act as a catalyst for streamlining processes, allowing co-ordination between functions and enhancing operational efficiency in the department is most probably as a result of ineffective interdepartmental coordination of Information Technology activities and the costing thereof.

2.3.1 Two Factor Theory of Motivation

According to Mould and Young (1994:3) the above theory was developed by Herzberg, Mausner and Snyderman in 1959. These theorists identified sixteen (16) job related factors and split them into two groups, calling the first group hygienic factors, the content of job conditions of work, company policy and others. The second motivation focused on the job content itself such as opportunity for achievement. The theory became known as Herzberg Two Factor Theory of Motivation. These simply states that the absence of hygienic factors will cause dissatisfaction. It is the motivation that produces motivation and satisfaction and the more attention given to this the higher the motivation, satisfaction and productivity of the individual.

Mould and Young (1994) sites Couger, Spargo, Young and Smith as saying four of the top five motivation factors of Information Systems in America and South Africa were motivators such as achievement, recognition for achievement, the work itself and responsibility. These researchers supported this theory with regards to information systems.

2.3.1.1 Hygiene Factors

Mould and Young (1994) further stated that the most important motivator to Information System practitioners in both South Africa and South America is the work itself. Information System managers on the other hand when asked for their opinion of their employees top five factors consider pay and benefits to be the most important reason for

turnover. The difference suggests that Information System managers tend to address the hygiene factor and largely ignore the motivators with low job satisfaction as a result. Once again this was predicted by the research. Information System managers generally have low social need and tend to focus on managing the job rather than the person. This is also a potential reason for the extreme attention given to technological solutions to Information System productivity problems. Another researcher, Sutton as cited by the above same author investigated the difference between permanently employed Information System professionals and what she termed external resources, that is, the contractors, consultants and others such as independent software developers. Once again the top four motivators highlighted above were also applicable in Sutton's study. In a nutshell the work itself is the most important motivator for any Information System professionals. If there are two departments giving different instructions which is the situation that currently prevails in Information Technology Division, this division will lose focus and service delivery will not be effective the way it is expected to be.

2.4 STRATEGIC PLANNING AND FUNDING CATEGORY IN INFORMATION TECHNOLOGY

In Information Technology or Information Systems departments or organisations act as true partnership with senior management in strategy set formation. The Information System manager is the information expert in the team and expected to identify, recommend and implement information and technology changes that will affect the strategic direction of an organisation. Continual effort will be required to protect the organisation's current strategic position. The Information System manager also works as functional area manager to maintain and improve products and services in the strategic portfolio. The strategic grid is a much more powerful tool for usage by the Information Systems managers.

To exploit it fully the Information System manager must first determine in which category organisation find itself and then take the appropriate action. For example if the organisation is in the factory category and the Information System Manager is trying to

allocate the divisional budget across various competing projects of various Information Technology Division it is crucial to favour activities that maintain and improve the existing systems rather than investing in new technologies and new applications. New technologies should be acquired if they contribute directly to the efficiency and effectiveness of the existing system. On the same theme an appropriate planning system would be the one that reacts to the existing business plan rather than the one that blazes new trails (Wysocki and Young, 1989:26).

2.5 BENEFIT/ BENEFICIARY MATRIX

Wysocki and Young (1989:28) sites Gibson and Hammer who developed the matrix reflected in table A below as saying that the stages of hypothesis, the strategic grid method were synthesized into the benefit/ beneficiary matrix. Their creation is in essence an operational tool. It makes use of a “domain” scheme to categorise an organization’s need or use for Information Technology.

FIGURE A: EXPLANING BENEFICIARY MATRIX

Information Technology as a strategic weapon			
Beneficiary			
	Functional Units	Individuals	Whole Organisation
Benefits			
Efficiency			
Effectiveness	Domain 1	Domain 2	Domain 3
Transformation			

Domain 1: According to the Gibson model this category explains the primary purpose of computing which mainly focuses on improving the efficiency of functional departments. That is, most systems are developed to reduce the labour cost associated with highly repetitive activities, primarily in the accounting function. For example as departments advance in subsequent stages they use automation to increase effectiveness in other functional areas. Domain 1 in the beneficiary matrix contains functional units as the beneficiaries and efficiency and effectiveness as the benefits.

Domain 2: In this domain the Gibson model further explained that the introduction of the microcomputer and other end-user tools gave rise to a new beneficiary, the individual user. Spreadsheets offered managers a means of improving the quality and timeliness of their work. The usage of the Gibson Model can assist managers to define their own information needs and thereby improve their effectiveness. Other users can use word processing to improve both speed and accuracy of their work. As a result Domain 2 contains individuals as beneficiaries and efficiency and effectiveness as benefits.

Domain 3: In the same model, Wysocki and Young (1989) mentioned that Michael Porter was one of the developers of a value system model for the expansion of the value chain analysis. Michael's model examines the relationships between an organisation and its suppliers and customers. One of the outcomes from this examination was the identification of information technology applications that have the potential of strengthening these relationships. This implies that the strategic use of information technology can transform the organisation both internally and externally. Organisations will realise some competitive advantages as a result. As an example considering making customer's order status available to them electronically creates linkages for the customer with sales, production and shipping strengthens ties to that customer.

In a nutshell the Beneficiary Matrix it is an excellent conceptual foundation for strategy set (mission, goals objectives, strategy) development based on existing and new information technologies. Through the Beneficiary Matrix a manager will be in a position to determine what problem needs to be solved first and whether the beneficiary of the

solution, whatever it will be, is an individual, a functional unit or the entire organisation. By determining the benefits the manager can position the problem in one of the nine cells in the matrix and then focus on the appropriate technology to solve the problem Wysocki and Young (1989:28).

2.6 CREATING INFORMATION TECHNOLOGICAL CULTURE

According to Sleight (2000:23) Information is the lifeblood of any organization and Information System are created to manage, store and distribute information. However, many of these systems fail to achieve their objectives. A common reason for this is the tendency to focus on the technological capabilities rather than on how people actually work with Information Technology. This usually creates a rigid, computer- centered view rather than a flexible human- center and often a disordered one, which reflects the way people actually use and share information.

Equally common is the assumption that people will naturally share information if they have the technology to do so. In fact when information means power, people are unlikely to share key information unless the culture of the company encourages them to do so. So it is important to create an information culture before using Information Technology to assist in its management. Credible budget allocation that would meet the requirements of Information Technology have to be calculated, taking account of hardware, software, installation efforts, changes in the physical environment, running costs, maintenance costs, security costs, networking costs, training costs and broader organizational costs.

According to Ward et al (1995:68) Information Technology was seen as an instrument of implementation of strategy where informal strategic thinking could improve on the general direction by deploying Information System to enhance the strategy in some way. Information System can and should be considered as an input to strategy in terms of its potential to change the strategy or open up new potential strategies. It must be remembered that the same potential opportunities may exist for competitors and therefore Information Technology can constitute a threat just like new competitive product.

2.6.1 HARNESSING THE POWER OF INFORMATION TECHNOLOGY

In the study conducted by Sleight (2000:45) it was suggested that in order to gain maximum benefit from the use of Information Technology an organisation especially in the public sector must ensure that systems are truly effective in meeting its needs. Decision makers must create efficient ownership of technology and should focus on using Information Technology to gain a competitive advantage. The government needs to be responsive to changing markets, it must act quickly to develop new products and satisfy customer expectations. To help create competitive advantage Information systems must be focused on real business needs. Information Systems must also give the power to identify their specific needs and then request Information Technology solutions, rather than allowing an Information Technology department to impose technology- led systems.

It is evident that Information Technology is an important communication tool in organisations. However, if adequate funds are not provided the Information Technology Division will have a problem of retaining qualified staff and would be forced to rely entirely on Consultancy services. The use of co-operative agreement to in-source specific Information Technology skills as and when such skills are required is valuable when certain skills at certain times are required without permanently employing resources. Agreements of this nature should be built in the Medium Term Expenditure Framework budget and according to the predetermined service level contained in the strategic plan of the Department of Finance.

2.6.2 INFORMATION TECHNOLOGY VERSUS BUDGETING

The result of the study conducted by the Kobler Unit in America suggested the need for a fundamental reassessment of the way in which a company should operate in an age where information flow and management assume the principal concerns of management. Other case studies have shown that Senior Managers of successful companies emphasized the importance of information as a vital corporate resource, a resource that has equal status with finance, raw material, manpower and other major assets.

The study conducted by Santa Fe (2002:23) revealed that the economic problem of scarcity is central to budgeting. In the private and public sectors, organisations and governments have limited resources at their disposals. These limited resources need to be allocated to meet a variety of needs. The allocation of the resources or “cake” takes place in accordance with the objectives of an organization or state. The resources are expended in the form of expenditure. In the private sector with a profit motive, the goods or services resulting from the funds expended are sold to customers. This creates an inflow of funds, which is referred to as revenue. The government sector is service oriented. However there is a paradigm shift towards rendering its service in a more business like manner.

According to the opinion of the researcher, the process of budgeting is part of the planning and control process of an organisation. Understanding where exactly budgeting fits into that process and how all the processes are integrated is important in order to effectively allocate and manage budget allocated to the Information Technology Division in the Department of Finance. Organization, whether they operate in the private or the public sector strives to achieve one or more objectives. There are insufficient resources available to allow for the achievement of every desired objective in the Division of Information Technology. It is thus essential that adequate planning be performed in the Division of Information Technology in order to optimize these limited resources. In other words, government departments have to allocate such limited resources after having determined priorities with regard to their specific activities.

The Information Technology Division of the Department of Finance in the North West Province does not have an informed planning process as a result of poor co-ordination of Information Technology activities between Provincial Information Technology and information technology sections of various departments. Without proper planning it is difficult to determine the provincial information technology objectives and to attach an appreciable budget. The Provincial Information Technology Committee should make sure that strategies are implemented and employed to reach the intended objectives.

Expenditure in information technology will progressively consume a greater portion of a country's national budget and it is imperative that the North West provincial government strikes an overall balance between rate of investment and rate of return. It is relatively easy to develop new systems like it was indicated in the above about the implementation of the asset systems in provincial departments. By contrast, it is not an easy exercise to introduce rapid technological changes, work ethics and motivation in the public service for adaptation. Sant[www.comnet-it 2003:10].

2.6.3 MANAGERIAL PLANNING AND CONTROL PROCESS IN INFORMATION TECHNOLOGY DIVISION

The Information Technology Division in the Department of Finance must have strategic plan, which involves the establishment of the objectives of the entire organisation as a whole, in essence the strategic plan determines the fundamental reason for the existence of an organisation. In the public sector organizations, the extent to which managers, financial or otherwise are involved in the establishment of fundamental aims and objectives is not clearly defined. However, this is a transitional process, which the Public Finance Management Act (PFMA) attempts to address. Statutory requirements, general government intervention and or political processes could determine the fundamental aims and objectives.

Another type of planning is the operational plan, which is short term orientated. As a result of lack of co-operation from provincial departments, the Information Technology Division in the Department of Finance could not be in a position to compile a realistic business plan. It failed previously to forecast requirements for the future, could not prioritize and meet time frames. The business plan should contain the activities (outputs), which must be achieved so that the organisation can function economically, effectively and efficiently. Business plans must be prepared for each activity within a programme. It is significant to note that the Information Technology business plans prepared by various provincial departments should also be realistic before the Provincial Information Technology Division for consolidation purposes.

Griffith and Hochstrasser (1991) revealed the study conducted by Paton and Dodge which suggested that in order to meet the challenges of the 1990's, governments must fundamentally re examine their approaches to administrative policies such as information technology, contracting, procurement and other internal government services which often are dominated by management philosophies inherited from the 1960's and 1970's. Policies in these areas have often been shaped by a desire for detail control, with little regard for the cost of these controls or their impact on service delivery or innovation.

Current governments cannot afford administrative policies, which do not balance the need for expenditure control with service delivery and innovation, but the good news is it can be done. Both government and business sectors are under enormous pressures to reduce administrative costs, improve service and respond to the demands of an information society and to develop innovative approaches to conducting business. As part of this transformation the North West government has found that its administrative policies were a major impediment to more efficient, service oriented and innovative government.

2.6.4 STRATEGIES FOR SUSTAINABLE MANAGEMENT

Paton and Dodge (1995) further observed that the funding strategy comprises two fundamental principles, that is, life-cycle approach and stakeholder approach. The fundamental innovative developments for sustainable management can be effective and successful only if the entire life cycles of the materials and products are taken in to account and if the decisions of the role players, that is, the provincial departments are involved in the life cycle and integrated into the process. To initiate innovative developments in the field of sustainable management, three perspective are considered namely:

- Information Technology: initiating innovative developments by promoting technological process towards sustainability.

- Demand: initiating innovative developments by identifying and satisfying demands for sustainable products and services.
- Overall condition/corporate instruments: initiating innovative developments by creating sustainability oriented conditions for the market and by applying corporate instruments

It has been realised that a lot of research was done on Information Technology funding in various private companies and not in the government sector per se. This implies that little or no studies have been conducted on the impact of funding towards Information Technology service delivery with special reference to the government sector. However, (Grablowits, Rudeloff, and Voss 2002:80) attempted to highlight priority areas of funding, and Information Technological instruments.

2.7 PRIORITY AREAS OF FUNDING

Grablowits, Rudeloff and Voss (2002:75-83) outlined the following objectives and funding strategies for sustainable management:

2.7.1(a) Planning Instruments

As a result of ever tougher competition in all sectors, the growing dynamism of the corporate environment and the ever shorter life cycle of products it is becoming more and more important for companies like the IBM to engage in forward looking strategic corporate planning. New instruments have to be used that provide information on future developments and trends with maximum accuracy. Responsible management of the environment and resource productivity are generally predicted to be key aspects for future competitiveness.

Innovative developments in the direction of sustainable management can be put into practice if all parties involved in the government and outside the public sector treat environmental and social criteria as being on par with economic factors in their operative

and strategic decision making. It is crucial to engage customers for example the Provincial Departments in the value added chain in order to acquire an increasingly important role in strategic corporate planning decision.

2.7.2 (b) Information Technology Instruments

To be a growing extent, decision-making processes in business depend on the availability of relevant information. This also applies to the field of sustainable management. The general goal should be to provide each role player with the information required for implementing the relevant sustainability objectives in his/her area of responsibility. The procedure employed for this purpose should be simple and transparent, making the information for everyday work.

According to the researcher one of the important aspects in this context is that material flows along a value added chain. In many areas, it is impossible without the help of adequate information technology instruments to identify sustainable material flow patterns and where necessary take corrective action with regard to the components concerned or the overall system. Thus, for example in one of the new projects called asset management, a software-based instrument is being developed for resource efficiency accounting. Another project involves a Web-based information platform to provide the Management with the information on Departments and their activities in order to provide sustainable management.

2.7.3 (c) Communication Instrument

Far from being confined to the modules of information technology, control and planning, sustainable business management must also deal with aspects of organisation, leadership or communication. The benefits resulting from the use of instruments can be maximized only if all players within and outside the company know how to use them and what their role is within the overall system. It is important to communicate this knowledge to all the role players. Therefore, design and implementation of communication systems is of

central importance. The objective of sustainable management needs to be defined and documented for all staff at all levels of all business processes in Information Technology division and across the provincial departments to enable contribution towards integrated Information Technology communication projects.

2.8 HOW MUCH TO BE ALLOCATED FOR INFORMATION TECHNOLOGY

Hochstrasser and Griffiths (1991:20) conducted a study which attempted to address the question of Information Technology budget allocation. According to their study it was observed that every financial year during budget allocation time, senior officials ask themselves whether the newly proposed funding levels for Information Technology are reasonable and what criteria should be employed to decide future investments. Doubts arises when considering whether it is indeed constructive to allocate a fixed annual budget as fiscal consideration demand. Further uncertainties arise when it is realised that every centrally allocated budget for Information Technology division matched by large percentage in spending by individual departments. The decision is difficult because on the one hand processing power can be acquired every year, and on the other hand, the demands to spend more constantly increases.

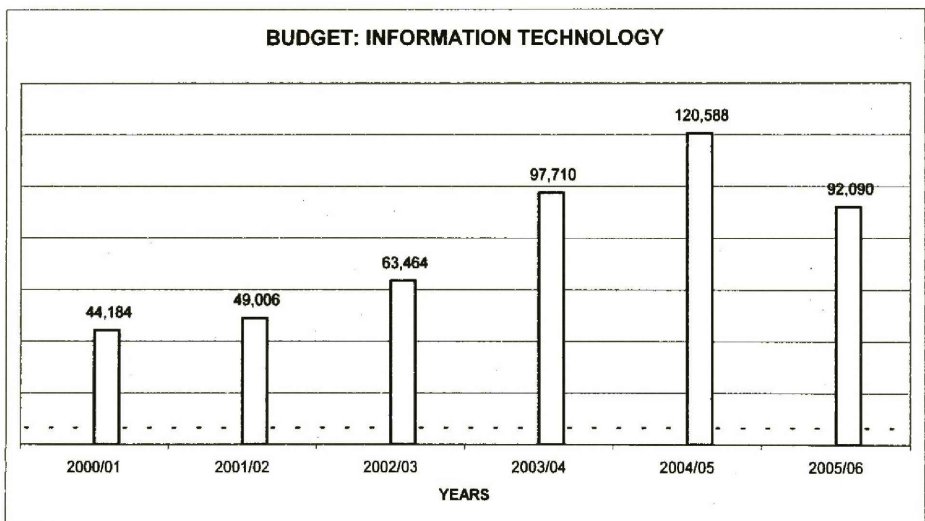
However, previously a question was raised by an Information Technology manager in the Department of Finance as to whether an ideal level of Information Technology spending really existed and whether the attempt to identify such levels was helpful when deciding which Information Technology projects were to be approved. In searching for an ideal level of spending, a frequently used criterion to be used is to compare an organisations investment level with the norm of the respective market sector.

According to a survey conducted in private sectors and public sectors by Price Waterhouse and Coopers it was revealed that the average Information Technology budget as a percentage of turnover is close to 1%. An additional criterion frequently employed to find an ideal level of Information Technology spending is to base new investment level

on the commitment of the previous years. This criterion conform to market norms or to previous financial year commitments that were particularly favoured by senior managers in provincial departments who were not entirely confident about understanding the implications of the new technology. The other side of the coin is that this approach is favored by many Information Technology managers, partly for the reasons of keeping a tag on the level of competitors investment and partly for reasons of gaining political bargaining power when proposing new Information Technology installation.

2.8.1 Below is a graph reflecting the budget of Information Technology in the Department of Finance:

FIGURE B



The notion that investment level ought to be based on an organisation's specific commitments from previous years is often accompanied by the expectations that as an organisation or a company expands over time, its investment level should increase as well. The rationale behind this idea is that Information Technology must grow in relation to service delivery. However the hypothesis that a larger level of Information Technology investments brings more benefits has not been substantiated by the research of the Kobler

Unit in America. Indeed it has been shown that no substantial correlation exist between the overall amount spent on Information Technology and actual business success.

Whatever level of investment is chosen, a strict allocation of a Medium Term Expenditure Framework budget allocation on Information Technology budget is in itself problematic. In the past it has been common practice to set aside a specific sum for Information Technology and then to let individual divisions tender for allocation through presentation of well-argued business cases. However, more recently many organizations feel that this practice should be changed, as it often does not make sense to try to contain sophisticated Information Technology projects within single divisions. Hochstrasser and Griffith (1991:30) in their study found that many current projects, especially in the areas of communication, data exchange and distributed corporate databases, are by their nature cross- divisional efforts and have to be implemented and managed by a team with a corporate and not a divisional perspective.

The Kobler Unit, (1988) in its study has found that in other Information Technology companies the budget is an annual fixed type of a budget, which makes it impossible to identify actual application areas and the costs of the technology as well as making it impossible to evaluate the return on investments at budget time. In a climate where open-ended faith in the benefits of technology has been replaced by the demand for strict evaluation procedures such a practice has been increasingly unacceptable. At the end of the spectrum, end users argue that as changes in the market situation and in Information Technology are accelerating, fixed annual budgets are simply too restrictive and result in the lost business opportunities.

In comparison to this study, South African budget for the public sector is based on three years of the Medium Term Expenditure Framework meaning that it is focused on long-term stability rather than the short-term gains and is well balanced between efficiency and effectiveness gains. The absolute level of expenditure on Information Technology is then perceived, as a function of identified business needs. The ability to analyse the needs

of the Information Technology in the Department of Finance makes the process of delivering services more practical and cost effective.

It was noted that the allocation of absolute funding levels for Information Technology is neither helpful nor desirable because the present study has showed that Management does often not appreciate the true cost of Information Technology. Indeed, it transpires that the cost containment for Information Technology is now becoming a key issue for management to address. The old question of how much should be allocated for Information Technology is therefore superseded by the new challenge “ how should the Information Technology costs or budget be controlled.

2.8.2 HOW TO CONTROL AN INFORMATION TECHNOLOGY

BUDGET

In order to control information technology costs in the Department of Finance in the North West province, managers must abide by the policies governing the utilization of the funds. To control Information Technology costs, management in the Finance Department has to “strengthen its grip” on the policies for authorizing users and departmental expenditures on Information Technology. Furthermore, managers should be aware of the areas where additional costs are not likely to arise. Finally, management has to control demands by the Information Technology department for further investments aimed at upgrading existing systems rather than at delivering tangible business benefits. According to Young and Wysocki (1989), the findings of Price Waterhouse Coopers Review of 1987, revealed that 30-50% of the total Information Technology spending in companies is authorised outside the official Information Technology budget, small companies spend 38% on Information Technology outside the Information Technology budget, while large organisations spend 32% on Information Technology outside officially allocated budgets. Information Technology projects often cost more than was originally planned and the largest uncontrolled Information Technology costs stem from:

- Small but regular hardware costs like personnel computers, drives, printers, cables or disks.
- Environmental costs like rewiring, air conditioning, new furniture or office redesign.
- Loss of business if the system is malfunctioning.
- Rising salaries of Information Technology support staff.
- Access fees to external systems.
- Time spent installing new systems.
- Configuring or reconfiguring of softwares.
- Time spent learning new applications.
- Time spent evaluating systems at regular intervals.
- Consultancy and training fees.

A recurring theme in these studies is that introducing Information Technology is all about bringing changes. The new technology can be very attractive in the sense that investments in the newest power applications are hard to resist especially when such demands are formulated in the language of technology a language that many senior managers are hard pressed to understand. A policy has to be instituted to the effect that all investment proposals have to be evaluated with regards to fulfilling actual business needs Weiss and Todd, Vol 36 (2002:4).

2.8.4 PROBLEMS ENCOUNTERED IN AN INFORMATION TECHNOLOGY ENVIRONMENT

Griffith and Hochstrasser (1991) reflected the study conducted by Loewen on Information Technology poor service delivery. Their study was intended to find out what are major problems facing management in the Information Technology arena. However, the study revealed one of the problems is how to generate a corporate atmosphere, which facilitates the sharing of business of Information Technology knowledge. If one does not have any clue what Information Technology entails it will be difficult to determine what could be an ideal or realistic budget for Information Technology. Many organisations are

caught up in a cycle where Information Technology professionals state that if they knew the business better they could say how Information Technology might help. Business managers also maintain that if they knew what was technically possible they would be able to tell if Information Technology could assist them.

The problem is that both managers without Information Technology background and Information Technology professionals think in highly developed concepts and found it difficult to communicate with outsiders in simple terms. When provincial departments in the North West province were asked what they considered to be the main constraints to optimizing their Information Technology involvement it transpires that three out of four suffer from communication gaps between senior managers and Information Technology professionals. For example 38% of the Information Technology users will state that a poor understanding of the potential of Information Technology by senior management is a constraint. Approximately 35% of other Information Technology users consider themselves constrained by poor understanding of business plans by Information Technology professionals.

If senior managers with little knowledge on Information Technology take charge of Information Technology the resulting systems tend to be expensive, patchy and only used to a fraction of their full potential. Incompatibility problems between different in-house installations often arise and the same data has to be put repeatedly for different functions, leading to duplication and error. Eventually, further technology has to be brought in, in the attempt to correct original mistakes. Over and above, if Information Technology managers with little knowledge of business goals are left in charge of Information Technology the emphasis in planning Information Technology projects tends to be placed on technological aspects of Information Technology such as the accuracy and speed of output rather than on appropriateness of the business functions supported. Often this leads to information overload where management cannot easily access salient information.

The current study suggests that the responsibility for Information Technology investments should be divorced from the responsibilities of other investments and should be transferred to the hands of a special appointed executive. This person has to lead all teams of personnel drawn from different individual departments in order to co ordinate all Information Technology related activities.

2.8.5 A NEED FOR AN EXPLICIT IT STRATEGY

In another study by Wessels and Rooney (1999:50) it was indicated that strategic level planning and control of vital business functions have become basic activities for any company wishing to succeed in today's competitive markets. This is one of the crucial aspects that lack in Information Technology Division of Finance Department. In an interview the Manager declared that a lack of such strategy as an identified constraint to operate successfully in their chosen field. Comprehensive strategies for the overall mission of an organisation for a divisional operation and for a specific business unit should be regularly formulated, updated and amended.

In order to achieve this the inspired vision must be combined with a variety of a well understood management practices to the effect that medium term and long term aims, the means to achieve these aims, milestones to be reached at a certain point in time, and critical success factors underpinning the overall plan, are all explicitly spelt out. The latter aspects are common management practices that can be applied equally when dealing with Information Technology budgets.

In the study conducted by Griffiths and Hochstrasser (1991:120) it was found that a large cost element of introducing Information Technology often forgotten by many Companies is the temporary disruption to the current business. The benefits for keeping this disruption to the minimum and therefore from saving money can be substantial. Whereas the presence of an Information Technology strategy does not automatically guarantee a problem free process, it is worth noting that companies with Information Technology

strategy in place suffer considerably fewer setbacks when introducing any new technology.

A further problem observed in the study is that traditional methods used for the costing of divisional and departmental personnel time means that it does not pay any one division to allocate resources for the benefit of the company as a whole. Working internally, meaning the decentralisation of the function will always reduce a division's profitability and thus dampen enthusiasm for incurring costs when deploying appropriate personnel outside the company or department in order to produce profit. It is worth noting that in a public sector the notion is centered on rendering of service to the public and not necessarily making profit. Without top-down guidance and a defined Information Technology strategy it is difficult for any one government department to strive towards corporate success rather than divisional advantage.

Lack of a corporate IT strategic plan is often noted to lead to:

- A loss of central control as individual division works out its own IT strategies and often strives towards incompatible aims.
- The danger that controversial issues and problems surrounding a company's Information Technology can become catalysts to separating parts of the organisation from each other.
- A general view which regards Information Technology as a technological issue where important decisions are delegated downwards, with the result that senior management subsequently has to waste considerable time and effort to regain control of Information Technology decision which does not align with top level direction.
- A piecemeal approach to Information Technology where individual systems are first developed in divisional isolation and then submitted for cross divisional integration which if possible at all will often become costly and a time consuming process.

- An increased risk that local systems will be incompatible with the future plans of the organisation.
- Unsound data security arrangements in various information pockets of the company due to lack of professional guidance and common standards.
- Duplication of efforts across different departments where lessons learnt in one department are not being made available to other development teams.
- General difficulties in containing the costs of the overall Information Technology involvement due to waste, redundant, and shorter life cycles of the system. (Griffiths and Hochstrasser)

It is evident from the above that the presence of an Information Technology strategy not only saves money, time and effort. Information technology minimizes short term teething problems and also has a beneficial effect upon long term business successes. The in-depth study conducted by Kobler Unit revealed that having a comprehensive Information Technology strategy in place ensures that:

- The significance of pursuing medium to long-term goals instead of concentrating exclusively on short-term benefits is appreciated at all levels.
- Information Technology policies and business priorities are decided by the same managers who best understand and steer the company's overall business direction.
- Strategic Information Technology plans are decided upon before setting divisional business strategies that depend increasingly on Information Technology support.
- A framework is given which allows the planning of the whole information system portfolio rather than the planning of individual systems in isolation.
- The efforts of individual managers, Information Technology professionals and users are channeled towards a common aim.

- Corporate core systems are planned on a common hardware/ software platform and linked up with system used by individual division.
- Resource to implement and manage corporate Information Technology is allocated in a considered way, cutting across both divisions and annual budget cycle.
- Training and user involvement are planned consistently across every level of the company.
- Mistakes are reduced as the infrastructure in place allows a company to learn consistently from its good and bad experiences.

According to the observation of the researcher it is suggested that Information Technology should be best treated not as a technical but a managerial issue that has to be approached with the same basic managerial tools as any other vital business function. It is only a comprehensive Information Technology strategy that can unify and direct efforts on all levels and across boundaries. In addition having an Information Technology strategy in place has now become a prerequisite for successful business practices. Without an Information Technology strategy it has been shown that a number of identified problems are likely to arise which, if left unchecked will eventually lead to a general loss of control over a wide range of Information Technology businesses.

2.8.8 CENTRALISED IT STRUCTURE

Robbins (1989:20) defined centralisation as the degree to which decision making authority is concentrate at a single point in an organisation. Prior to the information economy, technologies were centralized, that is, during batch processing on the mainframe and time-sharing systems. The key objective towards centralisation was to take full control of expensive computer equipment and to regulate the organisations. This type of structure is used in the North West Province. It is not all provinces that operate on the same structure mainly because of its rigidity. The North West Information Technology division functions as a bureau to service all divisions in Finance department including other user provincial departments.

The benefits derived from this type of a structure are proper control and co ordination of Information Technology functions and elimination of duplication of services. This system is also effective in smaller organisation with one core business (Public Service Staff Code 2002:12).

2.8.9 CHALLENGES FACED BY THE INFORMATION TECHNOLOGY DIVISION IN THE DEPARTMENT OF FINANCE

The National public service needs to develop and retain core competencies at least with a capability to manage development. It needs also to recognise that when the economic environment improves it becomes harder to retain scarce resources and that the fast pace of technological innovation requires that it judiciously procures and manages skills from the market. In this way too the National public service can leverage the development of an indigenous Information Technology capability. The Information Technology division should not perceive technology as an end in itself but as an enabling instrument towards the re-engineering of the government and its processes. *Otherwise, other new systems will threaten to become simply one more layer on the thickening crust of legislation, regulations and procedures Sant(www.comnet-it.org 2002:15).*

From this statement it is evident that this re-engineering requires decision on the part of the politicians and policy-makers. It also requires ownership of technology driven change by non-technical persons with clear accountability not just for technical successful system, but more significantly, for the benefits, payback and savings that were meant to result. As technical catalysts on the development stage Information Technology is expected to do well to recognise the context within which to deliver appropriate services and to accept that the meaning of development and delivery must include the widest connotation of change management and human issues. If a system is not delivering, work will not be done until management down the line pro-actively exploits its full potential.

This is exactly how Information Technology shares its responsibility with its client-departments. World bank group (<http://www.world bank.org>).

In order for Information Technology professionals to survive the future changes they must evolve from programming and technical managers to vendor managers so that customers can accept them as real business people who are always available to render a service when a need arises. Additionally, they should think strategically and help position their components to embrace the competitive advantage that the government is prepared to provide like packaged soft wares. Information Technology leaders will need to gain a better understanding of the business they support than implementing the latest and greatest technologies. Liebmann and Lenny [ww.funding. 5.htm 2002:7].

The above authors continue to mention that with an increased understanding of the business drivers and the need for improvement in efficiency and customer service managers are expected to focus increasingly on business processes and understanding how the Information Technology provided by the government can increase the organisation's competitive advantage. Rewards and compensation programme should be modified in order that Information Technology compensation plans can be based on achieving business objectives rather than successful completion of programming efforts or systems integration projects. Managers attached to Information Technology division in the Department of Finance should work to improve communication skills because they are required to effectively interact with sister departments and other partnerships they represent.

2.9 AVAILABLE STUDIES ON INFORMATION TECHNOLOGY FUNDING

It should be noted that previous studies focused on topics such as strategic planning on Information Technology environment especially in private sectors or companies, annual budget of Information Technology in private sectors. The topic under study, "Impact of

funding on the service delivery in Information Technology division of the Department of Finance” is a new topic.

2.10 SUMMARY

Theory on the impact of funding towards Information Technology service delivery especially in the South African government sector leads to the idea that the government allocates its resources according to set priorities. Information technology is not one of its priorities instead it is perceived as a support function.

The literature reviewed for this study revealed that in order to attach suitable funding to a specific function there should be proper strategies, business plans or operational plans. Authors like Wysocki and Young (1989:80) argue that a carefully evolved budget does not allow spending on visible user system at the expense of the essentially underlying support or such areas as software, hardware and support services. They further state that at least two other areas of expense must be budgeted for that is the ongoing operations and departmental administration.

This study was meant to determine if Information Technology in the Department of Finance was moving in the right direction and how it compared with other organisations. The study also focused on determining what measures should be taken to ensure that adequate funding for Information Technology services was always available. Apart from the above, factors such as organisational structure, awareness, rapid changes in the Information Technology environment and challenges facing the Information Technology division were taken into consideration in the literature review.

The literature study also revealed that there is no way in which one can treat aspects of information technological without engaging components like information systems and information management and how changes in one of each area affects the others.

CHAPTER 3: STATEMENT OF THE PROBLEM

3.1 INTRODUCTION

The object of this Chapter is to articulate the statement of the problem in this study. That is, what actually has failed Information Technology division in the Department of Finance to effectively deliver its services as well as finding ways of implementing appropriate measures that will enable the North West government to adequately fund Information Technology division in order to enhance service delivery in the NW provincial departments.

3.2 GENERAL OVERVIEW ON BUDGETARY ISSUES

It is proper to give a broad overview on some of critical budgetary issues that have in one way or the other impacted on government services delivery and to site some of the fiscal problems that have prompted systematic budgetary reform in the North West Province. The following discussion focuses on those issues.

The opinion of the researcher is that in many government departments the processes of strategic planning, prioritisation, financial planning, resource allocation and performance management have tended to be discredited processes with very little integration and synergy. This has resulted in policies, which are unconnected with budgets or governments strategic direction and are thus prone to implementation failure. Over and above an agreed set of priorities in the form of a clear integrated statement of overall public sector policy goals and outcomes has been lacking. The budget should be a central expression of the members of the Legislature, MEC'S (Executive Council's) collective responsibility and without a strategic direction from this Council the whole budgeting process is unlikely to be realised.

A mechanism is needed to allow the North West Executive Council (EXCO) to put a better articulated front-end on the budget process. The budget and financial management

5.2.5 Information Technology's Medium Term Expenditure Framework and the strategic plan

TABLE 5.4 Whether IT strategic plan is linked to the Medium Term Expenditure Framework (MTEF)

		Frequency	Percent	Valid	Cumulative Percent
Valid	Always	9	15.0	15.0	15.0
	Sometimes	18	30.0	30.0	45.0
	Unsure	26	43.3	43.3	88.3
	Rarely	4	6.7	6.7	95.0
	Never	3	5.0	5.0	100.0
	Total	60	100.0	100.0	

Table 5.4 revealed that out of 60 Information Technology staff members only 15% ascertain that their strategic plan was linked to the Medium Term Expenditure Framework. This response indicated that if respondents were not sure whether the strategic plan has been linked to the Medium Term Expenditure Framework, then the division would not be in a position to prepare a credible budget. This was confirmed in the second category of responses whereby almost 84% of the respondents have little knowledge or no idea on this subject.

5.2.6 Information Technology as a centralised function

TABLE 5.5 Whether IT service is currently a centralised function

		Frequency	Percent	Valid	Cumulative Percent
Valid	Always	13	21.7	22.4	22.4
	Sometimes	18	30.0	31.0	53.4
	Unsure	16	26.7	27.6	81.0
	Rarely	9	15.0	15.5	96.6
	Never	2	3.3	3.4	100.0
	Total	58	96.7	100.0	
Missing	System	2	3.3		
Total		60	100.0		

3.4 WHAT HAS FAILED INFORMATION TECHNOLOGY TO DELIVER SERVICES ACCORDING TO THE CLIENTS EXPECTATIONS

In this current study the researcher assume that the following factors might have directly or indirectly contributed to the failure of the Information Technology previously to deliver the best service. These factors include the following:

- Information Technology services continue to take a large and growing proportion of the annual budget in such a manner that executives and senior managers increasingly became concerned about the validity of traditional approaches taken to identify effective Information Technology investments,
- Evaluate Information Technology initiatives and to subsequently manage Information Technology investments. Management continues to experience situations where the application of Information Technology produces results of dubious benefit and often quite unrelated to current business aims.
- Apart from that, the Information Technology division often failed to deliver acceptable returns. For example, it is not linked to an overall productivity increase and its overheads are constantly larger than anticipated.

Over and above, the provincial departments fail to engage the Provincial Information Technology managers in the preparation of their departmental Information Technology business plan. The Department of Finance in the North West province provided inadequate training for employees to use the available technology. Therefore, the following are problems that were experienced in the Division of Information Technology.

SECONDARY PROBLEM NO 1

From observation, the Public Finance Management Act no 1 of 1999 as amended is not specific on how information technology matters should be conducted. What have been revealed in detail are the broad responsibilities of the Accounting Officers on financial matters. In an attempt to streamline Information Technology services and provide adequate funding the government must state whether Information Technology should be classified as an independent support function serving all provincial departments at a cost or the information technology function must be devolved to the North West provincial departments.

SECONDARY PROBLEM NO 2

It has to be determined whether there is a proper strategic plan in the Information Technology division of the Department of Finance. This is one of the reasons, which perhaps inhibit Information Technology in the Department of Finance to budget appropriately because the strategic plan is a tool that informs the budget provision. It is vital to develop a comprehensive strategy for the overall mission of the Department and divisional operations to ensure that a variety of well understood management practices are incorporated.

SECONDARY PROBLEM NO 3

Although the programmes in the Department of Finance are mostly aligned with the mandated requirement of the Cluster Focus Areas, from experience there is a lack of business goals that leverage improved financial services delivery through the utilisation of Information Technology. All Information Technology related goals are defined within

the Information Technology Directorate and address the Department of the Premier's mandated central Information Technology function. The problem is that improvement opportunities have not been adequately explored within provincial departments and this inhibits the ability to identify cross-departmental improvement opportunities. Besides, it has to be determined if the systems and technology applications in the Department of Finance can in their current format meet the requirements of the National Treasury.

SECONDARY PROBLEM NO 4

Through the Medium Term Expenditure Framework a close observation should be made in order to determine if there are no fruitless and wasteful expenditures within the Information Technology Directorate and also to find the reason why Information Technology Directorate is not capable of retaining skilled Information Technology professionals.

3.5 SUMMARY

The current constraints for Information Technology Division to act as a catalyst for streamlining processes, allowing co-ordination between functions and enhancing operational efficiency in the Department of Finance is most probably as a result of ineffective interdepartmental coordination, communication and budgetary constraints. An explicit Chapter that will guide how Information Technology should operate whether in a centrally or decentralised must be annexed to the Public Finance Management Act, Act no 1 of 2001 so that the current line function are properly streamlined.

CHAPTER 4: RESEARCH DESIGN

4.1 INTRODUCTION

This chapter outlines methods of research of this study and explains the rationale behind the methodology employed and how the research was conducted. The theoretical framework provided in Chapter two and the purpose of the study as stated in Chapter one serve as the guiding force of this investigation.

According to Chadwick et al (1984) the research design is defined as a systematic description of all stages of the research process, the consequence of activities necessary to answer the research question. It can also be defined as a clear statement of the research problem as well as the plans for gathering, processing and interpreting the observations intended to provide some solutions to the problem. The research design is therefore the entire plan of the research process. This type of the research design was aimed for an explanatory study as research seeks to explore a phenomenon about which very little is known.

Bless and Higson-Smith (2000:63) stated that a research design relates directly to the testing of a hypothesis. It is a specification of the most adequate operations to be performed in order to test a specific hypothesis under given conditions. This study, being qualitative in nature, sought rather to answer some research questions and to make assumptions based on quantitative data.

Explanatory studies according to McKendrick (1987) are undertaken when relatively little is known about a phenomenon, perhaps because of its deviant character for its newness like this chosen topic on the impact of funding towards service delivery in the North West government public sector.

4.2 DATA COLLECTION

The method of data collection is guided by the purpose of the study as stated in Chapter One. In this study, the instrument employed in the collection of data was administered questionnaires as well as the face to face interviews.

4.2.1 Questionnaire

Two different types of the self-administered questionnaires were prepared and employed as data collection instruments in this study. The first questionnaire was directed to the Information Technology division staff in the Department of Finance while the second one, was prepared for North West provincial departments.. The manager for Information Technology in the Department of Finance was approached for approval to distribute copies of the questionnaire amongst staff members in the Information Technology division. The prepared questionnaire was tailored to all Information Technology staff members including Information Technology high-ranking officials from post level 7-13. The intention for identifying occupational class or levels was intended to involve those employees who understood policy issues and who were in a position to provide appropriate response. The researcher opted to use self- administered questionnaires mainly due to the fact that this method of research helps to overcome misunderstandings and misinterpretations of words or questions. In most instances answers given are clearer as compared to telephonic interviews. The interviewer ensures that the questions that are not well understood are clarified immediately to the respondents.

4.2.2 Development of the Questionnaire

The aim of the self- administered questionnaire was to gather information on how insufficient funding impacted on Information Technology service delivery in the Department of Finance, Head Office, Mmabatho. The strategy used to develop the items in the questionnaire was mainly derived from the literature in Chapter Two and the topic itself.

4.2.3 Format and content of the questionnaire

The first questionnaire was divided into three sections:

Section 1 (Questions 1.1-1.11) of the questionnaire were intended to gather information on how service delivery in the Division of Information Technology could be affected due to lack of proper strategic plan being put in place.

Section 2 (Questions 2.1-2.7) the intention was to gather different views from the respondents on how improper budgeting can impact the intended service delivery and the state of the relationship between the Budget Office in the Treasury and the Division of Information Technology in the Department of Finance.

Section 3 (Questions 5.18-5.27) were meant to get an understanding from the respondents if effective financial controls were implemented as prescribed in the Public Finance Management Act, Act no 1 of 1999 as amended which stipulated that “no public funds should be transferred to any institution, public entity or any government body provided that the accounting authority or accounting officer had certified that proper financial controls are implemented.”

4.2.4 Pre- testing the questionnaires

The first questionnaire was administered to ninety-nine (99) Information Technology staff (population) to pre-test it before the actual study. The reason for the pilot study was to eliminate inaccuracies and ambiguity in the questionnaire. The second questionnaire was administered to eight provincial departments (respondents) for the same above reason.

The respondents were asked whether they really understood the intention of the questionnaires. They were also given the opportunity to comment on questions they thought not to address the purpose of the study. Suggestions that were highlighted by the respondents were carefully studied and considered to revise and improve the questionnaires.

4.2.5 Final questionnaires

After having revised both questionnaires, final drafts of the questionnaires were administered for distribution to Information Technology staff members in the Department of Finance and to eight provincial departments.

4.2.6 Direct Interviews (Semi-Structured)

This method of research was directed to staff members in the Department of Finance who received direct service from Information Technology Division. The reason for choosing this method of research was mainly due to the fact that the researcher could clarify concepts and problems direct with the respondents (Bless and Higson-Smith 2002:109). Secondly, this method allowed for the establishment of a list of possible answers or solutions, which in turn facilitated the construction of more highly, structured interviews. In actual fact this method of research, eliminate superfluous questions and reformulation of ambiguous questions. Another reason why this method of research was directed to targeted number of staff members in the Department of Finance was to get a feeling regarding the type of service being derived from Information Technology Division. For example, Information Technology staff members working at the Help Desk are expected to be proactive in addressing faults logged by Information Technology user departments.

4.2.7 Covering Letter

A simple introductory coverage note was made right in the beginning of the questionnaire explaining in detail what the purpose of the study is and also assuring the respondents that their information will be kept confidential and not to be singled out for analysis (See Appendix A).

4.2.8 Administrative procedures

The researcher made personal and telephonic follow- ups with the respondents with the intention of getting back responses made on the distributed questionnaires. Thirty percent of the questionnaires were returned immediately while the others 33% took little more time. Care was exercised to ensure that all the respondents are permanently employed as Information Technology staff members and not internship students or temporary workers.

4.2.9 Population and sampling

The sample consisted of Information Technology Division staff members whose occupational levels range from 7-13 and who were permanent employees. The population comprised of all Information Technology staff members. They were 99 in total. From this total, only 60 Information Technology employees represented the sample. In the second questionnaire, twelve provincial departments represented the population but only eight provincial departments participated in the study and represented the sample.

4.3 SUMMARY

This Chapter explained the research design of the study. A structured questionnaire was employed as the main instrument in the collection of data. The next Chapter reports on the analysis and interpretation of the data.

CHAPTER 5: DATA ANALYSIS AND INTERPRETATION

5.1 INTRODUCTION

The previous chapter described the research design of the study. This chapter presents the results of this study aimed at gathering the views of staff members in the Information Technology Division with regards to the impact of funding on Information Technology service delivery. It focuses on the respondents and the presentation and analysis of data collected from the respondents as well as from staff members from other Provincial Departments on how funding impacts on service delivery.

5.2 RESPONSES: INFORMATION TECHNOLOGY STAFF

From a staff complement of 99 in the Information Technology Division, 60 were sampled for investigation. The questionnaires were distributed to the participants who were willing to participate in the investigation. Semi structured interviews were also conducted in an attempt to obtain more views in areas where the questionnaire was limited.

The questionnaire was divided into three Sections. The first section dealt with service delivery in the Information Technology. The second section focused on budgeting whilst the last section dealt with budget controls in Information Technology Division.

The following discussion focused on the data elicited from the respondents in the study.

5.2.1 QUESTIONNAIRE 1: QUESTIONNAIRE TO IT STAFF

Out of a total number of 99 Information Technology staff 60 were sampled for investigation. It must be pointed out that the questionnaires were distributed to 60 Information staff members who were willing to participate in the study.

SECTION 1

5.2.2 The core business of Information Technology

TABLE 5.1 Whether the respondents know the core business of IT

		Frequency	Percent	Valid	Cumulative Percent
Valid	Always	29	48.3	48.3	48.3
	Sometimes	6	10.0	10.0	58.3
	Unsure	12	20.0	20.0	78.3
	Rarely	4	6.7	6.7	85.0
	Never	9	15.0	15.0	100.0
Total		60	100.0	100.0	

Figure C

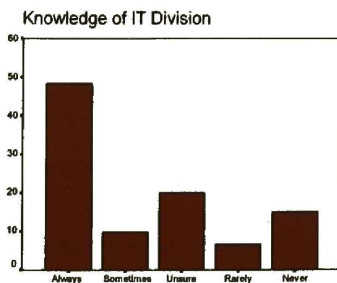


Table 5.1 indicates that 29(48.3%) of the respondents knew the core business of their division while 10% indicated that they sometimes had the knowledge about Information Technology's core business, 12 (20%) of the participants stated that they were unsure

while 15% indicated that they had no clue about the core business of the division. It is surprising to note that there are some staff members in the IT Division who did not know the rationale for the existence of their division.

5.2.3 The Vision and Mission of Information Technology as it fits in the general vision and mission of the Department of Finance

TABLE 5.2 vision and mission

		Frequency	Percent	Valid	Cumulative Percent
Valid	Always	16	26.7	27.1	27.1
	Sometimes	20	33.3	33.9	61.0
	Unsure	20	33.3	33.9	94.9
	Rarely	2	3.3	3.4	98.3
	Never	1	1.7	1.7	100.0
	Total	59	98.3	100.0	
Missing	System	1	1.7		
Total		60	100.0		

The intention of this question was to find out from the respondents whether Information Technology was correctly positioned or located in the Department of Finance. However, the responses in this Table 5.2 revealed that 27.1% support that the Information Technology Vision and Mission fits into that of the Department of Finance followed by 33.9% who had little knowledge on this matter, 33.9% who were unsure, 3.4% who did not know much, while 1.7% of the respondents totally disagree that their vision and mission did not fit in the vision and mission of the Department of Finance.

This indicated that respondents were uncertain if Information Technology division was correctly located in the Department of Finance.

5.2.4 The Information Technology annual strategic plan

TABLE 5.3 Whether the Division has an annual strategic plan in place

		Frequency	Percent	Valid	Cumulative Percent
Valid	Always	19	31.7	32.2	32.2
	Sometimes	17	28.3	28.8	61.0
	Unsure	18	30.0	30.5	91.5
	Never	5	8.3	8.5	100.0
	Total	59	98.3	100.0	
Missing	System	1	1.7		
Total		60	100.0		

The data in table 5.3 revealed that a small number of Information Technology respondents, that is, 32.25% seemed to be aware of the strategic plan. Another category representing 28.8% had little knowledge about the existence of the strategic plan, 30.5% were unsure whilst 8.5% knew nothing about the strategic plan being in place in IT Division.

This is one of the critical areas that gave the division a direction on what activities were to be performed so as to achieve its vision. If the Division does not have a comprehensive or well-defined strategic plan it loses focus on what it intends to do. Moreover, if the employees were unaware of such a plan, their work would not be focused or reaching mutual goals and visions.

5.2.5 Information Technology's Medium Term Expenditure Framework and the strategic plan

TABLE 5.4 Whether IT strategic plan is linked to the Medium Term Expenditure Framework (MTEF)

		Frequency	Percent	Valid	Cumulative Percent
Valid	Always	9	15.0	15.0	15.0
	Sometimes	18	30.0	30.0	45.0
	Unsure	26	43.3	43.3	88.3
	Rarely	4	6.7	6.7	95.0
	Never	3	5.0	5.0	100.0
	Total	60	100.0	100.0	

Table 5.4 revealed that out of 60 Information Technology staff members only 15% ascertain that their strategic plan was linked to the Medium Term Expenditure Framework. This response indicated that if respondents were not sure whether the strategic plan has been linked to the Medium Term Expenditure Framework, then the division would not be in a position to prepare a credible budget. This was confirmed in the second category of responses whereby almost 84% of the respondents have little knowledge or no idea on this subject.

5.2.6 Information Technology as a centralised function

TABLE 5.5 Whether IT service is currently a centralised function

		Frequency	Percent	Valid	Cumulative Percent
Valid	Always	13	21.7	22.4	22.4
	Sometimes	18	30.0	31.0	53.4
	Unsure	16	26.7	27.6	81.0
	Rarely	9	15.0	15.5	96.6
	Never	2	3.3	3.4	100.0
	Total	58	96.7	100.0	
Missing	System	2	3.3		
Total		60	100.0		

Table 5.5 above shows that 13 respondents were aware that their function was centralised. This was confirmed by 22.4% of the respondents, followed by 31% of the respondents who had little knowledge about the centralised function, 27.6% were unaware whether IT function was centrally based. Another 15% of the respondents reflected that the function was centralised but not much, whilst 3.4% confirmed that Information Technology was not a centralised function.

It is important to note that when new staff members are appointed in the Division, first and foremost they should be made to understand the working environment in which they operate. With reference to this question, if all staff members were inducted in this regard, many more positive correct responses were expected.

5.2.7 Information Technology Division's service standards or performance indicators for measuring performance

TABLE 5.6 IT Division standards or performance indicators for measuring performance

		Frequency	Percent	Valid	Cumulative Percent
Valid	Always	22	36.7	36.7	36.7
	Sometimes	15	25.0	25.0	61.7
	Unsure	15	25.0	25.0	86.7
	Rarely	7	11.7	11.7	98.3
	Never	1	1.7	1.7	100.0
	Total	60	100.0	100.0	

In Table 5.6 it is interesting to note that only 36.7% of the respondents were aware of the service standards being in place for measuring performance whilst 25% had little

knowledge on this subject. Another 25% not being sure about the availability of the service standards, 11.7% of the responses indicated that the service standards in their Directorate was scares and 1.7% ascertained that the service standards were not in place.

If there was no measuring yardstick to determine whether the IT Division was meeting its intended goals, then it would not be possible to come up with realistic outputs at the end of the day.

5.2.8 IT Division financial policy

TABLE 5.7 Whether the Division has financial policies

		Frequency	Percent	Valid	Cumulative Percent
Valid	Always	20	33.3	33.3	33.3
	Sometimes	11	18.3	18.3	51.7
	Unsure	19	31.7	31.7	83.3
	Rarely	9	15.0	11.1	98.3
	Never	1	1.7	1.7	100.0
	Total	60	100.0	100.0	

In responding to this question 20 respondents seemed to know about the existence of the financial policies. This was confirmed by 33.3% of positive responses relating to the issue, followed by 18.3% of those who had little knowledge about it (sometimes), 31.7% of those who were unsure, 15% indicated that the financial policies were not easily found in their division, whilst 1.7% responded absolutely that there is no financial policy in the division.

On average a significant percentage of 66.7% responded negatively on this question. If a division like Information Technology is not aware of the guiding financial policies then the issue of compiling a credible budget and to manage it will be impossible.

5.2.9 Information Technology supervisors involved in the setting of and supporting Information Technology customers oriented goals

TABLE 5.8 Whether IT supervisors are involved in the setting of and supporting IT customers oriented goals

		Frequency	Percent	Valid	Cumulative Percent
Valid	Always	24	40.0	41.4	41.4
	Sometimes	15	25.0	25.9	67.2
	Unsure	14	23.3	24.1	91.4
	Rarely	5	8.3	8.6	100.0
	Total	58	96.7	100.0	
Missing	System	2	3.3		
Total		60	100.0		

Table 5.8 shows that 24 respondents or 41.4% revealed that Information Technology supervisors did support information technology customers in various government departments. Another group, that is, 25.9% of the respondents, indicated that there was little support that the customers receives from IT supervisors, followed by 24.1% who were unsure if the clients derived any support from Information Technology supervisors. A percentage of 8.6% of the respondents ascertained that clients derived support but not much or according to their expectations.

5.2.10 Information Technology Line Managers involved in the drafting and finalisation of the Information Technology service delivery policy

TABLE 5. 9 Whether IT managers are involved in the drafting and finalisation of the IT service delivery policy

		Frequency	Percent	Valid	Cumulative Percent
Valid	Always	17	28.3	29.8	29.8
	Sometimes	16	26.7	28.1	57.9
	Unsure	15	25.0	26.3	84.2
	Rarely	4	6.7	7.0	91.2
	Never	5	8.3	8.8	100.0
	Total	57	95.0	100.0	
Missing	System	3	5.0		
Total		60	100.0		

A significant percentage of 29.8%, of the respondents were aware that the line function managers in the Information Technology division were part and parcel of drafting and finalising the IT service delivery policy. This is followed by 28.1% of those who had little knowledge, 26.3% of those who were not sure, 7% who indicated that they were involved in the process but not much and 8.8% who said that they were not involved.

An aggregate significant percentage of 70.2% of the respondents had little knowledge about or did not know that line function managers were involved in the drafting and finalisation of IT service delivery policy.

5.2.11 Financial training

TABLE 5.10 How often respondents attend financial training

		Frequency	Percent	Valid	Cumulative Percent
Valid	Always	13	21.7	22.8	22.8
	Sometime	12	20.0	21.1	43.9
	Unsure	7	11.7	12.3	56.1
	Rarely	6	10.0	10.5	66.7
	Never	19	31.7	33.3	100.0
	Total	57	95.0	100.0	
Missing	System	3	5.0		
Total		60	100.0		

On whether the Information Technology staff were exposed to financial training, when responding to this question in Table 5.10 it was noted that only 22.8% of the staff were exposed to it, 21.1% had little knowledge about whether Information Technology staff do really attend financial training and 12.3% are not sure if staff attended training or not. Another group, that is, 10.5% indicated that they do attend but not much, whilst a bigger number at a percentage of 33.3% said that no financial training was offered.

Financial training is very crucial to all stakeholders irrespective of whether the Division's core competency is financial or not. Every Programme including IT Division needs financial resources to carry out its daily activities. Therefore, involvement and participation to such trainings is significant.

5.2.12 Training on Information Technology

TABLE 5.11 Whether respondents have been trained in the specific IT areas they are responsible for

		Frequency	Percent	Valid	Cumulative Percent
Valid	Always	15	25.0	25.9	25.9
	Sometimes	23	38.3	39.7	65.5
	Unsure	9	15.0	15.5	81.0
	Rarely	6	10.0	10.3	91.4
	Never	5	8.3	8.6	100.0
	Total	58	96.7	100.0	
Missing	System	2	3.3		
Total		60	100.0		

When the respondents were asked to indicate whether they receive training in their area of specialisation, it was realised that only 25.9% managed to respond to the affirmative, followed by 39.7% who indicated that sometimes they were sent out for training, 15.5% of respondents were not sure if training tailored to their areas of specialisation had ever been offered, followed by 10.3% who indicated that training in IT was offered but not much.

Table 5.11 also revealed that 8.6% of the respondents indicated that there no training was offered in the IT Division. It must be noted that technology changes from time to time and if the staff responded negatively like in this case then, their competency and capacity in delivering the expected service would be questionable.

Section 2: Budgeting

5.2.13 Information Technology programme manager responsible for budgets/ expenditure

TABLE 5.12 Whether IT Division has a programme manager who is responsible for budgets and expenditure

		Frequency	Percent	Valid	Cumulative Percent
Valid	Always	22	36.7	37.9	37.9
	Sometimes	10	16.7	17.2	55.2
	Unsure	20	33.3	34.5	89.7
	Rarely	4	6.7	6.9	96.6
	Never	2	3.3	3.4	100.0
	Total	58	96.7	100.0	
Missing	System	2	3.3		
Total		60	100.0		

The data in table 5.12 revealed that 22(37.9%) of the respondents were conversant with budgetary matters, followed by 10 (17.2%) of those who had little idea on this subject and 20 (34.5%) of those who were unsure. 4 (6.9%) indicated that their IT Manager was involved in budgetary issues but not much, while 3.4% did not know if the IT Manager was involved. An aggregate of 62% of the respondents responded negatively with regards to this question. The assumption was that the Programme Manager failed to cascade or delegate financial control responsibility to immediate supervisors.

5.2.14 Information Technology Supervisors involvement during the budgetary process

TABLE 5.13 Whether IT supervisors are fully involved during the budget process

		Frequency	Percent	Valid	Cumulative Percent
Valid	Always	19	31.7	32.8	32.8
	Sometimes	11	18.3	19.0	51.7
	Unsure	15	25.0	25.9	77.6
	Rarely	10	16.7	17.2	94.8
	Never	3	5.0	5.2	100.0
	Total	58	96.7	100.0	
Missing	System	2	3.3		
Total		60	100.0		

Table 5.13 shows that, 19 (32.8%) of the respondents indicated that Information Technology Supervisors were involved in the budgetary process. Nineteen(19%) indicated that their Supervisors were sometimes involved whilst 25.9% were unsure, 17.2% indicated that their Supervisors were not much involved and a significant small percentage of 5.2% indicated that there was no involvement. This negative response of 3 (5.2%) was not acceptable based on the fact that Supervisors were empowered by the Public Finance Management Act to take full responsibility of their Cost Centers budget.

5.2.15 Opinion of budgetary process.

TABLE 5.14 Whether the budgetary process is useful

		Frequency	Percent	Valid	Cumulative Percent
Valid	Always	15	25.0	27.8	27.8
	Sometime	8	13.3	14.8	42.6
	Unsure	23	38.3	42.6	85.2
	Rarely	6	10.0	11.1	96.3
	Never	2	3.3	3.7	100.0
	Total	54	90.0	100.0	
Missing	System	6	10.0		
Total		60	100.0		

In responding to this question the respondents seemed to differ from their responses to the previous question. This was based on the fact that the response to "yes" (reference to the question in Table 5.14 above) was 32.8% and all of a sudden this dropped 27.8% in this question. Other 14.8% indicated that the budgetary process had little effect on them. A high percentage of 42.8% of the respondents were unsure followed by 11.1% who said that the budgetary was useful to them but not much. The other 3.7% indicated that the budgetary process had no effect or was not useful to them.

On average, a large percentage of 73% responded negatively in respect to the question asked. This is one of the critical areas that the objective of the study was intending to determine if poor funding and planning had previously prevented Information Technology Division from delivering the expected service delivery to its customers.

5.2.16 Familiarity with the procedure involved in order to compile an appreciable or credible budget

TABLE 5.15 Whether the respondents are familiar with the procedures involved in compiling a credible budget

		Frequency	Percent	Valid	Cumulative Percent
Valid	Always	13	21.7	22.4	22.4
	Sometimes	12	20.0	20.7	43.1
	Unsure	19	31.7	32.8	75.9
	Rarely	6	10.0	10.3	86.2
	Never	8	13.3	13.8	100.0
	Total	58	96.7	100.0	
Missing	System	2	3.3		
Total		60	100.0		

While responding to this one 13 (22.4%) of the respondents in Table 5.15 revealed that they know the procedures involved in compiling an appreciable budget, followed by 12 (20.7%) who said they had little knowledge, 19 (32.8%) of respondents were unsure whether they know the procedures. 10.3 % said they know of the procedures but not much, while 13.8% said they were never engaged in such procedures. This was clear from the above statement that available financial policies and procedures were not implemented or the Information Technology staff did not understand them.

5.2.17 How the Budget Office (Treasury) co-operates when asked for additional funds

TABLE 5.16 Whether the Budget Office (Treasury) co-operates when asked for additional fund

		Frequency	Percent	Valid	Cumulative Percent
Valid	Always	12	20.0	20.7	20.7
	Sometime	4	6.7	6.9	27.6
	Unsure	36	60.0	62.1	89.7
	Rarely	4	6.7	6.9	96.6
	Never	2	3.3	3.4	100.0
	Total	58	96.7	100.0	
Missing	System	2	3.3		
Total		60	100.0		

Table 5.16 shows that 12 (20.7%) of the respondents attested that the Treasury division co-operates when asked to provide additional funding. Other group representing 4 (6.9%) of the respondents said Treasury sometimes co-operate. A huge percentage of 62.1 indicated that they are unsure about such co-operation, 6.9% said there is co-operation from the Office of the Treasury but not much whilst 13.8% said that there is absolutely no co-operation. A significant percentage of 62.1 in the table above signify that Information Technology staff lack knowledge or they are not interested in budgetary issues. As a result continuous arguments pertaining to insufficient funding will prevail even in future years. The issue can only be addressed through training to make IT staff aware of the role of the Treasury.

5.2.18 Whether Information Technology has competent staff with relevant financial capacity

TABLE 5.17 Whether the division has competent staff with relevant financial capacity

		Frequency	Percent	Valid	Cumulative Percent
Valid	Always	7	11.7	12.1	12.1
	Sometime	12	20.0	20.7	32.8
	Unsure	26	43.3	44.8	77.6
	Rarely	7	11.7	12.1	89.7
	Never	6	10.0	10.3	100.0
	Total	58	96.7	100.0	
Missing	System	2	3.3		
Total		60	100.0		

Out of 60 of IT staff members, 7 (12.1%) respondents in Table 5.17 indicated that the Information Technology Division had competent staff with financial background. This was a clear indication that proper financial training needed to be conducted in order to equip IT staff on financial related issues. Information Technology is one of the components in the Department of Finance that received a chunk of budget. Therefore, if they lack financial skills, the management of such funds will be impossible. This response was followed by 20.7% who said that sometimes the staff had financial skill which pointed to another group who was unsure whether financial background in IT environment was important. 12.1% indicated that the IT staff had financial skill but not much. The last group, 10.3%, attested that their IT staff possesses no financial skill at all.

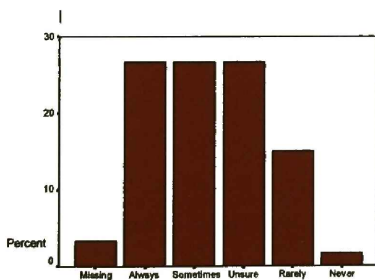
SECTION 3: FINANCIAL CONTROL

5.2.19 Whether the Directorate has effective financial controls

Table 5.18 Whether the Directorate has effective financial controls

		Frequency	Percent	Valid	Cumulative Percent
Valid	Always	16	26.7	27.6	27.6
	Sometime	16	26.7	27.6	55.2
	Unsure	16	26.7	27.6	82.8
	Rarely	9	15.0	15.5	98.3
	Never	1	1.7	1.7	100.0
	Total	58	96.7	100.0	
Missing	System	2	3.3		
Total		60	100.0		

Figure D: Effective financial controls



According to Table 5.18 above, the presence of effective financial controls in IT was rated by 26.7% of the respondents. Another group (18%) indicated that there are controls but little were exercised over financial matters. Lastly, a small fraction of 1(1.7%) of the respondents indicated that absolutely there is no financial control in IT division.

5.2.20 Reconciling monthly expenditures through In-Year Monitoring Systems/ Monthly Expenditure Reporting

TABLE 5.19 Whether respondents find it useful to reconcile their monthly expenditures through In- Year Monitoring Systems or Monthly Expenditure reporting

		Frequency	Percent	Valid	Cumulative Percent
Valid	Always	24	40.0	41.4	41.4
	Sometimes	12	20.0	20.7	62.1
	Unsure	14	23.3	24.1	86.2
	Rarely	3	5.0	5.2	91.4
	Never	5	8.3	8.6	100.0
	Total	58	96.7	100.0	
Missing	System	2	3.3		
Total		60	100.0		

Table 5.19 reflected that most Information Technology staff at 41.4% are willing to use the In- Year- Monitoring Systems to reconcile and control their monthly expenditures. Like in any other business expenditure control is very crucial so that one does not run into cash flow problems. This is followed by 20.7%, which claimed that sometimes it is useful to use In-Year- Monitoring System for expenditure controlling. Another group at 24.1% were unsure whether this is an appropriate tool for expenditure controlling. 5.2% said this expenditure control tool could be used for reconciliation purposes but not much. Other respondents at 8.6% indicated that In- Year- Monitoring Systems could not be used for expenditure reconciliation and control.

The In-Year Monitoring System is an effective expenditure control tool designed to control and monitors expenditures on monthly basis for all North West government departments. If this tool is used effectively and efficiently, the possibility of exceeding the budget is very slim.

5.2.21 Whether Information Technology Directorate experiences a major impact on service delivery due to insufficient funding

TABLE 5.20 Whether the Division really experiences a major impact on service delivery due to insufficient funding

		Frequency	Percent	Valid	Cumulative Percent
Valid	Always	10	16.7	16.9	16.9
	Sometimes	10	16.7	16.9	33.9
	Unsure	25	41.7	42.4	76.3
	Rarely	8	13.3	13.6	89.8
	Never	6	10.0	10.2	100.0
	Total	59	98.3	100.0	
Missing	System	1	1.7		
Total		60	100.0		

The data in Table 5.20 reflect the respondent's reaction to question 5.20. Ten (16.9%) indicated that the inadequate funds do impact on their daily services. Another 16.9% of the respondents reflected that inadequate funding did impact on their services but very minimally. An aggregate of 42.4% was unsure whether the question on funding was a problem that impact on their service delivery. 13.6% acknowledged that inadequate funding is sometimes experienced. The other 10.2% disagreed with the statement. They did not perceive inadequate funding as a factor that impacted on their service delivery. This question is very important as it was the aim of this study to find out whether funding impacts on Information Technology service delivery. From observation a large percentage of responses that is 42.4% indicated that they were unsure whether ineffective service delivery resulted because of inadequate funding.

5.2.22 Directorate risk prevention plan

TABLE 5. 21 Whether the IT Directorate has any risk prevention plan.

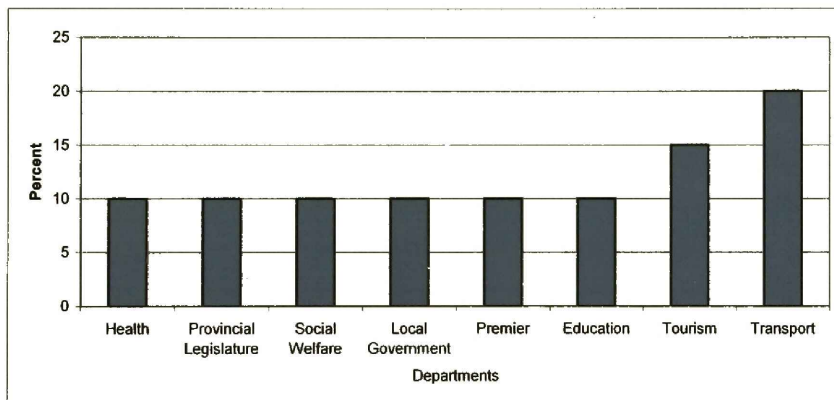
		Frequency	Percent	Valid	Cumulative Percent
Valid	Always	19	31.7	32.2	32.2
	Sometimes	15	25.0	25.4	57.6
	Unsure	19	31.7	32.2	89.8
	Rarely	1	1.7	1.7	91.5
	Never	5	8.3	8.5	100.0
	Total	59	98.3	100.0	
Missing	System	1	1.7		
Total		60	100.0		

In Table 5.21 respondents rated this aspect as valuable by 32.2%, followed by 25.4% who felt that risk prevention plan was important but to a certain extent. An aggregate of 32.2% were unsure if risk prevention plan should be implemented. Only 1.7% said that a risk prevention plan was some form of control but does not provide much to rely on. The last group with an aggregate of 8.5% indicated that the Directorate does not have a risk prevention plan.

5.3 QUESTIONNAIRE 2: QUESTIONNAIRE TO PROVINCIAL DEPARTMENTS

A second set of questionnaires were prepared with the sole intention of finding out from Provincial Departments how they are serviced by Information Technology. Eight Provincial Departments were approached and used as a sample in this study. To succeed in obtaining concrete information requirements, only officials who deal with Information Technology issues on a daily basis were approached to participate in the study. However, table 5.22 reflects the number of provincial departments who were involved and willing to participate in the study. A total number of forty-six questionnaires were distributed and all responded. The following departments presented in the figure E were involved.

Figure E: Departments represented in the sample.



Only eight Provincial Departments out of twelve willing to participate in this research were approached to complete the questionnaires. The first six provincial departments as it appears in Figure E above received six questionnaires each. The main reason for distributing more questionnaires to the Department of Tourism and Transport was based on the fact that both departments had more staff dealing with financial and Information Technology matters when compared with the first six provincial departments.

5.2.23 Whether the officers serving under Walker and Persal Systems are to generate correct financial reports as requested

TABLE 5.22 Departments: Whether Officers serving under Walker and Persal Financial Systems are able to generate correct financial reports as requested

			Do the officers serving under Walker and Persal Systems able to generate correct financial reports requested?					Total
			Always	Sometimes	Unsure	Rarely	Never	
Department	Health	Count	1	1	1	2		5
		% of Total	2.3%	2.3%	2.3%	4.5%		11.4%
	Provincial Legislature	Count		3	1	1		5
		% of Total		6.8%	2.3%	2.3%		11.4%
	Social Welfare	Count	4					4
		% of Total	9.1%					9.1%
	Local Government	Count	1	3	1			5
		% of Total	2.3%	6.8%	2.3%			11.4%
	Premier's Office	Count	1	2	1			4
		% of Total	2.3%	4.5%	2.3%			9.1%
	Education	Count	2		2	1		5
		% of Total	4.5%		4.5%	2.3%		11.4%
	Tourism	Count	4	1			1	6
		% of Total	9.1%	2.3%			2.3%	13.6%
	Transport	Count	4	3	1	2		10
		% of Total	9.1%	6.8%	2.3%	4.5%		22.7%
Total	Count	17	13	7	6	1	44	
	% of Total	38.6%	29.5%	15.9%	13.6%	2.3%	100.0%	

Table 5.22 shows that 17 (38.6%) of the respondents were so far satisfied with the service provided by Information Technology in this specific area of operation, followed by 29.5% who said sometimes the reports compiled met their requirements, 15.9% were unsure, whilst 13.6% indicated that the Walker reports and Persal did meet their expectations but not much. Lastly a fraction of (2.3%) reflected that the reports generated from the Walker and Persal financial systems absolutely did not meet their requirements. Comparatively, the Department of Education came out as the most satisfied department, 45% in as far as the details of the reports generated by Walker and Persal systems situated in the Department of Finance were concerned, whilst the Department of Health, Local Government and Premier Departments expressed their dissatisfaction at the lowest percentage of 2.3%.

It is the responsibility of the Customer Care Unit to assist the user departments, making sure that the reports on requests meets the requirements.

5.2.24 How long it takes Customer Care Centre to respond or fix information technology faults

TABLE 5.23 How long does it take the Customer Care Centre to respond or fix information technology faults

			How long does it take Customer Care centre to Information Technology faults, e.g., revoked/new					Total
			10	20	50	60	Over minute	
Department	Health	Count	1	1		1	1	4
		% of Total	2.3	2.3		2.3	2.3	9.1
	Provincial	Count	2	2			1	5
		% of Total	4.5	4.5			2.3	11.4
	Social	Count	1	1	1	2		5
		% of Total	2.3	2.3	2.3	4.5		11.4
	Local	Count	1	1			2	4
		% of Total	2.3	2.3			4.5	9.1
	Premier's	Count				1	4	5
		% of Total				2.3	9.1	11.4
	Education	Count	1	2	1		1	5
		% of Total	2.3	4.5	2.3		2.3	11.4
	Tourism	Count	5				1	6
		% of Total	11.4				2.3	13.6
	Transport	Count		1	3	4	2	10
		% of Total		2.3	6.8	9.1	4.5	22.7
Total	Count	11	8	5	8	12	44	
	% of Total	25.0	18.2	11.4	18.2	27.3	100.0	

The respondents representing the Department of Tourism attested that Customer Care Centre took a shorter time, 10 minutes to fix faults that were lodged. This was justified by 11.4% of the respondents, followed by the respondents from the Department of Legislature, Health and Education with a score of 2.3 %. Respondents of the three later Departments indicated that Customer Care Services took over 60 minutes to respond or fix information technology faults. As a result Customer Care Center is perceived as not proactive. Therefore, the only way of bringing its service up to speed was to make sure that relevant training is provided as well as close supervision.

5.2.25 How long does it takes Customer Care to reinstate other applications

TABLE 5.24 How long does it take the Customer Care Centre to reinstate other applications

			application					Total
			10	20	50	60	Over minute	
Department	Health	Count		1	2		1	4
		% of		2.4	4.8		2.4	9.5
	Provincial	Count	1	1			3	5
		% of	2.4	2.4			7.1	11.9
	Social	Count	2		1	1		4
		% of	4.8		2.4	2.4		9.5
	Local	Count			2		2	4
		% of Total			4.8		4.8	9.5
	Premier's	Count					4	4
		% of Total					9.5	9.5
	Education	Count	1	2	2			5
		% of Total	2.4	4.8	4.8			11.9
	Tourism	Count	2	2		1	1	6
		% of Total	4.8	4.8		2.4	2.4	14.3
	Transport	Count	1		3	4	2	10
		% of Total	2.4		7.1	9.5	4.8	23.8
Total	Count	7	6	10	6	13	42	
	% of Total	16.7	14.3	23.8	14.3	31.0	100.0	

On a scale of 10 minutes to over 60 minutes the respondents of the Department of the Premier with a percentage of 9.5% had indicated that Customer Care Services took over 60 minutes to reinstate other applications, whilst the respondents of the Department Health, Local Government and Education with a score of 4.8% respectively attested that Customer Care Unit took 50 minutes to reinstate applications. Lastly, the Department of Transport scored less, that is, 2.4%. Based on these scores, this revealed that the services provided by Customer Care Service did not meet clients (departments) expectations.

5.2.26 Whether the respondents are satisfied with service provided by the Help Desk

TABLE 5.25 Whether the respondents are satisfied with the services provided by the Help Desk

								Total
			Always	Sometimes	Unsure	Rarely	Never	
Department	Health	Count		2		2	1	5
		% of Total		4.8%		4.8%	2.4%	11.9%
	Provincial Legislature	Count		3		1	1	5
		% of Total		7.1%		2.4%	2.4%	11.9%
	Social Welfare	Count	2	1			2	5
		% of Total	4.8%	2.4%			4.8%	11.9%
	Local Government	Count		1	1	1	1	4
		% of Total		2.4%	2.4%	2.4%	2.4%	9.5%
	Premier's Office	Count	2	2			1	5
		% of Total	4.8%	4.8%			2.4%	11.9%
	Education	Count			2	1		3
		% of Total			4.8%	2.4%		7.1%
	Tourism	Count	5				1	6
		% of Total	11.9%				2.4%	14.3%
	Transport	Count	1	3	3	2		9
		% of Total	2.4%	7.1%	7.1%	4.8%		21.4%
Total	Count	10	12	6	7	7	42	
	% of Total	23.8%	28.6%	14.3%	16.7%	16.7%	100.0%	

Table 5.25 revealed that, although most respondents (73% combined) from the departments of Health, Provincial Legislature, Social Welfare, Local Government, Premier, Education and Transport were not satisfied with the services provided the Help Desk, out of these, 5(11.9%) of the respondents of the Department of Tourism appeared to be most satisfied with the service provided by the Help Desk

5.2.27 Whether Information Technology in the Department of Finance contributes towards the formulation of Information Systems/ Technology planning, selection and prioritization in departments

TABLE 5.26 Formulation of Information Systems or Technology Planning, selection and prioritisation

			contributing towards the formulation of Systems/Technology planning, selection and prioritisation your department?					Total
			Always	Sometimes	Unsure	Rarely	Never	
Department	Health	Count		2			3	5
		% of Total		4.5%			6.8%	11.4%
	Provincial Legislature	Count		2	1	1	1	5
		% of Total		4.5%	2.3%	2.3%	2.3%	11.4%
	Social Welfare	Count	1	2	2			5
		% of Total	2.3%	4.5%	4.5%			11.4%
	Local Government	Count		2	3			5
		% of Total		4.5%	6.8%			11.4%
	Premier's Office	Count		1	2		1	4
		% of Total		2.3%	4.5%		2.3%	9.1%
	Education	Count			3		1	4
		% of Total			6.8%		2.3%	9.1%
	Tourism	Count	2	1	1	1	1	6
		% of Total	4.5%	2.3%	2.3%	2.3%	2.3%	13.6%
	Transport	Count		1	6	1	2	10
		% of Total		2.3%	13.6%	2.3%	4.5%	22.7%
Total	Count	3	11	18	3	9	44	
	% of Total	6.8%	25.0%	40.9%	6.8%	20.5%	100.0%	

Table 5.26 reflects that only a small number of 3 respondents (6.8%) representing the Department the Social Services and Tourism revealed that they were satisfied in respect of contribution or support offered by Information Technology Division in as far as technology planning, selection and prioritisation in their respective departments was concerned. This was followed by a high percentage of 40.9% across all departments excluding Health who confirmed that they are unsure whether Information Technology Division does engage the Departments in IT planning and selection processes. 20.5% of the respondents in exclusive of Social Welfare and Local Government totally disagree with the statement.

5.2.28 Impact of funding on Information Technology service delivery

TABLE 5.27 Impact of funding on the services provided by the Division of Information Technology in the Department of Finance

			In your opinion, do you think inadequate funding impacts Information Technology Division service					Total
			Always	Sometimes	Unsure	Rarely	Never	
Department	Health	Count	1	1	1	1	1	5
		% of Total	2.2%	2.2%	2.2%	2.2%	2.2%	11.1%
	Provincial Legislature	Count	1	1	2		1	5
		% of Total	2.2%	2.2%	4.4%		2.2%	11.1%
	Social Welfare	Count	1		1		3	5
		% of Total	2.2%		2.2%		6.7%	11.1%
	Local Government	Count	1	2	1		1	5
		% of Total	2.2%	4.4%	2.2%		2.2%	11.1%
	Premier's Office	Count			3		1	4
		% of Total			6.7%		2.2%	8.9%
	Education	Count		2	1		2	5
		% of Total		4.4%	2.2%		4.4%	11.1%
	Tourism	Count	2		2	2		6
		% of Total	4.4%		4.4%	4.4%		13.3%
	Transport	Count		1	4	2	3	10
		% of Total		2.2%	8.9%	4.4%	6.7%	22.2%
Total	Count	6	7	15	5	12	45	
	% of Total	13.3%	15.6%	33.3%	11.1%	26.7%	100.0%	

Table 5.27 is very important in the sense that the responses reflected therein were directed to the topic under study that is, the impact of funding on the services provided by the Information Technology division in the department of Finance. It helped to explain whether the respondents agreed that without proper funding nothing can be achieved or little services can be delivered. It became clear from the responses that, it was not only funding that impacted on Information Technology service delivery. A small percentage (13.3%) representing all respondents of other departments excluding Premier, Education and Transport agreed with the statement above. Comparatively, a high percentage of respondents, that is, (64.5% combined) disagreed that inadequate funding impacts on IT service delivery. It was not surprising for IT customers (departments) to respond in this

negative fashion due to the fact that they experience a lack of involvement in the IT planning and budgetary process.

5.3 SUMMARY

This Chapter dealt with the presentation and analysis of data collected from both the staff members of Information Technology Division in the Department of Finance and from its clients, meaning the Provincial Departments, with the sole purpose of finding out how funding impacts on service delivery provided by the Division of Information Technology. The data was presented in a cross tabulation form, using frequency tables and graphs. The manner in which the data was interpreted was grouped according to responses by Provincial Departments to comment on services provided by the IT division and responses from the staff of Information Technology division's on issues, like IT service delivery, budgetary issues and budget control.

CHAPTER 6

SUMMARY OF FINDINGS AND RECOMMENDATIONS

6.1 INTRODUCTION

The previous chapter dealt with the analysis of data. In this chapter a brief summary of previous chapters and the outline of the main findings of the study shall be highlighted. In addition, the recommendations which might be useful to the Information Technology Division in the Department of Finance will be provided.

SUMMARY

In Chapter 1 an attempt was made to give the reader the general picture pertaining to the fundamental importance of information technology in this modern world, especially in both government and private sector. Some of the concepts that are found in the subject field were defined in an attempt to provide broader a picture of the field of study. The Chapter also provided an orientation to the approach of the study by means of an introduction, problem statement, purpose of the study, method of research and finally the organisation of the study.

Chapter 2 reflected some of the more relevant literature that exists about the subject field as well as some of the more contemporary research that has been conducted in Information Technology management. Commentary on previous studies conducted as based on Information Technology Strategic Management Systems especially in the private sectors was made, some touched on Information Technology Funding in the private sector.

Chapter 3 reflected the problems that hinder Information Technology in delivering the expected service to the customers in the Department of Finance. Some of these, included budgetary constraints, improper strategic planning, no specific legislation that directly

and in detail addresses information technology issues and duplication of services by cluster committees.

Chapter 4 reflected the research methodology was used to conduct the study, for example, the use of structured questionnaires.

Chapter 5 reflected the type of data analysis use in the study, that is, quantitative techniques. Frequency tables, graphs and cross tabulation were used to explain the data collected. The data were interpreted to ascertain if the intended population had been covered and if the objectives of the study had been attained.

6.2 FINDINGS OF THE STUDY

One of the most important findings of this study is that 32.2% of the respondents who indicated that they were aware that the division had a strategic plan which served as a guide for the achievement of the organisations goals. On average 67.8% seemed not to know if the strategic plan in the IT Division was available as reflected in table 5. 3. A business without a proper strategic plan whether in public or private sector always losses focus. The Information Technology division strategic plan emanates directly from the Finance Department's goals and objectives and either support the Departmental goals or operationally motivated and defined to address the operational objective strategic to the Division of Information Technology. Another factor is that objectives that should be business driven will not succeed if pursued by a centralised function without the support of the business.

The responses also suggested that the Information Technology Division did not have a well-defined linked strategic process which was aggregated and closely coordinated across Finance Directorates. This creates the impression that the Information Technology Division operates like a separate business entity. This confirms the assumption that the improvement opportunities have not been adequately explored in the Provincial

Departments, which inhibits its ability to identify the desired cross departmental improvement opportunities as outlined in the statement of the problem in Chapter 3.

Despite this, the strategic goals and objectives are generally well aligned from the National level to the Provincial departmental level as prescribed in the Public Finance Management Act no 1 of 1999. Also, the provincial departments lack the business goals to assist in leveraging improved service delivery through the utilisation or improvement of Information Technology systems. Secondly, the Information Technology division which currently renders a centralised function does not have clear service standards or performance indicators to measure performance. This is justified by a negative response of (63.4% combined) in Table 5.6. In order to successfully implement programmes, managers require a measuring tool to measure performance. This is one of the crucial aspects that are currently lacking in the government sector as a whole and as outlined in Chapter 2 of this study.

The findings also revealed that only a small fraction of the respondents (15%) agreed that the Information Technology division strategic plan is linked to the Medium Term Expenditure Framework (budget) as reflected in Table 4. These findings were not surprising since some of the participants from different backgrounds believed that it was not necessary to be conversant with financial issues when working in a different background. A section like the Information Technology division which receives a reasonable budget compared to other divisions in the Department of Finance should be in a position to effectively account for and manage public funds and other resources in a most efficient way. It must be pointed out that when there is no proper strategic plan in place it will be impossible to link that plan to the Medium Term Expenditure Framework which is also strategic in nature. According to the National Medium Term Policy Statement a sustainable fiscal policy regime shall be achieved through the enabling environment facilitated by the effectiveness of a comprehensive strategic plan (National Treasury's Budget Policy Statement, 2003:36).

According to Roulac (1996) Information Technology influences multiple facets of real estate finance and investments. The economic gains from technology come from the enhanced ability to communicate, eliminate task redundancies and modeling work processes through virtual reality and expert systems to achieve integration involving the linking of all internal information resources as well as organisation of the knowledge and expertise that exists throughout the Division so that all of the organisation resources can be applied to serve clients effectively. This confirms the assumption made in Chapter two that any organisation must seek to complement Information System cost levels with strategic imperatives.

The study also revealed that only 15% of the respondents confirmed that the IT strategic plan was linked to the Medium Term Expenditure Framework (MTEF) whilst 85% of the respondents seemed not support this statement. It must be pointed out that the (MTEF) is the system whereby government is enabled to deliver its reconstruction and development priorities in the context of three years estimates of expenditure consistent with a sound macroeconomic framework Its advantage is to enable spending agencies (Provincial Departments), Constitutional Institutions and Trading Entities to consider how best to deliver public services and transformation within realistic projection of their budgets (Erasmus and Visser, 2002:70).

It was also noticed that a significant total of 77.2% (Table 5.10) had little knowledge of or never attended financial training. This is the most critical area that needs to be re-looked into in order to equip staff members in the IT division to attain the necessary financial skills.

The second set of questionnaires (46 in number) were directed to different user departments, the responses thereof revealed that Customer Care Services is not meeting the client's expectations in as far as service provision is concerned. However, it will be appropriate if this unit can be rationalised and may be an establishment of a Provincial Hotline or call centre would be an advantage where all customers from various departments will be able to lodge their queries and complaints. Another factor is that the

Information Technology division can create a customer and user alignment through the development of packets of services for each provincial department. This will be possible only if the issue of clarifying the mandate can be resolve as outlined in Chapter 3 of the research study.

It is crucial to highlight that the Information Technology division should ensure that it develops proper planning, implement information or business driven systems to enhance and strengthen user departments service delivery including the exploitation of SAS, Persal reports, Walker reports, upgrade budget planning system and risk management system. As far as Internet, Extranet, E-mails are concerned the Information Technology Division in the Department of Finance must identify, lead provincial departments with accompanying key service and initiate crosscutting services on these facilities. Another crucial factor that Information Technology Division should look at in an attempt to enhance its service delivery is to facilitate a transformation process of moving towards an integrated services delivery by ensuring that key government services will be accessible electronically in ways that makes sense to its customers or provincial departments. Table 5.24 on Customer Care Service refers.

Another important question in this study is reflected in Table 5.27 that is whether funding impact on service delivery. It must be pointed out that once there is no proper strategic plan in place proper allocation of the budget will be impossible. Budget is driven by planning, which is lacking in the division of the Information Technology. The provincial departmental information technology plans are not coordinated as a result it is difficult to attach adequate funding or reasonable budget that will match the requirements that are supposed to be outlined in a comprehensive strategic plan.

6.3 RECOMMENDATIONS

Recommendation 1

It is crucial to maintain a coherent framework of ideas. This implies that all Heads of Provincial Departments should be engaged in information technology related matters so as to maintain an internally consistent Information Technology that will underpin any Information Technology System which is ready for implementation. This coherent framework would help to integrate the various activities in Information Technology components, ensuring that the provincial departments including the division of Information Technology in the Department of Finance reinforce and provide a focal point of implementing any phased transition plan.

Recommendation 2

The North West Province should do away with the centralised function of the Information Technology. Heads of Provincial Departments should be mandated to include in their personnel structures Information Technology positions and appoint suitable and skilled staff. Although Information Technology is a support function it should be viewed as a key function because today almost 98% of personnel rely on Information Technology to manage their day-to-day activities through usage of Intranet, Internet and e-mail. Personnel handling Information Technology matters in Provincial Departments should be exposed to a thorough Information Technology training in order to enhance productivity, utilise the resource better, offer better information sharing within a department. The Information Technology division in the Department of Finance should start practicing regular evaluation on the system as this process is easily extendible to help with the selection of new projects, assessing Information Technology initiatives at the pre- implementation stage before the actual investment is made.

Recommendation 3

Currently, there are major changes and demands in information technology arena. This culminated into a high demand of sophisticated approach in the operational environment in order to facilitate continuous adaptation. As a result of external dynamic factors the government insisted that employees should be prepared to work with technology as the use and manipulation of information becomes an increasingly large component of most jobs. Employees should be ready to accept broader responsibilities in line with the changing structures and that they should be willing to develop new skills in order to cope with change. Traditionally, the relationship between the government and the IT employees has been based on the nineteenth century concept of paternalism of control and of following rigid rules (Hochstrasser, 1991).

The government originally planned to exploit Information Technology to strengthen these traditional concepts by making an underlying assumption that more dependence on Information Technology would lead to less dependence on staff. However, the Department of Finance has currently discovered that the deployment of Information Technology staff itself is a dynamic force involving not only technology but also people. By aiming to receive a positive return on its investments, the Information Technology division should actually increase its dependency on the quality and commitment of its staff. Working from remote sites should now become possible.

Technological developments have opened up opportunities for greater flexibility in the work structure and processes so that it is no longer necessary for the employees to work from the same sites. Previously and currently, in order for a business to function it was necessary to have its key employees at central sites as operations were also strongly centralised. The difficulties of attracting staff to live and work in cities and the expense of maintaining all operations at sites where space has been at a premium are forcing the Department of Finance to search for alternatives to accommodate its Information Technology division.

Recommendation 4

The speed of technological change demands that systems should as far as possible be modular and replaceable. The Department of Finance should devise detailed life-cycle projections of all proposed information technology initiatives. These are not only explicitly including the projected life span of systems but also involves a plan of how these systems will eventually be phased out when becoming obsolete. The above proposal should be included in the Information Technology policy framework and be made available to all Heads of the departments. It has been observed that currently provincial departments demand better responsiveness from Information Technology in the Department of Finance and expect to be treated as individuals with specific requirements.

Information Technology Division should be in a position to attend to such demands so as to maintain a good reputation. The division should engage in strong communication links with its customers that is the provincial departments and expand the supply lines in order to cater for increasing internationalisation of customers. Information Technology should add better value to the division's products and towards offering a more personalised service in order to increase its customer base. This is what is highly expected by provincial departments to be delivered by Information Technology in the Department of Finance.

Recommendation 5

Finance Information Technology management is doing little in training or educating staff to use best Information Technology already installed. Integrating Information Technology with corporate plans is the major problem facing the Information Technology managers. Almost 70% of the Information Technology users in the department declared that the Information Technology systems currently in use are not

bearing any fruits. In order for Information Technology to be able to run its services effectively one should find out whether Information Technology provides value for money. If provincial departments are constantly complaining about ineffective Information Technology service delivery one must find out what are the reasons for continuing with Information Technology investment at the present level. How can Information Technology initiatives be evaluated because it is often not possible to spell out the bottom line benefits in well- defined financial terms; and how best to decided what to plan and implement.

Recommendation 6

Information systems have the potential to transform the Information Technology division and the services it provides to its customers. Without consistent policies and standards to underpin these systems it will not be possible to work together to deliver collaborative services. Hence, several initiatives in the Department of Finance can be identified that will enhance planning in the Information Technology Division. The future direction of the Department of Finance is to ensure that emphasis should be on strategic planning which informs the budget. Once this matter is taken seriously then this will have an impact on both technology deployed as well as the organisation of the Information Technology division.

Decentralising the IT function is another important aspect that the accounting officer in the Department of Finance, IT manager and the Office of the Premier must consider so that uncertainties on mandate can be clarified. It has also been observed that areas of mal-alignment between business and Information Technology exist in varying degrees in most provincial departments, emanating mainly from the perception that "IT is the IT Department's responsibility" where the IT Division is centralised or decentralised. Addressing these improvement opportunities will lead to the prerequisites for leveraging IT for improved service delivery and more effective utilisation of the IT investments.

Recommendation 7

The Information Technology Division must ensure that there is consistency alignment and full integration of Information System strategic planning with departmental and provincial business planning processes. Through this alignment between business and Information Technology or Information System management can be more realistic in their planning and therefore aim for pragmatic business objectives. Information Technology should encourage inter- departmental co-operation, which is essential for the successful attainment of provincial strategic objectives. Provincial objectives can only be achieved through inter- departmental co-operation and commitment, communication across the different provincial departments. Information Technology should identify provincial as well as departmental strength, weaknesses and opportunity for improvement that includes people skills and competencies. Decentralisation of Information Technology is another issue that must be looked into.

6.4 CONCLUSION

Although the intention of this study was to determine the impact of funding on the services of Information Technology Division in the Department of Finance, the overall findings revealed that the strategic plan which is not well defined is a major problem as a result the issue of compiling a credible budget remains a problem. Secondly, the environment in which the Information Technology Division operates must be clarified, that is, whether the Information Technology division in the Department of Finance should be placed under the Department of the Premier or remain with the Department of Finance. Once this position is clarified the Division will start to focus on compiling a comprehensive strategic plan. This eventually will lead to effective service delivery that is comparable to that of the private sector. Thirdly, the Information Technology Division should compile an integrated comprehensive strategic plan that will inform the budget required, taking into consideration other provincial departmental IT plans. Finally, if a centralised information technology function in the Department can be decentralised, it will be crucial to take this research further to find out how the new process of decentralisation impact on service delivery in various provincial departments.

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**RESEARCH QUESTIONNAIRE TO ALL INFORMATION
TECHNOLOGY STAFF MEMBERS:**

DEPARTMENT OF FINANCE

Attached hereto are questionnaires intended to measure the impact of funding towards Information Technology Division service delivery.

Please indicate your response to each statement shown by means of an X. The questionnaire is part of a study that I am conducting towards the fulfillment of my degree requirement. Please answer all questions. Your honest opinion will assist in this survey and your input will be treated confidentially and with respect.

Contact details: K.M Tsobane (Lebo)
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Section 1

1. INFORMATION TECHNOLOGY SERVICE DELIVERY

1. Always (yes)	2. Sometimes (A little)	3. Unsure	4. Rarely (Not much)	5. Never (No)
--------------------	----------------------------	-----------	-------------------------	------------------

1.1 Do you know the core business of IT Division?

1	2	3	4	5
---	---	---	---	---

1.2 Does the vision and mission of IT fit in to the general Vision and Mission of the Department of Finance?

1	2	3	4	5
---	---	---	---	---

1.3 Does the division have an annual IT strategic plan in place?

1	2	3	4	5
---	---	---	---	---

1.4 Is IT strategic plan linked to IT Medium Term Expenditure Framework (MTEF) budget?

1	2	3	4	5
---	---	---	---	---

1.5 Is IT services a centralised function?

1	2	3	4	5
---	---	---	---	---

1.6 Does the division have service standards or performance indicators for measuring performance?

1	2	3	4	5
---	---	---	---	---

1.7 Does your division have any financial policies in place?

1	2	3	4	5
---	---	---	---	---

1.8 Does IT supervisors involved in the setting of and supporting IT customers oriented goals?

1	2	3	4	5
---	---	---	---	---

1.9 Do IT line managers involved in the drafting and finalisation of the IT service delivery policy

1	2	3	4	5
---	---	---	---	---

1.10 How often do you attend financial training?

1	2	3	4	5
---	---	---	---	---

1.11 Have you been trained on specific IT area you are responsible?

1	2	3	4	5
---	---	---	---	---

Section 2

2. BUDGETING

1. Always (Yes)	2. Sometimes (A little)	3. Unsure	4. Rarely (Not much)	5. Never (No)
--------------------	----------------------------	-----------	-------------------------	------------------

1.12 Do you have a Programme Manager who is responsible for budgets/ expenditures?

1	2	3	4	5
---	---	---	---	---

1.13 Are you fully involved during the budget process?

1	2	3	4	5
---	---	---	---	---

1.14 If yes, and in your opinion is this budgetary process useful to you?

1	2	3	4	5
---	---	---	---	---

1.15 Are you familiar with procedures involved in order to compile an appreciable/credible budget?

1	2	3	4	5
---	---	---	---	---

1.16 Does the Budget Office co operate with you when asked for additional funds?

1	2	3	4	5
---	---	---	---	---

1.17 Do IT division prioritise your activities?

1	2	3	4	5
---	---	---	---	---

1.18 Does the Directorate have competent staff with relevant financial capacity?

1	2	3	4	5
---	---	---	---	---

Section 3

3. FINANCIAL CONTROL

1. Always (Yes)	2. Sometimes (A little)	3. Unsure	4. Rarely (Not much)	5. Never (No)
--------------------	----------------------------	-----------	-------------------------	------------------

1.19 Does the Directorate have effective financial controls in place?

1	2	3	4	5
---	---	---	---	---

1.20 Is the division satisfied with the overall financial management systems in the Department of Finance?

1	2	3	4	5
---	---	---	---	---

1.21 Do you find it useful to reconcile your monthly expenditures through In- Year-Monitoring Systems?

1	2	3	4	5
---	---	---	---	---

1.22 Does the Programme Manager involve all IT functional Managers to take full control of their respective budgets?

1	2	3	4	5
---	---	---	---	---

1.23 In the event your services is extended to other Provincial Departments, do you exercise some financial controls on IT related goods and services?

1	2	3	4	5
---	---	---	---	---

1.24 Are there mechanisms in place to curb fraudulent transactions?

1	2	3	4	5
---	---	---	---	---

1.25 Does the division really experience a major impact towards service delivery due to insufficient funding?

1	2	3	4	5
---	---	---	---	---

1.26 Does your Directorate have any risk prevention plan in place?

1	2	3	4	5
---	---	---	---	---

"Thank you"

RESEARCH QUESTIONNAIRE TO ALL INFORMATION
TECHNOLOGY USERS
PROVINCIAL DEPARTMENTS

Attached hereto are questions intended to measure the impact of insufficient funding towards IT service delivery.

Please indicate your response to each statement shown by means of an X. The questionnaire is part of a study that I am conducting towards the fulfillment of my degree requirement. Please answer all questions. Your honest opinion will assist in this survey and your input will be treated confidentially and with respect.

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Questionnaire 2

2. TRANSFORMATION FOR EFFECTIVE SERVICE DELIVERY IN INFORMATION TECHNOLOGY DIVISION DEPARTMENT OF FINANCE

1. Always/ (Yes)	2. Sometimes/ (A little)	3. Unsure	4. Rarely/ (Not much)	5. Never/ (No)
---------------------	-----------------------------	-----------	--------------------------	-------------------

2.1 Does the Officers serving under Walker and Persal Financial Systems capable of generating correct financial reports as requested.

1	2	3	4	5
---	---	---	---	---

2.1 How long does it take Customer Care Center to respond or fix Information Technology faults? For example,

Connection of new computers	10mn	20mn	50mn	60mn	Other:
Revoked/ new Password	10mn	20mn	50mn	60mn	Other:
Reinstate other applications	10mn	20mn	50mn	60mn	Other:
E- mail	10mn	20mn	50mn	60mn	Other:

2.3 Are you satisfied with the service provided by Help desk

1	2	3	4	5
---	---	---	---	---

2.4 How long does it take Information Technology to avail the following information?
For example:

Payslip	10mn	20mn	50mn	60mn	Other:
Walker reports	10mn	20mn	50mn	60mn	Other:
Persal reports	10mn	20mn	50mn	60mn	Other:
E- mail	10mn	20mn	50mn	60mn	Other:

2.5 How long does it take the Information Technology to fix the Network?

10mn	20mn	50mn	60mn	Other
------	------	------	------	-------

2.6 In your opinion, are computer programmes developed by Information Technology relevant for usage?

1	2	3	4	5
---	---	---	---	---

2.7 Does the Information Technology Division provide training on new software packages when introduced in North West Province?

1	2	3	4	5
---	---	---	---	---

2.8 Does Information Technology technicians have the necessary skill to fix any fault detected and reported.

1	2	3	4	5
---	---	---	---	---

2.9 Does the technicians take stock to ascertain whether there are no computer problems encountered?

1	2	3	4	5
---	---	---	---	---

2.10 In your opinion, do you think inadequate funding impact on Information Technology Division service delivery?

1	2	3	4	5
---	---	---	---	---

2.12 In your opinion do you perceive decentralising Information Technology function as something that can improve information technology services in the departments as opposed to centralisation?

1	2	3	4	5
---	---	---	---	---

2.13 Is Information Technology Division in the Department of Finance contributing towards the formulation of Information Systems/ Information Technology planning, selection and prioritisation in your department?

1	2	3	4	5
---	---	---	---	---

2.14 How long does the Information Technology Directorate take to provide business analysis and business case development services?

10mn	20mn	50mn	60mn	Other
------	------	------	------	-------

2.15 What is the level of involvement of the Information Technology Division in assisting with the drafting of information systems technology tenders, as well as Request for Proposals (RFP) in your department?

1	2	3	4	5
---	---	---	---	---

2.16 Does the Information Technology Manager in Finance works in collaboration with functional area manager in your department in order to maintain and improve products and services in the strategic portfolio?

1	2	3	4	5
---	---	---	---	---

LIBRARY

2.17 Are there standby personnel in the Campus and Wide Areas network to ensure continuous provision of all mainframe applications, file servers and critical business support applications.

Provision of mainframe	10mn	20mn	50mn	60mn	Other:
------------------------	------	------	------	------	--------

Availability of file servers	10mn	20mn	50mn	60mn	Other:
------------------------------	------	------	------	------	--------

2.18 Does the Information Technology keep you abreast with regards to the latest programming concepts like SDLC, JAD,RAD,etc.) and troubleshooting in the following programming language:

Natural

SAS

Visual Basic

Cobol

Clipper

2.19 Does the Information Technology provide necessary training on matters relating to configuration management?

1	2	3	4	5
---	---	---	---	---

Thank you for your time to answer this questionnaire.