

**MINISTRY: PUBLIC SERVICE AND ADMINISTRATION**

**REPUBLIC OF SOUTH AFRICA**

**NATIONAL ASSEMBLY**

**QUESTION FOR WRITTEN REPLY**

**DATE: 9 JUNE 2017**

**QUESTION NO.: 1638**

**MS D VAN DER WALT (DA) TO ASK THE MINISTER OF PUBLIC SERVICE AND ADMINISTRATION:**

(a) What is the date of the inception of the Government’s Integrated Financial Management System (IFMS), (b) what are the reasons for the delays in implementing the IFMS, (c) which (i) provinces, (ii) departments and (iii) Government entities have implemented the programme to date, (d) what are the successes of the IFMS to date, (e) what is the total cost incurred in its implementation and (f) how will the system minimise corruption in the public sector?

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**REPLY:**

1. The Integrated Financial Management System (IFMS) Programme was originally approved by Cabinet in 2005. The Cabinet approval entailed, amongst others, that a hybrid solution architecture, which comprised a mix of commercial off the shelf (COTS) and bespoke (in-house developed) modules, would be implemented. For purposes of this document this approach is referred to as “IFMS 1”. As a result of challenges that were experienced in the execution of the IFMS, a number of independent reviews were commissioned during 2013 in order to obtain a holistic view of its strengths, weaknesses and opportunities for improved execution of the Programme. Based on the recommendations emanating from these reviews, it was recommended to Cabinet that a revised approach to the IFMS solution architecture should be implemented, which entails that a single COTS solution, with minimal customization, should be utilized in future. The revised approach (for purposes of this document referred to as “IFMS 2”) was approved by Cabinet on 20 November 2013 which is regarded as the inception date for the current approach to the execution of the IFMS.
2. The implementation of the IFMS has been delayed by a number of challenges that have been encountered. These include the complexity of managing a multi-stakeholder programme, extended procurement and contract negotiation processes and insufficient internal skills for the development and integration of the various modules during IFMS 1.
3. In the question reference is made to “Government entities”. It should be noted that the scope of the IFMS is at this stage limited to Public Service departments as listed in the schedules to the Public Service Act, 1994. As part of IFMS 1 some modules were implemented in a limited number of lead sites. These included a human resource management module which was implemented in the Department of Public Service and Administration (DPSA), a procurement management module in National Treasury and an asset management module in a number of departments in the Limpopo Provincial Administration. The human resource management module is currently being used by DPSA. Any modules still in use will eventually be replaced by the single COTS solution procured for IFMS 2.
4. The following can be regarded as successes in relation to IFMS 2:
	1. The procurement of a single COTS enterprise resource planning system that will form the technology platform for the IFMS, from Oracle South Africa.
	2. The establishment of a dedicated Programme Management Office to manage the IFMS going forward, in National Treasury.
	3. The establishment of various governance bodies, with representation from key Programme stakeholders, to govern and oversee the execution of the Programme. These include a Programme Committee, a Risk Committee, a Communications Committee, a Business Owners Committee and an Architecture Board.
	4. The mapping and documentation of Public Service business processes in the areas of human resource management, financial management, supply chain management and payroll management in consultation with the various policy owners. These business processes, which are based on best practices, will assist in the design and development of the IFMS.
	5. A number of pilot and lead sites, which include both national and provincial departments, have been identified and engagements with these departments are on-going.
	6. Detailed planning for the next phases of the Programme, which include the design and development of the solution and its implementation in pilot and lead sites, is being finalized.
5. National Treasury is funding the development and implementation of the IFMS. Questions relating to the cost of the Programme should therefore be directed at National Treasury.
6. It is believed that the IFMS will make a significant contribution in combating corruption in the Public Service. Some of the inherent features of the solution, such as keeping audit trails of transactions and the elimination of manual processes, will assist in this regard. The intention is also to integrate the IFMS with existing systems such as the e-Disclosure system on which certain categories of public servants must declare their financial interests, the Central Supplier Database in National Treasury and the population register in Home Affairs (which will assist to eliminate “ghost workers”).

**End**