State Information Technology Agency
FINAL Annual Performance Plan for
2024–2025

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Notice

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References

(a)   DPME Revised Framework for Strategic Plans and Annual Performance Plans 2020
(b)   Government Medium-Term Strategic Framework 2020-2024
(c)   DCDT 2020–2025 Strategic Plan
(d)   SITA Strategic Plan 2020–2025
(e)   SITA Annual Performance Plan 2023–2024
(f)   SITA Annual Report 2022–2023
(g)   National Development Plan 2030

Chairperson's statement

This Annual Performance Plan for the Financial Year 2024/25 is a significant one, as it marks the last financial year in the execution of SITA's Strategic Plan 2020 – 2025.

As the new SITA Board, we have the unique opportunity to reflect objectively on SITA's performance over the last five years, including the last financial year. This reflection and deep dive will include its successes, the challenges, lessons learnt and the opportunities that should be seized as we move into a new period.

It sets an excellent precedent, as it ensures that the planning for SITA's Medium-Term Strategic Framework for the next five-year cycle (2025-2030), has a solid baseline. SITA turns 25 years in 2024 and it has been quite a journey. Our initial overview and engagements on SITA and its direction have provided us with useful insights that will inform our way forward. We believe that in partnership with our shareholder and the SITA Executive Committee, we have established an alignment underpinned by a common vision and shared passion to curate a better future for SITA and all South Africans.

SITA's established existence and its decades-old relationships with core clients place the organization in a unique position to capitalize on the opportunities that exist within the ICT development space - and ensure that the challenges experienced by clients and citizens can be addressed – within a vision for change and improvement.

This can be augmented with the seminal work done through the Presidential Commission on the 4th Industrial Revolution (PC4IR) and the Digital Economy Masterplan and the national e-Government Strategy. One of our core work areas going forward, is to align the SITA mandate as defined in the SITA Act 88 of 1998, to the above, whilst directing our focus on qualitative implementation.

SITA's commitment is to improve service delivery to the public through the provision of information technology, information systems and related services in a maintained information systems security environment to departments and public bodies; and to promote the efficiency of departments and public bodies through the use of information technology is the all-encompassing compass that directs all our work.

Furthermore, SITA's footprint is firmly entrenched in government's work and ICT-enabled service delivery programmes. Our vision is to – in the next five years – continue to be a robust contributor to government's service delivery agenda, through qualitative interventions and programmes that increase service delivery of solutions to the public. This must be done in a safe and secure manner; thus, contributing to the efficiency of citizen-facing solutions that are fit for purpose.

Another area of work that needs to be addressed in partnership with our shareholder department, is to increase our value proposition to government departments. This includes creating revised tariffs for the delivery of our network services. Improved bandwidth for more reliable, fast and secure connectivity is crucial to improve the quality of network services in the public sector; and will inject a new spark into the citizens experience of government services.

Our partnership model with the SITA ecosystem is designed to enhance service delivery and create a better South Africa, as we improve the connectivity between our systems, connect communities, and contribute to the economic growth of our local communities.

Improved bandwidth remains crucial for e-Government services to become mainstreamed into the national service delivery agenda. It will free up and fire up departments' investment into new technologies to speed up service delivery and to improve the services provided to citizens.

In this new SITA five-year planning cycle, our core work will include engaging in new and creative ways to mainstream ICT development. The adoption of digital platforms and services, remains important to the future of a digital economy. Furthermore, key terms like collaboration, integration and convergence are not just concepts, they must be mainstreamed into our operations as these are key drivers to realize the full value of ICT.

In the new year, as we move into twenty-five years of SITA's existence, we note that we have seen tremendous changes in our world - some good and some not so good. But it is a good reminder that the beginning of SITA – was borne out of the need to provide government with the capability to ensure qualitative and integrated ICT systems, solutions and services; that are prudently acquired.

The formation of SITA set the stage for the public sector ICT landscape transformation, and a quarter of a century later - it still does - as we live through the dramatic changes within the ICT landscape, that is linked to a world textured, with much complexity.

Essentially, the entrenched realization that technology & business solutions to modernize government and drive service delivery, is the heartbeat of our work, now and within the next five years.

In the current global and national socio-economic climate, the universal benefit of adopting ICT-driven services, also includes the ability to do more with less, whilst SITA delivers greater value and more sophisticated services. No one is immune to the tightening of purse strings. Notwithstanding, the need for innovative services, that make government's systems and work to become simpler, easier and more intuitive to ensure improved service delivery, is critical.

Today's economic environment also insists that ICT sector must be bent towards bringing together partners that will deliver the kind of innovations that will bring real improvements to government's systems and service delivery - with the focus always being on the needs of all citizens of the country.

The current economic climate also dictates to us to - quite literally - have all hands-on deck, within every pulse point at SITA. SITA has over its 24 years of existence weathered the storms, contributed to change and transformation - and stayed the course, ultimately making SITA what it is today. Furthermore, SITA's footprint over the numerous projects that have touched hundreds of thousands of South Africans - and has been a transformation bridge from the old to the new. And this is still our task.

Going forward, SITA is envisioned to remain the enabling technology hub of government, in which automating and improving government systems, processes and services is both prioritised and accelerated, notably within the cyber security services space.

The SITA Board members and management teams also fully align themselves with the organisational values that are linked to working with integrity and the highest levels of professionalism. These values remain foundational and embedded in the SITA culture and must be experienced by all clients and stakeholders, as SITA executes its work mandate.

 Our continued expectation is that SITA will continue to address the challenges raised in the Auditor-General's report and work to adjust its business, operation and planning models, to improve its performance, as it leads digital transformation in this new era. Furthermore, corruption in its myriad of forms cannot be tolerated at SITA, as it is one of the greatest obstacles to economic and social development. It undermines development

by distorting processes and the rule of law; whilst weakening our institutional foundations; and demoralising the employee population who are responsible for service delivery. An upward trajectory of SITA's organisational growth is important and we undertake to maintain the highest standards of corporate governance. In essence, as the SITA Board, we are committed to drive the needed change for SITA, to achieve an unqualified audit from the Auditor-General, going forward.

Our role as the SITA Board in this new financial year will be to continue to provide the statutory oversight. Our vision is that the SITA management will keep SITA grounded in an upward trajectory of improved service delivery; whilst also building on and consolidating the successes recorded by SITA in the ICT sector. The overall objective of the SITA community, is to ensure continued organisational growth and development; and to increase SITA's service delivery contribution to the nation, whilst consistently ushering in socio-economic development initiatives through ICT-driven interventions.

Transparency and trust in the integrity of work by all within the SITA eco-system, which is supported by a healthy organisational culture, will also ensure that the SITA brand is respected and associated with growth, opportunity creation, secure access, industry transformation and integrity.

SITA will continue to support and improve the state's ICT infrastructure; as it modernises the public service; reduces government ICT costs and expand its service footprint into the future. Our bottom line is that SITA exists to make a difference; whilst walking as partners with government into a new era.

With this positive trajectory of ICT development in mind, we extend our appreciation to the executive and management teams - and the employees - who are at the heart of ensuring that SITA remains sustainable, stable and productive, in service to the nation.

Our esteemed stakeholders, are pivotal in the life and work of SITA. We express our profound gratitude and appreciation to our shareholder Minister, Honorable Mr. Mondli Gungubele, supported by his Deputy Minister, Honorable Mr. Philly Mapulane, and the Department of Communications and Digital Technologies Director-General Ms. Nonkqubela Jordan-Dyani, for the counsel they provide in ensuring the successful evolution of SITA.

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Mr Kiruben Pillay, Pr. Eng.

Chairperson of the Board of Directors

Managing Director's Overview

SITA has reached the final year of its five-year strategic plan (2020-2025) which was developed with the intention to repurpose SITA into a state-owned digital company to drive the government digital transformation agenda. With this backdrop, the 2024/25 annual performance plan brings the opportunity to reflect on what we have achieved over the past four (4) years while concluding on our 2020 – 2025 strategic plan.

In this year, we plan to achieve the following Outcomes and Targets which are linked to the revised MTSF Priorities applicable to SITA:

2024/2025 OUTCOMES	2024/2025 TARGETS
▪ Seamless integrated and trusted public services	▪ 100% implementation of Court Online Phase 2 Roll-out plan
▪ Effective and efficient public service with modernized, automated and paperless processes	▪ 100% implementation of Indigent household application and integration Phase 2 plan
▪ Increased citizen value through availability & accessibility of digital services	▪ 98% Core Network Availability
▪ A high-performing workforce capable of solving complex public service ICT problems and the adoption of innovative solutions	▪ 85% of employees trained against the SITA training plan
▪ Improved governance and financial sustainability	▪ 11% EBITDA as a percent of revenue
▪ Reformed supply chain through ICT economic transformation	▪ 43% procurement spend through entities designated as SMME, Black, Women, Youth and People living with disabilities on influenceable procurement spend

Achieving these targets will not be without challenges. However, I believe we can easily overcome them by leveraging SITA's strong stable base to become more client-oriented and deliver more value to our clients. We need to showcase our true potential and character as the leading ICT service provider for the State. To achieve these outcomes, we plan to focus on the following:

▪ Invest more in changing our culture, so that we are more agile and adaptable to change.
▪ Introduce new methods and processes that will make us more agile and responsive to our clients' needs and requests.
▪ Invest in training our people to ensure that we have the right skills to deliver quality work with speed.
▪ Partner with various stakeholders, in both the public and private sectors, to strengthen and enhance our relationships with them to increase service delivery.
▪ Reposition SITA to effectively honour its original mandate and surpass its current performance goals.

We will be doing all these initiatives to address the two fundamental issues of speed and price of services at SITA. We believe that by following a partner-led, service assurance-based and citizen-first mindset, we can decrease the cost-of-service delivery to government and increase speed and impact. It is only then that we will fulfil our mandate to provide reliable ICT service to government and increase citizen convenience.

One of our biggest challenges is the tension between running current government systems and infrastructure and building new and innovative ones. We, therefore, need to balance our work programmes between keeping our existing services stable and reliable and creating new services that are innovative and relevant. With that, we are going to focus more on cyber-security and as you may know, we have already launched our Secure Operation Centre (SOC), and our outlook is to expand the SOC transversal capability to national departments so that all of government can benefit from cyber resilience.

Our "public facing" mandate has received attention in terms of e-services that are available on the e-gov portal. However, we will be directing our efforts on significantly increasing the usage of our e-services by the citizens of South Africa.
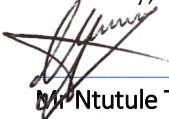
Partnerships, in general, will be the hallmark of how we plan to deliver and bring innovation in the new financial year. We plan to leverage, as much as possible, the existing and extensive infrastructure investment in the country, to ensure that we can accelerate digital transformation and direct government's limited capital to areas that require new investment. To deliver on these ambitions, we will need to take greater care in nourishing the two-sided coin of clients and employees. On the client side, we have introduced a client-focused EXCO and we will be strengthening our advisory and consulting function to ensure that we play a key role as a strategic partner to our clients.

On the employee side, we will be rolling out a high-performance culture campaign and we will be increasing our efforts in training our employees in key digital skills that are necessary to achieve our ambitions. Lastly, we will be running an aggressive campaign to attract and retain talented individuals within SITA.

A vital aspect that we need to emphasize is the continued investment in corporate governance to ensure SITA's success. Corporate governance enables us to deliver our services more effectively and dependably to our clients; but more importantly, it establishes SITA as a role model of conducting work in a transparent, fair and ethical manner – something that the citizens of our nation expect from government, as well as State-owned Enterprises. Maintaining corporate governance will always be a priority, as our long-term financial stability and positive reputation are highly valuable in the current contexts of our country and the world.

As we deliver on this last financial year in our Strategic Plan, the belief in delivering a capable State through collaboration with all our partners and stakeholders will be the decisive factor in achieving a fully digitalized South Africa. I would therefore like to extend my sincerest appreciation to the Executive Committee, Board of Directors, our clients, and the employees of SITA for their continued cooperation, support and a strong belief in SITA to effect the required change. I would also like to pay a special tribute to the Ministry of Communications and Digital Technologies, for the continued support and political oversight.

Sincerely,

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Mr Ntutule Tshenye

Acting Managing Director
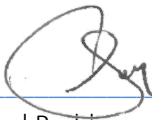
Official sign-off

It is hereby certified that this APP

(a) was developed by the management of the State Information Technology Agency (SITA), under the guidance of the Board and in consultation with the Department of Communication and Digital Technologies;

(b) considers all relevant policies, legislation and other mandates for which SITA is responsible; and

(c) accurately reflects the outcomes and outputs that SITA will endeavour to achieve during the 2024/25 financial year.

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Mr Sidima Ntsangani
Executive: Application Development and Maintenance

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Mr Musa Kumalo
Acting Executive: IT Infrastructure Services
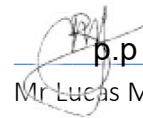
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Mr Gopal Reddy
Executive: Service Management

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~~Mr Kenneth Pillay~~
~~Executive: Supply Chain Management~~

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Ms Samukelisiwe Dube
Executive: Human Capital Management
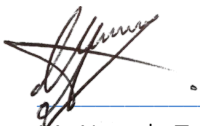
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p.p
Mr Lucas Mogashoa
Executive: Corporate and Digital Strategy

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Mr Molatlhegi Kgauwe
Chief Financial Officer
Acting Executive: Supply Chain Management

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BS Makhubela
Advocate Bernard Makhubela
Acting Executive: National & Regional Consulting

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Mr Ntutule Tshenye
Acting Managing Director

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Mr Kiruben Pillay
Chairperson of the Board

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Mr Mondli Gungubele (MP)
Executive Authority

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PART A: OUR MANDATE

1. Legislative and policy mandates

(a) The legislative and policy mandates, as articulated in the SITA Strategic Plan 2020–2025, remain unchanged.

(b) As a public entity, SITA is guided by all public service legislation and regulations in executing its role. The agency draws its policy mandates from the outcomes of the work done by the Presidential Review Commission (PRC) of 1996, which recommended the formation of an information management and systems technology (IMST) lead agency (i.e., SITA) to fulfil the following roles:

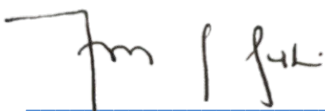   (i) Procure ICT goods and services, using economies of scale to reduce the cost of ICT;

    (ii) Develop standards, architectures and strategies to enable systems to exchange information;

    (iii) Enhance government productivity through the use of ICT;

    (iv) Focus government ICT provision towards the betterment of citizen-centric services; and

    (v) Coordinate whole-of-government IMST initiatives in relation to a specific set of IMST functions with other participating departments.

(c) Further to the PRC report, SITA derives its mandate from the SITA Act, Act 88 of 1998 (as amended), which defines the two objectives of the agency, namely to:

    (i) improve service delivery to the public through the provision of information technology, information systems and related services in a maintained information systems security environment to departments and public bodies; and

    (ii) promote the efficiency of departments and public bodies through the use of information technology.

(d) To execute its mandate, SITA is guided by all public legislations and regulations that promote the effective and efficient functioning of the agency and that further the delivery of optimal service to its customers. These include:

    (i) the Public Finance Management Act (PFMA);

    (ii) the Public Service Act, Act 103 of 1994;

    (iii) the PRC on Public Service (Chapter 6);

    (iv) the SITA Act, Act 88 of 1998 (as amended);

    (v) Cabinet Memo 38A;

    (vi) the e-Government IT Policy Framework;

    (vii) the Electronic Communications and Transaction (ECT) Act, Act 25 of 2002;

    (viii) the Machinery of Government, SITA General Regulations; and

    (ix) Proclamation 47 of 2014.

Moreover, SITA subscribes to the guiding principles of the ICT House of Value. These principles are a prerequisite for the successful implementation of a digital government and ensure that government derives business value from SITA as the leading ICT agency.

2. Priorities adopted by Cabinet

The strategic focus of SITA's APP for FY2024/25 is aimed at bolstering the agency's implementation and its impact in contributing to the priorities of the sixth administration, outlined in the Medium-Term Strategic Framework 2019–2024 under seven priorities:

    (a) Priority 1: A capable, ethical and developmental state;

    (b) Priority 2: Economic transformation and job creation;

    (c) Priority 3: Education, skills and health;

(d)   Priority 4: Consolidating the social wage through reliable and quality basic services;

(e)   Priority 5: Spatial integration, human settlements and local government;

(f)   Priority 6: Social cohesion and safe communities; and

(g)   Priority 7: A better Africa and world.

SITA has committed itself to priorities 1, 2, 3, 4 and 6. As per its mandate, SITA will contribute to these priorities as depicted in the table below through a revised implementation approach that is intended to improve citizens' experience of government service delivery through digital channels and enhance the efficiency of government operations through the provisioning of secure and cost-effective ICT solutions, products and services.

Table 1 – SITA's contribution to government priorities

Government priority	Key interventions	SITA's contribution	Applicable APP focus areas
Priority 1: A capable, ethical and developmental state	(a) Enhance the productivity and functionality of public sector institutions in supporting people-centred service delivery. (b) Modernise business processes in the public sector, including through a national e-Government strategy and delivery on SA Connect targets. (c) Improve financial management capability in the public sector, especially at local government level. (d) Ensure that 100% of public institutions achieve unqualified audits. (e) Enhance capacity for disaster management and future pandemics.	(a) Provide an effective and efficient public service with modernised, automated and paperless processes. (b) Render seamless, integrated and trusted public services. (c) Provide and maintain broadband services to support connectivity. (d) Implement a SITA growth strategy to improve financial sustainability.	(a) 100% implementation of court online phase 2 roll-out plan (b) 100% implementation of indigent household application and integration phase 2 plan (c) 98% core network availability (d) 100% implementation of Government public cloud services enabled across multiple hyperscalers (e) 11% EBITDA as a percentage of revenue (f) 10% year-on-year growth in service revenue on the FY2023/24 baseline
Priority 2: Economic transformation and job creation	(a) Implement the Presidential comprehensive youth employment intervention. (b) Create an environment that is conducive to enabling national priority sectors to support industrialisation and localisation, leading to increased exports, employment and participation by youth- and women-owned SMMEs and cooperatives. (c) Support localisation and industrialisation through government procurement.	(a) Ensure that procurement practices enable increased procurement spending through black SMME entities on allocated spend. (b) Procure local innovations on behalf of government in line with procurement regulations as per the ESD and localisation strategy. (c) Support the national priority to develop youth, women and people with disabilities through the provision of bursaries to ICT students and internships to unemployed youth.	(a) 35% cost savings on new framework agreements OEMs listed prices (b) 43% procurement spend through entities designated as SMME, black, women, youth and people living with disabilities on influenceable procurement spend

Government priority	Key interventions	SITA's contribution	Applicable APP focus areas
Priority 3: Education, skills and health	(a) The DBE should collaborate with the DCDT to ensure connectivity for 80 schools. (b) Improve the quality of primary healthcare services by expanding the Ideal Clinic Programme. (c) Improve the integrated management of childhood disease services.	(d) Provide an effective and efficient public service with modernised, automated and paperless processes. (e) Render seamless, integrated and trusted public services. (f) Provide and maintain broadband services to support connectivity for schools. (g) Promote the acquisition of digital skills for a future digital economy.	(a) 100% implementation of court online phase 2 roll-out plan (b) 100% implementation of indigent household application and integration phase 2 plan (c) 98% core network availability (d) 35% cost savings on new framework agreements OEMs listed prices
Priority 4: Consolidating the social wage	(a) Develop and operationalise early childhood development (ECD) planning, funding, registration and information systems. (b) Develop a comprehensive social security system by optimising the social security legislative framework, and develop appropriate norms and standards for service delivery. (c) Contribute to and provide employment opportunities for vulnerable and poor citizens. (d) Improve the payment of social grants and benefits to eligible beneficiaries based on lessons from COVID 19.	(a) Support the national priority to develop youth, women and people with disabilities through the provision of bursaries to ICT students. (b) Reduce unemployment by making available learnership and internship opportunities to unemployed youth. (c) Enable an effective and efficient public service with modernised, automated and paperless processes.	(a) 43% procurement spend through entities designated as SMME, black, women, youth and people living with disabilities on influenceable procurement spend (b) 85% of employees trained against the SITA training plan
Priority 6: Social cohesion and safe communities	(a) Promote social cohesion through increased interaction across space and class. (b) Implement new interventions to reduce contact crimes (including the Criminal Procedure Amendment Bill) and improve GBVF conviction rates.	(a) Implement the information security strategy in line with the prescripts of the defined legislative framework. (b) Implement employment equity (EE) strategy and policy to ensure gender mainstreaming and gender equity. (c) Raise awareness of the Code of Good Practice on the Prevention and Elimination of Harassment around the intersecting forms of discrimination associated with age, gender, race, ethnicity, disability, sexual orientation and gender identity that make female employees more vulnerable to GBVF.	(a) 100% National and Provincial Departments Information Security Maturity Level assessments completed (b) 100% National and Provincial Departments provided with Information Security Awareness Campaigns (c) Security Operations Centre (SOC) Transversal Capability expanded to 37 National Departments (d) 85% of employees trained against the SITA training plan

3.   Updates to institutional policies and strategies

3.1   Institutional policies

The following policies were approved in the 2023/2024 financial year to enable the implementation of the corporate strategy and guide the operating environment:

    (a)   Data Privacy Policy

    (b)   SITA Security Vetting Policy

    (c)   Whistleblowing Policy

    (d)   Foreign Exchange Policy, and

    (e)   Debt Management Policy.

3.2   Institutional strategies

SITA has developed the following implementation strategies to enable the implementation of the 2020–2025 corporate strategy and provide for the period beyond the end of the medium-term strategic framework.

    (a)   The **data and analytics strategy** aims to build a digital capability that focuses on data governance and provides insights to enable timely evaluation of the impact of actions and the capacity to act wisely and decisively.

    (b)   The **information security strategy** defines the information security improvement programme to achieve information security excellence as well as cyber resilience.

4.   Updates to relevant court rulings

There are no court rulings impacting the mandate and strategic direction of SITA.

PART B: OUR STRATEGIC FOCUS

5. Updated situational analysis

5.1 Strategic overview

5.1.1 Vision

To be the leading ICT agency in public service delivery.

5.1.2 Mission

To render an efficient and value-added ICT service to the public sector in a secure, cost-effective and integrated manner, contributing to service delivery and citizen convenience.

5.1.3 Values

In a quest to achieve its mission and vision, SITA has adopted and seeks to promote the following values:

  (a) **Customer-centricity –** Exceed customer expectations by providing the best appropriate services and solutions.
  (b) **Innovation –** Pursue innovation by demonstrating thought leadership and proactive behaviour on the use of ICT to enhance public service delivery.
  (c) **Integrity –** Conduct our business with integrity at all times to inculcate a culture of honesty, respect and accountability among all our employees.
  (d) **Agility –** Be adaptive and responsive in an evolving environment to maintain relevance and competitive advantage.
  (e) **Collaboration –** Cooperate with and support each other in pursuit of our shared goals to achieve synergies and greater productivity.
  (f) **Empathy –** Understand and support each other in our different perspectives.

5.2 External environment analysis

SITA executes its mandate and seeks to achieve its strategic intent in a complex dynamic environment that is impacted by global, regional and national events. Consequently, the focus of the external environmental analysis for the APP FY 24/25 considered pertinent factors that could affect the Agency's performance in the last year of the medium-term 2020-2025 strategic plan.

5.2.1 Theory of change

5.2.1.1 Context

South Africa, like many African countries, faces significant challenges in the realm of public service delivery due to numerous systemic reasons. In a rapidly advancing digital landscape, citizens' expectations for efficient and accessible government services have grown exponentially, while the public sector has struggled to keep pace with these demands. This discrepancy between citizen demands and government capabilities hinders the country's socio-economic development and exacerbates existing inequalities.

Globally, the ICT landscape has seen rapid advancements in areas such as cloud computing, artificial intelligence, and data analytics. These technologies have the potential to revolutionize public service delivery, making it more responsive, cost-effective, and citizen centric. South Africa faces the persistent triple challenges of inequality, unemployment and poverty.

The delivery of services by the public sector is dependent on the efficient and effective government processes and systems. However, the country's public sector still faces inadequate coordination among government agencies and a lack of standardized digital processes. Furthermore, outdated government ICT infrastructure, fragmented systems, cybersecurity vulnerabilities, and the digital divide impede its ability to harness these transformative technologies effectively. As a result, citizens often encounter difficulties in accessing essential services, from healthcare to education and social welfare.

5.2.1.2 SITA's Theory of Change

To improve public sector service delivery performance unique to the South African context and embark on a successful digital transformation journey, SITA is targeting critical focus areas to streamline government processes and lay the foundation for ICT infrastructure that will enable an efficient and effective public service. The Theory of Change diagram below depicts elements to deliver the impact desired:
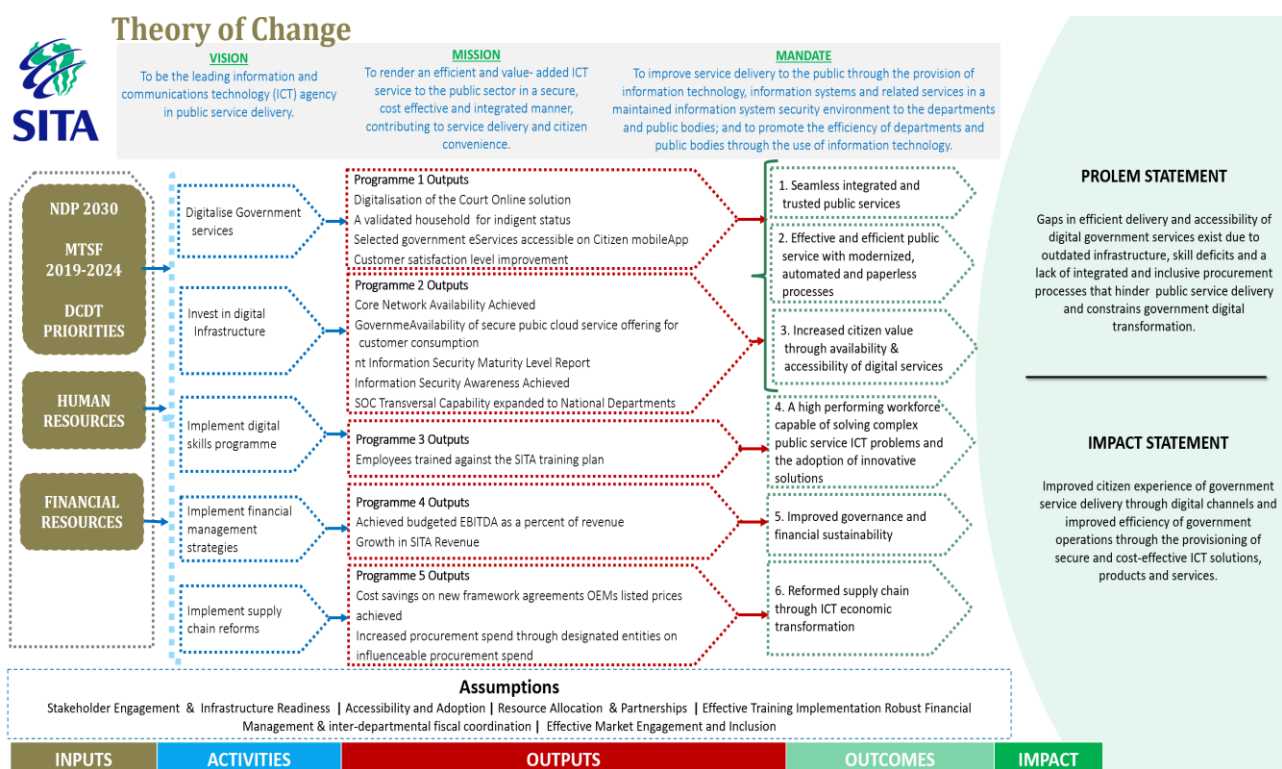
Figure 1: Theory of Change

The Theory of Change (ToC) for SITA outlines a strategic framework designed to contribute to improving service delivery to the public through the provision of information technology, systems, and related services.

Problem Statement: SITA is addressing the problem of inefficient delivery and accessibility of digital services and lack of integration due to outdated infrastructure, skills gaps at service delivery points and systems that hinder public service delivery and constrain government digital transformation. The goal is to improve services, by leveraging information technology, for government departments and the public at large who are the end-users of government services.

Assumptions: SITA has made several assumptions in its Theory of Change. These assumptions provide a framework for planning and evaluation, ensuring that there is understanding about how change will happen.

SITA assumes that client departments and citizens will adopt digital services and effectively utilise these to achieve improved experiences. Digital transformation of government requires holistic stakeholder involvement and access to government data; it is assumed that government departments will provide access to data and cooperate with SITA on all requirements for digital programmes. It is assumed that ICT infrastructure assessed to date for digital transformation is reliable, adequately maintained and supported to enable the delivery of digital services and accessibility by beneficiaries. SITA assumes that government employees are enhancing digital skills and capabilities to effectively support and manage digital initiatives. The policy and regulatory framework for digital transformation is assumed to be reviewed, improved and that all necessary steps are actioned to enable the implementation of digital initiatives. Government is assumed to be providing digital initiatives and that inter-departmental fiscal coordination will be effective. Lastly, it is assumed that there will be effective engagements with the ICT SMME market and that all transformational initiatives will be inclusive to foster the desired change. For optimal success of the plan it is of paramount importance to ensure that assumptions made are within SITA 's spheres of influence and control.

Inputs: The inputs are foundational components that SITA leverages to drive its strategic initiatives. These include the overarching National Development Plan 2030, the Medium-Term Strategic Framework (MTSF) 2019-2024, and the Department of Communications and Digital Technologies (DCDT) priorities. Collectively, these inputs provide the policy, strategic, and operational guidance necessary for SITA to execute its mandate effectively; capabilities such as human resources, financial resources, technology, information etc. are pivotal inputs to the process.

Activities: Building on the inputs, SITA has delineated specific activities to catalyse change within the organization and the services it delivers. These activities include:

a) Digitalisation of government services: Committing to the digitalisation of government services to enhance accessibility and efficiency.

b) Investing in digital infrastructure: Investing in robust digital infrastructure to support the availability and security of digital services.

c) Implementing a digital skills programme: Fostering a workforce skilled in digital capabilities through targeted training and development initiatives.

d) Financial Management Strategies: Implementing financial strategies aimed at achieving sustainable growth and responsible fiscal management.

e) Implement supply chain reforms: Reforming the supply chain to ensure equitable, transparent, and cost-effective procurement processes.

Outputs: The activities are designed to lead to tangible outputs:

a) Programme 1 outputs include a fully digitized Court Online solution, validated households for indigent status, and selected Government eServices accessible on the Citizen SuperApp

b) For Programme 2 achieving core network availability, government information security maturity level report, awareness campaigns and the expansion of the SOC capability are key outputs.

c) Programme 3 outputs focus on employees trained in line with the SITA Workplace Skills Plan

d) Programme 4 aims for financial outputs such as achieved budgeted EBITDA and growth in SITA revenue.

e) Finally, Programme 5 outputs focus on cost efficiency and economies of scale through the establishment of transversals and framework agreements as well as inclusion of designated groups in supply chain to support transformation and growth of local economy.

Outcomes: The abovementioned outputs are expected to lead to the following outcomes:

a) Seamless integrated and trusted public services.
b) Effective and efficient public service with modernized, automated, and paperless processes.
c) Increased citizen value through availability and accessibility of digital services.
d) A high-performing workforce capable of solving complex public service ICT problems and the adoption of innovative solutions.
e) Improved governance and financial sustainability.
f) Reformed supply chain through ICT economic transformation.

Impact: The culmination of these efforts and the realization of the outcomes is expected to lead to a significant impact, namely; an improved citizen experience of government service delivery through digital channels and improved efficiency of government operations through the provisioning of secure and cost-effective ICT solutions, products, and services.

Through the strategic application of its ToC as articulated in the narrative above, SITA aims to bridge the gap between current challenges and the desired state of ICT in public service. By focusing on improving processes, infrastructure, and skills, SITA is committed to facilitating a transformative impact on public service delivery, thereby fulfilling its mission and moving towards its vision for the future of ICT in government.

5.2.2 Global and local risk outlook

SITA has conducted a comprehensive understanding of global and local risks to ensure effective decision-making and the fortification of its IT infrastructure against potential threats. This enables strategic alignment with current challenges, facilitates optimal resource distribution and fosters strategies specific to South Africa's context.

The results of the latest Global Risks Perception Survey (GRPS) in the Global Risks Report 2023 and the South Africa Risks FY23/24 are depicted in the figure below. The cost-of-living crisis is identified as the most severe threat facing us over the next two years, while the other top three most severe risks in our most
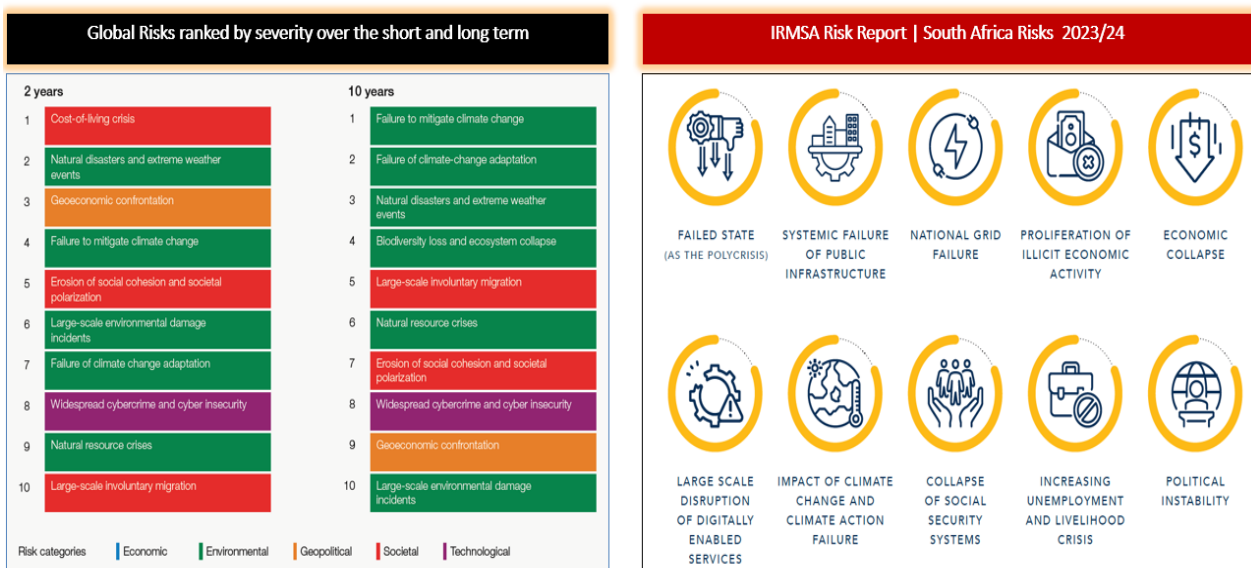
Figure 2: Global risk outlook

immediate future are natural disasters, extreme weather events and geo-economics confrontation. When contrasted with the 10-year view, the long-term risk of failure to tackle climate change emerges as the biggest

set of risks. From failure to mitigate climate change to biodiversity loss and ecosystem collapse, the top four most severe risks over the next 10 years are all environmental.

The nation confronts a wide array of challenges in the coming years. These span from economic and political turbulence to societal and ecological issues. As the nation works towards its Vision 2030 objectives, an elevated sense of urgency is required to manoeuvre through these perils.

It is imperative for SITA to proactively consider the global and local risk profiles as it considers relevant risk mitigations in the forthcoming year in its endeavour to ensure uninterrupted IT services and safeguard government data. Overall, recognising these risks equips SITA to address both immediate and future challenges, emphasizing its commitment to effectiveness and resilience for FY24/25.

PESTEL analysis

In FY24/25, SITA faces a multifaceted environment shaped by diverse external forces, with its trajectory being influenced by a confluence of political, economic, social, technological, legal and environmental factors. Navigating this intricate landscape necessitates strategic vision, adaptability and a commitment to bridging digital divides while ensuring security and promoting local innovation. The PESTEL Analysis below provides the factors projected to affect SITA's performance in the new financial year.

Table 2 – PESTEL analysis

FACTOR		OBSTACLES AND PROSPECTS	Impact	SITA response
Political	1. Geopolitical risks (US/China), (Russia/Ukraine), (Middle East conflict), Africa continental political instability 2. Political and Policy uncertainty – National Election year 3. Corruption at Political levels and public service (SOEs etc.)	a) Trade disruptions: Geopolitical tensions may lead to trade barriers, tariffs which could disadvantage SITA. Technologies and solutions, affecting SITA's selected technology stack and ability to deliver innovative services. Currency fluctuations can impact SITA's budget and financial planning. Exchange rate volatility may affect cost of importing technology or procuring services from main multinational technology providers. b) Coalition arrangements at local government level could translate to similar arrangements at national level, fueling political instability and policy uncertainty as well as disrupted service delivery. RSA National Election outcomes and transition to 7th administration could alter leadership structures, policy direction and varied funding allocations for departments. c) Pervasive corruption at Political level and various SOEs affecting public trust, economic growth, and the smooth running of government services.	Negative Negative Negative	a) SITA to conduct review of existing contracts with OEMs, with emphasis on clauses related to force majeure, sanctions, and export controls. SITA to accelerate and create platforms for SMMEs to showcase solutions, foster innovation via Innovation Centres, and strengthen partnerships for SMME growth and collaborative solution development. b) SITA to maintain its focus on the strategic goals outlined in the NDP 2030. Coordination of long-term objectives with the new administration's priorities. c) SITA to continue implementing enhanced programs on Ethical business conduct. Stakeholder perception surveys to be conducted and improvement plans on good corporate governance implemented to secure legitimacy of SITA institutional processes.

	FACTOR		OBSTACLES AND PROSPECTS	Impact	SITA response
ECONOMIC	1. Inflation and Fuel prices 2. High Unemployment rates 3. Rising national debt 4. Energy Crisis		a) With a 4.4% inflation rate in FY24/25, long-term contracts and investments must consider inflation to ensure budgetary stability for goods and projects. b) The South Africa's unemployment rate as at the third quarter of 2023 stood at 31, 9%.and a youth unemployment rate at 58% at end of 2023 (Sources Stats SA and TradeEconomics) – reduces population of taxpayers with propensity to spend and improve country's economic posture. c) Deepening government debt risks austerity measures and may decrease in Government spending, which may negatively impact digital transformation and reduce opportunities for investment and innovation with adverse impact on SITA revenue. d) Persistent load shedding places SITA's, client operations and IT hardware at risk. A total grid loss would result in discontinued digital services, thereby adversely affecting essential services supported by SITA.	Negative Negative Negative Negative	a) Implement inflation-adjustment clauses in contracts, forecasting budgetary allowances for price increases and secure fixed-price agreements b) Improved provision of ICT bursaries, learnerships and IT skills training programs for unemployed youth, including partnerships with educational institutions, OEMs and industry to provide free online courses. Engage unemployed youth in experiential learning programmes and Hackathons to contribute to building a skilled workforce. c) Proactively manage finances, adjust budgets, and cut costs. Explore new revenue streams and partnerships to maintain operations. d) Maintain uninterrupted power for key systems, assess risks, plan for contingencies, prioritize infrastructure upkeep, and consider power alternatives for extended load shedding. SITA to prepare accordingly for a total grid loss event and ensure the continued provision of essential services to critical government departments.
Social	1. Persistent poverty and inequality 2. Low Education levels 3. High crime and violence 4. Changing lifestyle and consumer behaviors		a) Marginalised communities excluded from participating in the digital economy, and have limited connectivity to consume government eServices. b) Poor educational outcomes and lack of infrastructure reduces the availability of a skilled and capable workforce for the labour market. STEM education critical to secure future ICT workforce. c) The rapidly escalating crime rate and violence necessitate SITA to examine opportunities for justice cluster system integration, digitization of processes to promote effective records management through a unified view of all relevant information. d) Citizens are increasingly seeking online transactions, especially on mobile Apps. Opportunity to expand broad automation, and service migration to digital platforms. Economic instability weakens spending power, leading to budget cuts and changing consumer habits.	Positive Positive Negative Neutral	a) SITA to prioritise the implementation of Broadband connectivity and partner to improve access to digital services across the country. b) Collaborate with DoBE and other stakeholders to increase the provision of educational infrastructure and STEM support programmes. c) SITA has prioritized the Security cluster to accelerate the automation and digitization of services, migrating government transactions to user-friendly digital platforms. d) Focus on cost-effective solutions and adapt to changing consumer habits by prioritizing essential services and exploring innovative, budget-friendly technologies and Zero-rated Apps.

	FACTOR		OBSTACLES AND PROSPECTS	Impact		SITA response
Technological	1. Rising Cyber-attack threats 2. Automation and AI 3. Increased use of advanced technologies by government departments 4. Single view of a record	a)	Cyberattacks, data breaches lead to disrupted services, operations, damaged brand, business disruption, loss of revenue. Potential for more AI cyber-attacks and state-actors due to geo-political factors.	Negative	a)	SITA to prepare and invest in protection against State-sponsored attacks by accelerating cyber security protection across government departments with advanced technologies. Investment in cyber security skills, and available experts will enable the whole-of state resilience. Investment in advanced research and innovation in collaboration with CSIR on countering AI cyber-attacks.
		b)	Automation and AI are reshaping business, enhancing productivity and growth.	Positive	b)	Invest in automation and AI technologies to enhance productivity and drive business growth, aligning its strategy with these evolving technological trends.
		c)	As government departments become more digital, requests for system integration and data sharing will rise.	Positive	c)	Create data interoperability solutions, utilise modern technologies for public services and enhance partnerships to improve service delivery.
		d)	Integrating government apps and systems will promote efficient service delivery and single-platform management of both physical and digital data.	Positive	d)	SITA to continue and finalise the single view of a record project and expand to other government services.
Legal	1. Draft Procurement Bill 2. National cloud and data policy 3. Possible new legislation to govern the use of AI and machine learning 4. A draft General Intelligence Laws Amendment Bill (GILAB)	a)	Cabinet approves submission of draft Public Procurement Bill to Parliament repealing PPPFA of 2000 (Act 5 of 200). Potential decreased non-mandatory ICT services and decrease in service revenues.	Negative	a)	Ensure procurement activities remain transparent and fair (aligned to Bill). Through ESD and R & I strategies contribute to socio-economic development and transformation. Identify alternative revenue streams to compensate for reduced non-mandatory service.
		b)	The national cloud and data policy aim to boost state service delivery, enhance policy with data analytics and ensure data sovereignty.	Positive	b)	Expand market share in cloud and digital tech, aligning with government goals.
		c)	AI and machine learning systems could pose risks from increased surveillance, cyber-attacks and misuse for propaganda or opinion manipulation.	Negative	c)	Given AI's potential risks, SITA must emphasize AI ethics, data protection and cybersecurity. Prioritize privacy, security, and ethics in AI and machine learning development; enforce strong data protection and cybersecurity; ensure transparency and accountability in AI systems.
		d)	The draft General Intelligence Laws Bill could impose new rules on SITA regarding state security-related IT tasks. Adjustments to operations might be needed.	Negative	d)	Suggest amendments to the Act to address GILAB-related issues.

FACTOR		OBSTACLES AND PROSPECTS	Impact	SITA response
Environmental	1. Electricity crisis 2. Water scarcity 3. e-Waste	a) High costs associated with backup generators impact funds for infrastructure and increase emissions. b) Water shortages lead to disruptions like office shutdowns, while water quality and flooding threaten infrastructure and projects. c) South Africa produces 6.2 kg of e-waste per person annually, with only 12% being recycled. This poses environmental and regulatory risks.	Negative Negative Negative	a) Invest in solar panels, energy-efficient equipment, and review energy use for optimisation aligned with green business practices. b) Partner with the government to introduce leak detection, smart metering, conservation and recycling technologies. c) Implement e-waste recycling, partner with disposal experts, support green IT purchases and train staff on e-waste management.

5.3   Internal environment analysis

In the pursuit of operational excellence and informed strategic direction for FY24/25, a SWOT analysis was conducted. This analysis is pivotal for our annual planning. It is instrumental in guiding resource allocation, risk management and decision-making processes, ensuring our alignment with both the internal and external digital landscapes of the South African government. This foundational understanding aids in our continuous improvement, enabling SITA to provide enhanced IT services and solutions that drive the nation's governmental digital initiatives and infrastructure.

The results offer insights into our inherent key strengths and weaknesses while shedding light on key external opportunities and threats.

Table 3 – SWOT analysis

STRENGTHS	WEAKNESSES	OPPORTUNITIES	THREATS
- Clearly defined constitutional and legislative mandate - Supports secure and well-maintained IT infrastructure - Differentiated products and services, e.g. GPCE - Established national presence - Established customer base	- Lengthy procurement and turnaround times - Talent attraction and retention issues - Low customer satisfaction index - Weak brand reputation - Limited product innovation - Low ICT market share vs. government ICT budget spend	- Develop cybersecurity capability - Enhance public service and reduce costs - Coordinate and lead SA's digital agenda - Optimise mandate objectives - Adopt 4IR and digital tech trends - Forge strategic institutional partnerships and collaborate with stakeholders	- Frequent load shedding - Rising cybercrime threats - Utilisation of non-transversal systems by government departments - Changing procurement processes and legislation - Scarce digital skills - ICT market competition

SITA, with its pivotal role in South Africa's IT landscape, has a strong foundation but also faces notable challenges. The agency's inherent strengths and the vast opportunities presented by the digital era can be harnessed to mitigate internal weaknesses and external threats. By addressing its operational inefficiencies, investing in talent, and driving innovation, SITA can not only strengthen its market position but also play a transformative role in South Africa's digital journey. Collaboration, agility and a renewed focus on customer satisfaction will be key in navigating the future.

6.   Response to situational analysis

Due to the rapid technical advancements in this widespread digitisation period and in accordance with the present situational analysis, SITA embraces a client-centric strategic path towards accomplishing its mandate to deliver an efficient public service. This entails focusing on modernising government services, increasing performance efficiencies and improving the digital experience for citizens. Key to this is going back to basics to deliver value to government departments and urgently ensure the execution of all service improvement plans.

SITA in the FY2024/25 will therefore be focusing on the key areas described below:

6.1 Customer service improvement

SITA is redirecting itself to focus on value creation. Various engagements with key government stakeholders have yielded a comprehensive view of what SITA must improve and deliver to be considered to be an efficient enabler of State efficiency. To this end, SITA has consolidated all the independent assessments and their related recommendations to develop comprehensive service improvement plans that will focus on closing the identified gaps and areas for value creation. Key focus areas include, but are not limited to, the following:

a) Transform SITA and the government into efficient digital organisations that deliver on their respective mandates.

b) Reduce the cost of providing and accessing and consuming SITA and other government services.

c) Improve customers' experience by simplifying SITA stakeholders' engagement with the organisation and bringing government services conveniently to its citizenry (e.g. 24/7 access to government services).

d) Provide continuous core network availability to prevent business disruption that could result in major financial losses, reputational damage and a loss of trust among SITA clients.

e) Implement data analytics to harness the collective intelligence provided by citizen data and to improve decision-making.

f) Roll out the eGovernment portal to increase the availability of services online and improve interaction between government and citizens.

6.2 Digitalisation and digitisation

6.2.1 Digital services

Focusing on improved public service value chains from end to end, SITA and the DCDT have collaborated to ensure the effective execution of identified innovative transversal and sector-specific solutions as well as applications. The implementation of the technological blueprinting of the government, which comprises the building blocks intended for establishing a collaborative digital environment, enables the development of efficient digital services.

This strategic initiative has strengthened the general performance of the current digital services and made them more convenient for citizens, thereby improving their experience of the government's services. SITA continues to revise its approach in implementing the following:

a) e-Gov services and content as per the SITA Strategic Plan to generate greater demand for broadband services to citizens;

b) The implementation of the indigent household application eService with data source identification capability for validation (i.e. CIPC, UIF, SARS and DSBD);

c) Phase II implementation of the court online solution;

d) The automation of eight services within SITA and Government; and

e) The deployment of the eExamination service to enable the implementation of two critical eServices in the next financial year (eRegistration and eDelivery services).

6.3   Digital infrastructure

6.3.1 Broadband connectivity and SA Connect

The SA Connect policy prescribes bandwidth targets, with the overall goal being to achieve a universal average bandwidth speed of 100 Mbps by 2030. To meet this target in a progressive manner, a reviewable target of 10 Mbps had been set for all government facilities by 2020, with the quality of service being monitored by ICASA.

South Africa published its broadband policy, SA Connect, on 6 December 2013. SA Connect is the government's initiative aimed at delivering broadband access to 90% of the country's population by 2020, and universal access by 2030. This in turn would help drive South Africa towards becoming an information society and hence a knowledge economy.

SA Connect phase 2 was gazetted as SIP 35 in July 2020 as part of infrastructure programmes in the Economic Reconstruction and Recovery Plan. The President, in his 2021 SONA, announced that SA Connect was included in the pipeline of approved projects for financing under the infrastructure fund.

SITA continues to ensure collective synergistic contributions towards enhancing government productivity through the use of ICTs and to improve service delivery to the public through the implementation of the SA Connect initiative. SITA now has ten new Unified Communications clients. SITA will continue to connect and upgrade government sites (national as well as provincial ministries, including the South African Police Service (SAPS)).

6.3.2 Software-defined network

SITA's software defined network (SDN) modernisation programme aims to transform the government network to be more agile and flexible while enabling the network to be intelligently and centrally controlled. It will enable efficient network configuration to improve network performance and monitoring.

The mandate, functions and services of the SDN are structured around six core areas, namely (1) architecture and topologies, (2) hardware and software choices, (3) technology, (4) analytics tools, (5) OSS/BSS platforms and (6) automation toolsets. The SDN is not a panacea but is dependent on an integrated cloud strategy and programme.

The SDN framework is also being proposed to the SAPS as part of the SAPS' network modernisation roadmap.

Furthermore, the SITA SDN transformation programme seeks to increase deployment speed and agility while delivering cost savings to all clients.

6.3.3 Data centres

At the heart of the 4IR is the increased collection and processing of data. This opens various opportunities that SITA can provide to the South African government and its citizens. Government, through the DCDT, has prioritised the establishment of a hyperscale capability for the country as a key objective. SITA and the Council of Industrial Research (CSIR) are expected to play a leading role in this regard. This capability will leverage:

a)   SITA's data centres; and
b)   the cloud foundation infrastructure.

SITA is currently in the process of rationalising and modernising its data centres in line with industry standards to ensure adherence to Tier III+ guidelines in order that all government servers and applications can be consolidated, rationalised and integrated to ensure government's digital transformation and to support hyperscale data centre requirements. This includes the following considerations:

a) Evaluate the current and future government requirements for fit-for-purpose data centres;
b) Holistically assess factors such as the infrastructure requirements, associated capital expenditure (CapEx) and operating expenditure (OpEx) requirements, and sustainability over the medium to long terms;
c) Identify additional options;
d) Identify other government-owned facilities which may be fit for purpose; and
e) Assess the criteria utilised by SITA for the ranking of options and improve or supplement the criteria where required.

6.3.4 Cloud computing

As part of the government's private cloud ecosystem (GPCE), SITA has already completed reference architectures (RAs) with some of the country's hyperscalers. The hyperscalers provide segregation, which is a logical separation of resources within a cloud area, which was the basis for these RAs.

The segregation enables governments to construct their own virtual private cloud (VPC), which is a private, segregated network where apps and data can be hosted. This will ensure that government data is kept separate from data from other clients, even if they are in the same location.
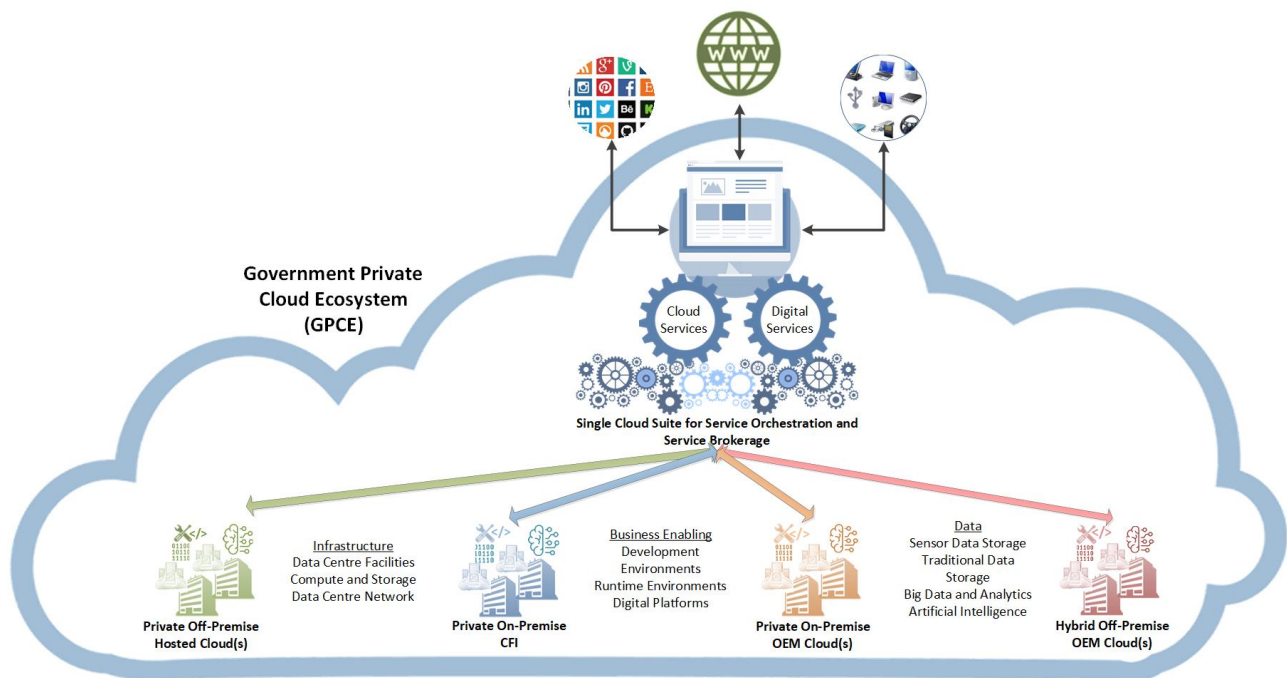
Figure 3: Government private cloud ecosystem (GPCE)

The GPCE (Figure 3) remains crucial to the government's transformation and digitalisation programme. It brings together private and hybrid clouds into a single secure ecosystem. From here, cloud services can be made available through a single cloud suite. The GPCE functionality also allows multiple technologies to establish access channels, which can improve communication with and feedback to citizens and businesses

alike. SITA will continue to mature its GPCE offering from Infrastructure-as-a-Service (IaaS) to a Platform-as-a-Service (PaaS) and Software-as-a-Service (SaaS) cloud computing service model.

The use of a separate region or segregation provides governments with greater control and visibility over their data and applications, as well as improved security and compliance. It further allows them to meet regulatory requirements and ensure that their data is protected from unauthorised access, data breaches and other security threats.

6.4   Information security

In partnership with other state institutions that support the information security mandate, SITA poses itself as the primary organisation entrusted with preserving the information assets of the South African government. SITA plans to achieve the following:

a)   Complete the assessment of the information security maturity levels to all National and provincial government departments.
b)   Continue the Information Security awareness campaign to all National and provincial government departments.
c)   Implement government security operations centre capability to National departments.

In line with SITA's Corporate Strategic Plan 2020–2025, an adequate information security capability is a key strategic objective. This objective will be achieved by establishing a security function that drives change and leads the way to achieving corporate goals through collaboration, performance and intelligence to enable service delivery to clients.

Against this background, SITA remains committed to the improvement of the information security posture and position through the implementation of government security operations centre capability for critical government departments to achieve information security and cyber resilience. This approach was adopted due to the large size of the government to ensure the management of funding and resources (people, process and technology). SITA, therefore, intends to concentrate on the most important government security infrastructure.

6.5   Procurement and transformation

6.5.1   Enterprise and supplier development and localisation

SITA remains committed to advancing the transformation of the ICT sector to stimulate economic growth, develop local ICT content and radically transform the agency's procurement capability towards the reduction of unemployment and poverty alleviation, supporting skills development and promoting fair, equitable, transparent and cost-effective procurement services. In achieving its economic empowerment goal, SITA remains committed to achieving a target of 43% of procurement spend through entities designated as SMME, black, women, youth and people living with disabilities on influenceable procurement spend. The targeted spend is aligned to the national ICT codes and will be achieved through the implementation of the enterprise and supplier development strategy.

6.5.2 Procurement reforms

SITA is dedicated to streamlining procurement procedures and has been fostering considerable cost-reduction measures by providing faster delivery times. With the goal of fully digitalising the entire value chain soon, SITA is focusing on the development of an e-Procurement solution to streamline the procurement aspect of the value chain. Thus, the organisation is decisively working to increase industry participation in transversal, panel and framework agreements, within groups that have historically been marginalised, and to enable its platform with commercially available contracts and agreements.

6.6   Financial sustainability

SITA, as a schedule 3A entity, is responsible for sustaining its own financial stability as opposed to receiving funds through a budget vote process. Considering this, the organisation recognises that notwithstanding countless internal and external problems having been partially addressed, it has not been thriving as it should. SITA does, however, anticipate at least 10% business growth with respect to its projected sales, an 80% net collection rate and six signed business proposals that may rapidly generate additional revenue to further strengthen its financial standing. Furthermore, SITA has developed some of the essential skills needed to digitalise government, improving customer experience, and the quality of products to ensure the organisation can capture untapped markets and grow its current market share.

6.7   Human Capacity development

SITA keeps up its efforts to cultivate a workforce with the necessary expertise to foster the effective digitalisation of government. SITA will continue to support its employees and actively encourage them to upgrade their skills and close existing training shortfalls. Furthermore, SITA intends to have 85% of personnel trained in accordance with the SITA Training Plan to ensure a high-performing workforce capable of solving complex public service ICT problems and the adoption of innovative solutions.

Furthermore, SITA promotes women empowerment, equality and non-discrimination and supports government's programmes to curb gender-based violence (GBV). The following interventions will be implemented to ensure women and people living with disabilities empowerment and create awareness on GBV:

a) **Harassment Policy**: SITA employees to be trained on harassment policy and the emphasis will be on the policy elements that addresses GBV;
b) **Gender Forum:** SITA gender forum initiatives will be implemented and this includes sensitizing male employees on their role in fighting GBV;
c) **Youth development**: 50% of youth enrolled into Internship programmes will be women;
d) **Diversity and Inclusion**: Implementation of initiatives for women and people living with disabilities.

6.8 Organisational structure

The macro-organisational structure is aligned to the current operating model and covers the end-to-end service delivery value chain to enable the strategic direction and mandate of SITA. The macro-organisation structure is depicted below:
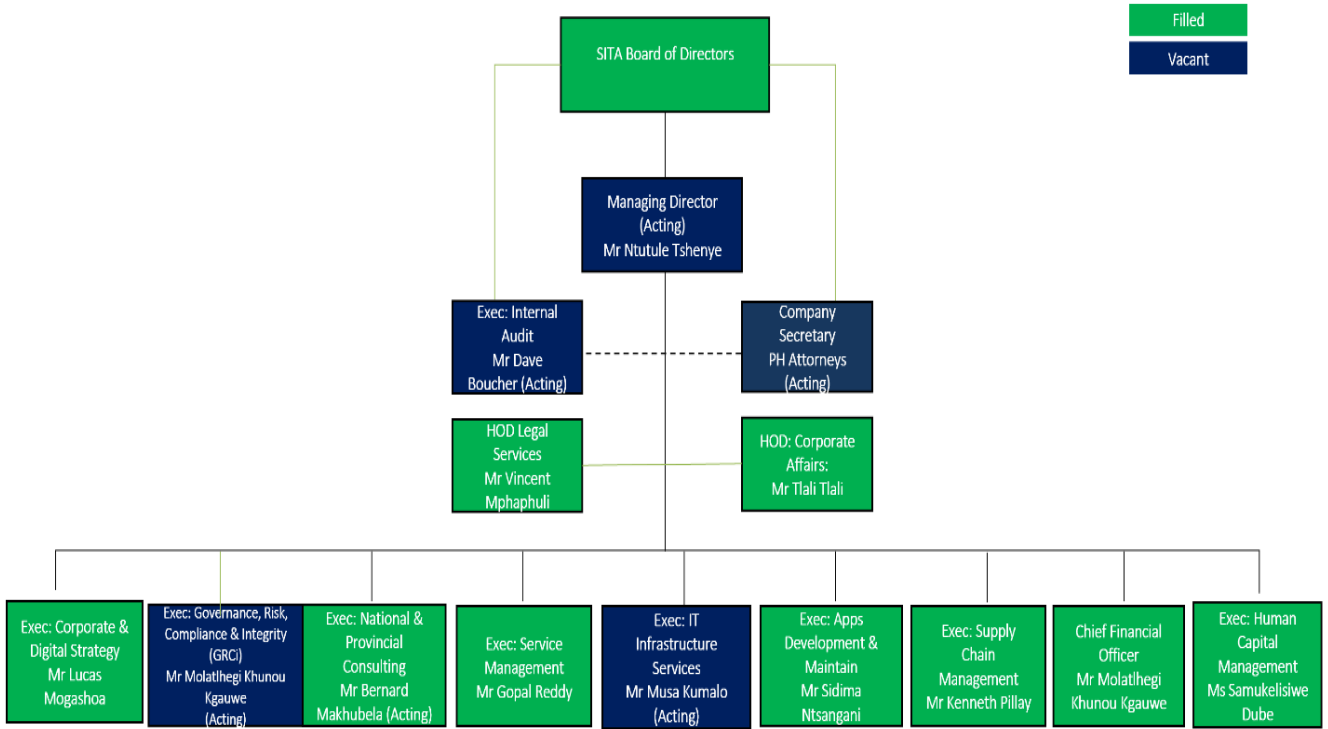
Figure 4: SITA's macro-organisational structure

PART C: MEASURING OUR PERFORMANCE

7. Institutional programme performance information

7.1 Impact statement

Improved citizen experience of government service delivery through digital channels and improved efficiency of government operations through the provisioning of secure and cost-effective ICT solutions, products and services.

7.2 SITA's revised outcomes for 2023–2025

(a) **Outcome 1:** Effective and efficient public service with modernised, automated and paperless processes

(b) **Outcome 2:** Seamless integrated and trusted public services

(c) **Outcome 3:** Increased citizen value through the availability and accessibility of digital services

(d) **Outcome 4:** A high-performing workforce capable of solving complex public service ICT problems and the adoption of innovative solutions

(e) **Outcome 5:** Improved governance and financial sustainability

(f) **Outcome 6:** Reformed supply chain through ICT economic transformation

SITA will implement its planned performance for FY2024/25 through the five organisational strategic programmes depicted in the table below:

Table 4 – Strategic programmes

Programme	1: Thought leadership and service delivery	2: Digital infrastructure	3: Skills and capacity development	4: Financial sustainability	5: Procurement and industry transformation
Purpose	To provide well researched, tested, innovative and secure solutions, products and services aimed at digitalising government and improving citizens' experience of government services	To optimise and/or build the required computing capabilities such as platforms, networks and storage to enable the provisioning of digital services and solutions at increased availability, flexibility, scalability, predictability and security	To develop, build and/or buy the required digital skills and capability to facilitate the strategic drive to digitalise government while building a culture of performance, accountability and corruption-free and consequence-oriented management	To ensure effective and efficient financial management and commercial awareness in investment decisions to achieve financial growth and sustainability	To advance transformation of the ICT sector to stimulate economic growth and development of local ICT content and radically transform its procurement capability towards the reduction of unemployment and poverty alleviation, supporting skills development and promoting fair, equitable, transparent and cost-effective procurement services

The APP will be cascaded across the organisation and embedded in performance management contracts to support the successful implementation of planned initiatives. On a weekly, monthly and quarterly basis, organisational performance will be monitored and evaluated through relevant governance structures, including the implementation of appropriate remedial actions to close performance gaps identified.

7.3 Programme 1: Thought leadership and service delivery

7.3.1 Programme purpose

The purpose of this programme is to provide well researched, tested, innovative and secure solutions, products and services aimed at digitalising government and improving citizens' experience of government services.

7.3.2 Outcomes, outputs, performance indicators and targets

Table 5 – Programme 1 performance indicators and medium-term targets

Outcomes	Outputs	Output indicators	Audited/Actual performance			Estimated performance 2023–2024	Medium-term targets		
			2020–2021	2021–2022	2022–2023		2024–2025	2025–2026	2026–2027
Seamless integrated and trusted public services	Digitalisation of the Court Online solution	1.1. Percentage implementation of Court Online phase 2 roll-out plan	-	-	-	100% implementation of Court Online phase 1 roll-out plan	100% implementation of Court Online phase 2 roll-out plan	100% implementation of Court Online phase 3 roll-out plan	-
Effective and efficient public service with modernised, automated and paperless processes	A validated household for indigent status based on the identified data sources	1.2. Percentage implementation of indigent household application and integration phase 2 plan	-	-	-	100% implementation of indigent household application and integration phase 1 plan	100% implementation of indigent household application and integration phase 2 plan	-	-
	Selected Government eServices accessible on the Citizen SuperApp	1.3 Implementation of Citizen SuperApp with selected government	-	-	-	-	Citizen SuperApp developed with selected government eServices accessible	100% government eServices accessible on Citizen SuperApp	-

Outcomes	Outputs	Output indicators	Audited/Actual performance			Estimated performance 2023–2024	Medium-term targets		
			2020–2021	2021–2022	2022–2023		2024–2025	2025–2026	2026–2027
		eServices accessible							
Improved SITA performance	Customer satisfaction level improvement	1.4 Percentage customer satisfaction level	-	-	54% customer satisfaction level	-	Attain 60% customer satisfaction level	100% implementation of service improvement plan	Attain 70% customer satisfaction level

7.3.3 Output indicators: Annual and quarterly targets

Table 6 – Programme 1 quarterly targets

Output indicators	Annual target 2024–2025	Quarterly targets			
		Quarter 1	Quarter 2	Quarter 3	Quarter 4
Percentage implementation of Court Online phase 2 roll-out plan	100% implementation of Court Online phase 2 roll-out plan	Approved proposal for the Court Online phase 2 roll-out plan	30% implementation of Court Online phase 2 roll-out plan	30% implementation of Court Online phase 2 roll-out plan	40% implementation of Court Online phase 2 roll-out plan
Percentage implementation of indigent household application and integration phase 2 plan	100% implementation of indigent household application and integration phase 2 plan	25% implementation of indigent household application and integration phase 2 plan	50% implementation of indigent household application and integration phase 2 plan	75% implementation of indigent household application and integration phase 2 plan	100% implementation of indigent household application and integration phase 2 plan
Implementation of Citizen SuperApp with selected government eservices accessible	Citizen SuperApp developed with selected government eServices accessible	Industry partner appointed for implementation of the Citizen SuperApp	Citizen SuperApp developed	Selected government eServices available on Citizen SuperApp and tested	Citizen SuperApp developed with selected government eServices accessible

Output indicators	Annual target 2024–2025	Quarterly targets			
		Quarter 1	Quarter 2	Quarter 3	Quarter 4
Percentage customer satisfaction level	Attain 60% customer satisfaction level	30% implementation of service improvement plan	50% implementation of service improvement plan	100% implementation of service improvement plan	Attain 60% customer satisfaction level

7.3.4 Explanation of planned performance

(a) Digitalisation of the Court Online solution

The main objective of the Court Online roll-out project is to implement an end-to-end digital court system to manage, secure and ensure sharing of court documents in order to improve the efficiency and quality of service to the public. It is the modernisation of the criminal justice system, through the implementation of the Court Online system that was piloted successfully at the two High Courts, Gauteng North (PTA) and Gauteng South Johannesburg to facilitate, submit, manage, secure and ensure the sharing of case records.

(b) A validated household for indigent status based on the identified data sources

Digitalisation of the indigent household service is part of government's initiative to improve the quality of lives of the citizens. Government identifies households that cannot afford basic services because of their low income and renders these services as part of a government support programme. Currently, the data collected by government does not adequately serve as a strategic asset to government, where government can extract value out of this data to improve efficiencies, reduce costs, and realise a smart government. Furthermore, government has ambitions to improve and enrich service delivery through advanced data analytics. The solution will use data collected by government to identify eligible households so that they can receive government support applicable to indigent households.

(c) Citizen SuperApp developed with selected government eServices accessible

The overarching goal is to expedite the adoption of eGovernment, thereby revolutionizing the way citizens interact with public services. Central to this vision is the Citizen SuperApp, a digital gateway designed to significantly improve the public service delivery model. This leap forward is characterized by a multitude of advantages, namely; the SuperApp delivers cost-efficient public services with reduced administrative expenses. It offers 24/7 access, enhancing convenience and accessibility, prioritizes security and legal compliance, rigorously protecting user data, supports inclusivity, granting special-needs citizens remote access and advancing equal service opportunities. Additionally, it reduces environmental impact by lessening the carbon footprint through service digitalization. The SuperApp encourages citizen participation, creating a cooperative community environment.

(d) Customer service improvement

SITA is dedicated to resolving customer challenges and elevating the service delivery experience. By bolstering our consulting capabilities and reforming supply chain management, we aim to directly tackle the primary issues our customers face. Commitment to these service improvements is underpinned by actionable plans and a collaborative approach with our customers to meet their business needs effectively. Furthermore, to gauge progress and ensure alignment with customer expectations, SITA will conduct an annual Customer Satisfaction Index (CSI) survey.

7.4 Programme 2: Digital infrastructure

7.4.1 Programme purpose

The purpose of this programme is to optimise and/or build the required computing capabilities, such as platforms, networks and storage, to enable the provisioning of digital services and solutions at increased availability, flexibility, scalability, predictability and security.

7.4.2 Outcomes, outputs, performance indicators and targets

Table 7 – Programme 2 performance indicators and medium-term targets

Outcomes	Outputs	Output indicators	Audited/Actual performance			Estimated performance 2023–2024	Medium-term targets		
			2020–2021	2021–2022	2022–2023		2024–2025	2025–2026	2026–2027
Increased citizen value through availability & accessibility of digital services	Core network availability achieved	2.1. Percentage core network availability	-	-	-	97% core network availability	98% core network availability	99% core network availability	99% core network availability
	Availability of secure pubic cloud service offering for customer consumption	2.2. Percentage implementation of plan for Government public cloud services enabled across multiple hyperscalers	-	-	-	-	100% implementation of plan for Government public cloud services enabled across multiple hyperscalers	-	-

Outcomes	Outputs	Output indicators	Audited/Actual performance			Estimated performance 2023–2024	Medium-term targets		
			2020–2021	2021–2022	2022–2023		2024–2025	2025–2026	2026–2027
Seamless integrated and trusted public services	Government information security maturity level report	2.3 Percentage National and Provincial Departments Information Security Maturity Level assessments completed	-	-	-	100 Government Departments Information Security Maturity Level assessments completed	100% National and Provincial Departments Information Security Maturity Level assessments completed	100% National and Provincial Departments Information Security Maturity Level assessments completed	100% National and Provincial Departments Information Security Maturity Level assessments completed
	Information security awareness achieved	2.4. Percentage National and Provincial Departments provided with Information Security Awareness Campaigns	-	-	-	100 clients provided with Information Security Awareness Campaigns	100% National and Provincial Departments provided with Information Security Awareness Campaigns	100% National and Provincial Departments provided with Information Security Awareness Campaigns	100% National and Provincial Departments provided with Information Security Awareness Campaigns
	Security Operations Centre (SOC) Transversal Capability expanded to National Departments	2.5. Number of National Departments expanded with Security Operations Centre (SOC) Transversal Capability	-	-	-	-	37 National Departments expanded with SOC Transversal Capability	-	-

7.4.3 Output indicators: Annual and quarterly targets

Table 8 – Programme 2 quarterly targets

Output indicators	Annual target 2024–2025	Quarterly targets			
		Quarter 1	Quarter 2	Quarter 3	Quarter 4
Percentage core network availability	98% core network availability	98% core network availability	98% core network availability	98% core network availability	98% core network availability
Percentage implementation of plan for Government public cloud services enabled across multiple hyperscalers	100% implementation of plan for Government public cloud services enabled across multiple hyperscalers	15% implementation of plan for Government public cloud services enabled across multiple hyperscalers	50% implementation of plan for Government public cloud services enabled across multiple hyperscalers	75% implementation of plan for Government public cloud services enabled across multiple hyperscalers	100% implementation of plan for Government public cloud services enabled across multiple hyperscalers
Percentage National and Provincial Departments Information Security Maturity Level assessments completed	100% National and Provincial Departments Information Security Maturity Level assessments completed	20% National and Provincial Departments Information Security Maturity Level assessments completed	50% National and Provincial Departments Information Security Maturity Level assessments completed	75% National and Provincial Departments Information Security Maturity Level assessments completed	100% National and Provincial Departments Information Security Maturity Level assessments completed
Percentage National and Provincial Departments provided with Information Security Awareness Campaigns	100% National and Provincial Departments provided with Information Security Awareness Campaigns	20% National and Provincial Departments provided with Information Security Awareness Campaigns	50% National and Provincial Departments provided with Information Security Awareness Campaigns	75% National and Provincial Departments provided with Information Security Awareness Campaigns	100% National and Provincial Departments provided with Information Security Awareness Campaigns
Number of National Departments expanded with Security Operations Centre (SOC) Transversal Capability	37 National Departments expanded with SOC Transversal Capability	10 National Departments expanded with SOC Transversal Capability	20 National Departments expanded with SOC Transversal Capability	30 National Departments expanded with SOC Transversal Capability	37 National Departments expanded with SOC Transversal Capability

7.4.4 Explanation of planned performance

(a) Core network availability achieved

The provision of digital services and solutions to the South African government requires the establishment of computing capabilities. Therefore, having high availability of network services is a key strategic objective to be achieved through continual performance monitoring, performance management and service improvement interventions.

(b) Extension of public cloud service offerings to government

SITA has embarked on a programme to enable government to securely consume public cloud service offerings from various cloud service providers (CSPs) via the implementation of approved RAs. SITA will extend its public cloud service offerings to improve consumption by government.

(c) Government information security maturity level report

The purpose is to measure the information security maturity level of government to determine priorities in improvement interventions to improve information and cyber resilience in government.

(d) Information security awareness achieved

The purpose is to implement information security awareness campaigns geared towards improving information security awareness across all National and Provincial departments.

(e) Expansion of security operations centre capability to national departments

The primary goal of the target is to enhance government cybersecurity by implementing Security Information and Event Management (SIEM) alongside Secure Operations Centre Capability (SOCC). In light of the increasing incidence of cyber-attacks and threats, this initiative is crucial for preventing cyber-attacks and effectively responding to cyber threats against the government. Aligning with SITA's mandate for security, this target contributes to a secure information systems environment by facilitating managed detection and response operations around the clock.

7.5 Programme 3: Skills and capability development

7.5.1 Programme purpose

The purpose of this programme is to develop, build and/or buy the required digital skills and capability to facilitate the strategic drive to digitalise government while building a culture of performance, accountability, and corruption-free and consequence-oriented management.

7.5.2 Outcomes, outputs, performance indicators and targets

Table 9 – Programme 3 performance indicators and medium-term targets

Outcomes	Outputs	Output indicators	Audited/Actual performance			Estimated performance 2023–2024	Medium-term targets		
			2020–2021	2021–2022	2022–2023		2024–2025	2025–2026	2026–2027
A high-performing workforce capable of solving complex public service ICT problems and the adoption of innovative solutions	Employees trained against the SITA training plan	3.1. Percentage of employees trained against the SITA training plan	81% of employees trained against the SITA workplace skills plan	52% of employees trained against the SITA workplace skills plan	50% of employees trained against the SITA workplace skills plan	80% of employees trained against the SITA workplace skills plan	85% of employees trained against the SITA training plan	90% Employees trained against SITA training plan	95% Employees trained against the SITA training plan

7.5.3 Output indicators: Annual and quarterly targets

Table 10 – Programme 3 quarterly targets

Output indicators	Annual target 2024–2025	Quarterly targets			
		Quarter 1	Quarter 2	Quarter 3	Quarter 4
Percentage of employees trained against the SITA training plan)	85% of employees trained against the SITA training plan	10% of employees trained against the SITA training plan	35% of employees trained against the SITA training plan	60% of employees trained against the SITA training plan	85% of employees trained against the SITA training plan

7.5.4 Explanation of planned performance

(a) Employees trained against the SITA training plan

The target is aligned to the development, enablement, and achievement of a digitally capable workforce in line with the SITA digital transformation ambition. The SITA training plan process is an annual process to enable the development of sector-specific (digital) and organisationally focused skills. The target is therefore strategic to support the achievement of the required year-on-year skills development.

7.6   Programme 4: Financial sustainability

7.6.1 Programme purpose

The purpose of this programme is to ensure effective and efficient financial management and commercial awareness in investment decisions to ensure financial growth and sustainability.

7.6.2 Outcomes, outputs, performance indicators and targets

Table 11 – Programme 4 performance indicators and medium-term targets

Outcomes	Outputs	Output indicators	Audited actual performance			Estimated performance 2023–2024	Medium-term targets		
			2020–2021	2021–2022	2022–2023		2024–2025	2025–2026	2026–2027
Improved governance and financial sustainability	Achieved budgeted EBITDA as a percentage of revenue	4.1. Percentage EBITDA as a percentage of revenue	R485.7m	R633.7m	R327m	10% EBITDA as a percentage of revenue	11% EBITDA as a percentage of revenue	12% EBITDA as a percentage of revenue	12% EBITDA as a percentage of revenue
Improved governance and financial sustainability	Achieved year-on-year growth in service revenue	4.2. Percentage year-on-year growth in service revenue on the FY2023/24 baseline	_	_	10% growth in revenue	10% year-on-year growth in service revenue on the FY2022/23 baseline	10% year-on-year growth in service revenue on the FY2023/24 baseline	10% year-on-year growth in service revenue on the FY2024/25 baseline	10% year-on-year growth in service revenue on the FY2025/26 baseline

7.6.3 Output indicators: Annual and quarterly targets

Table 12 – Programme 4 quarterly targets

Output indicators	Annual target 2024–2025	Quarterly targets			
		Quarter 1	Quarter 2	Quarter 3	Quarter 4
Percentage EBITDA as a percentage of revenue	11% EBITDA as a percentage of revenue	-	-	-	11% EBITDA as a percentage of revenue

Percentage year-on-year growth in service revenue on the FY2023/24 baseline	10% year-on-year growth in service revenue on the FY2023/24 baseline	-	-	-	10% year-on-year growth in service revenue on the FY2023/24 baseline

7.6.4 Explanation of planned performance

(a) Achieved budgeted EBITDA as a percentage of revenue

To ensure the financial sustainability of the organisation, it is critical that the EBITDA is monitored and improved over time. SITA has very high capital investment requirements due to the nature of the business. Without an acceptable EBITDA, the ability of the organisation to generate sufficient cash for its capital expenditure programmes will eventually be negatively affected.

(b) Achieved growth in service revenue

Service revenue must be grown to ensure the financial sustainability of the organisation, since SITA is a self-sustaining entity and is not funded externally. SITA will drive revenue growth by improving its capability to deliver on customer needs and requirements and tightening internal collaboration to deliver quality services.

7.7 Programme 5: Procurement and industry transformation

7.7.1 Programme purpose

The purpose of this programme is to advance the transformation of the ICT sector to stimulate economic growth, develop local ICT content and radically transform the agency's procurement capability towards the reduction of unemployment and poverty alleviation, supporting skills development and promoting fair, equitable, transparent and cost-effective procurement services.

7.7.2 Outcomes, outputs, performance indicators and targets

Table 13 – Programme 5 performance indicators and medium-term targets

Outcomes	Outputs	Output indicators	Audited/Actual performance			Estimated performance 2023–2024	Medium-term targets		
			2020–2021	2021–2022	2022–2023		2024–2025	2025–2026	2026–2027
Reformed supply chain through ICT economic transformation	Cost savings on new framework agreements OEMs listed prices achieved	5.1 Percentage cost savings on new framework agreements OEMs listed prices	5 transversal contracts implemented	12 transversal and panel contracts/ framework agreements implemented	7 transversal and panel contracts/ framework agreements implemented, renewed, refreshed and managed	15 transversal, panel contracts and framework agreements implemented, renewed or refreshed	35% cost savings on new framework agreements OEMs listed prices	35% cost savings on new framework agreements OEMs listed prices	35% cost savings on new framework agreements OEMs listed prices
	Increased procurement spend through entities designated as SMME, black, women, youth and people living with disabilities on influenceable procurement spend	5.2 Percentage of procurement spend through entities designated as SMME, black, women, youth and people living with disabilities on influenceable procurement spend	-	-	-	40% procurement spend through entities designated as SMME, black, women, youth and people living with disabilities on influenceable procurement spend	43% procurement spend through entities designated as SMME, black, women, youth and people living with disabilities on influenceable procurement spend	45% procurement spend through entities designated as SMME, black, women, youth and people living with disabilities on influenceable procurement spend	50% procurement spend through entities designated as SMME, black, women, youth and people living with disabilities on influenceable procurement spend

7.7.3 Output indicators: Annual and quarterly targets

Table 14 – Programme 5 quarterly targets

Output indicators	Annual target 2024–2025	Quarterly targets			
		Quarter 1	Quarter 2	Quarter 3	Quarter 4
Percentage cost savings on new framework agreements OEMs listed prices	35% cost savings on new framework agreements OEMs listed prices	35% cost savings on new framework agreements OEMs listed prices	35% cost savings on new framework agreements OEMs listed prices	35% cost savings on new framework agreements OEMs listed prices	35% cost savings on new framework agreements OEMs listed prices
Percentage of procurement spend through entities designated as SMME, black, women, youth and people living with disabilities on influenceable procurement spend	43% procurement spend through entities designated as SMME, black, women, youth and people living with disabilities on influenceable procurement spend	43% procurement spend through entities designated as SMME, black, women, youth and people living with disabilities on influenceable procurement spend	43% procurement spend through entities designated as SMME, black, women, youth and people living with disabilities on influenceable procurement spend	43% procurement spend through entities designated as SMME, black, women, youth and people living with disabilities on influenceable procurement spend	43% procurement spend through entities designated as SMME, black, women, youth and people living with disabilities on influenceable procurement spend

7.7.4 Explanation of planned performance

(a) Cost savings on OEMs listed prices for new framework agreements

The establishment of new framework agreements incorporating structured discounts is intended to streamline government procurement by reducing the volume of individual purchase requisitions, thereby optimizing the procurement process. In addition, it is meant to ease the procurement of common goods and services, shorten lead times, leverage economies of scale and reduce costs to government, optimise socioeconomic benefits to government and increase ICT service satisfaction among organs of state's and, ultimately, the citizens of South Africa.

(b) Increased procurement spend through designated entities

This is meant to increase the procurement spend through entities designated as SMME, black, women, youth and people living with disabilities on influenceable procurement spend, and to uplift previously disadvantaged and marginalised groups, and optimise socioeconomic benefits to the industry. There is a potential for dual awards for major contracts where SMMEs and designated groups can share in the award and provide strategic platforms for SMMEs to showcase locally developed solutions, e.g. GovTech.

8.   Financial resources

8.1 Overview of the 2024/25 budget and MTEF estimates

8.1.1 Revenue

Revenue for FY2024/25 is estimated at R7.277 bn. This will be an overall revenue increase of 10% as compared to the budget for FY2022/23. The increase in revenue will be achieved through continued efforts to build on SITA's business development strategies for revenue growth, harnessing more value and achieving a larger share of the current approved ICT spend. It is anticipated that the revenue growth will be achieved through the following mechanisms:

- (a)   Improving customer satisfaction;
- (b)   Maintaining and improving current "STARS" products/services;
- (c)   Introducing new services that respond to modern government demands;
- (d)   Retaining current business/customers;
- (e)   Extending full incorporation to national and provinces;
- (f)   Growing business in strategic departments and provinces;
- (g)   Growing business at local government level; and
- (h)   Focusing on the digitalisation strategic roadmap and linking SITA's service offerings accordingly.

Any unplanned increase in revenue will result in a corresponding increase in cost of sales in order to sustain this revenue.

8.1.2 Cost of sales and operational expenditure

Cost of sales also increased by 8% when compared to the FY2023/24 budget, to R5.095bn for FY2024/25, which is aligned with the concerted cost-cutting measures that have been implemented.

Opex are expected to increase by 9%, from a budget of R1.588bn for FY2023/24 to an estimated R1.737 bn in FY2024/25. This increase is due to a general rise in the cost of products and services due to inflation and other related factors, including the upgrade and maintenance of facilities and computer equipment.

The human capital components of the budget are purely for budget purposes and do not represent a commitment of any sorts. Actual results and various other factors will determine the translation of the budget into actual transactions, including increases, filling of vacancies, etc.

8.1.3 EBITDA

A more concerted and defined effort to manage the components of EBITDA will enable an increase in the operating surplus, which will allow for more money to become available to finance CapEx.

8.1.4 Capital expenditure

The FY2024/25 capital budget will be provided once the budget has been finalised.

8.2 Budgeted statement of financial performance

Description	Audited/Actual 2020/21 (Re-Stated)	Audited/Actual 2021/22 (Restated)	Actual 2022/23	Budget 23/24	Medium Term Budget 24/25	25/26	26/27
Total Revenue:	**5 733 572**	**5 809 816**	**6 458 272**	**6 615 602**	**7 277 162**	**8 004 879**	**8 805 367**
Service Revenue	4 968 780	5 132 247	5 698 514	5 856 026	6 441 628	7 085 791	7 794 370
Agency Revenue	764 793	677 568	759 759	759 577	835 534	919 088	1 010 997
Total Cost of Sales:	**3 933 279**	**3 935 304**	**4 702 596**	**4 713 441**	**5 094 927**	**5 507 372**	**6 058 109**
Agency Cost of Sales	682 014	638 112	701 889	721 402	779 115	841 444	925 588
Direct Labour	955 799	942 406	1 078 669	1 067 157	1 152 530	1 244 732	1 369 206
Service Delivery Expenses	2 145 550	2 197 990	2 683 334	2 704 383	2 920 734	3 154 393	3 469 832
Direct Depreciation	149 915	156 795	238 703	220 498	242 548	266 803	293 483
Gross Margin - overall	**1 800 294**	**1 874 512**	**1 755 676**	**1 902 161**	**2 182 236**	**2 497 507**	**2 747 258**
Gross Margin % - overall	**31%**	**32%**	**27%**	**29%**	**30%**	**31%**	**31%**
Gross Margin - services	**1 717 515**	**1 835 056**	**1 697 807**	**1 863 987**	**2 125 816**	**2 419 863**	**2 661 849**
Gross Margin % - services	**35%**	**36%**	**30%**	**32%**	**33%**	**34%**	**34%**
Gross Margin - agency	**82 779**	**39 456**	**57 869**	**38 174**	**56 420**	**77 644**	**85 408**
Gross Margin % - agency18:19	**11%**	**6%**	**8%**	**5%**	**7%**	**8%**	**8%**
Other Income	15 566	116 843	87 630	45 828	50 411	55 452	60 997
Total Operating Expenses:	**1 491 131**	**1 504 843**	**1 503 627**	**1 587 481**	**1 736 570**	**1 898 680**	**2 088 548**
Indirect Labour	944 322	979 082	998 894	1 053 807	1 159 187	1 275 106	1 402 616
Marketing expenses	-	-	-	41 474	44 792	48 376	53 213
Indirect Depreciation	10 922	19 907	24 548	50 729	55 802	60 266	66 293
Other Indirect Costs	506 296	505 853	480 185	412 191	445 166	480 780	528 858
Research and Development	-	-	-	-	-	-	0
Performance Bonus	-	-	-	-	-	-	0
Training	29 591	-	-	29 280	31 623	34 152	37 568
Operating Surplus	**324 729**	**486 512**	**339 679**	**360 508**	**496 076**	**654 279**	**719 707**
Net Finance Income	**36 342**	**70 077**	**138 781**	**0**	**0**	**0**	**0**
Profit Before Tax	**361 071**	**556 589**	**478 460**	**360 508**	**496 076**	**654 279**	**719 707**
Income tax payable	(303 145)	(120 089)	(27 941)	0	0	0	0
Net Profit	**57 926**	**436 500**	**450 518**	**360 508**	**496 076**	**654 279**	**719 707**
Operating Surplus	324 729	486 512	339 679	360 508	496 076	654 279	719 707
PLUS direct depreciation	149 915	156 795	238 703	220 498	242 548	266 803	293 483
PLUS indirect depreciation	10 922	19 907	24 548	50 729	55 802	60 266	66 293
EBITDA	**485 566**	**663 214**	**602 930**	**631 735**	**794 426**	**981 348**	**1 079 483**

8.3 Budgeted statement of financial position

Description	Audited Actual FY 2020/21 (Re-Stated)	Audited Actual FY 2021/22 (Re-Stated)	Audited Actual FY 2022/23	FY 2023/24 Budget	Medium Term Budget		
					FY 2024/25 Estimates	FY 2025/26 Estimates	FY 2026/27 Estimates
ASSETS							
CURRENT ASSETS	**3 529 372**	**3 420 849**	**3 948 279**	**2 562 092**	**2 497 393**	**2 618 548**	**2 736 091**
Cash and cash equivalents	1 853 991	2 227 789	2 437 791	1 144 782	970 315	1 137 124	1 369 274
Trade and other receivables	1 334 305	883 601	1 151 456	1 235 629	1 337 561	1 272 147	1 156 227
Income Tax receivable	127 591	136 556	218 983	71 433	72 984	86 102	80 394
Prepayments	62 847	139 165	140 049	110 247	116 532	123 174	130 195
Inventory	150 639	33 737	0	0	0	0	0
NON-CURRENT ASSETS	**1 763 412**	**1 233 360**	**1 106 546**	**2 570 811**	**2 791 376**	**2 947 693**	**3 112 764**
Property, plant & equipment	1 324 855	954 213	840 323	2 002 764	2 122 930	2 241 814	2 367 356
Intangible assets	438 557	279 147	265 319	568 047	668 446	705 879	745 409
Non Current Portion of Prepayments	0	0	905	0	0	0	0
TOTAL ASSETS	**5 292 785**	**4 654 208**	**5 054 825**	**5 132 903**	**5 288 769**	**5 566 241**	**5 848 855**
LIABILITIES							
CURRENT LIABILITIES	**1 357 935**	**919 805**	**933 553**	**896 821**	**1 031 417**	**1 285 770**	**1 543 394**
Creditors	871 065	497 610	512 481	499 919	613 143	844 966	1 078 841
Other payables	178 428	168 817	171 017	131 542	138 055	144 893	152 070
Income received in advance	280 213	219 219	231 235	261 851	276 515	292 000	308 351
Post-retirement employee benefits	1 763	2 427	2 713	2 163	2 284	2 412	2 547
Finance lease liability	25 407	30 341	14 359	0	0	0	0
Long service award benefit	1 059	1 392	1 749	1 346	1 421	1 501	1 585
NON-CURRENT LIABILITIES	**348 703**	**248 191**	**184 542**	**280 934**	**301 569**	**323 850**	**347 919**
Post-retirement medical liability	113 197	112 271	118 535	111 443	122 588	134 846	148 331
Finance lease liability	41 581	14 359	0	0	0	0	0
Long service award benefit	10 393	12 010	10 952	13 205	13 944	14 725	15 550
Deferred tax liability	183 531	109 551	55 056	156 285	165 037	174 279	184 038
TOTAL LIABILITY	**1 706 638**	**1 167 996**	**1 118 095**	**1 177 755**	**1 332 985**	**1 609 620**	**1 891 312**
TOTAL NET ASSETS	**3 586 148**	**3 486 212**	**3 936 730**	**3 955 149**	**3 955 784**	**3 956 621**	**3 957 542**
TOTAL LIABILITIES AND EQUITIES	**5 292 786**	**4 654 208**	**5 054 825**	**5 132 903**	**5 288 769**	**5 566 241**	**5 848 855**

8.4 Budgeted cash-flow statement

Description	Audited Actual FY 2020/21 R'000	Audited Actual FY 2021/22 R'000	Audited Actual FY 2022/23 R'000	FY 2023/24 Budget R'000	Medium Term Budget		
					FY 2024/25 Estimates R'000	FY 2025/26 Estimates R'000	FY 2026/27 Estimates R'000
Cash from operating activities	**656 155**	**594 120**	**389 418**	**995 863**	**825 532**	**1 166 809**	**1 232 150**
Cash flows from investing activities	**(151 831)**	**(192 817)**	**(152 435)**	**(1 000 000)**	**(1 000 000)**	**(1 000 000)**	**(1 000 000)**
Cash flow from financing activities	**(1 312)**	**(27 505)**	**(26 982)**	**-**	**-**	**-**	**-**
Increase/(decrease) in cash and cash equivalents	503 013	373 799	210 001	(4 137)	(174 468)	166 809	232 150
Cash and cash equivalents beginning of year	1 350 978	1 853 991	2 227 789	1 148 919	1 144 782	970 315	1 137 124
Cash and cash equivalents end of year	**1 853 991**	**2 227 789**	**2 437 791**	**1 144 782**	**970 315**	**1 137 124**	**1 369 274**

9. Updated key risks and mitigations

SITA has identified key strategic risks through its risk framework, supported by an embedded enterprise risk management process. The key strategic risks that may affect the realisation of the outcomes are reflected in the table below. Each risk has an accompanying mitigation plan, which is managed to ensure that exposure to the risk is minimised and that the planned medium-term targets are achieved.

Table 15 – Key risks and mitigations

Outcome	Key risk	Mitigations
A high performing workforce capable of solving complex public service ICT problems and the adoption of innovative solutions	Loss of, and inability to attract core, critical, scarce skills and leadership roles	1. Build digital skills through OEM partnerships 2. Recruit Top 100 vacant positions to capacitate critical business roles 3. Review HCM policies and benchmark to industry leaders
A high performing workforce capable of solving complex public service ICT problems and the adoption of innovative solutions	Reduced corporate performance	1. Partner with service providers to address capacitation gaps and improve client service delivery 2. Conduct proactive annual operational plan readiness workshops to manage dependencies, and refine resource plans.
Seamless integrated and trusted public services	Compromised confidentiality, integrity or availability of SITA and client's data and systems	1. Implementation of security hardening initiatives 2. Redesign and implement ISS awareness initiatives 3. Enhance Security Operations Centre (SOC) Capability across SITA services to government 4. Conduct security maturity assessments across government
A high performing workforce capable of solving complex public service ICT problems and the adoption of innovative solutions	Customer dissatisfaction (undelighted customers)	1. Development and implementation of complaints and query management system 2. Client Digital Advisory and Consulting capacity/ capability/ Service to be established 3. Implementation of service improvement plan to improve customer experience index
Effective and efficient public service with modernized, automated and paperless	Inability to digitalise and modernise SITA and government legacy services and solutions	1. Rationalisation of legacy, transversal and unique systems maintained by SITA, government departments respectively 2. Establishment of a digital product management capability
Increased citizen value through availability and accessibility of digital services	Prolonged service disruptions and interruptions	1. Investigate the distribution of critical systems across geographic locations (e.g. change the primary sites for some solutions) 2. Enhance comprehensive protocols to manage and recover from cybersecurity breaches/incidents 3. Investigate solar energy systems suitable for SITA switching centre sites for back-up and redundancy 4. Investigate alternatives of installing bulk fuel storage infrastructure for smaller switching centre sites 5. Develop and implement a power generation strategy that will address service continuity in the event of continuous high stages of load shedding.

Outcome	Key risk	Mitigations
Increased citizen value through availability and accessibility of digital services	Impaired Network connectivity response times	1. Implement the Software Defined Network (SDN) Operational Support System 2. Appoint service providers to provide transmission links for core network 3. Procurement and implementation of SDN Controller 4. Implementation of new Layer 2 transmission design on the SITA Next Generation Network (NGN)
Improved governance and financial sustainability	Unfavourable audit outcomes (qualified, adverse and disclaimer)	1. Remediation of financial control environment 2. Implementation of audit action plan. 3. Development of business processes and development of SOP support the process. 4. Monitoring and reporting on the status of the implementation of the AGSA recommendations
Improved governance and financial sustainability	Threatened financial sustainability	1. Develop additional sources of income and new business opportunities to reduce the reliance on concentrated revenue streams 2. Obtain approval for revised rates and tariffs from the ministry (DCDT) and National Treasury 3. Identify opportunities to cross-sell or up-sell additional services to existing clients 4. Implement rigorous cost control measures and regularly review expenditure trends 5. Continuous working capital management (debtors management and monitoring of customers with high outstanding amounts)
Reformed supply chain through ICT economic transformation	High bid cancellations	1. Implementation of the bid specification centre of excellence 2. Implementation of fraud prevention and awareness plan
Reformed supply chain through ICT economic transformation	Lengthy SCM turnaround times (Inefficient SCM processes)	1. Increase the number of procurement vehicles for repetitive ICT requirements across Government departments 2. Automate and improve SCM processes (automate repeatable activities and remove unnecessary ones) 3. Implement SCM process and related legislation training for Bid Evaluation Committee (BEC) members and SITA employees. 4. Revise engagement models for RFQs (panels and transversals) to be more responsive and create "call-off" contracts from RFAs.

PART D: TECHNICAL INDICATOR DESCRIPTIONS

10. Technical indicators

10.1 Percentage implementation of Court Online phase 2 roll-out plan

Definition	To implement an end-to-end digital court system to manage, secure and ensure sharing of court documents in order to improve efficiency and quality of service to the public
Source of data	Approved project charter and plan
Method of calculation	(Actual milestones completed /planned milestones on the project plan) X 100
Means of verification	Signed acceptance certificates by client
Assumptions	(a) Phase 1 roll-out plan completed (b) Client approval to continue with phase 2 roll-out plan received before 31 March 2024
Disaggregation of beneficiaries (where applicable)	Target for SCA/ con-court judges= N/a Target = Law practitioners Target for appellants = N/a
Spatial transformation (where applicable)	National
Calculation type	Non-cumulative
Reporting cycle	Quarterly
Desired performance	100% implementation of Court Online phase 2 roll-out plan
Indicator responsibility	Executive: Applications Development and Maintenance

10.2 Percentage implementation of indigent household application and integration phase 2 plan

Definition	The ability for a member of the household to apply for indigent household benefits electronically, further validating the household application for eligibility using identified data sources
Data/Evidence source	Indigent household project plan
Method of calculation	(Actual milestones completed as per the project plan / Total planned milestones) * 100
Means of verification	Approved project plan and achieved milestones as per plan
Assumptions	(a) The approved client proposal is in place (b) The approved MOUs for data access are established
Disaggregation of beneficiaries (where applicable)	Target for women = N/a Target for youth = N/a Target for people with disabilities = N/a
Spatial transformation (where applicable)	National and provincial
Calculation type	Cumulative (year-to-date)
Reporting cycle	Quarterly

Desired performance	100% implementation of indigent household application and integration phase 2 plan
Indicator responsibility	Executive: Applications Development and Maintenance

10.3 Implementation of Citizen SuperApp with selected government eservices accessible

Definition	To enable citizens to easily access key government services via the Citizen SuperApp thereby accelerating adoption of eGovernment which aims to enhance citizens experience through improved delivery of public services
Data/Evidence source	Citizen SuperApp
Method of calculation	Number of selected government eServices accessible through the Citizen SuperApp
Means of verification	eServices deployment certificates
Assumptions	(a) Key government stakeholders will be available to collaborate with SITA SuperApp development team (b) Affordable internet access through zero-rating and incentivising the less affording communities will be provided by SITA partners
Disaggregation of beneficiaries (where applicable)	Target for women = N/a Target for youth = N/a Target for people with disabilities = N/a
Spatial transformation (where applicable)	National and provincial
Calculation type	Cumulative (year-to-date)
Reporting cycle	Quarterly
Desired performance	Citizen SuperApp developed with selected government eServices accessible
Indicator responsibility	Executive: Applications Development and Maintenance

10.4 Percentage customer satisfaction level

Definition	To measure the percentage improvement in customer satisfaction as per identified customers, i.e. consumers of networks, hosting, EUC and SCM services, thereby assessing the impact of customer service improvement plan
Data/Evidence source	Customer satisfaction survey
Method of calculation	As per results of customer survey conducted
Means of verification	Customer satisfaction survey report
Assumptions	(a) The preliminary assessment of improvements implemented in previous financial years will be conducted in quarter 1 (b) Targeted focus for service delivery in high-impact clusters like Social and Security clusters will have a positive spill-over effect on the overall customer satisfaction improvements (c) Supply chain management reforms will be implemented

Disaggregation of beneficiaries (where applicable)	Target for women = N/A Target for youth = N/A Target for people with disabilities = N/A
Spatial transformation (where applicable)	National and provincial
Calculation type	Non-cumulative
Reporting cycle	Quarterly
Desired performance	Attain 60% customer satisfaction level
Indicator responsibility	Executive: National and Regional Consulting

10.5 Percentage core network availability

Definition	To meet and exceed contracted network availability service levels with clients, which includes continual service improvement interventions
Data/Evidence source	Network monitoring systems (NMS) report

Method of calculation	**% availability** of switching centres = Sum of availability of all SITA switching centres / Number of switching centres (for the period under review – month, quarter, year to date)
	% reachability of all core links = Sum of reachability of SITA core links / Number of core links (for the period under review – month, quarter, year to date)
	% core network availability performance = Average between % availability and % reachability (for the period under review – month, quarter, year to date)
	Exclusions are as follows:
	    a. All planned downtime
	    b. All downtimes related to *force majeure* as defined in client SLA

Means of verification	Information from NMS
Assumptions	Budget will be made available (CapEx & OpEx) to address network modernisation and upgrade programmes
Disaggregation of beneficiaries (where applicable)	Target for women = N/a Target for youth = N/a Target for people with disabilities = N/a
Spatial transformation (where applicable)	N/a
Calculation type	Cumulative (year-to-date)
Reporting cycle	Quarterly
Desired performance	98% core network availability
Indicator responsibility	Executive: IT Infrastructure Services

10.6 Percentage implementation of plan for Government public cloud services enabled across multiple hyperscalers

Definition	To enable secure access to public cloud service offerings for customers
Data/Evidence source	Report on cloud services offerings available through each cloud panel hyperscalers Approved project charter and plan
Method of calculation	Actual milestones completed as per the project plan / Total planned milestones) * 100
Means of verification	Approved project plan and achieved milestones as per plan
Assumptions	(a) Acquisition of an open Hypervisor - VMWare licenses (2024/25) (b) Establishment of Carrier Neutral Facility (CNF) point of presence (2024/25) (c) Establishment of peering agreements for hyperscalers (24/25 FY). (d) Sufficient Hosting capacity (e) Configuration and implementation of the hyperscalers solution for interconnectivity
Disaggregation of beneficiaries (where applicable)	Target for women = N/a Target for youth = N/a Target for people with disabilities = N/a
Spatial transformation (where applicable)	N/a
Calculation type	Cumulative (Year-to-date)
Reporting cycle	Quarterly
Desired performance	100% implementation of plan for Government public cloud services enabled across multiple hyperscalers
Indicator responsibility	Executive: IT Infrastructure Services

10.7 Percentage of government department information security maturity level assessments completed

Definition	To measure the information security maturity level of government and determine priority interventions to improve information and cyber resilience in government
Data/Evidence source	National and provincial government departments
Method of calculation	(Number of Information Security Maturity Assessment Reports completed / Total number of National and Provincial Departments as defined in March 2024) * 100
Means of verification	Government information security maturity assessment reports
Assumptions	(a) Plan project steering committee set up with representation from all relevant LOBs and key stakeholders in government, i.e. DCDT, DPSA
Disaggregation of beneficiaries (where applicable)	Target for women = N/a Target for youth = N/a Target for people with disabilities = N/a
Spatial transformation (where applicable)	National and provincial government

Calculation type	Cumulative (year-to-date)
Reporting cycle	Quarterly
Desired performance	100% National and Provincial Departments information security maturity level assessments completed
Indicator responsibility	Executive: Service Management

10.8 Percentage of National and Provincial Departments provided with information security awareness campaigns

Definition	Implement information awareness campaigns geared towards improving information security awareness across all spheres of government – national, provincial and local levels
Data/Evidence source	Information Security Awareness campaigns completed across all National and Provincial Departments
Method of calculation	(Number of National and Provincial Departments Information Security Awareness Campaigns provided / Total number of National and Provincial Departments as defined in March 2024) * 100
Means of verification	% National and Provincial Departments campaigns completed through one of either per client - (Website Published Campaign or Release Management roll out report or email published campaign or Attendance Register) (Physical or Virtual) Campaign
Assumptions	Support and cooperation can be secured from clients to implement awareness campaigns
Disaggregation of beneficiaries (where applicable)	Target for women = N/a Target for youth = N/a Target for people with disabilities = N/a
Spatial transformation (where applicable)	National and Provincial
Calculation type	Cumulative (year-to-date)
Reporting cycle	Quarterly
Desired performance	100% National and Provincial Departments provided with Information Security Awareness Campaigns
Indicator responsibility	Executive: Service Management

10.9 Number of National Departments expanded with Security Operations Centre (SOC) Transversal Capability

Definition	Expand Security Operations Centre (SOC) Transversal Capability to National Departments to enhance government's resilience against cyber threats and protect national critical information.
Data/Evidence source	National Departments with SOC Transversal Capability
Method of calculation	Number of National Departments expanded with SOC Transversal Capability
Means of verification	Client SOC Transversal Capability certificates

Assumptions	a) Agreement of deployment with government departments will be concluded by 31 March 2024 b) Minimum required available infrastructure to deploy SOCC capability is reliable, and accessible
Disaggregation of beneficiaries (where applicable)	Target for women = N/a Target for youth = N/a Target for people with disabilities = N/a
Spatial transformation (where applicable)	N/a
Calculation type	Cumulative (year-to-date)
Reporting cycle	Quarterly
Desired performance	37 National Departments expanded with Security Operations Centre (SOC) Transversal Capability
Indicator responsibility	Executive: Service Management

10.10 Percentage of employees trained against the SITA training plan

Definition	The ability of an organisation to identify and develop the required skills to meet current and future business needs
Data/evidence source	Approved SITA training plan
Method of calculation	(Actual number of employees trained/total number of employees as per the SITA training plan) x 100
Means of verification	(a) SITA training plan (b) Training attendance register or training certificates
Assumptions	(a) Employees will undergo digital-specific skills training (b) Training will accurately address the digital-specific skills gaps identified (c) Internal processes will continue to enable the training of employees in line with the required skills
Disaggregation of beneficiaries (where applicable)	Target for women = Yes Target for youth = Yes Target for people with disabilities = Yes
Spatial transformation (where applicable)	National and provincial
Calculation type	Cumulative (year to date)
Reporting cycle	Quarterly
Desired performance	85% employees trained against the SITA training plan
Indicator responsibility	Executive: Human Capital Management

10.11 Percentage earnings before interest, taxes, depreciation and amortisation (EBITDA) as percentage of revenue

Definition	EBITDA is measured as a percentage of revenue
Data/Evidence source	Budgeted income statement, quarterly statement of financial performance, financial statements
Method of calculation	(Net surplus before tax + depreciation + amortisation – interest received + interest paid)/Revenue
Means of verification	Financial reports and financial statements
Assumptions	(a) Improved financial governance across the organisation (b) Managing HCM-related cost as well as recoverability rates
Disaggregation of beneficiaries (where applicable)	Target for women = N/a Target for youth = N/a Target for people with disabilities = N/a
Spatial transformation (where applicable)	N/A
Calculation type	Non-cumulative
Reporting cycle	Annually
Desired performance	11% EBITDA as a percentage of revenue
Indicator responsibility	Chief Financial Officer

10.12 Percentage year-on-year growth in service revenue on the FY2023/24 baseline

Definition	The percentage growth in service revenue is calculated using the previous years' service revenue as per the annual financial statements as the basis and calculating the year-on-year increase in revenue
Data/Evidence source	Quarterly finance reports Annual financial statement
Method of calculation	(Current period service revenue – Service revenue per previous year's financial statements)/Service revenue per current year's financial statements
Means of verification	SITA ERP system/General ledger data
Assumptions	(a) Synchronisation between national/provincial consulting and units responsible for delivering the actual services (b) Departments will obtain the necessary funding for digitalisation
Disaggregation of beneficiaries (where applicable)	Target for women = N/a Target for youth = N/a Target for people with disabilities = N/a
Spatial transformation (where applicable)	N/A
Calculation type	Non-cumulative
Reporting cycle	Annually

Desired performance	10% year-on-year growth in service revenue on the FY2023/24 baseline
Indicator responsibility	Chief Financial Officer

10.13 Percentage cost savings achieved on OEMs listed prices for new framework agreements

Definition	To establish new framework agreements incorporating structured discounts designed to streamline government procurement by reducing the volume of individual purchase requisitions, thereby optimizing the procurement process
Data/Evidence source	Contract register and/or signed contracts BAC Report
Method of calculation	(Original OEM listed prices minus discounted OEM listed prices / original OEM listed prices) * 100%
Means of verification	Framework agreements database report and BAC reports
Assumptions	a) SITA will implement robust technology to enable commercial contract management and performance tracking b) Manage the backlog of tenders c) Adequate capacity d) Adequate market response e) Stakeholder participation from the LOB and National Treasury f) No serious business disruption occurs
Disaggregation of beneficiaries (where applicable)	Target for women = N/A Target for youth = N/A Target for people with disabilities = N/A
Spatial transformation (where applicable)	National and provincial
Calculation type	Cumulative (year-to-date)
Reporting cycle	Quarterly
Desired performance	35% cost savings on new framework agreements OEMs listed prices
Indicator responsibility	Executive Supply Chain Management

10.14 Percentage of procurement spend through entities designated as SMME, black, women, youth and people living with disabilities on influenceable procurement spend

Definition	Small, medium and micro enterprise (SMMEs) spend means exempted micro enterprises (EMEs) and qualifying small enterprises (QSEs) that qualify for measurement under entity scorecard with an annual turnover of R50m or less. Designated group spend means the rand value invoiced by and paid (direct and indirect procurement spend) to entities designated as SMME, black, women, youth and people living with disabilities or persons, or categories of persons, historically disadvantaged by unfair discrimination on the basis of race, gender and disability, including the implementation of programmes of the Reconstruction and Development Programme.

Data/Evidence source	(a) SCM SMME register (b) Supplier database (c) ERP creditor payment report (d) Copies of broad-based black economic empowerment (B-BBEE) certificate/affidavit and/or NT Central Supplier Database (CSD) for suppliers (e) Contract register and sub-contracting report

Method of calculation	{P= (SMME, black, women, youth and people living with disabilities direct and indirect (procurement spend)/Influenceable procurement spend) *100)}
	  o SMME/Designated direct spend means the procurement spend (rand) on entities designated as SMME, black, women, youth and people living with disabilities or persons, or categories of persons, historically disadvantaged by unfair discrimination on the basis of race, gender and disability, including the implementation of programmes of the RDP, for the reporting period as reflected in the ERP creditors report.
	  o SMME, black, women, youth and people living with disabilities indirect spend means procurement spend (the rand value) invoiced by and paid to entities designated as SMME, black, women, youth and people living with disabilities or persons, or categories of persons, historically disadvantaged by unfair discrimination on the basis of race, gender and disability, including the implementation of programmes of the RDP by main contractors in accordance with sub-contracting clauses as stated on the contracts register and reflected in the sub-contracting report.
	  o Denominator is the influenceable procurement spend (total annual supplier spend minus the total measured procurement spend (TMPS) less all OEMs, OSMs and allowable exclusions by SITA, the Department of Trade and Industry and National Treasury.

Means of verification	SCM SMME database report
Assumptions	(a) Certificates are valid for a period of one year. (b) SCM will collate supplier certification – B-BEEE certificates, collated, late impact, previous performance reported. (c) Black SMME clauses will be implemented.
Disaggregation of beneficiaries (where applicable)	Target for women = Yes Target for black people = Yes Target for people with disabilities = Yes Target for youth = Yes
Spatial transformation (where applicable)	National and provincial
Calculation type	Cumulative (year to date)
Reporting cycle	Quarterly
Desired performance	43% of procurement spend through entities designated as SMME, black, women, youth and people living with disabilities on influenceable procurement spend
Indicator responsibility	Executive: Supply Chain Management

Annex A: Abbreviations

ADM	application development and maintenance
APP	annual performance plan
BBBEE	broad-based black economic empowerment
CapEx	capital expenditure
CEO	chief operating officer
CIPC	companies and intellectual property commission
CSR	corporate social responsibility
CSIR	council of industrial research
CSP	cloud service provider
DCDT	department of communication and digital technologies
DSBD	department of small business development
DPME	department of planning, monitoring and evaluation
DPSA	department of public service and administration
DSD	department of social development
ECD	early childhood development
EBITDA	earnings before interest, tax, depreciation and amortisation
EE	employment equity
ERP	enterprise resource planning
ESD	enterprise and supplier development
EUC	end-user computing
EXCO	executive committee
FY	financial year
GBVF	gender-based violence and femicide
GTMI	GovTech maturity index
GPCE	government private cloud ecosystem
HCM	human capital management
IaaS	infrastructure-as-a-service
ICT	information and communication technology
IMST	information management systems and technology
ISMS	information security management system
ISS	information security services
IT	information technology
MD	managing director
MTEF	medium-term expenditure framework
NDP	national development plan
NMS	network management system
NT	national treasury
OEM	original equipment manufacturer
OLA	operational level agreement
OpEx	operating expenditure
OSM	original software manufacturer
PaaS	platform-as-a-service

POPIA	protection of personal information act
PRC	presidential review commission
PC4IR	presidential review Commission on the 4th industrial revolution
PSS	products, services and solutions
RAs	reference architectures
RDP	reconstruction and development programme
SA	south africa
SaaS	software-as-a-service
SAPS	south african police service
SARS	south african revenue service
SCM	supply chain management
SDN	software defined network
SITA	state information technology agency
SLA	service level agreement
SMME	small, medium and micro enterprises
SOC	state-owned company
SOCC	security operation centre capability
SP	strategic plan
TMPS	total measured procurement spend
UIF	unemployment insurance fund
UPS	uninterrupted power supply
VPC	virtual private cloud
VPN	virtual private network
WAN	wide-area network
WSP	workplace skills plan

Annex B: Amendments to the Strategic Plan outcome indicators and targets

The revised planning guidelines and framework of the Department of Planning, Monitoring and Evaluation (DPME) indicates that entities should reflect targets for each outcome in their strategic plans. SITA revised its strategic outcomes, outcome indicators and related targets following the end of term for its three-year targets as defined in the 2020–2025 corporate Strategic Plan. The revision was tabled as an addendum to the FY2023–2024 APP.

The finalisation of the APP necessitated the refinement of certain targets, outcome indicators to ensure that the targets are Specific, Measurable, Achievable, Realistic and Timely. The table below provides amendments to the Strategic Plan Outcomes Indicators and Targets 2025.

B.1 Measuring outcomes

Programme	Outcome	Outcome indicator	Five-year target (2025)	Revised five-year target (2025)
Digital infrastructure	Increased citizen value through availability and accessibility of digital services	Core network availability achieved	97% core network availability	98% core network availability
Skills and capability development	A high performing workforce capable of solving complex public service ICT problems and the adoption of innovative solutions	**Previous 2025 indicator:** Percentage of employees trained against the SITA workplace skills plan **New 2025 indicator:** Percentage of employees trained against the SITA training plan	85% of employees trained against the SITA workplace skills plan	85% of employees trained against the SITA training plan
Financial sustainability	Improved governance and financial sustainability	**Previous 2025 indicator:** Audit report issued on predetermined objectives that is unqualified and a 5% reduction of audit finding Audit report issued on annual financial statements (AFS) that is unqualified and a 5% reduction of audit finding **New 2025 indicator:** Percentage EBITDA as a percentage of revenue	Achieve an unqualified audit opinion on predetermined objectives with a 5% reduction of audit findings Achieve an unqualified audit opinion on AFS with a 5% reduction of audit findings	11% EBITDA as a percentage of revenue

B.2 Revised technical indicator descriptions

B.2.1. Percentage core network availability

Definition	To meet and exceed contracted network availability service levels with clients which includes continual service improvement interventions
Data/Evidence source	NMS report

Method of calculation	**% availability** of switching centres = Sum of availability of all SITA switching centres / Number of switching centres (for the period under review – month, quarter, year to date)
	
	 % Reachability of all core links = Sum of reachability of SITA core links / Number of core links (for the period under review – month, quarter, year to date)
	
	 % core network availability performance = Average between % availability and % reachability (for the period under review – month, quarter, year to date)
	
	 Exclusions are as follows:
	    a. All planned downtime
	    b. All downtimes related to *force majeure* as defined in client SLA

Means of verification	Information from NMS
Assumptions	Budget will be made available (CapEx & OpEx) to address network modernisation and upgrade programmes
Disaggregation of beneficiaries (where applicable)	Target for women = N/a Target for youth = N/a Target for people with disabilities = N/a
Spatial transformation (where applicable)	N/a
Calculation type	Cumulative (year to date)
Reporting cycle	Quarterly
Desired performance	98% core network availability
Indicator responsibility	Executive: IT Infrastructure Services

B.2.2. Percentage employees trained against the SITA training plan

Definition	The ability of an organisation to identify and develop the required skills to meet current and future business needs
Data/evidence source	Approved SITA training plan
Method of calculation	(Actual number of employees trained/total number of employees as per the SITA training plan) x 100
Means of verification	(a) SITA training plan (b) Training attendance register or training certificates
Assumptions	(a) Employees will undergo digital-specific skills training (b) Training will accurately address the digital-specific skills gaps identified. (c) Internal processes will continue to enable the training of employees in line with the required skills

Disaggregation of beneficiaries (where applicable)	Target for women = Yes Target for youth = Yes Target for people with disabilities = Yes
Spatial transformation (where applicable)	National and provincial
Calculation type	Cumulative (year to date)
Reporting cycle	Quarterly
Desired performance	85% employees trained against the SITA training plan
Indicator responsibility	Executive: Human Capital Management

B.2.3. Percentage EBITDA as percentage of revenue

Definition	EBITDA is measured as a percentage of revenue.
Data/Evidence source	Budgeted income statement, quarterly statement of financial performance, financial statements
Method of calculation	(Net surplus before tax + depreciation + amortisation − interest received + interest paid)/Revenue
Means of verification	Financial reports and financial statements
Assumptions	(c) Full support from EXCO and divisions (d) Improved financial governance across the organisation (e) Managing HCM-related cost as well as recoverability rates
Disaggregation of beneficiaries (where applicable)	Target for women = N/a Target for youth = N/a Target for people with disabilities = N/a
Spatial transformation (where applicable)	N/A
Calculation type	Non-cumulative
Reporting cycle	Annually
Desired performance	11% EBITDA as a percentage of revenue
Indicator responsibility	Chief Financial Officer

Annex C: Materiality and Significance Framework

C.1 Introduction

1.1   SITA, which is classified as a schedule 3A public entity, is governed by the PFMA, Treasury Regulations issued by the National Treasury and by the Companies Act.

1.2   In terms of the Treasury Regulation (TR) 28.3.1, SITA's accounting authority must, for purposes of "material" and "significant" in terms of sections 54(2) and 55(2) of the Public Finance Management Act (PFMA), develop and agree a framework of acceptable levels of materiality and significance with the relevant executive authority.

1.3   Section 55(2) (b) (i) of the PFMA – "The annual report and financial statements referred to in subsection (1) (d) must include particulars of any material losses through criminal conduct and any irregular expenditure and fruitless and wasteful expenditure that occurred during the year".

1.4   Section 54(2) of the PFMA – "Before a public entity concludes any of the following transactions, the accounting authority for the public entity must promptly and in writing inform the relevant treasury of the transaction and submit relevant particulars of the transactions to its executive authority for approval of the transaction:

• establishment or participation in the establishment of a company;
• participation in a significant partnership, trust, unincorporated joint venture or similar arrangement;
• acquisition or disposal of a significant shareholding in a company;
• acquisition or disposal of a significant asset;
• commencement or cessation of a significant business activity; and
• a significant change in the nature or extent of its interest in a significant partnership, trust, unincorporated joint venture or similar arrangement"

1.5   In terms of TR 30.1, the accounting authority for a public entity must annually submit a proposed strategic plan for approval by the executive authority to the designated department (Department of Communication and Digital Technologies (DCDT)). In terms of TR 30.1.3 (e), the strategic plan must include a materiality/significance framework.

1.6   The King IV Report on Corporate Governance (2016) requires that the governing body should approve management's bases for determining materiality for the purpose of deciding which information should be included in external reports.

1.7   This framework was developed taking into account the "Practice Note on Applications under section 54 of the PFMA Act no.1 of 1999 (as amended) by public entities" issued by the National Treasury. The framework will be reviewed annually and updated if necessary.

C.2 Definition of materiality and significance

2.1   The Accounting Standards Board (ASB) defines materiality as "the magnitude of an omission or misstatement in the financial statements, which individually or collectively, makes it probable that a reasonable person relying on those statements would have been influenced by the information or made a different judgement if the correct information had been known".

2.2   From an external audit point of view, ISA 320 defines materiality as follows: "Information is material if its omission or misstatement could influence the economic decisions of users taken on the basis of the

financial statements. Materiality depends on the size of the item or error judged in the particular circumstances of its omission or misstatement. Thus, materiality provides a threshold or cut-off point (quantitative), rather than being a primary qualitative characteristic which information must have if it is to be useful."

2.3   The Concise Oxford Dictionary defines significant as "extensive or important enough to merit attention" and may, therefore, be interpreted as of relative importance to the public entity as a whole. Transactions may be significant based on the monetary value of the transactions or due to the nature of the transactions. Thus, a transaction will be significant if conducting the transaction is vitally important in order to fulfil the public entity's mandate and for it to operate effectively.

2.4   "Significant" may also be interpreted as those transactions that in the case of SITA, would require approval from the executive authority or National Treasury and would include, but are not limited to the participation in a significant partnership, trust, unincorporated joint venture or similar arrangement, the acquisition or disposal of a significant shareholding in an organization, the acquisition or disposal of a significant asset and commencement or cessation of a significant business activity.

2.5   From the interpretations above, there is a difference between "material" and "significant". Significant is larger than material as a significant transaction impacts the public entity as a whole. An occurrence may be material but not necessarily significant, whereas any occurrence that is significant will be material.

2.6   As Treasury Regulation 28.3.1 also has an expectation of qualitative reporting, this framework will be dealt with in two main categories, namely quantitative and qualitative aspects. The policy set out hereunder should be appropriately presented in the Annual Report as required.

C.3   Determination of the acceptable levels of significance and materiality limits

C.3.1   Quantitative factors

The guidelines as contained in the National Treasury Practice Note on Applications under section 54 of the PFMA Act no.1 of 1999 (as amended) by public entities will be used as the basis for determining the quantitative materiality and significance. The guideline recommends certain elements of financial statements to be considered as bases purposes of this determination. The table below outlines the financial statement elements and the percentage ranges that can be used.

Table 16: Financial Statement Elements and percentage range to be applied

Element	% range to be applied against R value
Total assets	1%-2%
Total revenue	0.5%-1%
Profit after tax	2%-5%

Total assets have been deemed to be an appropriate basis for which these levels are determined, as it is more reflective of the activities undertaken by the company. This is based on the fact that SITA's main business is the development of ICT infrastructure and provision of ICT services on these infrastructure platforms. The entity is also engaging in the refurbishment of its asset base. The significance amount will therefore be set at R101 million which is 2% of total assets.

SITA has governance structures that are in place and that are fully operational, as a result, the materiality amount will be set at R101 million as well which is 2% of total assets.

Losses in excess of R50,000 arising from criminal conduct are considered to be material and will be disclosed in terms of section 55 of the PFMA.

The 2022/23 audited financial statements have been used to determine the appropriate materiality and significance.

C.3.2 Qualitative factors

Materiality is not merely related to the size of SITA and/or the elements of its financial statements. Misstatements may also be material on qualitative grounds. These qualitative grounds include amongst other:

- Unusual transactions entered into that are not of a repetitive nature and are disclosable purely due to nature thereof (due to knowledge thereof affecting the decision making of the user of the financial statements);
- transactions entered into that could result in reputational risk to SITA;
- any fraudulent or dishonest behaviour of an officer or staff of SITA. For example, losses resulting from criminal conduct may be seen as material, based on the public accountability of SITA, regardless of the monetary value of the amount; and
- procedures/ processes required by legislation or regulation.

C.4 Materiality and significance framework

Section	Requirement	Material/Significant	Underlying principle
Section 50(1)	The accounting authority for a public entity must – (c) On request, disclose to the executive authority responsible for that public entity or the legislature to which the public entity is accountable, all material facts, including those reasonably discoverable, which in any way may influence the decisions or actions of the executive authority.	SITA submits quarterly reports to the executive authority which include all relevant information which may influence the decisions or actions of the executive authority. These reports cover *all* transactions/ventures not included in the SITA strategic plan and SITA mandate and all other information as requested/required by the Minister.	• The PFMA is not intended to affect the autonomy of SITA, but its objectives are to ensure transparency, accountability and sound management of revenue, expenditure, assets and liabilities of the entity to which the Act applies. Therefore, the legislature could not have intended for the public entities to report and seek approval on matters of a daily basis; • The operations of SITA are conducted within the framework of the mandate, objects and powers of the SITA Act, as well as the operational and financial direction set out in the strategic plan; • SITA also has defined accountability and approval structures from the accounting authority, as the stakeholder representative, to the MD and management; • The responsibility for day-to-day management of SITA vests in line management through a defined organizational structure and through formally delegated authorities.
Section 51(1)(g)	An Accounting Authority for a public entity must promptly inform the National Treasury on any new entity which that public entity intends to establish or in the establishment of which it takes the initiative.	SITA will inform the National Treasury of individual transactions covered by this section irrespective of the materiality or significance of the transaction. The application will be done simultaneously with the section 54 application to the DCDT.	
Section 54(2)	Before a public entity concludes any of the following transactions, the accounting authority for the public entity must promptly and in writing inform the relevant treasury of the transaction and submit relevant particulars of the transaction to its executive authority for approval of the transaction:	1. Quantitative factors • *Sections 54(2)(a)-(f)*: Any specific transaction will be regarded as significant if its rand value exceeds **R101 million** as determined above.	

Section	Requirement	Material/Significant	Underlying principle
	(a) establishment or participation in the establishment of a company;	**2. Qualitative factors.** The following qualitative factors will be taken into account when determining the significance of transactions: 2.1 Any transaction of this nature that causes any interest (equity or loans) to be taken by SITA in the company to be established requires approval from the Executive Authority irrespective of its materiality or significance. 2.2 Concerning participation in the establishment of a company, where an interest (equity or loans) is to be taken by SITA in the company to be established, any involvement by SITA in the establishment process will necessitate an application for approval, regardless of the degree of involvement by SITA.	
		2.3 Flowing from 1 and 2 above, where no interest (equity or loans) is to be held by SITA in the company to be established, for instance, where SITA is only facilitating the formation on behalf of or with other parties in pursuance of a social objective, such participation need not necessitate an application for approval. 2.4 The establishment (or participation in the establishment) by SITA of any company that is domiciled outside the Republic of South Africa requires approval from the Executive Authority irrespective of the materiality or significance of the transaction. 2.5 For purposes of establishment of an entity as envisaged under section 51(1)(g), the above principles will also apply.	
	(b) Participation in a *significant* partnership, trust, unincorporated joint venture or similar arrangement;	2.6 Any transaction that entails incorporation under the Companies Act (or similar foreign legislation) should be dealt with under 2.1 to 2.5 above. 2.7 For transactions not entailing incorporation, any transaction will be considered as significant -	

Section	Requirement	Material/Significant	Underlying principle
		2.7.1 If participation is in any partnership, trust, unincorporated joint venture or similar arrangement that is located outside the Republic.	
	(c) acquisition or disposal of a *significant* shareholding in a company;	2.8 Transactions are to be regarded as significant where - 2.8.1 ownership control is affected; or 2.8.2 SITA's right to pass or block a special resolution is affected; or 2.8.3 there is a change in shareholding of at least 20%; or 2.8.4 for an acquisition, any transaction results in a shareholding of at least 20% in a company.	
	(d) acquisition or disposal of a *significant* asset;	2.9 Although the acquisition or disposal of shares or of an interest in an unincorporated vehicle, as envisaged by sections 54(2)(b), (c) and (f), would also be an acquisition or disposal of an asset, such transactions are more appropriately dealt with under the guidelines for those sections. 2.10 Assets classified as current assets according to GAAP are not regarded as falling under this subsection. 2.11 The acquisition or disposal of an asset other than those referred to in 2.9 and 2.10 above should be regarded as significant if its rand value falls within the parameters outlined in 1.1 above. The replacement (acquisition and disposal) of assets for operational reasons will be approved as per SITA delegation of authority as this is intended to maintain, renew, modernise and expand current business operations and not create entirely new streams of revenue or close business operations and related revenue streams. 2.12 Regarding the acquisition of assets through a finance lease, the principles in 2.10 above will apply.	
	(e) commencement or cessation of a *significant* business activity; and	2.13 SITA may sell fixed assets only with the approval of the accounting authority, in consultation with the Minister of Communications, Telecommunications and Postal Services (SITA Act 19(4)).	

Section	Requirement	Material/Significant	Underlying principle
		2.14 SITA may, with the approval of the Cabinet, transfer to any person the shares of the Agency in a subsidiary company in accordance with the Companies Act (SITA Act 3A (3a)).	
	(f) a *significant* change in the nature or extent of its interest in a *significant* partnership, trust, unincorporated joint venture or similar arrangement.	2.15 The significance of a change in interest should only be considered if the participation in the partnership, trust, unincorporated joint venture or similar arrangement was originally regarded as significant. 2.16 Where the nature changes between any of the vehicles (that is between a partnership, trust, unincorporated joint venture or similar arrangement), this will be regarded as significant. 2.17 Any transaction that results in a cumulative interest of at least 20% in the vehicle (partnership, trust, unincorporated joint venture or similar arrangement) is regarded as significant. 2.18 Any subsequent transaction that results in an increase of the cumulative interest by at least 10% in the vehicle (partnership, trust, unincorporated joint venture or similar arrangement) is regarded as significant.	
Section 55(2)	The annual report and financial statements referred to in subsection 55(1)(d) must – (b) include particulars of – (i) any *material* losses through criminal conduct and any irregular expenditure and fruitless and wasteful expenditure that occurred during the financial year.	2.19 Losses in excess of **R50,000** arising from criminal conduct are considered to be material and will be reported in accordance with the provisions of section 55(2) of the PFMA. 2.20 Any individual transaction arising from irregular expenditure and fruitless & wasteful expenditure will be considered to be material and will be dealt with in accordance with the provisions of section 55(2) of the PFMA irrespective of the rand amount involved. 2.21 Amounts (Account balances) will be regarded as being material for disclosure purposes in the financial statements if that amount exceeds 2% of Total Assets.	• In line with good business practice, as well as the requirements of the PFMA, SITA is committed to the prevention, detection of and taking appropriate action on all irregular expenditure, fruitless and wasteful expenditure, losses resulting from criminal conduct and expenditure not complying with the operational policies. • To this end, SITA's systems and processes are designed and continually reviewed to ensure the prevention and detection of all such expenditure, irrespective the size thereof.

C.5 Responsibility for the materiality and significance framework

C.5.1   Accounting authority

- The accounting authority is responsible for developing and agreeing, with the executive authority, a framework of acceptable levels of materiality and significance.

- The accounting authority has the responsibility to ensure that all material and significant transactions are dealt with in accordance with the prescripts of the relevant legislation.

C.5.2   Executive committee (EXCO)

The EXCO is headed by the Managing Director (MD) and is accountable to the accounting authority for designing, implementing and monitoring the framework of acceptable levels of materiality and significance and integrating it with the day to day activities of the company.

C.5.3   Internal Audit

Internal Audit assists management in monitoring the framework of acceptable levels of materiality and significance to ensure compliance with applicable legislation.