



SITA

Annual Performance Plan
2018-2019

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Document enquiries can be directed to:	Date
Records Management Office	
SITA SOC Ltd	
PO Box 26100, Monument Park, 0105, South Africa	
Tel: +27 12 482 3000	
www.sita.co.za	

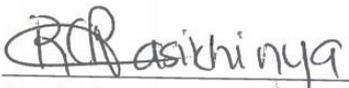
Annual Performance Plan 2018-2019

No: eOCEO-00088

Author/Originator: Stokie Lebethoa - Stokie.Lebethoa@sita.co.za

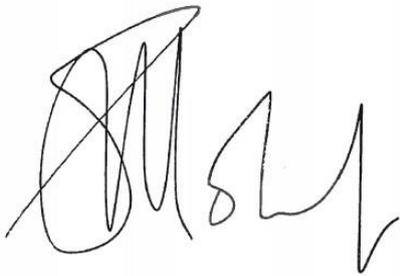
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SITA Chief Financial Officer - R Rasikhinya

9/3/2018
Date



SITA Chief Executive Officer - Dr S Mohapi

9/3/2018
Date



SITA Board Chairman – Z Nomvete

9/3/2018
Date

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PART A: STRATEGIC OVERVIEW

1. Strategic Intent

1.1 Vision

The vision of SITA is as follows:

“To be the lead Information and Communications Technology (ICT) agency in public service delivery”

1.2 Mission

The mission of SITA is as follows:

“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”

1.3 Values

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

Service excellence – Strive to attain internationally recognised standards of service quality, and maintain continuous improvement in service delivery.

Transparency – Always ensure transparency in everything we do in order to build trust and confidence with all our stakeholders.

Integrity – Conduct our business with integrity at all times to inculcate a culture of honesty, respect and accountability among all our employees.

Fairness – Treat all our partners, our suppliers and our employees (all stakeholders) with fairness at all times.

Prudence – Exercise prudence and economy in running the business of SITA and in pursuance of its goals and the objectives of government.

Innovation – Pursue innovation by demonstrating thought leadership and proactive behaviour on the use of information and communication technology to enhance public service delivery.

2. Updated Situational Analysis

This Annual Performance Plan (APP) represents the fifth and last year of SITA’s 2015-2019 strategic plan (strategy). For the past three financial years SITA has achieved an average of 70.39% of its planned targets. There is an on-going effort to improve performance and the achievement of the strategic objectives for the current 2015-2019 strategic plan.

The strategy outlines SITA’s transformation journey which is implemented through 23 strategic initiatives (hereinafter referred to as initiatives) which remain unchanged for the financial year 2018/19. The figure below indicates the progress made (RAG status reflected with colour coding) for each initiative as at quarter 3 ending for the financial year 2017/18.

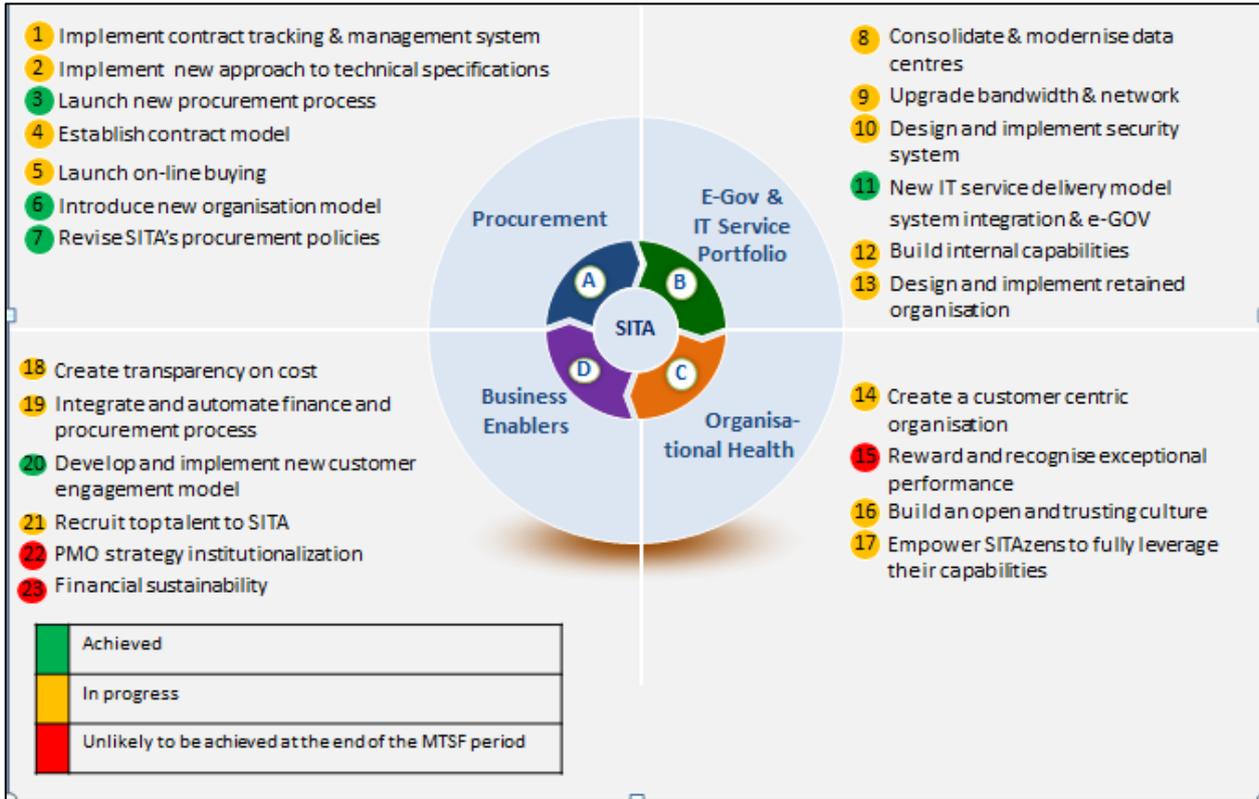


Figure 1: 23 Strategic Initiatives

In this last year of the current five year strategy period , SITA is conducting intensive introspection in order to align its vision to Government’s long term vision as outlined in the National Development Plan (NDP) 2030 (refer figure below) and to inform the development of the new SITA five year strategy (2019-2024). SITA will be more responsive to its customer’s needs and will be able to realistically assess its performance and impact on service delivery issues.



Figure 2: Government Outcomes - NDP

The above outcomes will remain fairly stable, but sub-outcomes are likely to change according to new election cycle priorities. The Government Programme of Action (POA) will remain a very strong baseline for the financial year 2018/19 APP and performance management within SITA.

As part of the Agency transformation roadmap and the Government ICT eco system within which SITA operates, SITA unveiled its new business model in the financial year 2017/18 and began the process of realigning its programmes to five clusters of government depicted below. Work will happen on three spheres of government – national-provincial-local.



Figure 3: Five Clusters of Government

The revised business model aims to address the long standing service delivery challenges, current internal inefficiencies and it also dovetails into the State Owned Company (SOC) rationalisation which primarily seeks to ensure alignment of SOCs in all spheres of government, thereby achieving the developmental objectives and aspirations of the Republic of South Africa (RSA).

The value proposition of the revised model is depicted on the figure below.

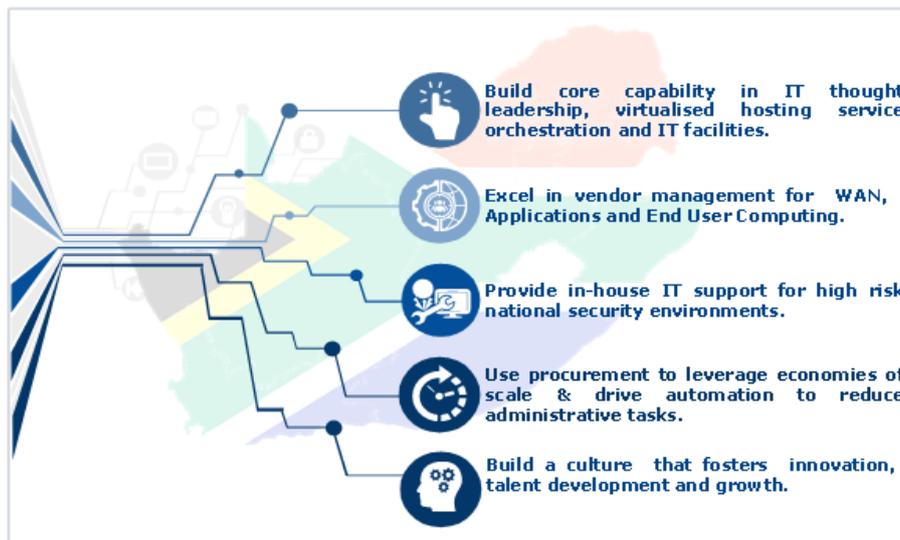


Figure 4: Business Model Value Proposition

The business model provides a clear value proposition for the customers, industry, employees and Government at large. Furthermore, the model strengthens SITA's position of becoming a customer centric organisation. The model is centred on the establishment of a core capability in ICT that creates solutions to enable Government service delivery. It shapes a different SITA that can operate at higher levels of efficiency that is on par with the best in the ICT industry within the context of ICT readiness and global economic competitiveness. It also positions SITA to become the lead ICT Agency that sets the trend in Government and enables it to provide services and solutions to other government entities within the African Continent. The model positions SITA to become instrumental in the development of core ICT skills in government which compare to the private sector.

The core capability of the model is the provision of Information Technology Consulting Services:

- (a) It enables SITA to proactively collaborate with its customers, to advise, advocate and generate business value.
- (b) It is the first point of entry to SITA and aim to orchestrate service delivery in collaboration with SITA internal IT service lines and service providers depending on the solution required to meet the customers' needs.
- (c) It is a function that is intimately conversant with customer business and it has a deep understanding of the industry trends and how they apply to customer context
- (d) It has an up-to-date working knowledge of SITA's offering and how they can benefit customers.

Furthermore, the business model provides a platform for industry and SMMEs to partner with SITA in the delivery of services and solutions thus making Government more efficient in delivery of services. In particular, the future of a functional SA is inextricably linked to stimulation of the local economy and hence SITA will implement programmes to empower SMMEs to also work on solutions which will address challenges in SA. This will require a closer look at the needs of SMME training, funding and necessary facilities in all provinces. This process was initiated at the 2017 GovTech conference, where SITA partnered with ICT Industry to deliver training to 100 SMMEs.

This approach will allow SITA to focus on core capabilities and to remain financially sustainable thus generating positive cash flow to invest in technology, infrastructure and employees.

Significantly, the model allows SITA to address long standing challenges related to procurement. The anticipated benefits include ease of buying by departments, ease of executing approaches to the market, ease of evaluating and adjudicating responses to the market, and managing the resulting contracts as reflected in the supply chain management automated processes.

In order to successfully embed the new business model SITA has embarked on the following processes as preparation for the implementation of the model:

- (1) Implementation of an organisational design process which will result in achieving the following business objectives:**
- (a) Build a SITA that focuses its products and services to respond to government business needs and builds core capability in IT thought leadership, virtualised hosting and service orchestration.
 - (b) Build a SITA that becomes an IT centre of excellence, a driver of innovation and economic development both in respect of participation in the local market and international trade.

- (c) Address the systematic challenges and current internal inefficiencies.
 - (d) Position SITA as an ICT Services Company to drive key government innovation in ICT.
 - (e) Redefine the role of SITA into the broader African continent and beyond government as a key customer and build a self-sustainable SITA that is able to invest in its employees, infrastructure, technology and assets.
- (2) The CEO has embarked on road shows to all SITA divisions and provinces to present the new business model to ensure that the model and the strategic intent are fully understood by all employees.
- (3) Divisional business planning that is aligned to the new business model has been facilitated and is being implemented. These provide clear and detailed plans for the successful implementation of the business model.

2.1 Performance Delivery Environment

SITA is proactively embarking upon transforming the organisation in various other core IT services lines business operations domains namely; application development, application maintenance, Products, Services & Solutions (PSS) and networks & hosting in order to proactively respond to the needs of its customers and citizens. For example:

- (a) application development will offer software development services;
- (b) PSS will focus on design/packaging, financial modelling and marketing implementation of various service lines; and
- (c) application maintenance will focus on the replacement/modernisation of legacy applications, maintenance of applications currently managed by customers or service providers and maintenance of new applications.

During the financial year 2016/17, SITA revitalised its eGovernment and infrastructure approaches to leverage on the emerging ICT trends and changes in the ICT environment. This attempt has since improved delivery in these programmes with visible achievements, notably increased demand for services.

There is a rise in demand from citizens for digital offerings, access to government services and to participate in government decision processes, in more convenient ways. SITA will therefore ensure the provision of services through end to end lifecycle management in areas of application development, application maintenance and products services and solutions. This will also require prioritisation of the development of skills and expertise in specialised areas such as data science including big data analytics, mobile applications development, and technical applications testing, amongst others.

As part of its on-going transformation initiatives, the SITA modernisation programme will be offering robust data centre ICT services that deliver on the uptime and availability requirements expected from Government Departments. The upgrading and refreshing of existing business systems infrastructure, management technologies and data centre networking is all part of the modernisation programme. There will be a renewed focus on replacement / modernisation of legacy applications, maintenance of applications currently managed by customers or service providers.

Furthermore the revitalisation of e-Government and infrastructure approaches to leverage on the emerging ICT trends and changes in the ICT environment to assist Government to achieve on the 2030 agenda, NDP, Medium Term Strategic Framework (MTSF) 2014-2019 and National Integrated ICT Policy White Paper.

The APP will be implemented and institutionalised through a Balanced Scorecard (BSC) mechanism and all employees will sign a BSC contract. This is to ensure accountability and commitment towards the achievement of the predetermined objectives. Furthermore, SITA will ensure that the APP is supported by detailed implementation plans. APP performance will be monitored and reported to all relevant stakeholders monthly and quarterly.

2.1.1 Electronic government

The eGovernment programme is underpinned by the national eGovernment (eGov) strategy and roadmap which aims to digitise government services while transforming SA into an inclusive digital society. The aim is to enable all citizens to benefit from the opportunities offered by digital and mobile technologies to improve their quality of life.

It further aims to optimise service delivery that provides universal access to government information and services anytime and anywhere.

With the eGov programme, SITA continues to execute on its mandate through the development and deployment of e-services in collaboration with state institutions to improve service delivery and save on time and costs. The figure below depicts the holistic eGovernment architecture with ten (10) layers as summarised.

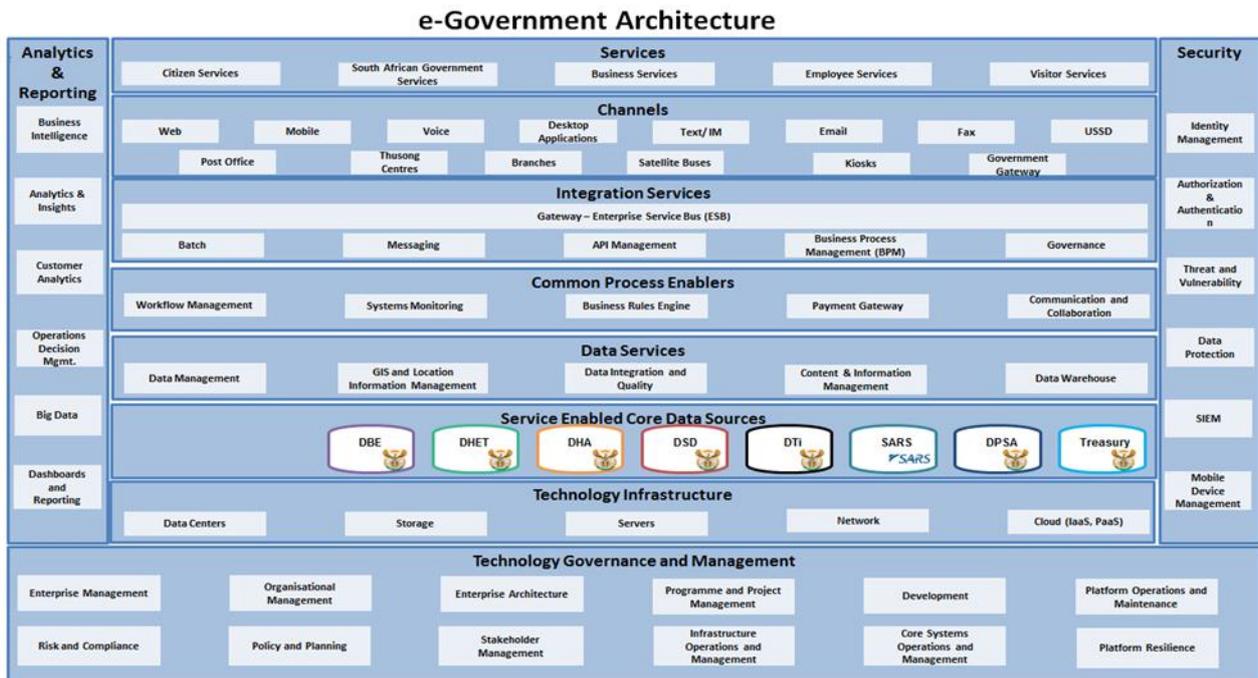


Figure 5: eGovernment Architecture

- (a) **Services:** This layer shows the different types of e-services the end-users will be able to access as part of the eGovernment offering.
- (b) **Channels:** These are the different devices used by the end-user to access the e-services.
- (c) **Integration services:** These are the services that enable the access channels to be able to exchange data with the other components within the architecture.

- (d) **Common process enablers:** These e-services are consumed by the other business services that are part of eGovernment offering through the integration layer.
- (e) **Data services:** This layer consists of services that provide and receive data assets between the data sources and the other consuming services.
- (f) **Analytics and reporting:** This engine will be a framework that consists of a set of e-services that facilitate data analytics- and business intelligence-related tasks within the eGovernment environment. These include tasks such as development of different models for predictive and early warning analysis, historical and trend analysis, dashboarding and data visualisation. The engine will provide for capabilities to offer the different levels of business intelligence reporting, which include strategic and operational reporting.
- (g) **Security:** This engine will be a framework that consists of a set of e-services that facilitate security related tasks within the eGovernment environment. These include services for the One Time Password (OTP), data protection, Identity and Access Management (IAM) (which inherently addresses authentication and authorisation), vulnerability management, and threat management.
- (h) **Service enabled core data sources:** This layer shows the data sources and systems across different departments.
- (i) **Technology infrastructure:** This layer shows the infrastructure that enables and supports the entire architecture.
- (j) **Technology governance and management:** This layer shows various capabilities for the governance of the entire architecture.

2.1.2 Cloud computing

The SA government cloud computing ecosystem currently presents a proliferation of multiple cloud solutions and providers within different government departments (i.e. Microsoft, Oracle, IBM, and VMWare). This has led to unmanageable costs due to limited economies of scale (i.e. licenses), increased threat to data security and limited ability to deliver a consolidated cloud service offering across government.

Furthermore, there are no formal regulatory policies regarding the consolidation and ownership of data to reside centrally in a government cloud and there are no common standards for government departments to ensure systems, applications, data and department cloud solutions are interoperable.

The current state of the State Information Technology Agency (SITA) datacentre facilities provide SITA with the ideal opportunity to re-engineer the entire environment into a modern state-of-the-art facility that includes the introduction of a cloud principles as articulated in the Cloud Strategy.

The inclusion of Cloud Principles will allow SITA to leverage of the key characteristics that differentiates a cloud capability from a conventional hosting model namely:

- (a) The pooling and sharing of resource in a multi-tenant environment.
- (b) On-demand availability of highly scalable infrastructure with rapid elasticity.
- (c) Measured services billed based on usage with the offering of the following pre-defined service portfolio:
 - i. Infrastructure-as-a-Service (IaaS) - the hardware and software that powers it all - servers, storage, networks, operating systems owned and hosted by a service provider and offered to consumer's on-demand.
 - ii. Platform-as-a-Service (PaaS) - an abstracted and integrated cloud-based computing environment that supports the development, running, and management of applications - owned and hosted by

a service provider and offered to developers to fast track the development of services to be deployed via IaaS to customers.

- iii. **Software-as-a-Service (SaaS)** - software applications that is deployed over the internet - applications provided to consumers as a service on demand, through a subscription, in a "pay-as-you-go" or "usage-based" model.

The introduction of cloud principles will allow the flexible, effective and cost efficient rendering of transversal business solutions such as:

- (a) **Microsoft cloud services:** SITA has been under tremendous pressure to provision Microsoft cloud capability together with e-mail and conferencing services in a private cloud to facilitate better Government collaboration and interaction through the deployment of Office 365 licences which has already been procured by at least 74 organs of state.
- (b) **Government Enterprise Resource Planning (ERP):** The National Treasury is in the process of implementing and rolling-out a Commercial of the Shelf (COTS) ERP business solution. Due to the lifespan of transactional business solutions in Government it is paramount to ensure the longevity of the solution and not to implement and deploy end-of-life solutions.
- (c) **Infrastructure services:** SITA has been inundated with requests from customers to provide infrastructure cloud services to host their business applications data in the cloud and to provide disaster recovery for existing production environments.

The goal of SITA is to establish a Government Private Cloud (GPC), defined as an eco-system of different clouds, for exclusive access by Government Departments that will be operated and managed by SITA.

With cloud computing the concept of end-to-end request fulfilment is implemented that brings the following benefits:

- (a) Elasticity to meet peak workloads.
- (b) Internal IT staff can manage all environments at different levels to meet business needs.
- (c) Workloads can be moved to the appropriate cloud platform based on the Government departments' criteria.
- (d) Low risk without sacrificing agility.

End-to-end request fulfilment (as depicted in the figure below) consists of 4 major steps namely:

- (a) Demand Planning and Management through Secure Access Channels.
- (b) Intelligent Decision Making.
- (c) Effective Supply Chain System.
- (d) Highly Flexible Architecture.

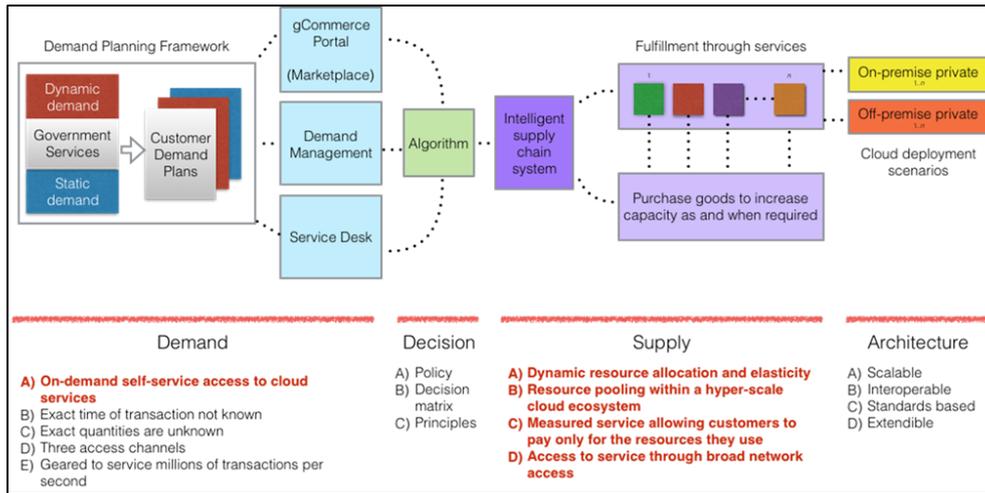


Figure 6: Request Fulfilment through Cloud Computing

The text highlighted in red in the figure above shows how end-to-end request fulfilment supports the five characteristics of Cloud Computing.

All datacentre facility re-engineering and modernisation must be governed and controlled to ensure that they are transitional steps towards achieving the envisaged target state. The diagram below depicts the envisaged target state of the Cloud ecosystem.

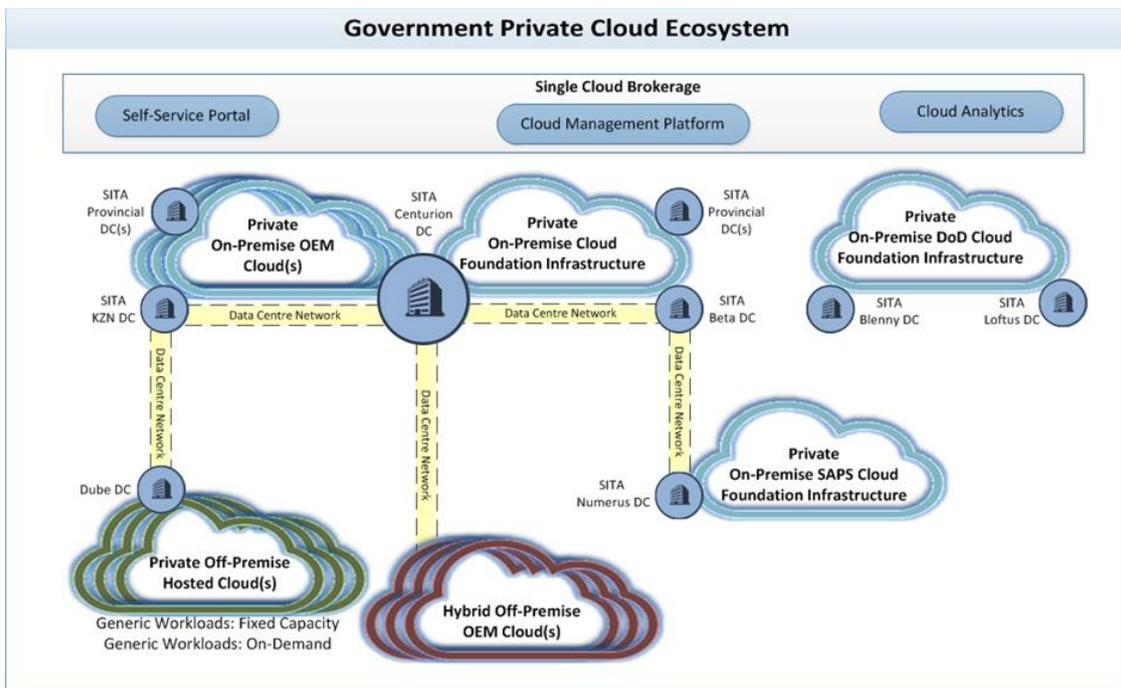


Figure 7: Overview of the Government Cloud Ecosystem

Services will be visible to Government customers through a single service catalogue and subscribing customers will access these services through an easy to use online service portal.

The Government Private Cloud Ecosystem (GPCE) is thus a hybrid environment that will provide seamless integration of the co-existing public and private clouds in a secure environment and consists of the following:

- (a) Private On-Premise Cloud Foundation Infrastructure which will be established within the SITA data centres and will be mainly used for the deployment of sensitive workloads.
- (b) Private On-Premise OEM Cloud(s) which will be also established within the SITA data centres for the deployment of specific OEM workloads.
- (c) Private Off-Premise Hosted Cloud(s) in partnership with Industry for the hosting of various other cloud workloads.
- (d) Hybrid Off-Premise OEM Cloud(s) for the deployment of specific OEM workloads.

The establishment and implementation of the GPCE will be driven by SITA in conjunction with industry partnerships and will finally be operated and managed by SITA.

2.1.3 SA Connect

SITA is working in collaboration with the Executive Authority in the implementation of phase one of the SA connect programme which aims to provide broadband data connectivity to 6135 sites located across 8 district municipalities. The table below provides the total number of sites that will be linked to the NGN.

Prov	District Municipality	Gov	Health	Police	Post Office	School	School Independent	Thusong	Total
NW	Dr Kenneth Kaunda	27	38	15	27	220	13		340
MPU	Gert Sibande	106	73	37	31	519	22	9	797
EC	O.R.Tambo	43	133	17	23	1204	24		1444
NC	Pixley ka Seme	46	38	27	14	96	4		225
FS	Thabo Mofutsanyane	98	74	30	30	480	32	3	747
KZN	uMgungundlovu	111	57	25	34	501	41	2	771
KZN	uMzinyathi	52	45	12	10	475	6	1	601
LIM	Vhembe	52	119	20	33	949	34	3	1210
	Total	535	577	183	202	4444	176	18	6135

Figure 8: Sites to be linked to the Government NGN

The FY2018/19 budget vote 32 of DTPS indicates that an amount of R 58 million is allocated for ICT infrastructure support programme for the FY2018/19. Based on the budget allocation it is estimated that R 10 million will be allocated for the existing 63 sites connected in the current FY2017/18. Therefore SITA will maintain these 63 sites connected in FY2017/18. Connectivity of the 194 sites is subject to budget confirmation by DTPS, if funds are not available SITA will amend the APP to reflect the correct number of sites to be connected or maintain.

2.1.4 ICT Security

The importance of ICT security cannot be over emphasised. Organisations worldwide, and more so governments, are constantly under attack from individuals and sophisticated cybercriminal organisations, which by any means possible, aims to access sensitive government IT systems and data. Protecting the information security assets of SA government is a pivotal task of the State IT Agency. SITA as a custodian of government data continues on its mandate to improve security of government data assets.

In order to ensure that the SITA information security environment adheres to security best practices, an Information Security Forum (ISF) security maturity model will be utilised to assess the degree of the maturity and efficacy of the cyber security controls which have been implemented as part of mitigating against security risks. The table below provides an overview of the ISF maturity model.

Information Security disciplines covered by ISF model	
Strategic	Technical
1. Security Strategy	1. Identity & Access Management
2. Security Governance	2. Vulnerability Management
3. Information Risk Management	3. System Development Management
4. Compliance	4. Asset Management
5. Security Audit	5. Change Management
6. Information Security Policy	6. Security Architecture
Connections	Crisis
1. Digital Connections (Customer Access)	1. Threat Intelligence
2. External Supplier Management	2. Security Event Management
	3. Incident Management
	4. Crisis Management
	5. Business Continuity
People	
1. Security Behaviour & Awareness	
2. Human Resources Security	

Figure 9: Information Security Forum Maturity model

The figure above depicts the eleven disciplines out of twenty one which SITA will focus on in the next financial year. Disciplines which are out of scope are grouped within the figure above.

2.1.5 Procurement

SITA as a Government ICT Procurement Agency, its mandate is to:

- (a) Leverage economies of scale to provide cost effective procurement by using the collective purchasing power of departments.
- (b) Ensure that all procurement results in value-for-money.
- (c) Promote the SA ICT industry, with a particular emphasis transformation agenda.
- (d) Implement a procurement platform that ensures open, transparent and fair bidding engagement.
- (e) Promote compliance to relevant legislative frameworks.

In order to achieve the above, the Agency will continue with its initiatives to implement the procurement gCommerce platform for IT and non IT goods and services across all of government. The strategic imperative is to leverage economies of scale & drive automation to reduce administrative tasks. This e-Procurement initiative is in support of the UN Sustainable Development Goal 12 and Government Open Data initiative. It will radically transform the prevailing manual paper process that is highly susceptible to fraud and corruption, improve accountability, reduce cost of procurement and promote economic growth and transformation in the industry especially in the SMME sector.

Furthermore the organisation will continue to advance economic transformation in the ICT sector by providing a platform for emerging suppliers to develop into main stream ICT suppliers that can do business with SITA and other public and private entities. The targeted enterprises are:

- (a) youth, women
- (b) military veterans
- (c) people with disabilities
- (d) black owned enterprises

The SITA SMME and enterprise development policy provides allowance for SITA to implement certain interventions for the development of black SMMEs. Amongst such interventions SITA will implement specific goals in tenders, will give preference in the procuring of goods and services from black owned companies

either in part or in whole to participate exclusively amongst them, with the objective of future competitiveness.

2.2 Organisational Environment

The SITA organisational structure has been revised to align to the new business model and to support the implementation of the corporate strategy. The key game changers in the organisational structure are as follows:

- (a) The introduction of the IT consulting function which becomes the entry point to SITA and works closely with customers to deliver optimal value. This is the core capability that changes the face of SITA in government as it moves the focus from selling services to the provision of solutions.
- (b) The IT consulting function is inclusive of customer relationship management and product, services and solutions functions which collaborates to deliver services and is supported by a pool of architects, analysts and project managers.
- (c) The introduction of Supply Chain Management (SCM) with a strong outlook on vendor management on services that will be delivered through partnership to ensure the most efficient commercial relationship and quality service delivery.
- (d) The repositioning of strategy management functions which proactively ensures that SITA continually evolves its service offering to be at the cutting edge of technology and creates co-ordination and coherence of service offering.
- (e) The regrouping of support functions to enable effective and efficient service delivery.

The organisational structure is depicted in the figure below:

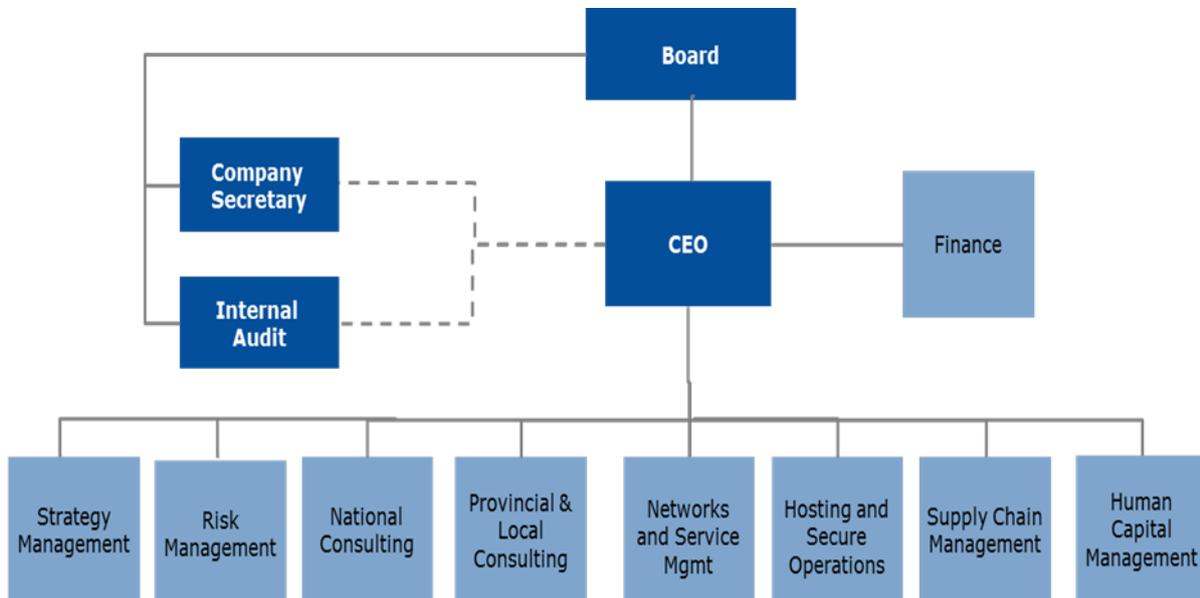


Figure 10: Organisational Structure

3. Revision to Legislative and other Mandates

There has not been any significant change to the State Information Technology Agency SOC Ltd legislation and other mandates.

4. Overview of Budget and MTEF Estimates

4.1 Expenditure Estimates

4.1.1. Revenue

Revenue for the financial year 2018/2019 is estimated at R6.205 billion. This is a revenue increase of 7.1% as compared to the forecast of the financial year 2017/18. The increase in budgeted revenue is attributable to the projected revenue that the realisation of the cloud strategy will bring in. The increase in services revenue has a positive impact on gross margin in rand terms. Based on the MTEF allocations of National Treasury, the budget has been aligned to take this into consideration as relating to the SA connect phase 1 target to maintain 63 sites.

SITA will continue to build on its 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 should be achieved by the following:

- (a) Improve customer satisfaction
- (b) Maintain and improve current products and services
- (c) Introduce new services that respond to modern government demands
- (d) Retain current business and customers
- (e) Extend full incorporation to national and provinces
- (f) Grow business in strategic departments and provinces
- (g) Grow business at local government level

4.1.2. Operational Expenditure

Cost of sales increased by 5.2% from R4.666bn forecasted for the financial year 2017/18 to a budgeted R4.908bn for the financial year 2018/19. This is in line with the increase in revenue and cost cutting measures that have been implemented.

Operating expenses (OPEX) are expected to increase by 12.8% from a forecast R1.130bn for the 2017/18 financial year to an estimated R1.275bn in the 2018/19 financial year. The increase in operating expenses is a result of the focus on improving governance and compliance, and a concerted marketing drive to encourage the promotion and use of new SITA products and services at all tiers of government.

4.1.3. EBIT

A more concerted and defined effort in managing the components of EBIT enables the Agency to remain the same as the forecasted amount of R22.3m at the end of the financial year 2017/18 for the financial year 2018/19.

4.1.4. Other Assumptions

In order to improve debt collection, the billing processes will be reviewed to improve the accuracy, completeness and validity of invoices and a credit control function will be implemented to ensure that new work will not be taken on where customers do not have funds to pay for the proposed services or products. Based on the revised manner in which SITA is dealing with Microsoft, a reduction by 90% in the foreign exchange exposure is expected, similarly our debt exposure to departments and entities are reduced proportionally. A similar approach is going to be adopted with all foreign based suppliers. It is assumed that customers will pay invoices within the PFMA prescribed timelines.

The financial year 2018/19 is anticipated to be a slow growth year for the country and funds will be redeployed to prioritised government initiatives rather than IT for departments. This therefore results in the lower growth in revenue which necessitates better cost control.

4.1.5. Capital Expenditure

The total capital expenditure requirement for the financial year 2018/19 financial year is budgeted at R500m. Capital expenditure is meant to build capacity for SITA to service a Single-Public-Service (including municipalities).Capital expenditure will be closely monitored against available cash flows.

4.2 Relating Expenditure Trends to Strategic Outcome Oriented Goals

4.2.1 Operationally Funded Strategic Programmes

Strategic programmes directed at improving business process and outcomes are funded from operational expenditure and are executed by the resources within such processes. The following support programmes are associated with the process improvement initiatives for financial year 2018/19:

Programme 1: Service Delivery

Programme 2: Infrastructure

Programme 3: Procurement

Programme 4: Financial Sustainability

Programme 5: Organisation, Governance and Administration

PART B: STRATEGIC PROGRAMMES

This section describes the detailed strategic objectives, performance indicators and annual targets for the financial year 2018/19 performance period. SITA's performance will be evaluated by measuring the actual performance achieved against the objective targets. Furthermore SITA will be entitled to renegotiate the key objectives and their targets if they are not achieved or likely to be achieved in circumstances where key assumptions made do not materialise and in particular:

- (a) Where certain assumptions relating to inflation do not materialise.
- (b) Gross Domestic Product (GDP) growth assumptions are not achieved.
- (c) Policy changes by government (which includes initiatives by all government departments or Ministers).
- (d) Price increases approved by Consumer Price Index (CPI) are not as contemplated in SITA's financial plans.
- (e) Restrictive regulatory decisions.
- (f) Changes in accounting standards.

The following annual performance targets for financial year 2018/19 assume that the current financial year 2017/18, performance targets will be achieved in full. Adjustments will be made at the end of the financial year 2017/2018 should the need arise.

5. Strategic Programme Plans

The structure of the programmes is guided by the NT framework for strategic plans and annual performance plans. Each programme consists of two tables; the first table defines the medium-targets which are aligned to the strategic plan. The second table defines quarterly targets which provide an indication of how the organisation will achieve the annual targets for the 2018/19 financial year. Some work which will commence in the 2018/19 financial year will unfold further in the medium to long term and therefore form part of the new five year strategic plan.

5.1 Programme 1: Service Delivery

5.1.1 Programme purpose

The purpose of this programme is to provide high quality IT services to enable government to deliver efficient and convenient services to citizens through the use of ICT and to optimise the provision of SITA's IT infrastructure services in order to increase availability, flexibility, scalability, predictability and security.

5.1.2 Programme performance indicators and medium-term targets

Table 1 – Service delivery programme performance indicators and medium-term targets

Strategic Objectives	Performance Indicators	Audited Actual Performance			Estimated Performance	Planned Targets
		2014-2015	2015-2016	2016 -2017	2017-2018	2018-2019
Enhance efficiency of Government business processes	# of e-Government services deployed	97% implementation of e-Government plan	24 e-services developed	28 e-services developed	20 e-services deployed	50 e-services deployed ¹
Improve security of Government data assets	Level of maturity of ICT security	97% of ICT controls implemented according to plan	45% of ICT controls implemented according to plan	Implemented endpoint protection and threat management security controls	Attain Information security maturity Level 2 as per generic security controls model	Attain Information security maturity Level 3 as per ISF security controls model for 11 discipline areas ²
	Customer satisfaction level	-	-	49% customer satisfaction level	70% customer satisfaction level	80% customer satisfaction level

¹ Targets have been increased from 30 to 50 e- services deployed. This is as a result of the implementation of the new business model which capacitated the application development environment.

² Targets remain the same however; the Agency has chosen the Information Security Forum (ISF) maturity model to determine the maturity of SITA ICT controls.

Strategic Objectives	Performance Indicators	Audited Actual Performance			Estimated Performance	Planned Targets
		2014-2015	2015-2016	2016 -2017	2017-2018	2018-2019
Transform SITA into customer centric organisation	% performance against measured contracted SLA metrics	95% performance against signed SLA metrics contracted	96% performance against measured contracted SLA metrics	95.6% performance against measured contracted SLA metrics	98% performance against measured contracted SLA metrics	98% performance against measured contracted SLA metrics
Achieve growth in government market share	% increase in government market share	-	-	10% increase in government market share on designated services (increase on 2014/2015)	10% increase in government market share on designated services (increase on 2016/17 target)	10% increase in government market share on designated services (increase on 2017/18 target)

5.1.3 Programme quarterly targets for 2018-2019 financial year

Table 2–Service delivery programme quarterly targets

Performance Indicators	Reporting Period	Annual Target 2018-2019	Quarterly Targets			
			Quarter1	Quarter2	Quarter3	Quarter4
# of e-Government services implemented	Quarterly	50 e-services deployed	10 e-services deployed	20 e-services deployed	35 e-services deployed	50 e-services deployed
Level of maturity of ICT security	Annual	Attain information security maturity Level 3 as per ISF security controls model for 11 discipline areas	Implement security controls for 3 discipline areas	Implement security controls for 3 discipline areas	Implement security controls for 5 discipline areas	Attain information security maturity Level 3 as per ISF security controls model for 11 discipline areas
Customer satisfaction level	Annual	80% customer satisfaction level	-	-	-	80% customer satisfaction level
% performance against measured contracted SLA metrics	Quarterly	98% performance against measured contracted SLA metrics	98% performance against measured contracted SLA metrics	98% performance against measured contracted SLA metrics	98% performance against measured contracted SLA metrics	98% performance against measured contracted SLA metrics

Performance Indicators	Reporting Period	Annual Target 2018-2019	Quarterly Targets			
			Quarter1	Quarter2	Quarter3	Quarter4
% increase in government market share	Annual	10% increase in government market share on designated services (increase on 2017/18 target)	-	-	-	10% increase in government market share on designated services (increase on 2017/18 target)

5.2 Programme 2: Infrastructure

5.2.1 Programme purpose

The purpose of this programme is to optimise the provision of SITA's IT infrastructure services in order to increase availability, flexibility, scalability, predictability and security.

5.2.2 Programme performance indicators and medium-term targets

Table 3 – Infrastructure programme performance indicators and medium-term targets

Strategic Objectives	Performance Indicators	Audited/Actual Performance			Estimated Performance	Planned Targets
		2014-2015	2015-2016	2016-2017	2017-2018	2018-2019
Consolidate and modernize data centers	# of Government private cloud services available	-	-	Infrastructure and modernisation plan approved by Board	1 Government private cloud service available	2 Government private cloud service available ³
Improvement of ICT infrastructure; Disaster Recovery (DR)	# of clients provided with recovery services	-	-	2 disaster recovery sites established	Disaster recovery services provided to 2 clients	Disaster recovery services provided to 4 clients

³ Government private cloud service targets have been increased from 1 to 2 services to align to updates in the performance delivery environment

Strategic Objectives	Performance Indicators	Audited/Actual Performance			Estimated Performance	Planned Targets
		2014-2015	2015-2016	2016-2017	2017-2018	2018-2019
Improve broadband connectivity	# of SA connect phase 1 sites connected at bandwidths of 10Mbps ⁴	-	-	-	-	257 of SA connect phase 1 sites connected and maintained at bandwidths of 10Mbps

5.2.3 Programme quarterly targets for 2018-2019 financial year

Table 4 – Infrastructure programme quarterly targets

Performance Indicators	Reporting Period	Annual Target 2018-2019	Quarterly Targets			
			Quarter1	Quarter2	Quarter3	Quarter4
# of Government private cloud services available	Quarterly	2 Government private cloud services available	2 Government private cloud service packaged	2 Government private cloud service configured	2 Government private cloud service tested with sign-off certificates	2 Government private cloud services available
# of clients provided with disaster recovery services	Quarterly	4 clients provided with disaster recovery services	Approved proposals for two clients	2 clients provided with disaster recovery services	Approved proposals for two clients	2 clients provided with disaster recovery services
# of SA connect phase 1 sites connected and maintained at bandwidths of 10Mbps	Quarterly	257 of SA connect phase 1 sites connected and maintained at bandwidths of 10Mbps	63 SA connect phase 1 sites maintained at bandwidths of 10Mbps	63 SA connect phase 1 sites maintained at bandwidths of 10Mbps	63 SA connect phase 1 sites maintained at bandwidths of 10Mbps	63 SA connect phase 1 sites maintained at bandwidths of 10Mbps
			-	81 SA connect phase 1 sites connected and at bandwidths of 10Mbps	40 SA connect phase 1 sites connected and at bandwidths of 10Mbps	73 SA connect phase 1 sites connected and at bandwidths of 10Mbps

⁴ The FY2018/19 budget vote 32 of DTSP indicates that an amount of R 58 million is allocated for ICT infrastructure support programme for the FY2018/19. Based on the budget allocation it is estimated that R 10 million will be allocated for the existing 63 sites connected in the current FY2017/18. Therefore SITA will maintain these 63 sites connected in FY2017/18. Connectivity of the 194 sites is subject to budget confirmation by DTSP, if funds are not available SITA will amend the APP to reflect the correct number of sites to be connected or maintain.

5.3 Programme 3: Procurement

5.3.1 Programme purpose

The purpose of this programme is to address all issues relating to procurement turnaround times, operational inefficiencies, removing customer pain points, cost ineffectiveness and transforming the procurement function.

5.3.2 Programme performance indicators and medium-term targets

Table 5 – Procurement programme performance indicators and medium-term targets

Strategic Objectives	Performance Indicators	Audited/Actual Performance			Estimated Performance	Planned Targets
		2014-2015	2015-2016	2016-2017	2017-2018	2018-2019
Improve procurement operational efficiency (to enable service delivery)	% of tender awards completed within the targeted turnaround time	-	70% of tender awards completed within the targeted turnaround time	34% of tender awards completed within the targeted turnaround time	80% of tender awards completed within the targeted turnaround time	85% of tender awards completed within the targeted turnaround time
Drive ICT Economic Transformation agenda	% of ICT acquisition spend through SMME entities	6% of ICT acquisition spend through SMME entities	11% of ICT acquisition spend through SMME entities	15% of ICT acquisition spend through SMME entities	30% of ICT acquisition spend through SMME entities	40% of ICT acquisition spend through SMME entities

5.3.3 Programme quarterly targets for 2018-2019 financial year

Table 6 – Procurement programme quarterly targets

Performance Indicators	Reporting Period	2018-2019 Annual Target	Quarterly Targets			
			Quarter1	Quarter2	Quarter3	Quarter4
% of tender awards completed within the targeted turnaround time	Quarterly	85% of tender awards completed within the targeted turnaround time	85% of tender awards completed within the targeted turnaround time	85% of tender awards completed within the targeted turnaround time	85% of tender awards completed within the targeted turnaround time	85% of tender awards completed within the targeted turnaround time
% of ICT acquisition spend through SMME entities	Quarterly	40% of ICT acquisition spend through SMME entities	40% of ICT acquisition spend through SMME entities	40% of ICT acquisition spend through SMME entities	40% of ICT acquisition spend through SMME entities	40% of ICT acquisition spend through SMME entities

5.4 Programme 4: Financial sustainability

5.4.1 Programme purpose

The purpose of this programme is to ensure effective and efficient financial management, financial growth and sustainability.

5.4.2 Programme performance indicators and medium-term targets

Table 7 – Financial sustainability performance indicators and medium-term targets

Strategic Objectives	Performance Indicators	Audited/Actual Performance			Estimated Performance	Planned Targets
		2014-2015	2015-2016	2016-2017	2017-2018	2018-2019
Achieve Sound Financial Management	% EBIT	-	-	2.75% EBIT	R139m	R22.3m ⁵
	% Net Collection Rate	-	-	-	80%	80% Net Collection Rate ⁶
	% Gross Margin	-	-	18.5% Gross Margin	R1 326m	R1 296m ⁷

⁵Due to the uncertainty surrounding the achievement of revenue budgets the targets for EBIT is denominated in Rm for this financial year to protect the cash generating profitability of the business. The intention is to grow sustainable revenue to enable us to revert to percentages measurements in the outer years. Targets have been amended to align to SA connect budget.

⁶The net collection rate target remains the same as the 2017/18 financial year; this is aligned to the changes in the performance environment.

⁷Due to the uncertainty surrounding the achievement of revenue budgets the targets for Gross margin is denominated in Rm for this financial year to protect the cash generating profitability of the business. The intention is to grow sustainable revenue. Targets have been amended to align to SA connect budget.

5.4.3 Programme quarterly targets for 2018-2019 financial year

Table 8 – Financial sustainability programme quarterly targets

Performance indicators	Reporting Period	Annual Target 2018-2019	Quarterly Targets			
			Quarter1	Quarter2	Quarter3	Quarter4
% EBIT	Quarterly	R22.3m	R5m	R10m	R15m	R22.3m
% Net Collection Rate	Quarterly	80% Net Collection Rate	50%	80%	80%	80%
% Gross Margin	Quarterly	R1 296m	R400m	R700m	R1 000m	R1 296m

5.5 Programme 5: Organisation, Governance and Administration

5.5.1 Programme purpose

The purpose of this programme is to build and maintain organisational capability to enable SITA to achieve its strategic imperatives.

5.5.2 Programme performance indicators and medium-term targets

Table 9 – Organisation programme performance indicators and medium-term targets

Strategic Objectives	Performance Indicators	Audited/Actual Performance			Estimated Performance	Planned Targets
		2014-2015	2015-2016	2016-2017	2017-2018	2018-2019
Build a Healthy & High Performing Organisation	% of critical positions with minimum cover ratio of 1:2	-	-	13% of talent pool has been achieved	30% of critical positions with minimum cover ratio of 1:2	50% of critical positions with minimum cover ratio of 1:1 ⁸
	Employee satisfaction level	-	-	-	60% employee satisfaction level	70% employee satisfaction level

⁸ This target has been amended for critical positions with minimum cover ratio of 1:2 to a ratio of 1:1. This is due to the current lack of required skills and which will require further training and development initiatives in order to achieve the target.

Strategic Objectives	Performance Indicators	Audited/Actual Performance			Estimated Performance	Planned Targets
		2014-2015	2015-2016	2016-2017	2017-2018	2018-2019
	New Organisational Design Implementation	-	-	-	-	100% migration of employees to the new micro structure ⁹
	Broad Based Black Economic Empowerment Recognition Level	-	-	-	-	Level 4 contributor ¹⁰
Proactive approach to procurement compliance, including fraud and corruption	Fraud awareness and prevention strategies roll out	-	-	-	-	Establish fraud & corruption baseline as per industry benchmark ¹¹

5.5.3 Programme quarterly targets for 2018-2019 financial year

Table 10 – Organisation, Governance & Administration programme quarterly targets

Performance indicators	Reporting Period	Annual Target 2018-2019	Quarterly Targets			
			Quarter1	Quarter2	Quarter3	Quarter4
% of critical positions with minimum cover ratio of 1:1	Quarterly	50% of critical positions with minimum cover ratio of 1:1	-	35% of critical positions with minimum cover ratio of 1:1	45% of critical positions with minimum cover ratio of 1:1	50% of critical positions with minimum cover ratio of 1:1
Employee satisfaction level	Annual	70% satisfaction level	-	-	-	70% employee satisfaction level
New organisational design Implementation	Quarterly	100% migration of employees to the new micro structure	Micro Structure Design approved by HR & Rem	Job Analysis & Profiling completed for the micro structure	50% migration of employees to the new micro structure	100% migration of employees to the new micro structure

⁹ This is a new target which seeks to design a new organisation that aligns to the new business model. Targets have been changed to reflect actual outputs which will be achieved per quarter.

¹⁰ For activities conducted in the FY2015/16 the assessment was conducted on the generic codes at level 4 and the assessment was done in FY2016/17. The current BBBEE status covers FY2016/2017 and is based on the amended ICT sector codes. The baseline for FY2016/17 is that SITA is a Non-Compliant Contributor. The targets for FY2019/2020 and FY2020/2021 are Level 4 Contributor and Level 3 Contributor respectively. Level 4 contributor target for FY2018/19 will be measured based on the activities conducted during the financial year and the evaluation will be conducted before the end of August 2018.

¹¹ This is a new target which seeks to mitigate risks related to fraud & corruption within the organisation. The focus for the FY2018/19 is to establish a fraud & corruption baseline which will be utilised to implement best practice within SITA.

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New organisational design Implementation			Business processes mapped at level 3	Competency Profiling completed for the micro structure		
				Matching and placing completed		
Broad Based Black Economic Empowerment recognition level	Quarterly	Level 4 contributor	BBBEE strategy approved Implementation plans for each area of the BBBEE indicator of empowerment approved Budget reallocation recommendation for Board approval (revision of the approved 2018/19 budget)	100% Implementation of the approved plans for each area of the BBBEE indicator of empowerment	Preliminary assessment of BBBEE status of organisation	Level 4 contributor
Fraud awareness and prevention strategies roll out	Quarterly	Establish fraud & corruption baseline as per industry benchmark	Establish fraud & corruption (i) benchmark based on industry research (“industry benchmark”) and (ii) implementation plan and get Board approval via Social and Ethics Committee	Rollout implementation to 100% of employees	Process 100% of interest declarations in accordance with the relevant policies on declarations and conflict of interests and code of ethics.	Establish fraud & corruption baseline as per industry benchmark
				Achieve 100% employee interest declarations		
				Design and Incorporate fraud & corruption awareness and prevention performance measurements at all levels of the organization’s structure		

PART C: LINKS TO OTHER PLANS

6. Links to the long-term infrastructure and other capital plans

The table below shows the capital expenditure per programme.

Projects	Sub-Projects	Budget	Estimate		
		FY 2018/19	FY 2019/20	FY 2020/21	FY 2021/22
		R'000	R'000	R'000	R'000
Project 1: Infrastructure	Sub-Project 1.1: Network	78 750	94 500	94 500	94 500
	Sub-Project 1.2: Switching Centres	20 000	24 000	24 000	24 000
	Sub-Project 1.3: Data Centres	147 070	176 484	176 484	176 484
	Sub-Project 1.4: Modernisation	30 296	36 355	36 355	36 355
Project 1: Infrastructure Total		276 116	331 339	331 339	331 339
Project 2: Solution Development	Sub-Project 2.5: Integration	20 000	24 000	24 000	24 000
	Sub-Project 2.7: IT Security	27 000	32 400	32 400	32 400
Project 2: Solution Development Total		47 000	56 400	56 400	56 400
Project 3: Service Management	Sub-Project 3.1: Contact Centres	29 280	35 135	35 135	35 135
	Sub-Project 3.2: DSS & 1st Line	25 226	30 271	30 271	30 271
Project 3: Service Management Total		54 506	65 406	65 406	65 406
Project 4: Operational Support	Sub-Project 4.1: Internal IT	81 033	97 239	97 239	97 239
	Sub-Project 4.2: Facilities	2 100	2 520	2 520	2 520
	Sub-Project 4.3: Production Toolsets	5 746	6 895	6 895	6 895
	Sub-Project 4.4: Integrated Security Management Solutions	33 500	40 200	40 200	40 200
Project 4: Operational Support Total		122 379	146 854	146 854	146 854
Total Capital Budget		500 000	600 000	600 000	600 000

Annex A: Abbreviations, Terms and Definitions

A.1 Abbreviations

APP	Annual Performance Plan
BBBEE	Broad-Based Black Economic Empowerment
BO	Business Opportunity
BPM	Business Process Management
BPS	Business Planning System
BSC	Balance Score Card
CAPEX	Capital Expenditure
CEO	Chief Executive Officer
COTS	Commercial of the Shelf
CPI	Consumer Price Index
CRM	Customer Relationship Management
CSI	Customer Satisfaction Index
DC	Data Centre
DR	Disaster Recovery
EA	Enterprise Architecture
EBIT	Earnings Before Interest and Tax
ED	Enterprise Development
EME	Exempted Micro Enterprise
ERP	Enterprise Resource Planning
GDP	Gross Domestic Product
GPC	Government Private Cloud
GPCE	Government Private Cloud Ecosystem
HCM	Human Capital Management
HPO	High Performance Organisation
IaaS	Infrastructure-as-a-Service
ICT	Information and Communication Technology

ISF	Information Security Forum
IT	Information Technology
MTEF	Medium-Term Expenditure Framework
MTSF	Medium-Term Strategic Framework
NT	National Treasury
NDP	National Development Plan
OCPO	Office of the Chief Procurement Officer
OEM	Original Equipment Manufacturer
OPEX	Operating Expenses
OSM	Original Software Manufacturer
OTP	One Time Password
PaaS	Platform-as-a-Service
PFMA	Public Finance Management Act
POA	Programme Of Action
PSS	Product, Service and Solutions
QSE	Qualifying Small Enterprise
RAG	Red, Amber, Green
RSA	Republic of South Africa
SA	South Africa
SaaS	Software-as-a-Service
SCM	Supply Chain Management
SITA	State Information Technology Agency
SLA	Service Level Agreement
SMMEs	Small, Medium and Micro-sized Enterprises
SOC	State Owned Company

Annex B: Budgeted Financial Statements

B.1 Statement of Financial Performance

Description	Actual	Forecast	Budget	Estimate		
	FY 2016/17	FY 2017/18	FY 2018/19	FY 2019/20	FY 2020/21	FY 2022/22
	R'000	R'000	R'000	R'000	R'000	R'000
Gross Revenue	5 680 793	5 795 427	6 204 610	6 700 979	7 237 058	8 105 504
Services	4 197 540	4 573 876	4 893 341	5 627 342	6 471 443	7 118 587
Agency	1 483 252	1 221 551	1 311 270	1 073 637	765 615	986 917
Less: Cost of sales	4 661 882	4 665 751	4 908 261	5 235 679	5 590 438	6 304 998
Agency	1 454 738	1 134 342	1 217 770	998 483	712 022	917 833
Service Delivery Expenses	1 770 967	2 048 842	2 124 411	2 549 294	3 059 152	3 426 250
Labour	1 278 947	1 312 461	1 392 939	1 504 374	1 624 724	1 754 702
Depreciation	157 230	170 107	173 140	183 528	194 540	206 213
Gross Profit	1 018 910	1 129 675	1 296 350	1 465 300	1 646 620	1 800 507
Gross Margin %	18%	19%	21%	22%	23%	22%
Gross Margin: Agency	28 514	87 209	93 499	75 155	53 593	69 084
Gross Margin: Agency %	2%	7%	7%	7%	7%	7%
Gross Margin: Services	990 396	1 042 467	1 202 850	1 390 146	1 593 027	1 731 422
Gross Margin: Services %	24%	23%	25%	25%	25%	24%
Operating Expenses	954 839	1 129 688	1 274 799	1 376 484	1 464 665	1 558 804
Marketing	29 560	34 465	36 096	37 901	39 796	41 786
Labour	496 859	486 355	483 960	522 677	564 491	609 650
Depreciation	22 050	57 242	50 166	54 179	58 514	63 195
Training	14 060	7 526	37 238	60 812	65 676	70 931
Research and Development	-	3 881	7 000	7 560	8 165	8 818
Other	392 310	540 218	660 338	693 355	728 023	764 424
Other income	38 345	22 385	779	34 624	32 788	34 427
Earnings Before Interest and Tax	102 416	22 373	22 330	123 440	214 742	276 130
Net finance income	142 595	70 449	74 464	78 709	83 195	87 937
Surplus before tax	245 011	92 821	96 794	202 149	297 938	364 067
Tax	84 172	25 990	27 102	56 602	83 423	101 939
Net Surplus	160 839	66 831	69 692	145 547	214 515	262 129

B.2 Statement of Financial Position

Description	Budget	Estimate		
	FY 2018/19	FY 2019/20	FY 2020/21	FY 2021/22
	R'000	R'000	R'000	R'000
ASSETS				
CURRENT ASSETS	2 452 709	2 239 049	2 161 918	2 093 195
Cash and cash equivalents	1 171 327	1 017 903	929 545	961 208
Trade and other receivables	971 116	956 179	932 656	930 994
Income Tax receivable	186 203	133 833	161 108	54 482
Prepayments	124 063	131 134	138 609	146 510
NON-CURRENT ASSETS	1 700 247	2 160 660	2 634 604	3 123 576
Property, plant & equipment	1 042 317	1 374 783	1 693 234	2 000 231
Intangible assets	618 300	752 366	905 949	1 085 905
Deferred tax assets	39 630	33 511	35 421	37 440
TOTAL ASSETS	4 152 956	4 399 709	4 796 522	5 216 771
LIABILITIES				
CURRENT LIABILITIES	1 139 683	1 226 664	1 393 312	1 534 218
Creditors	654 443	704 673	831 567	929 452
Other payables	273 798	289 405	305 901	323 337
Income received in advance	211 442	232 586	255 844	281 429
NON-CURRENT LIABILITIES	142 262	156 488	172 137	189 351
Post-retirement medical liability	142 262	156 488	172 137	189 351
TOTAL LIABILITY	1 281 945	1 383 152	1 565 449	1 723 569
TOTAL NET ASSETS	2 871 011	3 016 557	3 231 073	3 493 202
TOTAL LIABILITIES AND ASSETS	4 152 956	4 399 709	4 796 522	5 216 771
NET ASSETS ANALYSED AS FOLLOWS				
Equity contributed	-	-	-	-
Non-distributable reserves	627 335	627 335	627 335	627 335
Accumulated surplus	2 243 676	2 389 222	2 603 738	2 865 867
	2 871 011	3 016 557	3 231 073	3 493 202

B.3 Cash Flow Statement

Description	Budget	Estimate		
	FY 2018/19	FY 2019/20	FY 2020/21	FY 2021/22
	R'000	R'000	R'000	R'000
Cash from operating activities	550 561	446 576	511 642	631 663
Cash flows from investing activities	(500 000)	(600 000)	(600 000)	(600 000)
Cash flow from financing activities	-	-	-	-
Increase/(decrease) in cash and cash equivalents	50 561	(153 424)	(88 358)	31 663
Cash and cash equivalents beginning of year	1 120 766	1 171 327	1 017 903	929 545
Cash and cash equivalents end of year	1 171 327	1 017 903	929 545	961 208

B.4 Budget per programme

Programme 1: Service Delivery

Description	Forecast	Budget	Estimate		
	FY 2017/18	FY 2018/19	FY 2019/20	FY 2020/21	FY 2021/22
	R'000	R'000	R'000	R'000	R'000
Gross Revenue	2 672 149	3 514 521	3 795 683	4 099 338	4 591 258
Services	1 630 328	2 289 912	2 633 398	3 028 408	3 331 249
Agency	1 041 820	1 224 610	1 063 066	742 039	964 507
Less: Cost of sales	2 817 929	2 789 918	2 841 510	2 764 928	3 166 662
Agency	955 687	1 131 111	988 651	690 096	896 992
Service Delivery Expenses	822 086	518 911	622 693	747 232	836 899
Labour	1 014 606	1 093 756	1 181 257	1 275 757	1 377 818
Depreciation	25 551	46 140	48 908	51 843	54 953
Gross Profit	(145 781)	724 604	954 174	1 334 410	1 424 596
Gross Margin %	-5%	21%	25%	33%	31%
Gross Margin: Agency	86 134	93 499	74 415	51 943	67 515
Gross Margin: Agency %	8%	8%	7%	7%	7%
Gross Margin: Services	(231 915)	631 104	780 540	953 576	1 061 578
Gross Margin: Services %	-14%	28%	30%	31%	32%
Operating Expenses	400 780	518 728	551 819	587 137	624 839
Marketing	29 286	47 347	49 715	52 200	54 810
Labour Indirect	210 537	230 733	249 192	269 127	290 657
Depreciation	2 286	747	807	871	941
Training	253	-	-	-	-
Research and Development	3 881	7 000	7 560	8 165	8 818
Other Indirect Costs	154 537	232 901	244 546	256 773	269 612
Other income	-	-	-	-	-
Operating Surplus/(Deficit)	(546 561)	205 875	402 354	747 273	799 757

Programme 2: Infrastructure

Description	Budget	Estimate		
	FY 2018/19	FY 2019/20	FY 2020/21	FY 2021/22
	R'000	R'000	R'000	R'000
Gross Revenue	2 841 117	3 068 406	3 313 879	3 711 544
Services	2 754 457	3 167 626	3 642 770	4 007 047
Agency	86 660	-	-	-
Less: Cost of sales	2 227 211	2 514 979	2 960 354	3 293 077
Agency	86 660	-	-	-
Service Delivery Expenses	1 714 369	2 057 242	2 468 691	2 764 934
Labour	299 183	323 117	348 966	376 884
Depreciation	127 000	134 620	142 697	151 259
Gross Profit	613 906	553 427	353 524	418 468
Gross Margin %	22%	18%	11%	11%
Gross Margin: Agency	-	-	-	-
Gross Margin: Agency %	-	-	-	-
Gross Margin: Services	613 906	652 646	682 415	713 970
Gross Margin: Services %	22%	21%	19%	18%
Operating Expenses	97 069	102 055	107 302	112 823
Marketing	-	-	-	-
Labour Indirect	4 189	4 524	4 886	5 276
Depreciation	256	277	299	323
Other Indirect Costs	92 624	97 255	102 118	107 224
Other income	-	-	-	-
Operating Surplus/(Deficit)	516 837	451 372	246 222	305 645
Net Surplus	516 837	451 372	246 222	305 645

Programme 3: Procurement

Description	Forecast	Budget	Estimate		
	FY 2017/18	FY 2018/19	FY 2019/20	FY 2020/21	FY 2021/22
	R'000	R'000	R'000	R'000	R'000
Operating Expenses	92 630	111 388	119 896	128 298	137 313
Marketing	-	-	-	-	-
Labour Indirect	45 827	36 414	40 056	43 261	46 722
Depreciation	38 983	37 222	40 199	43 415	46 889
Other Indirect Costs	7 820	37 752	39 640	41 622	43 703
Other income	-	-	-	-	-
Operating Surplus/(Deficit)	(92 630)	(111 388)	(119 896)	(128 298)	(137 313)

Programme 4: Financial Sustainability

Description	Budget	Estimate			
	FY 2018/19	FY 2019/20	FY 2020/21	FY 2021/22	
	R'000	R'000	R'000	R'000	
Operating Expenses	219 888	233 726	248 493	264 246	
Marketing	9				
Labour Indirect	91 403	98 716	106 613	115 142	
Depreciation	3 692	3 988	4 307	4 651	
Other Indirect Costs	124 784	131 023	137 574	144 453	
Other income	779	34 624	32 788	34 427	
Operating Surplus/(Deficit)	(219 109)	(199 102)	(215 705)	(229 818)	
Net finance income	74 464	78 709	83 195	87 937	
Surplus before tax	(144 645)	(120 393)	(132 510)	(141 881)	
Net Surplus	(144 645)	(120 393)	(132 510)	(141 881)	

Programme 5: Organisation, Governance and Administration

Description	Forecast	Budget	Estimate		
	FY 2017/18	FY 2018/19	FY 2019/20	FY 2020/21	FY 2021/22
	R'000	R'000	R'000	R'000	R'000
Operating Expenses	265 987	347 725	369 393	393 242	418 714
Marketing	5 170	8 740	9 186	9 645	10 128
Labour Indirect	124 621	121 221	130 189	140 605	151 853
Depreciation	9 959	8 249	8 909	9 621	10 391
Other Indirect Costs	118 963	172 278	180 892	189 936	199 433
Other income	-	-	-	-	-
Operating Surplus/(Deficit)	(265 987)	(347 725)	(369 393)	(393 242)	(418 714)

Annex C: Amendments to the 2015-19 Strategic Plan

Section 4.1 of the National Treasury framework for strategic plans and Annual Performance Plans (2010) makes provision for departments and entities to make changes to their strategic plans. The framework states that:

“Strategic Plan may be changed during the five-year period that it covers. However, such changes should be limited to revisions related to significant policy shifts or changes in the service-delivery environment. The relevant institution does this by issuing an amendment to the existing plan, which may be published as an annexure to the Annual Performance Plan, or by issuing a revised Strategic Plan”.

The current revised strategic plan (2015/19) was approved by the SITA Board of Directors and tabled at Parliament by the Executive Authority in March 2016. SITA reviewed and revised the APP (2018/19) within the context of the implementation of the new business model, operating model and fulfilling its core mandate as per the SITA Act. As a result, during this final year of the Agency current five year strategy changes to Part B of the 2015/19 strategic plan i.e. medium- term targets are reflected below:

C.1 Programme 1: Service Delivery

C.1.1 Programme purpose

The purpose of this programme is to provide high quality IT services to enable government to deliver efficient and convenient services to citizens through the use of ICT and to optimise the provision of SITA’s IT infrastructure services in order increase availability, flexibility, scalability, predictability and security.

C.1.2 Programme medium-term targets

Strategic Objectives	Current Medium-Term Targets		Amended Medium-Term Targets		Comments
	2017-2018	2018-2019	2017-2018	2018-2019	
Enhance efficiency of Government business processes	20 e-services implemented	30 e-services implemented	20 e- services deployed	50 e- services deployed	Targets have been increased from 30 to 50 e- services deployed. This is as a result of the implementation of the new business model which capacitated the application development environment.
Improve Security of Government Data assets	Attain Information Security Maturity Level 2 as per generic security controls model	Attain Information Security Maturity Level 3 as per generic security controls model	Attain Information Security Maturity Level 2 as per generic security controls model	Attain Information Security Maturity Level 3 as per ISF security controls model for 11 discipline areas	Targets remain the same however; the Agency has chosen the Information Security Forum (ISF) maturity model to determine the maturity of SITA ICT controls. The focus is on 11 discipline areas, namely; 1. Security Strategy

Strategic Objectives	Current Medium-Term Targets		Amended Medium-Term Targets		Comments
	2017-2018	2018-2019	2017-2018	2018-2019	
Improve Security of Government Data assets	Attain Information Security Maturity Level 2 as per generic security controls model	Attain Information Security Maturity Level 3 as per generic security controls model	Attain Information Security Maturity Level 2 as per generic security controls model	Attain Information Security Maturity Level 3 as per ISF security controls model for 11 discipline areas	<ul style="list-style-type: none"> 2. Security Governance 3. Information Risk Management 4. Compliance 5. Security Audit 6. Information Security Policy 7. Vulnerability Management 8. Change Management 9. Threat Intelligence 10. Security Behaviour & Awareness 11. Human Resources Security

C.2 Programme 2: Infrastructure

C.2.1 Programme Purpose

The purpose of this programme is to optimise the provision of SITA's IT infrastructure services in order increase availability, flexibility, scalability, predictability and security.

C.2.2 Programme medium-term targets

Strategic Objectives	Current Medium-Term Targets		Amended Medium-Term Targets		Comments
	2017-2018	2018-2019	2017-2018	2018-2019	
Consolidate and modernise data centers	1 Government private cloud service available	1 Government private cloud service available	1 Government private cloud service available	2 Government private cloud service available	Targets have been increased from 1 to 2 Government private cloud services available. This is as a result of the changes in the performance delivery environment.
Improve broadband connectivity	-	-	-	257 of SA connect phase 1 sites connected and maintained at bandwidths of 10Mbps	The FY2018/19 budget vote 32 of the Department indicates that an amount of R 58 million is allocated for ICT infrastructure support programme for the FY2018/19. Based on the budget allocation it is estimated that R 10 million will be allocated

Strategic Objectives	Current Medium-Term Targets		Amended Medium-Term Targets		Comments
	2017-2018	2018-2019	2017-2018	2018-2019	
					<p>for the existing 63 sites connected in the current FY2017/18. Therefore SITA will only maintain these 63 sites.</p> <p>Should additional budget be allocated by the Department for any additional sites then the annual and quarterly targets for this measure will be revised accordingly.</p>

C.3 Programme 4: Financial sustainability

C.3.1 Programme purpose

The purpose of this programme is to ensure an effective and efficient financial management and ensure financial growth and sustainability.

C.3.2 Programme medium-term targets

Strategic Objectives	Current Medium-term targets		Amended Medium-term targets		Comments
	2017-2018	2018-2019	2017-2018	2018-2019	
Achieve Sound Financial Management	R 139m	4.2% EBIT	R1 39m	R22.3m	<p>Due to the uncertainty surrounding the achievement of revenue budgets the targets for EBIT and gross margin are denominated in Rm for this financial year to protect the cash generating profitability of the business. The intention is to grow sustainable revenue to enable us to revert to percentages measurements in the outer years. Targets have been amended to align to SA connect budget.</p>
	R1326m	22% Gross margin	R1 326m	R1 296m	
	80%	85%	80% Net collection rate	80% Net collection rate	

C.4 Programme 5: Organisation, Governance and Administration

C.4.1 Programme purpose

The purpose of this programme is to build and maintain organisational capability to enable SITA to achieve its strategic imperatives.

Strategic Objectives	Current Medium-term targets		Amended Medium-term targets		Comments
	2017-2018	2018-2019	2017-2018	2018-2019	
Build a Healthy & High Performing Organisation (HPO)	30% of critical positions with minimum cover ratio of 1:2	50% of critical positions with minimum cover ratio of 1:2	-	50% of critical positions with minimum cover ratio of 1:1	This target has been amended for critical positions with minimum cover ratio of 1:2 to a ratio of 1:1. This is due to the current lack of required skills and which will require further training and development initiatives in order to achieve the target.
	-	-	-	100% migration of employees to the new micro structure	This is a new target which seeks to design a new organisation which aligns to the new business model
	-	-	-	Level 4 contributor	For activities conducted in the FY2015/16 the assessment was conducted on the generic codes at level 4 and the assessment was done in FY2016/17. The current BBEE status covers FY2016/2017 and is based on the amended ICT sector codes. The baseline for FY2016/17 is that SITA is a Non-Compliant Contributor. The targets for FY2019/2020 and FY2020/2021 are Level 4 Contributor and Level 3 Contributor respectively. Level 4 contributor target for FY2018/19 will be measured based on the activities conducted during the financial year and the evaluation will be conducted before the end of August 2018.
	-	-	-	Establish fraud & corruption baseline as per industry benchmark	This is a new target which seeks to mitigate risks related to fraud & corruption within the organisation. The focus for the FY2018/19 is to establish a fraud & corruption baseline which will be utilised to implement best practice within SITA. The current organisational activities that seek to provide awareness, detect fraud and implement corrective measures will continue.

Annex D: Technical Indicator Descriptions

This section provides detailed information regarding the key performance indicators for each of the five (5) strategic programmes.

D.1 Programme 1: Service Delivery

D.1.1 # of e-Government services deployed

Indicator	# of e-Government services deployed
Short definition	E-services are deployed at the cl customer environment and accepted by the customer as a working solution.
Purpose	The purpose of the objective is to enhance the efficiency of Government business processes by providing citizens with on-line and mobile access to Government services.
Data/Evidence source	User acceptance certificate signed by customer
Method of calculation	Number of e-services deployed
Unit of Measure	Number
Data limitations	None
Type of indicator	Output
Calculation type	Cumulative
Reporting cycle	Quarterly
New indicator	No
Desired performance / Annual Target	50 e-services deployed
Indicator responsibility	Executive: Hosting and Secured Operations

D.1.2 Level of maturity of ICT security

Indicator	Level of maturity of ICT security
Short definition	Development of security measures in protecting SITA & Government information - The implementation of information security
Purpose	The purpose of the objective is to increase the maturity level of ICT security.
Data/Evidence source	Maturity assessment report
Method of calculation	As per the maturity assessment framework
Unit of Measure	Level
Data limitations	None
Type of indicator	Output
Calculation type	Non-cumulative
Reporting cycle	Quarterly
New indicator	No
Desired performance / Annual Target	Attain Information Security Maturity Level 3 as per ISF security controls model
Indicator responsibility	Executive: Hosting and Secured Operations

D.1.3 Customer satisfaction level

Indicator	Customer satisfaction level
Short definition	% increase in customer satisfaction index (CSI)
Purpose	To gauge whether our service delivery improvement initiatives are having the desired effect in increasing our customers' satisfaction with our service delivery
Data/Evidence source	Published Customer Satisfaction Survey results, obtained from an external service provider
Method of calculation	As per results of customer survey conducted
Unit of Measure	Percentage
Data limitations	Size of survey sample
Type of indicator	Outcome
Calculation type	Non-cumulative
Reporting cycle	Annual
New indicator	No
Desired performance / Annual Target	80% customer satisfaction level
Indicator responsibility	Executive: National Consulting Executive: Provincial & Local Consulting

D.1.4 % performance against measured contracted SLA metrics

Indicator	% Performance against measured contracted SLA metrics
Short definition	Level of achievement of SLA metrics
Purpose	To gauge the extent to which the organisation has achieved against performance levels agreed to in contracted SLAs
Data/Evidence source	Service Level Agreements ITSM / NMS and ARS systems - SLA Performance and Trend Reports
Method of calculation	As per the ITSM/NMS and ARS systems (incorporating weighted average method of measurement). The total number of contracted SLA metrics met for the period ($=\sum$ service desk calls + incidents & requests resolved + incidents & requests responded + availability of WAN, hosting & service management services) / Total number of contracted SLA metrics for the period X 100
Unit of Measure	Percentage
Data limitations	SLA metric performance must be reported/ extracted from automated system/process as per defined scope. All services not currently measured in same system.
Type of indicator	Outcome
Calculation type	Cumulative
Reporting cycle	Quarterly
New indicator	No
Desired performance / Annual Target	98% performance against measured contracted SLA metrics
Indicator responsibility	Executive: Networks and Service Management

D.1.5 % increase in government market share

Indicator	% Increase in government market share
Short definition	Increase in the amount of Government ICT budget spent on Services provided by SITA
Purpose	To gauge the extent to which the amount of money Government spends on ICT services from SITA, has increased as a percentage of total Government ICT spend
Data/Evidence source	Financial statements
Method of calculation	<p>Market Share Year A (2016/17) = $\frac{\text{Actual Spend Through SITA for 2016/17}}{\text{Govt. ICT Actual Spend for 2016/17}} \times 100$</p> <p>Market Share Year B (2017/18) = $\frac{\text{Actual Spend Through SITA for 2017/18}}{\text{Govt. ICT Actual Spend for 2017/18}} \times 100$</p> <p>% increase in government market share 2017/18 = $\frac{\text{Market Share Year B (2017/18) less Market Share Year A (2016/17)}}{\text{Market Share A (2016/17)}} \times 100$</p> <p>The calculation method scope:</p> <ol style="list-style-type: none"> 1. Only National and Provincial Department ICT spend are to be taken into account, i.e. (excludes Parastatals, Local Gov and Private Companies). 2. Government ICT spend information is from the Government BAS system for 2016/17. 3. Government ICT spend information is from the SITA Enterprise Resources Planning and Financial Systems for 2017/18. 4. Only Government spend related to SITA's current service portfolio is in scope.
Unit of Measure	<p>Percentage</p> <p>Note 1: % Increase in government market share = (% Market Share 2018/19 - % Market Share Baseline 2017/18) divided by % Market Share Baseline 2017/18</p> <p>Note 2: % Market share for a year = Actual Government Spent through SITA (National & Provincial) for the year divided by Government Budget related to SITA's service portfolio for the year (National & Provincial)</p>
Data limitations	Accuracy of data
Type of indicator	Output
Calculation type	Cumulative
Reporting cycle	Annual
New indicator	No

Desired performance / Annual Target	10% increase in government market share on designated services (increase on 2017/18 target)
Indicator responsibility	Executive: National Consulting

D.2 Programme 2: Infrastructure

D.2.1 # of Government private cloud services available

Indicator	# of Government private cloud services available
Short definition	Establishment of 2 government private cloud services available for customer consumption
Purpose	To transform our data centers and provide a modernised service delivery
Data/Evidence source	Acceptance certificates signed by Products Services and Solution department
Method of calculation	Number of government private cloud services available
Unit of Measure	Number
Data limitations	None
Type of indicator	Output
Calculation type	Non-cumulative
Reporting cycle	Quarterly
New indicator	No
Desired performance / Annual Target	2 Government private cloud service available
Indicator responsibility	Executive: Hosting and Secure Operations

D.2.2 # of customers provided with disaster recovery services

Indicator	# of customers provided with disaster recovery services
Short definition	The provisioning of the disaster recovery services for customers i.e. a working DR capability in line with contracted SLA matrices.
Purpose	To provide disaster recovery services to government departments
Data/Evidence source	User acceptance certificates & signed customer proposals
Method of calculation	Number of DR agreements per DR site
Unit of Measure	Number
Data limitations	None
Type of indicator	Output
Calculation type	Non-cumulative
Reporting cycle	Quarterly
New indicator	No
Desired performance / Annual Target	Disaster recovery services provided to 4 customers
Indicator responsibility	Executive: Hosting and Secure Operations

D.2.3 # of SA Connect Phase 1 sites connected at bandwidths of 10Mbps

Indicator	# of SA Connect Phase 1 sites connected at bandwidths of 10Mbps
Short definition	Connectivity of phase 1 SA connect sites at bandwidths of 10Mbps
Purpose	To improve connectivity for government

Data/Evidence source	Sign-off certificate by Project Manager Monthly and quarterly reports submitted to EXCO, Board and Ministry
Method of calculation	Number of sites maintained as per the number of sites connected in FY2017/18
Unit of Measure	Number
Data limitations	None
Type of indicator	Output
Calculation type	Non- cumulative
Reporting cycle	Quarterly
New indicator	Yes
Desired performance / Annual Target	257 of SA connect phase 1 sites connected and maintained at bandwidths of 10Mbps
Indicator responsibility	Executive: Strategy Management

D.3 Programme 3: Procurement

D.3.1 % of tender awards completed within the targeted turnaround time

Indicator	% of tender awards completed within the targeted turnaround time
Short definition	Accumulative total number of tenders completed within the targeted turnaround time divided by accumulated total number of tenders completed (awarded or recommended) per FY
Purpose	To improve the SCM turn-around times
Data/Evidence source	<ol style="list-style-type: none"> 1. SCM Tender Register/Report 2. SCM Tender SLA targets per APP 3. Proof of resolution document date from Bid Spec Committee / Proof of receipt of approved business case and specifications for requirement <R500K 4. Proof of resolution document date from relevant adjudication committee 5. Proof of award letter signature date 6. Proof of recommendation signature date
Method of calculation	$\left(\frac{\text{Tenders completed per SLA target}}{\text{Total number of tenders completed (awarded/recommended) per FY}} \right) \times 100$ <p>* Award Letter Date means the date on which the bid award letter was signed by the SITA delegated authority. ** Recommendation Letter Date means the date on which the bid recommendation letter was signed by the SITA delegated authority. *** Request is registered as received in procurement when the specification is approved.</p> <p><i>Note:</i> It measures end to end process, from demand management to award <i>Condition:</i> Only tenders completed (adjudicated) for the reporting period is part of the formula <i>Note:</i> the days used in SCM are working days</p>
Unit of Measure	Percentage
Data limitations	The accuracy of the information from SCM manual systems

Type of indicator	Outcome
Calculation type	Cumulative
Reporting cycle	Quarterly
New indicator	No
Desired performance / Annual Target	85% of tender awards completed within the targeted turnaround time
Indicator responsibility	Executive: Supply Chain Management

D.3.2 % of ICT acquisition spend through SMME entities

Indicator	% of ICT acquisition spend through SMME entities
Short definition	ICT acquisition spend through the use of companies classified as SMMEs (EME & QSE) entities
Purpose	To improve the acquisition spend through SMMEs entities
Data/Evidence source	1. SCM SMME Register 2. Supplier Database 3. ERP Creditor payment report 4. Copy of B-BBEE certificate for suppliers
Method of calculation	$P = ((SMME_DIRECT_Spend + SMME_INDIRECT_Spend) / Available_Spend) * 100\}$ <p>* SMME_DIRECT_Spend means the spend (Rand) on SMME entities for the reporting period as reflected in the ERP Creditor Report</p> <p>** SMME_INDIRECT_Spend means the (Rand) value invoiced by and paid to SMMEs by Main Contractors in accordance with Sub-contracting clauses as stated on the contracts register and reflected in the subcontracting report.</p> <p>*** Available_Spend means the total measured procurement spend less license fees at top 8 OEMs</p>
Unit of Measure	Percentage
Data limitations	The accuracy of the information from manual calculation
Type of indicator	Output
Calculation type	Cumulative
Reporting cycle	Quarterly
New indicator	No
Desired performance / Annual Target	40% of ICT acquisition spend through SMME entities
Indicator responsibility	Executive: Supply Chain Management

D.4 Programme 4: Financial Sustainability

D.4.1 Earnings Before Interest and Tax

Indicator	Earnings Before Interest and Tax
Short definition	EBIT is defined as revenue minus expenses, excluding tax and interest. It is an indicator of a company's profitability
Purpose	To improve financial sustainability
Data/Evidence source	1. Quarterly finance reports 2. Annual Financial Statements

Method of calculation	Service Revenue(SR) plus Agency Revenue (SA) less Expenses
Unit of Measure	Number
Data limitations	The accuracy of the ERP financial information
Type of indicator	Output
Calculation type	Cumulative
Reporting cycle	Quarterly
New indicator	No
Desired performance / Annual Target	R22.3m
Indicator responsibility	Chief Financial Officer

D.4.2 % Net Collection Rate

Indicator	% Net Collection Rate
Short definition	This measures current year invoice due and the percentage that SITA actually collect.
Purpose	Measurement of the ability of the organisation to recover amounts billed (sustainability)
Data/Evidence source	1. ERP system 2. Monthly and Quarterly Finance report
Method of calculation	Receipts / Total current year invoices due
Unit of Measure	Percentage
Data limitations	The accuracy of the ERP financial information
Type of indicator	Output
Calculation type	Cumulative
Reporting cycle	Quarterly
New indicator	No
Desired performance / Annual Target	80%
Indicator responsibility	Chief Financial Officer

D.4.3 Gross Margin

Indicator	Gross Margin
Short definition	Gross margin is a company's profit before operating expenses, interest payments and taxes. This is the indicator of the management of direct costs with relation to revenue.
Purpose	To improve financial sustainability
Data/Evidence source	1. Quarterly finance reports 2. Annual Financial Statements
Method of calculation	Revenue less cost of sales
Unit of Measure	Number
Data limitations	The accuracy of the ERP financial information
Type of indicator	Output
Calculation type	Cumulative
Reporting cycle	Quarterly
New indicator	No
Desired performance / Annual Target	R1 296m
Indicator responsibility	Chief Financial Officer

D.5 Programme 5: Organisation and Governance and Administration

D.5.1 % of critical positions with minimum cover ratio of 1:1

Indicator	% of critical positions with minimum cover ratio of 1:1
Short definition	The ability for an organisation to identify critical talent positions for the purpose of succession management
Purpose	To build a pool of critical talent to ensure continuous service delivery
Data/Evidence source	Organisation Succession Pool
Method of calculation	Actual number of successors for every critical position identified
Unit of Measure	Percentage
Data limitations	Inefficiency of the manual talent management system
Type of indicator	Output
Calculation type	Cumulative
Reporting cycle	Quarterly
New indicator	No
Desired performance / Annual Target	50% of critical positions with minimum cover ratio of 1:1
Indicator responsibility	Executive: Human Capital Management

D.5.2 Employee satisfaction level

Indicator	Employee satisfaction level
Short definition	Measures how content or satisfied employees are with their jobs and the organisation.
Purpose	To improve the level of employee satisfaction
Data/Evidence source	Survey results
Method of calculation	As per the survey
Unit of Measure	Level
Data limitations	Number of responded to the survey
Type of indicator	Outcome
Calculation type	Non-cumulated
Reporting cycle	Annual
New indicator	No
Desired performance / Annual Target	70% employee satisfaction level
Indicator responsibility	Executive: Human Capital Management

D.5.3 New Organisational Design Implementation

Indicator	New Organisational Design Implementation
Short definition	implementation of new organisational design
Purpose	To assess the extent to which the new organisation micro structure has been implemented
Data/Evidence source	OD Project Plan deliverables
Method of calculation	Total number of employees migrated to new micro structure / total number of employees to be migrated X 100
Unit of Measure	Percentage
Data limitations	Inaccurate and incomplete information from LOBs

Type of indicator	Output
Calculation type	Cumulative
Reporting cycle	Quarterly
New indicator	Yes
Desired performance / Annual Target	100% migration of employees to the new micro structure
Indicator responsibility	Executive: Human Capital Management

D.5.4 Broad Based Black Economic Empowerment Recognition Level

Indicator	Broad Based Black Economic Empowerment Recognition Level
Short definition	The assessment, verification and validation the disclosed and undisclosed BBBEE related information of SITA
Purpose	To gauge the level of compliance with the BBBEE programme
Data/Evidence source	BBBEE Verification Certificate
Method of calculation	BBBEE Verification by a SANAS certified external service provider
Unit of Measure	Level
Data limitations	None
Type of indicator	Outcome
Calculation type	Cumulative
Reporting cycle	Quarterly
New indicator	Yes
Desired performance / Annual Target	Level 4 Contributor
Indicator responsibility	Executive: Supply Chain Management

D.5.5 Fraud Awareness and Prevention Strategies Roll Out

Indicator	Fraud Awareness and Prevention Strategies Roll Out
Short definition	The roll-out of fraud awareness and prevention strategies. Establishment of the industry benchmark to determine the baseline for SITA and interventions that must be implemented to prevent fraud & corruption
Purpose	This is a new target which seeks to mitigate risks related to fraud & corruption within the organisation. The focus for the FY2018/19 is to establish a fraud & corruption baseline which will be utilised to implement best practice within SITA.
Data/Evidence source	Baseline as per benchmark
Method of calculation	As per benchmark results
Unit of Measure	Percentage
Data limitations	None
Type of indicator	Output
Calculation type	Cumulative
Reporting cycle	No

New indicator	Yes
Desired performance / Annual Target	Establish fraud & corruption baseline as per industry benchmark
Indicator responsibility	Executive: Risk Management



SITA

stateinformationtechnologyagency

STATE INFORMATION TECHNOLOGY AGENCY (SITA)

Erasmuskloof (Head Office)

t. +27 12 482 3000

f. +27 12 367 5151

Postal Address:

P.O Box 26100
Monument Park,
Pretoria, 0105

Physical Address:

459 Tsitsa Street
Erasmuskloof
Pretoria, 0048