2023-2024
ANNUAL PERFORMANCE PLAN

INNOVATING TECHNOLOGIES. IMPROVING SYSTEMS.
ENHANCING SERVICE DELIVERY.

SITA

state information technology agency

STATEMENT BY SITA BOARD CHAIRPERSON, MS MAKANO MOSIDI

This is the fourth Annual Performance Plan (APP) of the five (5) year SITA strategic plan (2020 – 2025). It is developed under the simple theme of **"Perfecting business as usual"**. The value proposition of every service offering in SITA will not only be on paper, but will be executed excellently with visible impact, and in an always-on and secure environment.

It is on this backdrop that this APP is being concluded, and it is a clarion call to every SITAzen to be relevant, to contribute impactfully, to up the ante and to push the needle a lot further when it comes to basic core services of SITA. This APP aims to ensure that SITA fits perfectly into the cloth of being the leading technology hub of Government.

By the end of this 2023 - 2024 APP:

(a) SITA will belong to a stable of Top employers in the technology sector;

(b) The SITA Net Promoter Score will be "high" for the industry it operates in;

(c) The process of automating Government processes and services both internally and externally will progress to a visibly impactful stage. This process will increase at an alarming rate into the next two to three years. Partnering with local SMEs combined with shelf ware and software in Government should accelerate the automation with unprecedented speed.

(d) The indigenous software solutions will be live and accessible for use on the DIGITECH platform;

(e) Non-mandatory procurement services will be devolved to government departments and the cap for procurement that departments can do by themselves will be raised to R10m. There will therefore not be any aged procurement requirements. Panel contracts will be refreshed every twelve months at most in line with developmental updates;

(f) SITA Cyber security services will be ISMS compliant and will be a significant revenue source as SITA starts leading departments in cyber security;

(g) Communications networks will be fit-for-purpose for transversal departments and this will give way to access by schools, hospitals and all government offices;

(h) Hosting services will be transformed to digital services (Cloud) and the offering will be easily accessible and clearly costed for client departments;

(i) SITA will be a Centre of Excellence for data and analytics in aid of Government services;

(j) SITA will achieve an Unqualified audit report and this is a must priority;

(k) The SITA services revenue will grow by at least 10%.

(l) Business Continuity capabilities (URGENT) – considering the risks of Electricity (Load shedding), Water shortages and increased Cybersecurity risks.

The success of this APP will translate into visible impact on cost reduction, improved customer experience and increasing SITA's Goodwill.

Ms Makano Mosidi
Chairperson of the Board

"It is on this backdrop that this APP is being concluded, and it is a clarion call to every SITAzen to be relevant, to contribute impactfully, to up the ante and to push the needle a lot further when it comes to basic core services of SITA. This APP aims to ensure that SITA fits perfectly into the cloth of being the leading technology hub of Government".

MANAGING DIRECTOR'S OVERVIEW

SITA is in an era where the organisation is being challenged to rethink its strategy and programmes and commit to a digital transformation process that would realistically assist South Africa to resolve some of its key service delivery challenges while enhancing its digital transformation and socioeconomic agenda.

One of the key things that the executive and management team has done, is to go back to the drawing board and restart the process of demystifying and interpreting what digital transformation would look like over the short term and the three- to five-year period and, finally, what annual steps and plans would take us to the final destination.

Within this context, the SITA Board had also tasked us to rethink, reconfigure and revise a number of key SITA functional strategies. The new task is decidedly challenging, but it is also profoundly necessary. It has moved SITA out of the comfort zone or continuing in the same trajectory, which is not necessarily aligned to the realities of a relevant digital transformation agenda for government.

One of the greatest ironies of the South African context relating to the Fourth Industrial Revolution (4IR) is the premise that industrialisation rests on a supply of energy, power and electricity. Our electricity provisioning challenges are well documented, and we are all aware that our government is seized with the major challenge of stabilising energy supply for industries and households. Within the ICT sector, one of our tasks is to mitigate the effects of intermittent power supply to ensure the delivery of reliable and consistent services by investing in alternative sources of energy, as the cost of fuel to power generators for our data centres has proven to be exorbitant.

Despite this reality, SITA needs to forge ahead and ensure that amid all current contradictions and constraints, the national digital transformation process stays on course. The adoption of 4IR technologies in South Africa has the potential to create economic growth in sectors, improve crucial services, and diffuse the high levels of societal unrest, instability and inequality.

While the above considerations present a constrained picture, this has not impacted government's expectations and requirements of SITA, which include:

(a) readily available capabilities to meet its digital transformation needs;

(b) end-to-end integrated digital solutions aligned to 4IR;

(c) agility and readiness to respond to digital transformation requirements;

(d) leadership to enable customers to optimally realise their strategies;

(e) broadband connectivity, applications, software-defined networks, and digital technologies that will stimulate the local economy;

(f) uninterrupted network services;

(g) uninterrupted support for and maintenance of services procured through SITA;

(h) prompt and high-quality service delivery; and

(i) consistent, cheaper, cost-saving and competitive prices for all services.

This is a tall order. But the need for government's digital transformation is fully accepted, and within this context SITA has devised a creative approach to implementing government modernisation, digitisation and services.

A real challenge and responsibility that government needs to speedily address is the lack of a uniform ICT investment and consumption model throughout government, and the sparse application of enabling policies and legislation for total government digitisation. This is becoming increasingly important as the national ICT spend is increasing. Some public sector entities with high budget allocations serve as prime examples to showcase the value of digitisation. Every digital innovation should have clear metrics of success so that the spend translates into realised objectives and outcomes.

One of the key areas of our work has been to strengthen our ICT infrastructure to support the adoption of digital solutions and applications. We will build on the capital investments made to modernise our product and service offerings. We have made some significant strides in strengthening our IT infrastructure to support digital services and applications, but we readily recognise that much more needs to be done, noting a constrained national economy and SITA's own capability for capital investments at this point. For the period under this APP, SITA is prioritising the following strategic focus areas to enable digital transformation of government:

Digitisation and digitalisation

SITA aims to deliver ICT solutions at scale for the South African public service. A key step in this direction is to create a collaborative and shared digital services platform for government departments, keeping in mind that digitising government requires a multifold approach.

Modernisation of legacy applications

SITA maintains a significant number of legacy government systems, some of which are transversal in nature and require immediate action as they are obsolete. It has become urgent and critical that these legacy systems be prioritised by government departments for modernisation. This will ensure that the whole-of state effectiveness, information security and continued government operations are maintained. Failure to prioritise legacy systems modernisation will render the State incapable of continuing critical public services

Digital services

Government's digital blueprint consists of building blocks designed to realise an open digital ecosystem that addresses both the current and future citizen service requirements. While government uses the business models and platforms to scale digital services in this ecosystem, SITA's role is to continue with the digitalisation of core public-facing services, deploying these on relevant and readily accessible digital platforms and enabling integration of government services. This will ensure single view of information and enable evidence-based decision-making and deliver the personalised public service desired.

Broadband connectivity

Broadband implementation remains one of the biggest ICT-related socioeconomic game changers, if planned and resourced comprehensively. Broadband is the enabler of, and bridge to, creating a digital future. It is intrinsic to the provision of services needed by the marginalised, and it enriches the economy with necessary opportunities.

Cabinet has approved a revised approach to the implementation of the broadband SA Connect programme phase 2. Within that context, the role of our shareholder department, the Department of Communication and Digital

Technologies (DCDT), is to provide leadership and tasking to extend services in accordance with the Cabinet resolution.

SITA currently provides broadband connectivity to various government departments, linked to its service level agreements. A new area of focus that is key to local access, connectivity and service delivery relates to regional broadband requirements.

Software-defined network

Network performance, agility and flexibility is critical to modernisation. The SITA software-defined network (SDN) modernisation addresses this upscaling while also ensuring that the network is intelligently and centrally controlled by monitoring its performance. The objective is to execute on the layer 3 network infrastructure services, supported by the network modernisation initiative.

Software-defined Wide-Area Network

The software-defined wide-area network (SD-WAN) is an important initiative, as it is an automated, programmatic approach to manage last-mile connectivity. Through this automation, network traffic is automatically and dynamically forwarded across the most appropriate and efficient WAN access link based on network conditions, application traffic security and quality-of-service requirements. Routing policies on the SD-WAN controller manage equipment at the customer's premises remotely.

To date, SDN-ready core equipment has been installed at all SITA switching centres. The milestone for FY2023/24 is to ensure the migration of the remaining switching centres from legacy equipment to the SDN.

Cloud computing

SITA's Government Private Cloud Ecosystem (GPCE) is crucial to the government's transformation and digitisation programme. It brings together private and hybrid clouds, which can be hosted either within a government data centre or at a third-party data centre, 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) cloud computing service model.

Data centres

SITA's data centre modernisation programme is on track. The rationalisation of non-strategic switching and data centres is ongoing. The modernising of strategic data centre facilities in line with industry standards to adhere to TIER III+ guidelines and support hyperscale data centre requirements as recommended in the Presidential Commission on 4IR report of 2020 continues. This last phase (phase 3) of the SITA data modernisation programme includes the upgrade of the existing Centurion and Beta data centre facilities to a minimum of TIER III standard, measured by design and operation. While the above is unfolding, key strategic initiatives below are receiving urgent attention:

(a) Manage dependency on the unstable and erratic power supply from Eskom and municipalities by establishing resilient backup electrical systems.

(b) Manage dependency on a particular or single data centre facility, e.g. the Centurion data centre, for the hosting of government systems to an acceptable level of tolerance.

(c) Develop an integrated master plan to address the implications of global warming for coastal data centre facilities.

Information security

SITA plays a leading role in securing the South African Government's information technology assets. This ranges from data breaches and infrastructure infiltrations to persistent phishing and brute force. Online threats come in all shapes and sizes and do not discriminate between individuals and businesses. The organisation is currently investing in further protection and cybersecurity technology and skills to manage this important space.

EUC and local area network

The COVID-19 pandemic lockdown made working remotely, collaboratively and effectively on any task the new norm for government. SITA provides this function through a fully managed end-user-computing and local area network

(LAN) services programme. The value proposition of SITA's end-user computing (EUC) services for government cannot be underestimated, as they ensure the following:

(a) reduced overheads and improved cost control by moving to an outsourced IT service support model that supports onsite, socially distanced business and remote workers;

(b) improved government service delivery through dedicated and high-quality IT technical support services within a secure, optimised and highly reliable LAN infrastructure;

(c) reduced risk of cyberattacks through its security controls for data security, integrity and privacy.

Procurement and ICT transformation

SITA will continue with the implementation of its enterprise and supplier development (ESD) and localisation strategy to empower small, micro and medium enterprises (SMMEs) and promote socioeconomic development. The agency will increase procurement spend through Local SMME , Black, Women, Youth and People living with disabilities designated entities to 43% by end of the MTSF period.

Procurement reforms

Over the last two years, procurement has been SITA's main challenge. Given this reality, reforms to correct inefficiencies in supply chain management processes, systems, skills and practices have been escalated to emergency and priority status. This includes fully automating the e-procurement function. Over this financial year, the accelerated procurement reforms programme will ensure the removal of bottlenecks, streamlining processes and delivering impactful changes that will improve SITA's ability to deliver to customers.

Financial sustainability

Throughout its history, SITA has been financially stable, and it continues to remain financially sustainable. Given the legacy of our past, however, it should be recognised that SITA it not growing at the ideal and necessary rate, and this reality will need to be addressed with vigour in the next two years.

The impact of the COVID-19 pandemic lockdown, the serious downturn in the economy and government's directives to curtail capital investments and expenditure have all had a negative impact on the performance of the organisation and have resulted in ongoing cash-flow challenges and declining revenues.

SITA's revenue targets will be highly dependent on the key customer-centric initiatives to improve service delivery excellence.

Digital skills and culture

Building a digitally capable workforce to support government digitisation remains an imperative. The objective is that all employees should receive skills development in line with the workplace skills plan. SITA aims to become a high-performance organisation and our culture improvement programme will be central to entrenching SITA values and behaviours that will shape a new and reformed SITA workforce. The Human Capital Strategy will be revised to enable SITA to improve on its people practices, and to become a certified top employer.

Conclusion

The above strategic focus areas illustrate the challenges and opportunities that exist. Achieving these focus areas through speedy action will stretch SITA workforce significantly. A mindset shift is required to enable the delivery of the intended impact. SITA's workforce embraces this shift and understands its role in improving government effectiveness and transforming the public sector.
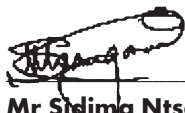
Mr Molatlhegi Kgauwe
Acting Managing Director

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 2023/24 financial year.

Mr Sidima Ntsangani
Executive: Applications Development and Maintenance

Mr Musa Kumalo
Acting Executive: IT Infrastructure Services

Mr Gopal Reddy
Executive: Service Management

Mr Kenneth Pillay
Executive: Supply Chain Management

Ms Samukelisiwe Dube
Executive: Human Capital Management

Mr Lucas Mogashoa
Executive: Corporate and Digital Strategy

Mr Andre Pretorius
Acting Chief Financial Officer

Mr Ntutule Tshenye
Executive: National and Regional Consulting

Mr Molatlhegi Kgauwe
Acting Managing Director

Ms Makano Mosidi
Chairperson of the Board

Mr Mondli Gungubele (MP)
Executive Authority

TABLE OF CONTENTS

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)   Report of the Presidential Commission on the 4th Industrial Revolution (PC4IR) 2020

(e)   SITA Strategic Plan 2020–2025

(f)   SITA Annual Performance Plan 2022–2023

(g)   SITA Annual Report 2021–2022

(h)   National Development Plan 2030

(i)   National Budget 2023

Part A

Our Mandate

1. LEGISLATIVE AND POLICY MANDATES

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

(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 information and communication technology (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:

  (i) 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

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

(d) In order 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); the SITA Act, Act 88 of 1998 (as amended);

  (iv) Cabinet Memo 38A; the e-Government IT Policy Framework;

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

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

  (vii) 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 annual performance plan (APP) for FY2023/24 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.

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) Digitise core public-facing services and deploy these on relevant and readily accessible digital platforms (b) Develop and deploy use cases to establish data-driven government and enable evidence-based decision-making (c) Implement broadband connectivity in line with the revised SA Connect model and according to customer requirements (d) Reduce historically qualified audits through a targeted asset management plan and instilling a culture of ownership and accountability (e) Implement a SITA growth strategy to improve financial sustainability (f) Implement business continuity and risk management strategies for future pandemics	(a) 100% implementation of Indigent household application and integration Phase 1 plan (b) 100% implementation of Court Online Phase 1 Roll-out plan (c) Deployment of an electronically lodged submission for a title deed registration. (d) 97% Core Network Availability (e) 100 clients provided with Information Security Awareness Campaigns (f) Government Information Security Maturity level Report for 100 Clients (g) Achieve Information Security Maturity Level 3.89 (h) 100% implementation of plan for SITA Complaints and Query Management system (i) 10% EBITDA as a percent of revenue
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 acquisition 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) 80% of employees trained against the SITA Workplace Skills Plan (b) 10% EBITDA as a percent of revenue (c) 40% of 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 80 school connectivity (b) Improve the quality of primary healthcare services by expanding the Ideal Clinic Programme (c) Improve the integrated management of childhood disease services	(a) Provide and maintain broadband services to support connectivity to schools (b) Digitise core public-facing services and deploy these on relevant and readily accessible digital platforms (c) Integrate government services through APIs and create a single view of a record to avert duplications	(a) 100% implementation of Indigent household application and integration Phase 1 plan (b) 100% implementation of Court Online Phase 1 Roll-out plan (c) Deployment of an electronically lodged submission for a title deed registration
Priority 4: Consolidating the Social Wage	(a) Develop and operationalise 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) Automate payment processes to stimulate fast and accurate payments, and digitise payment systems	(a) 100% implementation of Indigent household application and integration Phase 1 plan (b) 100% implementation of Court Online Phase 1 Roll-out plan (c) Deployment of an electronically lodged submission for a title deed registration
Priority 6: Social cohesion and safe communities	(a) Promoting social cohesion through increased interaction across space and class (b) 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 on the Code of Good Practice on the Prevention and Elimination of Harassment on the intersecting forms of discrimination associated with age, gender, race, ethnicity, disability, sexual orientation and gender identity that make female employees more vulnerable to GBV and Femicide	(a) 100 clients provided with Information Security Awareness Campaigns (b) Government Information Security Maturity level Report for 100 Clients (c) Achieve Information Security Maturity Level 3.89 (d) 80% of employees trained against the SITA Workplace Skills Plan

3. UPDATES TO INSTITUTIONAL POLICIES AND STRATEGIES

3.1   Institutional policies

SITA will review, develop and implement all of its institutional policies during the financial year ahead i.e. FY2023/24.

3.2   Institutional strategies

SITA's Strategic Plan (SP) 2020–2025 details the strategic direction of the organisation during the medium term. As part of the mid-term review process, the SP has been reviewed to ensure that SITA supports government and shareholder priorities that are focused on evolving government's service delivery. The SITA SP review exercise concluded that the strategic direction of the organisation is still relevant and valid and that the vision, mission, values and impact statement remain as originally defined in the approved SP.

SITA has, however, made changes to the outcomes, outcome indicators and targets for the final year, 2025, due to the fact that SITA's SP only reflected the 2023 mid-term outcomes instead of 2025 outcomes. This was as a result of the envisaged SITA repurposing plans to significantly alter the trajectory and direction of the agency. The strategic direction of the agency remains intact, and therefore the minimally revised outcomes, outcome indicators and targets are provided as an annexure to this APP (refer to Annexure A, page 72).

In addition, SITA has developed comprehensive functional strategies and high-level plans that are aimed at enabling government's digital and ICT agenda in order to make government services simple, smart and citizen-centric, namely:

(a)   Revised data centre modernisation and consolidation strategy and framework;
(b)   SITA cloud strategy and framework;
(c)   Data analytics strategy and roadmap;
(d)   Information security strategy;
(e)   Business growth strategy.

These strategies and plans, which are destined to be delivered over the remaining years of the medium-term expenditure cycle, were developed in consultation with key external stakeholders such as GITOC, the SITA Board and the DCDT. The strategies and plans find effect in this APP for FY2023/24 through clearly defined targets, outputs and outcomes and will be further coordinated through SITA's annual operational plan (AOP). The AOP will operationalise the APP, ensuring that SITA makes incremental progress according to its strategic focus areas to achieve the planned outcomes.

4. UPDATES TO RELEVANT COURT RULINGS

SITA's mandate is impacted by the Constitutional Court, which declared the current 2017 Preferential Procurement Policy Framework Act (PPPFA) Regulations invalid.

On 30 May 2022, National Treasury issued a statement declaring that the Constitutional Court had confirmed the validity of the suspension of the declaration of the order of invalidity of the 2017 Regulations for the remainder of the 12-month period, namely until 26 January 2023 or unless new regulations come into effect prior to 26 January 2023, thus meaning that the 2017 Regulations would remain valid in their entirety. In November 2022, National Treasury issued the new Preferential Procurement Regulations (PPR), 2022 which aimed to repeal the 2017 regulations. On 16 January 2023 the PPR, 2022 came into effect.

Subsequently, a revised SITA Preferential Procurement Policy 2023 was approved by the Board and implemented. The purpose of this policy is to:

(a)   Provide for categories of preference in awarding of bids; and
(b)   Provide for the advancement of persons or categories of persons disadvantaged by unfair discrimination including entities designated as SMME, Black, Women, Youth and People living with disabilities.

Part B

Our Strategic Focus
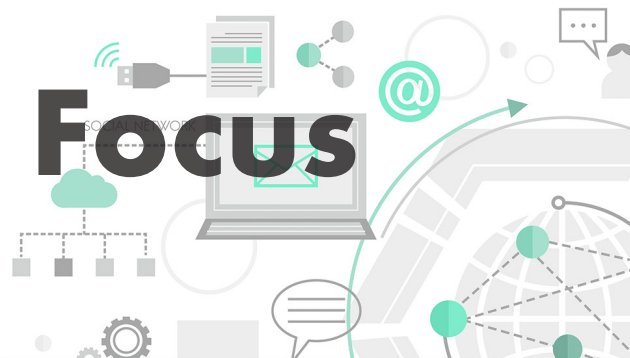
5. UPDATED SITUATIONAL ANALYSIS

5.1   Strategic overview

5.1.1 Vision

To be the leading information and communications technology (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:

CUSTOMER-CENTRICITY –
Exceed customer expectations by providing the best appropriate services and solutions.

AGILITY –
Be adaptive and responsive in an evolving environment in order to maintain relevance and competitive advantage.

INNOVATION –
Pursue innovation by demonstrating thought leadership and proactive behaviour on the use of ICT to enhance public service delivery.

COLLABORATION –
Cooperate and support each other in pursuit of our shared goals to achieve synergies and greater productivity.

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

EMPATHY –
Understand and support each other in our different perspectives.

5.2 External environment analysis

The focus of the FY2023/24 APP was developed against the backdrop of a volatile external environment. This section provides an overview of the external environmental factors that influence SITA's strategic initiatives and APP indicators and targets for the coming year.

5.2.1 PESTEL summary

The table below provides an overview of the political, economic, social, technological, legal, and environmental analyses that SITA must cautiously consider when defining its APP SMART targets.

Table 1 – PESTEL summary

Factors		Challenges and Opportunities	Impact
Political	1. Geopolitical conflicts and related sanctions 2. Political uncertainty in South Africa 3. Increased corruption 4. Revision of government policies and national plans	1. Potential disruption of services provided under contracts with international vendors due to restrictions on using country-specific technological expertise – positive aspect to accelerate deployment and consumption of SA-developed digital products and services.	Negative & Positive
		2. Political factions and fragmentations under coalition governments adversely affecting service delivery	Negative
		3. Reduced trust in government institutions to deliver services to citizens – negative effect on capability of the state	Negative
		4. Continuous reviewing of and revision of government policies and strategies. and ultimate refinement – a negative impact in that progress in delivery may be hindered due to revised policies, but a positive aspect in terms of continuous improvement through revised approaches.	Neutral
Economic	1. Declining energy security 2. Higher overall inflation rate and fuel prices 3. Prioritisation of local economic development and SMMEs growth	1. Energy security critical to the provision of ICT products and services and access to digital platforms for citizens – development of an energy sustainability plan for the organisation and customer infrastructure will secure business continuity and the achievement of SITA's organisational mandate	Negative
		2. Increased data centre and other infrastructure maintenance costs during load-shedding	Negative
		(a) Increased pressure from unions with unsustainable labour costs in the event that cost is not in sync with revenue generated.	Positive
		(b) Review enterprise supplier development strategy, R&I strategy to support SMMEs to innovate and ultimately achieve digital sovereignty.	Positive

Factors		Challenges and Opportunities		Impact
Social	1. Persistent poverty and inequality 2. Social unrest, violence, crime and protest action 3. Increased acceptance of remote or hybrid working arrangements 4. High penetration of mobile smart devices amongst citizens 5. High youth unemployment levels 6. Declining levels of trust	1. Inability of majority of citizens having basic needs provided for and gaining access to digital government services		Negative
		2. Digital infrastructure adversely affected by social unrest, vandalism and theft		Negative
		3. Flexible and mobile workforce contributing to wellness; improve organisational policies that support agile working arrangements and cost containment		Positive
		4. Solutions that promote ease of online access to citizen-facing services		Positive
		5. Adverse impact on citizen users of ICT products and services – youth are key players in and adopters of the digital economy and should have opportunities to access internships, bursaries, hackathons, and CSI programmes that contribute to the reduction of youth unemployment		Negative
		6. Digital transformation premised on availability of quality data and online transactions which require high levels of trust – agency to secure data and systems and develop a trust framework with key partners to improve data sharing		Negative
Technological	1. Increased prevalence of cybersecurity threats 2. Increasing need for effective data management solutions, including management of records that provide single view of citizen 3. Inadequate broadband infrastructure	1. Implementation of cybersecurity plan, infrastructure and insurance		Negative
		2. Development of framework to support integration of citizen data across govt. depts. and implementation of interoperable systems; data analytics to be accelerated to enable intelligent decision-making for agency, customers and, ultimately, all of the state		Positive
		3. Citizens to have ease of access to core public-facing services; inadequate connectivity limits the adoption of digital services, so SITA to accelerate the SA Connect project with DCDT		Negative
Legal	1. Policy uncertainty – govt. regulations and policies (national disasters, cloud and security) 2. Regulatory burden and changes to SITA Bill resulting in loss of business with establishment of State Digital Infrastructure Company (SOC rationalisation)	1. New and improved policies facilitate the continuously changing environment and drivers of digital economy. Uncertainty in certain areas limits execution and hinders progress. SITA to continuously monitor policies and actively engage with policy makers to mitigate risks and shape outcomes.		Positive and negative
		2. Regulating digital transformation elements and fast-paced ICT industry may hinder innovation. SITA infrastructure elements and related value to be assessed and a mitigation plan to be developed to ensure sustainability and relevance of agency.		Negative

Factors		Challenges and Opportunities	Impact
Environment	1. Global warming / Climate change	1. The vulnerability of built infrastructure to damage during extreme events like floods has an adverse impact on service delivery and increases maintenance costs. SITA to enhance infrastructure designs to withstand extreme weather phenomena. SITA can also initiate environmental adaptation plans to manage the internal green business practices (e.g. environmental management system (EMS).	Negative

5.2.2 Key challenges for South Africa in enabling effective ICT delivery

5.2.2.1 Energy crisis/Load-shedding

The majority of South Africa's organisations have indeed been impacted by extraordinary power outages for at least three consecutive years. SITA, like many organisations, is faced with this bleak reality. The organisation burns some R2.5 million worth of diesel every month due to load-shedding and is compelled to consider alternative energy sources.

5.2.2.2 Digital divide

The digital divide between high- and low-income citizens has had a negative impact on the socioeconomic situation in South Africa. To bridge the digital divide, SITA is at present expanding its ICT infrastructure, particularly to its clients in destitute areas.

The need to offer digital infrastructure and high-speed internet connectivity to the areas with the most need would increase access to digital services and ultimately reduce the digital divide. This also emphasizes the value and urgency for SITA to work with the SMME sector to implement digital innovation in government. This will create a partnership ecosystem that promotes the continuous development of localised products and services that stimulate economic activity and job creation.

5.2.3 Regulation

The realisation of the vision of a digitally transformed government is significantly influenced by regulatory factors. The development of enabling policies aimed at furthering the digitalisation agenda has influenced SITA's execution of the digital transformation journey and will continue to do so.
The following emerging legislative instruments will have an impact on SITA's plan of action as it leads government in its digital transformation journey:

(a) **Revised national cybersecurity policy:** The DCDT is revising the national cybersecurity policy. This is envisaged to be completed by the end of March 2023.
(b) **Digital transformation bill**: This bill will incorporate a revision of all existing ICT policies and legislation. There will be a focus on mainstreaming issues related to women, the youth and people with disabilities. The Digital Transformation Bill, developed by the DCDT, is envisaged to be developed and presented to Parliament in 2023.
(c) **National cloud computing policy** – Government departments must be guided by a clearly defined, widely consulted cloud policy. A revision of the data and cloud policy is underway by DCDT and will provide much-needed guidance regarding the management of data and the cloud for the nation.

5.3 Internal environment analysis

The envisaged success of SITA's business operations is influenced by its internal business environment; thus, it is essential to identify risks and opportunities even while managing core competencies to achieve the desired business outcomes:

5.3.1 Organisational challenges

A rigorous internal gap analysis, key external stakeholder dialogues and internal multi-level stakeholder interactions all identified significant issues that threaten the delivery of optimal services. These are outlined in the summary below and can be allocated to the following core operational areas: procurement, infrastructure and technology, products, services and pricing.

5.3.1.1 Procurement

SITA has continuously been plagued by the following procurement challenges:

(a) Performance management culture and inability to attract and retain critical skills;

(b) Long procurement turnaround times which hinder the delivery of customer requests, and tender cancellations;

(c) Delegation of authority pertaining to regional procurement delays; and

(d) Inadequate capacity of SCM to effect efficient delivery according to customers' procurement needs and demands, resulting in an increasing lack of confidence and trust in SITA to fulfil its role as government's procurement arm and worsening the agency's brand deficit.

The implementation of an accelerated procurement reforms programme is an urgent priority within SITA and has been provided with the necessary resources to resolving these long-standing challenges. The key outcome is a trusted, efficient and effective procurement service meeting customer needs and expectations.

5.3.1.2 Infrastructure and technology

SITA has made some progress in resolving inconsistencies across its entire network by strengthening its current IT infrastructure to support digital services and applications designed to improve client satisfaction. Moreover, the organisation is currently addressing its regional broadband requirements, including the replacement of antiquated switching and data centre equipment that impedes the provision of high-quality services and tarnishes SITA's reputation.

The organisation is actively focusing on cyberattack defence, which includes investing in cutting-edge cybersecurity technology and capabilities to handle any type of intrusion that could interrupt everyday operations, resulting in income loss and, notably, harming SITA's image.

5.3.1.3 Pricing of products and services

In order to correct the potential overpricing of SITA's services and products, the organisation is considering the revision of pricing models with sensible mark-up costs to attract new customers and also ensure that current customers benefit from the advantages of doing business with SITA. The revision of pricing models will ensure consultation with key stakeholders, the revision of products and services catalogues, and the development of a value-based pricing approach.

6. RESPONSE TO SITUATIONAL ANALYSIS

The strategic focus for FY2023/24 considers changes in the environment, customer needs, government and shareholder priorities, as well as SITA's capability to deliver as expected. In the first three financial years of its medium-term strategic framework (MTSF), SITA has made progress in establishing digital capabilities and implementing digital technologies internally as well as externally on the customer side. In the last two years of implementing SITA's Strategic Plan, there will be accelerated execution to ensure that the original impact intended will be delivered through the following enhancements:

6.1 Customer service improvement

SITA is striving to become a customer-centric organisation and is prioritising the eradication of service delivery challenges. The following are the common customer needs and expectations:

(a) Readily available capabilities to meet customers' digital transformation needs;

(b) Provision of end-to-end integrated digital solutions aligned to 4IR;

(c) Thought leadership to enable customers to optimally fulfill their strategies;

(d) Provision of broadband connectivity, applications, a software-defined network and digital technologies to stimulate the local economy;

(e) Uninterrupted network services provisioning and uninterrupted support and maintenance for services procured through SITA as per signed proposals;

(f) Prompt service delivery once proposals have been signed, with high-quality service delivery; and

(g) Consistent, competitive pricing for all services.

SITA has developed a customer service improvement plan in response to service delivery challenges and inefficiencies identified in a customer satisfaction survey. The objective is to improve the customer satisfaction level to at least 70% in FY2023/24 from the previously measured level of 51%, thereafter aiming for a year-on-year improvement of 10% from the FY2022/23 baseline. The improvement plan focuses on the initiatives listed below:

(a) Improve customer service delivery and communication.

(b) Improve customer strategic consulting and relationship management.

(c) Improve contracted service performance proposal development, SCM requirements and project implementation.

(d) Implement SCM reforms to remove procurement challenges.

6.2 Digitalisation and digitisation

The strategic vision is to deliver ICT solutions at scale for the South African public service, including the enablement of a collaborative digital services platform shared between various government departments, thereby empowering government to create and provide the right services to the right users with certainty and efficiency in a secure manner. Digitising government requires a two-fold approach, with manual back-end and front-end business processes enabling the modernisation of legacy applications through their digitisation and digitalisation. SITA's focus will enable both the improvement of back-end and front-end processes through the following initiatives:

6.2.1 Legacy modernisation

The modernisation of legacy systems entails the renewal of the full information technology stack, i.e. software, applications, networking and computing infrastructure and information security to match the digital environment and enhance government business operations. SITA maintains a significant number of legacy government systems, some of which are transversal in nature and require immediate action as they are obsolete. It has become urgent and critical that these legacy systems be prioritised by government departments for modernisation. This will ensure that the whole-of state effectiveness, information security and continued government operations are maintained. Failure to prioritise legacy systems modernisation will render the State incapable of continuing critical public services.

6.2.2 Digital services

The implementation of digital services is enabled by the government's digital blueprint, which consists of building blocks geared to realise an open digital ecosystem that addresses the current and future needs of citizens. SITA will continue with the implementation of the following initiatives in line with the revised implementation approach:

(a) Customisation and deployment of Court Online solution;

(b) Implementation of the Indigent household application eService with validation capability against identified data sources (i.e. DSD, DHA and SASSA);

(c) Deployment of an electronically lodged submission for a title deed registration; and

(d) Prioritised services automated within SITA.

6.3   Digital infrastructure

6.3.1 Broadband connectivity

Broadband has vital economic value for government and its citizens. The government of South Africa, through the implementation of the SA Connect initiative, aims to bridge the digital divide and advance the country into the digital economy. Cabinet has approved a revised approach to the implementation of SA Connect phase 2. This approach places an expectation on SITA to connect government sites (national and provincial departments, including SAPS), excluding schools and clinics (unless they are part of existing broadband initiatives), at a minimum of 10 Mbps (a total of 14 742 government sites). SITA's performance is dependent on the approval of the service level agreement by the DCDT and the availability of funding from existing budgets of line departments for the maintenance and extension of services provided by SITA, as indicated in the revised approach.

Further to the implementation of SA Connect phase 2, SITA provides broadband connectivity to various government departments in line with the digitisation endeavour. In the year ahead, the agency will ramp up the deployment of broadband beyond its implementation in the Western Cape, Eastern Cape and Gauteng.

6.3.2 Software-defined network

The SITA SDN modernisation programme aims to transform the government network to be more agile and flexible while enabling it to be intelligently and centrally controlled. It will enable efficient network configuration in order to improve network performance and monitoring.

SITA is implementing a network modernisation initiative, which includes prioritising the deployment of the SDN. This will enable efficient network configuration to improve network performance and monitoring and will enable SITA to be more responsive to the evolving needs of government.

6.3.3 Cloud computing

SITA has established the GPCE, which it will continue to deploy to enable government digitisation for fast, efficient and cost-effective service delivery to government. It brings together private and hybrid clouds, hosted either within a government data centre or at a third-party data centre, into a single ecosystem from where cloud services can be provisioned through a single cloud suite. The GPCE is depicted in the figure below:
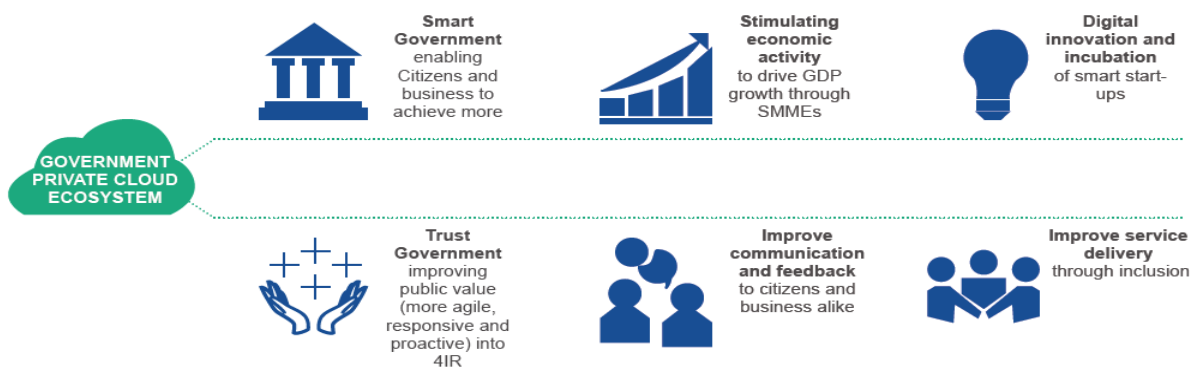
Figure 1 – GPCE as an enabler of digital transformation

The GPCE is therefore a strategic enabler for the digital transformation of government, which will improve public value through digital technologies, stimulate economic activity to drive GDP growth, and enable smart citizens, communities, villages, cities and start-ups. It also embraces multiple technologies to establish access channels to improve communication and feedback to citizens and businesses alike.

SITA continues to mature its GPCE offering from just IaaS into a PaaS cloud-computing service model.

In the year ahead, SITA will expand the GPCE and implement the following initiatives:

(a) Explore more favourable costing models on either a rental or Capex-usage-based model;
(b) Ease the transition to the GPCE for our clients; and
(c) Ensure that all of SITA is on the same page in terms of our value proposition.

This will allow SITA to realise the MTSF 2019–2024 priorities relating to digital transformation, namely the integration of government-wide systems and data, and the modernisation of government's business processes.

6.3.4 Data centres

SITA has embarked on a programme to rationalise non-strategic switching and data centres and modernise strategic data centre facilities to bring them in line with industry standards and ensure adherence to TIER III+ guidelines, and to support hyperscale data centre requirements as recommended in the Presidential Commission on 4IR Report of 2020. The agency has made good progress since the initiation of the modernisation programme in the 2021 financial year. The year ahead will represent the last phase of the three-year implementation plan (i.e., phase 3). Furthermore, SITA aims to leverage its data centre and cloud foundation infrastructure to provide a hyperscale capability; hence the need for modernisation to enable the provision of a platform and facilities where all government workloads can be rationalised and integrated to support digital transformation.

(a) The enabling modernisation strategy intends to:
  (i) focus on upgrading the existing Centurion and Beta data centre facilities to a minimum of TIER III standard by design and operation, and to establish a TIER III blueprint that can later be extended to other regional data centres;
  (ii) meet the business requirements to establish government data centres managed by SITA to securely make government data available and accessible;
  (iii) allow for the establishment of data centre facilities through industry partnerships; and
  (iv) address business continuity and operational resilience.

6.4 Information security

SITA positions itself as the lead agency in defending the South African government's information assets to ensure a secure information systems environment for the government in partnership with other organs of state that contribute to this mandate.

SITA fulfils the following information security roles:

(a) SITA internal IT Security – this entails the protection of SITA's own enterprise systems and infrastructure;
(b) SITA infrastructure (hosted systems and WAN) – this is the shared infrastructure that SITA uses to deliver services to government departments;
(c) External security services – delivering security products and services to departments; and
(d) Agency role – security mandate as per the SITA Act and Regulations.

The organisation has revised its information security strategy to enhance and proactively manage new threats. A series of defensive mechanisms are layered to protect valuable SITA and client data and information. This enables SITA to continually identify evolving threat vectors and implement controls to mitigate them.

In the year ahead, SITA will implement the revised information security strategy aimed at enhancing its information security maturity to achieve the necessary information security excellence and cyber resilience for its envisaged digital transformation.

6.5 EUC and local area network

SITA provides fully managed end-user-computing and LAN services through the integrated management, control, operational support, monitoring and maintenance of the end-user workplace environment.In the year ahead, SITA will explore the management of the government's LAN and ensure that LAN uptake is increased across various government departments. This will be done in line with the architecture models and policy enablers.

6.6 Procurement and transformation

6.6.1 Enterprise and supplier development and localisation

SITA is committed to the government's transformation agenda. The agency has developed an ESD and localisation strategy that seeks to ensure that SITA adheres to the objective of achieving full transformation with regard to the empowerment of entities designated as SMME, Black, Women, Youth and People living with disabilities. This is to fulfil the obligation of promoting the socioeconomic development of historically disadvantaged groups participating in the ICT industry. The agency intends to direct 40% of allocated procurement spend through entities designated as SMME, Black, Women, Youth and People living with disabilities within this financial year. The achievement of these targets will be enabled by the ESD and localisation strategy.

6.6.2 Procurement reforms

Procurement reforms aim to correct the inefficiencies in the supply chain management processes, systems, skills and practices. SITA has prioritised the implementation of an e-Procurement solution to automate the procurement element of the value chain with the aim to fully automate the full value chain in the near future.

6.7 Financial sustainability

SITA is a schedule 3 entity that does not obtain funding through a budget vote process but is responsible for ensuring its own financial sustainability. The agency recognises that it has not been growing as it should due to a myriad internal and external challenges, which have been resolved to some degree. SITA has also established some of the core capabilities required to digitilise government, and this should translate into business growth.

6.8 Digital skills and culture

SITA continues with initiatives to build a digitally capable workforce to enable the digitalisation of government. The target is therefore to support the achievement of the required skills development year-on-year, since training gaps will be addressed via various skills development initiatives.

In addition, the agency is reviving its culture to embed a high-performance culture that consists of ethical values and behaviours. The planned initiatives for the next financial year include the implementation of high-performance improvement practices, innovation practices, customer-centricity, rewards and recognition, hybrid workplace scoping, as well as learning and development.

6.9   Organisational structure

The organisational structure is aligned to the operating model and covers the end-to-end service delivery value chain to enable the strategic direction and mandate of SITA.
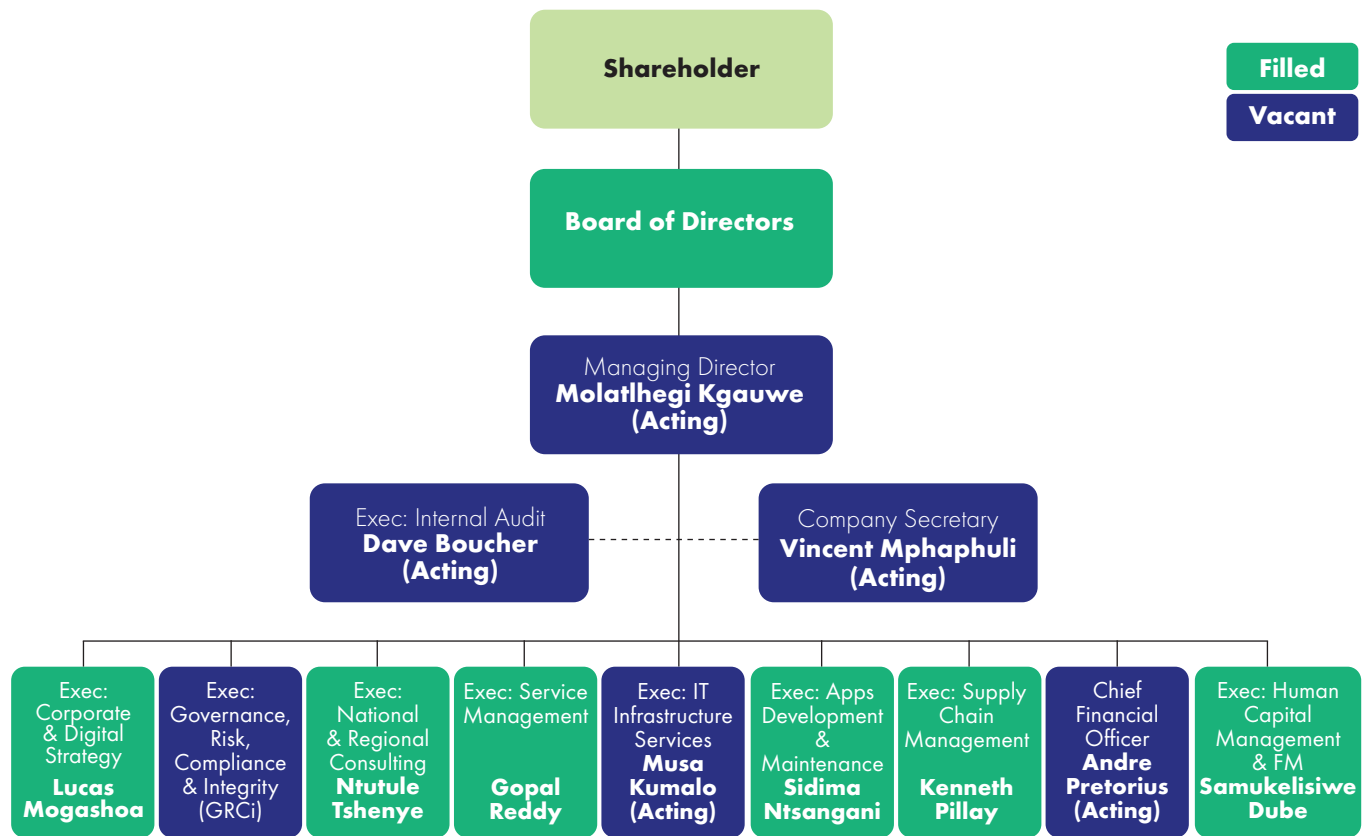
Cabinet has appointed a Managing Director who will commence duty on the 1 April 2023

Figure 2 – SITA's macro-organisational structure

Part C

Measuring Our Performance

7. INSTITUTIONAL PROGRAMME PERFORMANCE INFORMATION

During the upcoming medium-term period, SITA will continue to execute planned activities to implement the government's digital transformation agenda, as informed by its mandate, the revised MTSF focus areas, shareholder outcomes, and PC4IR targets. SITA has five strategic programmes, which were defined in the approved SITA Strategic Plan 2020–2025, together with the impact statement and mid-term outcomes. SITA's impact statement continues to guide the organisation to execute its approved strategy and deliver on its mandate.

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

Outcome 1:	Effective and efficient public service with modernized, automated and paperless processes
Outcome 2:	Seamless integrated and trusted public services
Outcome 3:	Increased citizen value through availability & accessibility of digital services
Outcome 4:	A high performing workforce capable of solving complex public service ICT problems and the adoption of innovative solutions
Outcome 5:	Improved governance and financial sustainability
Outcome 6:	Reformed supply chain through ICT economic transformation

SITA will implement its planned performance for FY2023/24 through the five organisational strategic programmes depicted in the table below:

Table 2 – 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 digitising 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 digitise 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 will be embedded in performance management contracts in order to support the successful implementation of planned initiatives. On a 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 digitising government and improving citizens' experience of government services.

7.3.2   Outcomes, outputs, performance indicators and targets

Table 3 – Programme 1 performance indicators and medium-term targets

Outcomes	Outputs	Output indicators	Audited performance			Estimated performance 2022–2023	Medium-term targets		
			2019–2020	2020–2021	2021–2022		2023–2024	2024–2025	2025–2026
Seamless integrated and trusted public services	Digitalisation of the Court Online solution	Percentage implementation of Court Online Phase 1 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 modernized, automated and paperless processes	A validated household for indigent status based on the identified data sources	Percentage implementation of Indigent household application and integration Phase 1 plan	-	-	-	-	100% implementation of Indigent household application and integration Phase 1 plan	100% implementation of Indigent household application and integration Phase 2 plan	-

Outcomes	Outputs	Output indicators	Audited performance			Estimated performance 2022–2023	Medium-term targets		
			2019–2020	2020–2021	2021–2022		2023–2024	2024–2025	2025–2026
Effective and efficient public service with modernized, automated and paperless processes	The citizen and/or business will be able to lodge a submission for registration of a title deed electronically	An electronically lodged submission for a title deed registration	-	-	-	-	Deployment of an electronically lodged submission for a title deed registration	Deployment of the ePreparation service / Deployment of the eSubmission service	Deployment of the eExamination service / Deployment of the eRegistration service / Deployment of eDelivery services
	Automated services within SITA	Number of services automated within SITA	-	-	-	-	5 services automated within SITA	8 services automated within SITA and Government	10 services automated within Government

7.3.3 Output indicators: Annual and quarterly targets

Table 4 – Programme 1 quarterly targets

Output indicators	Annual targets 2023–2024	Quarterly targets			
		Quarter 1	Quarter 2	Quarter 3	Quarter 4
Percentage implementation of Court Online Phase 1 Roll-out plan	100% implementation of Court Online Phase 1 Roll-out plan	Approved proposal for the Court Online Phase 1 Roll-out plan	30% implementation of Court Online Phase 1 Roll-out plan	30% implementation of Court Online Phase 1 Roll-out plan	40% implementation of Court Online Phase 1 Roll-out plan
Percentage implementation of Indigent household application and integration Phase 1 plan	100% implementation of Indigent household application and integration Phase 1 plan	Approved project plan and solution architecture	30% implementation of Indigent household application and integration Phase 1 plan	30% implementation of Indigent household application and integration Phase 1 plan	40% implementation of Indigent household application and integration Phase 1 plan
An electronically lodged submission for a title deed registration	Deployment of an electronically lodged submission for a title deed registration	Approved solution architecture	Development of the solution component to compile and collect relevant documentation	Development of the solution component to electronically submit prepared documentation	Deployment of an electronically lodged submission for a title deed registration
Number of services automated within SITA	5 services automated within SITA	1 service automated within SITA	1 service automated within SITA	1 service automated within SITA	2 services automated within SITA

7.3.4 Explanation of planned performance

SITA will support government's digital services vision through the automation of critical processes internally at SITA and further implementation within Government. In addition, SITA is prioritising the single view of an indigent household to enable government to make quick and intelligent decisions on citizens. This will be a data-driven approach to aggregating a consistent and holistic representation of household data for a predetermined domain.

As digital transformation evolves at an accelerated pace across government, customer experience will be optimised through the implementation of cross-functional service improvement plans. These plans are configured to respond to historic customer challenges while ensuring that customer-centricity, one of SITA's core values, is entrenched across the organisation so that it remains responsive to changing customer demand patterns and diversified needs.

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 5 – Programme 2 performance indicators and medium-term targets

Outcomes	Outputs	Output indicators	Audited performance			Estimated performance 2022–2023	Medium-term targets		
			2019–2020	2020–2021	2021–2022		2023–2024	2024–2025	2025–2026
Increased citizen value through availability & accessibility of digital services	Core Network Availability Achieved	Percentage Core Network Availability	-	-	-	-	97% Core Network Availability	97% Core Network Availability	97% Core Network Availability
Seamless integrated and trusted public services	Target Information Security Maturity Level Achieved	Improved Information Security Maturity Level	-	-	-	100% implementation of planned milestones for SOCC on all SITA VPNs	Achieve Information Security Maturity Level 3.89	Achieve Information Security Maturity Level 4	Maintain Information Security Maturity level 4
	Government Information Security Maturity Level Report	Number of Government Departments Information Security Maturity Level assessments completed	-	-	-	-	100 Government Departments Information Security Maturity Level assessments completed	100 Government Departments Information Security Maturity Level assessments completed	100 Government Departments Information Security Maturity Level assessments completed

Outcomes	Outputs	Output indicators	Audited performance			Estimated performance 2022–2023	Medium-term targets		
			2019–2020	2020–2021	2021–2022		2023–2024	2024–2025	2025–2026
Seamless integrated and trusted public services	Information Security Awareness Achieved	Number of clients provided with Information Security Awareness Campaigns	-	-	-	-	100 clients provided with Information Security Awareness Campaigns	100 clients provided with Information Security Awareness Campaigns	100 clients provided with Information Security Awareness Campaigns
	Implementation of SITA Complaints and Query Management system	Percentage implementation of plan for SITA Complaints and Query Management system	-	-	-	-	100% implementation of plan for SITA Complaints and Query Management system	-	-

7.4.3 Output indicators: Annual and quarterly targets

Table 6 – Programme 2 quarterly targets

Output indicators	Annual targets 2023–2024	Quarterly targets			
		Quarter 1	Quarter 2	Quarter 3	Quarter 4
Percentage Core Network Availability	97% Core Network Availability	97% Core Network Availability	97% Core Network Availability	97% Core Network Availability	97% Core Network Availability
Improved Information Security Maturity Level	Achieve Information Security Maturity Level 3.89	-	-	-	Achieve Information Security Maturity Level 3.89
Number of Government Departments Information Security Maturity Level assessments completed	100 Government Departments Information Security Maturity Level assessments completed	25 Government Departments Information Security Maturity Level assessments completed	25 Government Departments Information Security Maturity Level assessments completed	25 Government Departments Information Security Maturity Level assessments completed	25 Government Departments Information Security Maturity Level assessments completed

Output indicators	Annual targets 2023–2024	Quarterly targets			
		Quarter 1	Quarter 2	Quarter 3	Quarter 4
Number of clients provided with Information Security Awareness Campaigns	100 clients provided with Information Security Awareness Campaigns	25 clients provided with Information Security Awareness Campaigns	25 clients provided with Information Security Awareness Campaigns	25 clients provided with Information Security Awareness Campaigns	25 clients provided with Information Security Awareness Campaigns
Percentage Implementation of plan for SITA Complaints and Query Management system	100% implementation of plan for SITA Complaints and Query Management system	EXCO approval of the implementation plan and 25% implementation of plan for SITA Complaints and Query Management system	50% implementation of plan for SITA Complaints and Query Management system	75% implementation of plan for SITA Complaints and Query Management system	100% implementation of plan for SITA Complaints and Query Management system

7.4.4 Explanation of planned performance

The significant increase in demand for connectivity, coupled with ongoing challenges brought on by vandalism and battery and cable theft, impact network availability, particularly during load-shedding. The provision of digital services and solutions to the South African government requires the establishment of computing capabilities. SITA will in the forthcoming financial year ensure that it has optimal network availability to support the optimal functioning of Government with regards to public service delivery.

As government becomes increasingly reliant on strategic digital technologies against pervasive security incidents occurring within different government departments, the profile and importance of adequate information security management practices remains an integral business defence tool. SITA will therefore implement an information security programme to improve the information security maturity across all government infrastructure and software elements of ICT services, thereby ensuring the effective protection of data, mitigating legal risks associated with data leakage and, ultimately, creating a secure information systems environment.

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 digitise 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 7 – Programme 3 performance indicators and medium-term targets

Outcomes	Outputs	Output indicators	Audited performance			Estimated performance 2022–2023	Medium-term targets		
			2019–2020	2020 -2021	2021–2022		2023–2024	2024–2025	2025–2026
A high performing workforce capable of solving complex public service ICT problems and the adoption of innovative solutions	Employees trained against the SITA Workplace Skills Plan	Percentage of employees trained against the SITA Workplace Skills Plan	79.5% of employees trained against the SITA Workplace Skills Plan	81% of employees trained against the SITA Workplace Skills Plan	70% of employees trained against the SITA Workplace Skills Plan	75% 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 Workplace Skills Plan	90% of employees trained against the SITA Workplace Skills Plan
	Target Employee Engagement level Achieved	Improved Employee Engagement level	-	54.34% implementation of planned activities as per the culture plan	100% of milestones achieved as per the culture plan	100% Implementation of milestones as per culture plan	Achieve Employee Engagement level of 75%	Achieve Employee Engagement level of 76%	Achieve Employee Engagement level of 77%

7.5.3 Output indicators: Annual and quarterly targets

Table 8 – Programme 3 quarterly targets

Output indicators	Annual targets 2023–2024	Quarterly targets			
		Quarter 1	Quarter 2	Quarter 3	Quarter 4
Percentage of employees trained against the SITA Workplace Skills Plan	80% of employees trained against the SITA Workplace Skills Plan	Workplace Skills Plan approved by Exco and 10% of employees trained against the SITA Workplace Skills Plan	25% of employees trained against the SITA Workplace Skills Plan	45% of employees trained against the SITA Workplace Skills Plan	80% of employees trained against the SITA Workplace Skills Plan
Improved Employee Engagement level	Achieve Employee Engagement level of 75%	-	-	-	Achieve Employee Engagement level of 75%

7.5.4 Explanation of planned performance

SITA will focus on attracting and building its diverse workforce through its integrated talent management strategy that supports its human capital management strategy. The talent management framework will focus on enabling the clear identification, development and retention of critical, core and scarce skills and facilitating proactive succession plans and internal career development plans that are aligned to personal career aspirations, while addressing business needs relating to issues of capacity and capability challenges. Importantly, SITA will also enable and empower its workforce through ongoing digital skills training and upskilling initiatives that will ensure that all employees engage at the maximum level of their capabilities.

SITA's digital culture improvement plan is premised on the organisation's core organisational values, which are foundational pillars for how SITA operates its business. The plan will address the impact of various changes resulting from digital transformation as well as the impact of the COVID-19 pandemic, which accelerated the pace of this transformation. These changes, together with the recent employee satisfaction survey results purpose driven performance management drive, will influence the key initiatives to be implemented in the forthcoming year to intentionally build a company a high performance culture that will enable SITA to thrive.

The following future focus areas were identified in the recent employee engagement survey: attraction, onboarding, retention, rewards and recognition, and internal transformation of operations that support digital transformation. Focused initiatives such as a skills audit, a review of enabling organisational policies and strategies, investment in building technical capabilities, and fostering a culture of continuous learning and high performance, among others, will be implemented within relevant culture streams.

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 9 – Programme 4 performance indicators and medium-term targets

Outcomes	Outputs	Output indicators	Audited performance			Estimated performance 2022–2023	Medium-term targets		
			2019–2020 (Re-Stated)	2020 -2021 (Re-Stated)	2021–2022		2023–2024	2024–2025	2025–2026
Improved governance and financial sustainability	Achieved unqualified audit opinion on predetermined objectives	Audit report issued on predetermined objectives	-	-	-	-	Achieve an unqualified audit opinion on predetermined objectives for the 2022-23 financial year	Achieve an unqualified audit opinion on predetermined objectives with a 5% reduction of audit findings	Achieve an unqualified audit opinion on predetermined objectives with a 5% reduction of audit findings
	Achieved unqualified audit opinion on Annual Financial Statements (AFS)	Audit report issued on Annual Financial Statements (AFS)	-	-	-	-	Achieve an unqualified audit opinion on Annual Financial Statements (AFS) for the 2022-23 financial year	Achieve an unqualified audit opinion on Annual Financial Statements (AFS) with a 5% reduction of audit findings	Achieve an unqualified audit opinion on Annual Financial Statements (AFS) with a 5% reduction of audit findings
Improved governance and financial sustainability	Achieved budgeted EBITDA as a percent of revenue	Percentage EBITDA as a percent of revenue	R338.4 (EBIT)	R485.7m	R633.7m	R327m	10% EBITDA as a percent of revenue	11% EBITDA as a percent of revenue	12% EBITDA as a percent of revenue
Innovative digital service investments promoting financial sustainability	Achieved growth in service revenue	Percentage year-on-year service revenue growth	-	-	-	10% growth in revenue	10% year-on-year growth in service revenue on the FY2022/23 baseline	8% year-on-year growth in service revenue on the FY2023/24 baseline	5% year-on-year growth in service revenue on the FY2024/25 baseline

7.6.3 Output indicators: Annual and quarterly targets

Table 10 – Programme 4 quarterly targets

Output indicators	Annual targets 2023–2024	Quarterly targets			
		Quarter 1	Quarter 2	Quarter 3	Quarter 4
Audit report issued on predetermined objectives	Achieve an unqualified audit opinion on predetermined objectives for the 2022-23 financial year	-	Achieve an unqualified audit opinion on predetermined objectives for the 2022-23 financial year	-	-
Audit report issued on Annual Financial Statements (AFS)	Achieve an unqualified audit opinion on Annual Financial Statements (AFS) for the 2022-23 financial year	-	Achieve an unqualified audit opinion on Annual Financial Statements (AFS) for the 2022-23 financial year	-	-
Percentage EBITDA as a percent of revenue	10% EBITDA as a percent of revenue	-	-	-	10% EBITDA as a percent of revenue
Percentage year-on-year service revenue growth	10% year-on-year growth in service revenue on the FY2022/23 baseline	-	-	-	10% year-on-year growth in service revenue on the FY2022/23 baseline

7.6.4 Explanation of planned performance

As South Africa, like most countries, was recently exposed to a pandemic-fuelled cycle of accelerated innovation, SITA will drive an IT agenda with its customers that is centred on modernisation, optimisation, security and organisational resiliency. These focused efforts are intended to generate healthy revenues through greater uptake of services from both existing and new customers to improve profitability that can subsequently support additional investments in innovative digital services.

SITA will also drive revenue growth by optimally equipping its salesforce to win back lost customer business, tighten internal collaboration to deliver quality services, and drive invoicing and collection strategies that will strengthen its financial sustainability.

Importantly, dedicated attention will be paid to reducing historically qualified audits through a targeted asset management plan and fostering a culture of ownership and accountability for the prudent management of all financial resources.

7.7 Programme 5: Procurement and industry transformation

7.7.1 Programme purpose

The purpose of this programme is to advance 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 11 – Programme 5 performance indicators and medium-term targets

Outcomes	Outputs	Output indicators	Audited performance			Estimated performance 2022–2023	Medium-term targets		
			2019–2020	2020–2021	2021–2022		2023–2024	2024–2025	2025–2026
Reformed supply chain through ICT economic transformation	Procurement awards >R10m completed within targeted turnaround times	Percentage of procurement awards >R10m completed within targeted turnaround times	-	-	-	-	80% of procurement awards >R10m completed within targeted turnaround times	85% of procurement awards >R10m completed within targeted turnaround times	90% of procurement awards >R10m completed within targeted turnaround times
	Concluded transversal, panel contracts and framework agreements	Number of transversal, panel contracts and framework agreements implemented, renewed or refreshed	-	5 transversal contracts implemented	12 transversal and panel contracts/framework agreements implemented	15 transversal and panel contracts/framework agreements implemented, renewed, refreshed or managed	15 transversal, panel contracts and framework agreements implemented, renewed or refreshed	15 transversal, panel contracts and framework agreements implemented, renewed or refreshed	15 transversal, panel contracts and framework agreements implemented, renewed or refreshed

Outcomes	Outputs	Output indicators	Audited performance			Estimated performance 2022–2023	Medium-term targets		
			2019–2020	2020–2021	2021–2022		2023–2024	2024–2025	2025–2026
	Increased procurement spend through entities designated as SMME, Black, Women, Youth and People living with disabilities on influenceable procurement spend	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

7.7.3 Output indicators: Annual and quarterly targets

Table 12 – Programme 5 quarterly targets

Output indicators	Annual targets 2023–2024	Quarterly targets			
		Quarter 1	Quarter 2	Quarter 3	Quarter 4
Percentage of procurement awards >R10m completed within targeted turnaround times	80% of procurement awards >R10m completed within targeted turnaround times	80% of procurement awards >R10m completed within targeted turnaround times	80% of procurement awards >R10m completed within targeted turnaround times	80% of procurement awards >R10m completed within targeted turnaround times	80% of procurement awards >R10m completed within targeted turnaround times
Number of transversal, panel contracts and framework agreements implemented, renewed or refreshed	15 transversal, panel contracts and framework agreements implemented, renewed or refreshed	2 transversal, panel contracts and framework agreements implemented, renewed or refreshed	7 transversal, panel contracts and frame-work agreements implemented, renewed or refreshed	12 transversal, panel contracts and framework agreements implemented, renewed or refreshed	15 transversal, panel contracts and framework agreements implemented, renewed or refreshed
Percentage of procurement spend through entities designated as SMME, Black, Women, Youth and People living with disabilities on influenceable procurement spend	40% of procurement spend through entities designated as SMME, Black, Women, Youth and People living with disabilities on influenceable procurement spend	40% of procurement spend through entities designated as SMME, Black, Women, Youth and People living with disabilities on influenceable procurement spend	40% of procurement spend through entities designated as SMME, Black, Women, Youth and People living with disabilities on influenceable procurement spend	40% of procurement spend through entities designated as SMME, Black, Women, Youth and People living with disabilities on influenceable procurement spend	40% of 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

In line with SITA's mandate, assisting the various government departments in ensuring effective service delivery as well as the delivery of good quality products and services in the shortest possible turnaround time will remain a top priority in the year ahead. SCM capability will be augmented through the appointment of skilled external resources and the concurrent upskilling of internal resources. In addition, the automation of manually intensive processes will begin to gain traction, thereby reducing delays in procurement processes that negatively impact service delivery and inhibit capital projects from getting off the ground.

SITA will also play its part in the socioeconomic development of the local ICT market in line with the government's transformation agenda to eradicate poverty, unemployment and inequality. A designated percentage of procurement spend will be channelled through black ICT SMMEs to promote the growth and sustainability of small, medium-sized and micro ICT businesses, which will add to the common wealth of our country and the achievement of enhanced economic and social wellbeing for all South Africans.

8.   FINANCIAL RESOURCES

8.1   Overview of the 2023/24 budget and MTEF estimates

8.1.1 Revenue

Revenue for FY2023/24 is estimated at R6.616 bn. This will be an overall revenue increase of 11% as compared to the forecast 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 should be achieved through the following mechanisms:

(a)   Improved 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 Operational expenditure

Cost of sales also increased by 10% when compared to the FY2022/23 forecast, to R4.714bn for FY2023/24, which is aligned with the concerted cost-cutting measures that have been implemented.

Operating expenses (Opex) are expected to increase by 15%, from a forecast of R1.373bn for FY2022/23 to an estimated R1.588 bn in FY2023/24. 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 should not be regarded as, nor does it 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 for managing the components of EBITDA will enable an increase in the operating surplus, which will allow for more money to become available to finance capital expenditure (Capex).

8.1.4 Capital expenditure

The total capital expenditure requirement for FY2023/24 is budgeted at R1bn. This includes the original R750mil and the R250m which will be ring-fenced from available cash in current financial year. The prioritisation of this CAPEX has been considered and prioritised by the Project Investment Committee (PIC).An amount of R250m will be ringfenced for Internal Capital projects during the current financial year (22/23) for use in the next financial year (23/24).These funds will be utilised to maintain the existing internal infrastructure and to restore the infrastructure to create a conducive working environment (specifically as it relates to Facilities→R150m). Funding will also be ring-fenced for an overhaul of the Internal IT systems as well as the purchasing of an automated budgeting tool (R100m). The outcome of further funding is dependent on the meeting of PIC.

The below is the detail per programme:

Executing Divisions	2023/2024 CAPEX Requested	2023/2024 CAPEX Prioritised
ADM: Executive Apps Development & Maintain	88 922 446	84 852 446
HCM: Executive HCM	174 650 626	36 909 871
ITIS: Executive IT Infrastructure Services	764 191 863	451 766 148
NRC: Executive National & Regional Consulting	131 468 262	27 000 000
SM: Executive Service Management	314 988 345	149 432 345
Grand Total	**1 488 221 542**	**749 960 811**

8.2 Budgeted statement of financial performance (R,000)

Description	Audited/Actual Performance			Budget	Forecast	Medium Term Budget		
	2019/20 (Re-Stated)	2020/21 (Re-Stated)	2021/22	22/23	22/23	23/24	24/25	25/26
Total Revenue:	5 121 935	5 733 572	5 830 518	5 917 049	5 956 709	6 615 602	7 144 850	7 502 093
Service Revenue	4 428 261	4 968 780	5 110 730	5 402 947	5 323 660	5 856 026	6 324 508	6 640 733
Agency Revenue	693 673	764 793	719 788	514 103	633 050	759 577	820 343	861 360
Total Cost of Sales:	3 658 067	3 933 279	3 869 005	4 174 532	4 299 815	4 713 441	5 090 517	5 345 043
Agency Cost of Sales	683 253	682 014	633 151	493 538	601 169	721 402	779 115	818 070
Direct Labour	952 340	955 799	942 406	1 039 841	1 080 702	1 067 157	1 152 530	1 210 156
Service Delivery Expenses	1 877 598	2 145 550	2 140 301	2 371 092	2 458 530	2 704 383	2 920 734	3 066 771
Direct Depreciation	144 877	149 915	153 146	270 061	159 414	220 498	238 138	250 045
Gross Margin - overall	1 463 867	1 800 294	1 961 513	1 742 517	1 656 894	1 902 161	2 054 334	2 157 050
Gross Margin % - overall	29%	31%	34%	29%	28%	29%	29%	29%
Gross Margin - services	1 453 446	1 717 515	1 874 876	1 721 953	1 625 013	1 863 987	2 013 106	2 113 761
Gross Margin % - services	33%	35%	37%	32%	31%	32%	32%	32%
Gross Margin - agency	10 421	82 779	86 637	20 564	31 881	38 174	41 228	43 289
Gross Margin % - agency 18:19	2%	11%	12%	4%	5%	5%	5%	5%
Other Income	48 608	15 566	115 594	11 787	73 396	45 828	49 494	51 969
Total Operating Expenses:	1 329 400	1 491 131	1 608 761	1 728 249	1 372 809	1 587 481	1 714 480	1 800 204
Indirect Labour	886 268	944 322	979 082	1 022 813	980 999	1 053 807	1 138 111	1 195 017
Marketing expenses	-	-	-	45 602	37 704	41 474	44 792	47 032
Indirect Depreciation	10 397	10 922	12 162	31 295	22 293	50 729	54 787	57 527
Other Indirect Costs	432 735	506 296	587 691	482 715	317 134	412 191	445 166	467 425
Research and Development	-	-	-	9 500	0	0	0	0
Performance Bonus	-	-	-	96 141	0	0	0	0
Training	-	29 591	29 825	40 182	14 679	29 280	31 623	33 204
Operating Surplus	183 075	324 729	468 346	26 056	357 480	360 508	389 348	408 816
Net Finance Income	58 126	36 342	70 944	0	124 403	0	0	0
Profit Before Tax	241 201	361 071	539 291	26 056	481 883	360 508	389 348	408 816
Income tax payable	(117 635)	(303 145)	(171 202)	(7 296)	(134 927)	(100 942)	(109 017)	(114 468)
Net Profit	123 566	57 926	368 089	18 760	346 956	259 565	280 331	294 347
Operating Surplus	183 075	324 729	468 346	26 056	357 480	360 508	389 348	408 816
PLUS direct depreciation	144 877	149 915	153 146	270 061	159 414	220 498	238 138	250 045
PLUS indirect depreciation	10 397	10 922	12 162	31 295	22 293	50 729	54 787	57 527
EBITDA	338 349	485 566	633 655	327 412	539 187	631 735	682 274	716 388

8.3 Budgeted statement of financial position (R'000)

Description	Audited FY 2019/20 Audited	Audited FY 2020/21 Audited	Audited FY 2021/22 Audited	Budget FY 2022/23 Budget	Forecast FY 2022/23 Forecast	Medium Term Budget FY 2023/24 Estimates	Medium Term Budget FY 2024/25 Estimates	Medium Term Budget FY 2025/26 Estimates
ASSETS								
CURRENT ASSETS	3 013 354	3 529 372	3 486 430	2 526 227	3 351 578	3 153 798	3 306 053	3 804 562
Cash and cash equivalents	1 350 978	1 853 991	2 227 789	1 148 919	1 770 800	1 434 814	1 493 581	1 855 286
Trade and other receivables	1 171 705	1 334 305	958 952	1 172 036	1 373 616	1 525 647	1 607 643	1 749 978
Income Tax receivable	166 170	127 591	186 260	100 970	97 018	83 089	88 298	76 123
Prepayments	30 770	62 847	74 437	104 302	110 143	110 247	116 532	123 174
Inventory	293 731	150 639	38 991	0	0	0	0	0
NON-CURRENT ASSETS	1 675 760	1 763 412	1 623 283	2 080 847	2 010 847	2 570 811	2 791 376	2 947 693
Property, plant & equipment	1 309 229	1 324 855	1 126 744	1 644 452	1 524 452	2 002 764	2 122 930	2 241 814
Intangible assets	366 531	438 557	496 538	436 395	486 395	568 047	668 446	705 879
Deferred tax assets	0	0	0	0	0	0	0	0
TOTAL ASSETS	4 689 114	5 292 785	5 109 711	4 607 074	5 362 425	5 724 609	6 097 430	6 752 255
LIABILITIES								
CURRENT LIABILITIES	1 124 848	1 357 935	821 169	862 342	723 354	882 917	954 773	1 292 969
Creditors	653 866	871 065	439 620	485 709	394 505	486 015	536 499	852 165
Other payables	194 518	178 428	140 876	125 338	125 338	131 542	138 055	144 893
Income received in advance	251 595	280 213	209 619	247 965	199 222	261 851	276 515	292 000
Post-retirement medical liability	1 169	1 763	2 427	2 048	2 819	2 163	2 284	2 412
Finance lease liability	23 700	25 407	27 236	0	0	0	0	0
Long service award benefit	0	1 059	1 392	1 282	1 470	1 346	1 421	1 501
NON-CURRENT LIABILITIES	168 632	348 703	334 306	261 885	337 879	280 934	301 569	323 850
Post-retirement medical liability	83 145	113 197	112 271	101 312	118 558	111 443	122 588	134 846
Finance lease liability	66 988	41 581	14 345	0	0	0	0	0
Long service award benefit	10 358	10 393	12 010	12 576	12 683	13 205	13 944	14 725
Deferred tax liability	8 141	183 531	195 680	147 997	206 638	156 285	165 037	174 279
TOTAL LIABILITY	1 293 480	1 706 638	1 155 475	1 124 227	1 061 232	1 163 851	1 256 341	1 616 819
TOTAL NET ASSETS	3 395 634	3 586 148	3 954 236	3 482 847	4 301 192	4 560 758	4 841 089	5 135 436
TOTAL LIABILITIES AND EQUITIES	4 689 114	5 292 786	5 109 711	4 607 074	5 362 425	5 724 609	6 097 430	6 752 255

8.4 Budgeted cash-flow statement (R'000)

Description	Audited FY 2019/20 Audited	Audited FY 2020/21 Audited	Audited FY 2021/22 Audited	Budget FY 2022/23 Budget	Forecast FY 2022/23 Forecast	Medium Term Budget FY 2023/24 Estimates	FY 2024/25 Estimates	FY 2025/26 Estimates
Cash generated in operations	453 878	703 918	519 328	439 101	483 011	1 486 535	1 355 458	1 723 231
Normal taxation	(64 056)	(91 674)	-	(110 926)	(190 000)	(200 640)	(216 691)	(227 526)
Finance income	54 039	43 911	62 052	-	-	-	-	-
Cash from operating activities	443 861	656 155	581 379	328 175	293 011	1 285 895	1 138 767	1 495 705
Cash flows from investing activities	(265 871)	(151 831)	(180 076)	(750 000)	(750 000)	(1 000 000)	(1 080 000)	(1 134 000)
Cash flow from financing activities	(168)	(1 312)	(27 505)	-	-	-	-	-
Increase/(decrease) in cash and cash equivalents	177 823	503 013	373 799	(421 825)	(456 989)	285 895	58 767	361 705
Cash and cash equivalents beginning of year	1 173 156	1 350 978	1 853 991	1 570 744	2 227 789	1 148 919	1 434 814	1 493 581
Cash and cash equivalents end of year	1 350 978	1 853 991	2 227 789	1 148 919	1 770 800	1 434 814	1 493 581	1 855 286

8.5 Budget per programme (R'000)

8.5.1 Programme 1: Thought leadership and service delivery

	Audited/Actual Performance			Budget	Medium Term Budget		
	2019/20 (Re-Stated)	2020/21 (Re-Stated)	2021/22	22/23	23/24	24/25	25/26
Total Revenue:	2 135 141	2 437 680	2 533 802	2 400 211	2 762 041	2 983 004	3 132 155
Service Revenue	1 622 493	1 896 178	2 037 153	2 028 457	2 394 429	2 585 983	2 715 282
Agency Revenue	512 649	541 501	496 649	371 754	367 612	397 021	416 873
Total Cost of Sales:	1 869 610	1 909 626	1 902 351	1 760 028	2 092 968	2 260 406	2 373 426
Agency Cost of Sales	518 072	537 505	461 802	366 110	353 991	382 310	401 426
Direct Labour	654 784	620 389	625 791	525 931	745 077	804 684	844 918
Service Delivery Expenses	684 541	741 081	812 175	753 114	935 983	1 010 861	1 061 405
Direct Depreciation	12 213	10 651	2 583	114 872	57 917	62 550	65 678
Gross Margin - overall	265 531	528 054	631 451	640 183	669 073	722 599	758 729
Gross Margin % - overall	12%	22%	25%	27%	24%	24%	24%
Gross Margin - services	270 955	524 058	596 605	634 539	655 451	707 887	743 282
Gross Margin % - services	17%	28%	29%	31%	27%	27%	27%
Gross Margin - agency	(5 424)	3 996	34 846	5 644	13 621	14 711	15 447
Gross Margin % - agency	-1%	1%	7%	2%	4%	4%	4%
Other Income	7 544	0	12 737	0	0	0	0
Total Operating Expenses:	503 847	525 130	558 751	376 575	665 033	718 236	754 148
Indirect Labour	428 510	423 128	458 784	283 417	562 932	607 966	638 365
Marketing expenses	29	(1)	3	514	286	309	324
Indirect Depreciation	1 564	1 923	2 859	4 947	2 970	3 208	3 368
Other Indirect Costs	73 744	100 080	97 105	87 615	98 845	106 753	112 090
Research and Development	0	0	0	0	0	0	0
Performance Bonus	0	0	0	0	0	0	0
Training	0	0	0	82	0	0	0
Operating Surplus	(230 773)	2 924	85 438	263 608	4 040	4 363	4 581
Net Finance Income	0	1 050	0	0	0	0	0
Profit/(Loss) Before Tax	(230 773)	3 973	85 438	263 608	4 040	4 363	4 581
Income tax payable	0	0	0	0	0	0	0
Net Profit	(230 773)	3 973	85 438	263 608	4 040	4 363	4 581

8.5.2 Programme 2: Digital infrastructure

Description	Audited/Actual Performance			Budget		Medium Term Budget	
	2019/20 (Re-Stated)	2020/21 (Re-Stated)	2021/22	22/23	23/24	24/25	25/26
Total Revenue:	2 817 383	3 191 210	3 289 982	3 516 839	3 851 465	4 159 583	4 367 562
Service Revenue	2 790 770	3 064 830	3 069 682	3 374 490	3 459 501	3 736 261	3 923 074
Agency Revenue	26 613	126 380	220 300	142 348	391 964	423 321	444 487
Total Cost of Sales:	1 602 270	1 914 766	1 974 016	2 414 526	2 609 490	2 818 249	2 959 161
Agency Cost of Sales	18 081	97 025	173 245	127 428	367 412	396 804	416 645
Direct Labour	270 542	294 841	325 379	513 909	311 271	336 172	352 981
Service Delivery Expenses	1 192 890	1 404 122	1 327 916	1 617 999	1 768 400	1 909 872	2 005 366
Direct Depreciation	120 757	118 777	147 476	155 189	162 407	175 399	184 169
Gross Margin - overall	1 215 113	1 276 444	1 315 966	1 102 313	1 241 976	1 341 334	1 408 401
Gross Margin % - overall	43%	40%	40%	31%	32%	32%	32%
Gross Margin - services	1 206 581	1 247 089	1 268 911	1 087 392	1 217 423	1 314 817	1 380 558
Gross Margin % - services	43%	41%	41%	32%	35%	35%	35%
Gross Margin - agency	8 532	29 355	47 056	14 920	24 553	26 517	27 843
Gross Margin % - agency	32%	23%	21%	10%	6%	6%	6%
Other Income	16	16	31 167	0	0	0	0
Total Operating Expenses:	282 920	395 259	518 716	236 594	342 672	370 085	388 590
Indirect Labour	170 143	207 395	202 178	124 053	219 794	237 378	249 246
Marketing expenses	0	0	0	0	0	0	0
Indirect Depreciation	4 987	2 386	3 752	5 858	21 388	23 099	24 254
Other Indirect Costs	107 789	185 456	312 787	106 683	101 490	109 609	115 090
Research and Development	0	0	0	0	0	0	0
Performance Bonus	0	0	0	0	0	0	0
Training	0	21	0	0	0	0	0
Operating Surplus	932 209	881 202	828 417	865 719	899 304	971 249	1 019 811
Net Finance Income	1 097	342	305	0	0	0	0
Profit/(Loss) Before Tax	931 111	881 544	828 111	865 719	899 304	971 249	1 019 811
Income tax payable	0	0	0				0
Net Profit	931 111	881 544	828 111	865 719	899 304	971 249	1 019 811

8.5.3 Programme 3: Skills and capability development

Description	Audited/Actual Performance			Budget	Medium Term Budget		
	2019/20 (Re-Stated)	2020/21 (Re-Stated)	2021/22	22/23	23/24	24/25	25/26
Total Revenue:	**14 999**	**4 509**	**2 985**	**0**	**2 096**	**2 263**	**2 377**
Service Revenue	14 999	4 509	2 985	0	2 096	2 263	2 377
Agency Revenue	0	0	0	0	0	0	0
Total Cost of Sales:	**39 618**	**62 164**	**13 338**	**0**	**10 984**	**11 862**	**12 455**
Agency Cost of Sales	0	0	0	0	0	0	0
Direct Labour	27 014	41 307	10 097	0	10 809	11 674	12 258
Service Delivery Expenses	700	370	158	0	0	0	0
Direct Depreciation	11 904	20 487	3 083	0	174	188	198
Gross Margin - overall	**(24 619)**	**(57 655)**	**(10 353)**	**0**	**(8 888)**	**(9 599)**	**(10 079)**
Gross Margin % - overall	**0%**	**0%**	**0%**	**0%**	**-424%**	**-424%**	**-424%**
Gross Margin - services	**(24 619)**	**(57 655)**	**(10 353)**	**0**	**(8 888)**	**(9 599)**	**(10 079)**
Gross Margin % - services	**0%**	**0%**	**0%**	**0%**	**-424%**	**-424%**	**-424%**
Gross Margin - agency	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Gross Margin % - agency	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**
Other Income	**47 822**	**15 536**	**16 050**	**11 787**	**45 828**	**49 494**	**51 969**
Total Operating Expenses:	**418 023**	**456 289**	**389 838**	**885 391**	**433 891**	**468 602**	**492 032**
Indirect Labour	206 717	217 795	201 017	433 317	184 159	198 892	208 837
Marketing expenses	34 214	699	1 788	45 085	41 187	44 482	46 706
Indirect Depreciation	3 626	6 410	4 993	15 644	25 865	27 935	29 331
Other Indirect Costs	144 421	201 676	152 192	245 604	153 399	165 671	173 954
Research and Development	7 631	140	0	9 500	0	0	0
Performance Bonus	0	0	0	96 141	0	0	0
Training	21 413	29 569	29 847	40 100	29 280	31 623	33 204
Operating Surplus	**(394 821)**	**(498 408)**	**(384 140)**	**(873 604)**	**(396 950)**	**(428 706)**	**(450 142)**
Net Finance Income	**22**	**1 443**	**4 653**	**0**	**0**	**0**	**0**
Profit/(Loss) Before Tax	**(394 843)**	**(499 851)**	**(388 793)**	**(873 604)**	**(396 950)**	**(428 706)**	**(450 142)**
Income tax payable	0	0	0	0	0	0	0
Net Profit	**(394 843)**	**(499 851)**	**(388 793)**	**(873 604)**	**(396 950)**	**(428 706)**	**(450 142)**

8.5.4 Programme 4: Financial sustainability

Description	Audited/Actual Performance			Budget		Medium Term Budget	
	2019/20 (Re-Stated)	2020/21 (Re-Stated)	2021/22	22/23	23/24	24/25	25/26
Total Revenue:	154 412	100 174	3 749	0	0	0	0
Service Revenue	0	3 263	910	0	0	0	0
Agency Revenue	154 412	96 911	2 839	0	0	0	0
Total Cost of Sales:	147 115	47 491	-1 874	0	0	0	0
Agency Cost of Sales	147 099	47 484	-1 896	0	0	0	0
Direct Labour	0	0	0	0	0	0	0
Service Delivery Expenses	14	7	19	0	0	0	0
Direct Depreciation	3	1	3	0	0	0	0
Gross Margin - overall	7 297	52 682	5 623	0	0	0	0
Gross Margin % - overall	0%	0%	0%	0%	0%	0%	0%
Gross Margin - services	(16)	3 255	888	0	0	0	0
Gross Margin % - services	0%	0%	0%	0%	0%	0%	0%
Gross Margin - agency	7 313	49 427	4 735	0	0	0	0
Gross Margin % - agency	0%	0%	0%	0%	0%	0%	0%
Other Income	63	0	55 640	0	0	0	0
Total Operating Expenses:	81 786	69 204	76 119	134 384	65 593	70 841	74 383
Indirect Labour	56 365	56 660	55 649	109 983	46 835	50 582	53 111
Marketing expenses	0	0	0	3	2	2	2
Indirect Depreciation	123	93	418	2 431	299	322	339
Other Indirect Costs	25 298	12 451	20 053	21 967	18 457	19 934	20 931
Research and Development	0	0	0	0	0	0	0
Performance Bonus	0	0	0	0	0	0	0
Training	0	0	0	0	0	0	0
Operating Surplus	(74 426)	(16 521)	(14 856)	(134 384)	(65 593)	(70 841)	(74 383)
Net Finance Income	59 246	36 394	75 903	0	0	0	0
Profit/(Loss) Before Tax	(15 180)	19 872	61 046	(134 384)	(65 593)	(70 841)	(74 383)
Income tax payable	117 635	303 145	171 202	0	0	0	0
Net Profit	(132 816)	(283 273)	(110 156)	(134 384)	(65 593)	(70 841)	(74 383)

8.5.5 Programme 5: Procurement and industry transformation

Description	Audited/Actual Performance			Budget		Medium Term Budget	
	2019/20 (Re-Stated)	2020/21 (Re-Stated)	2021/22	22/23	23/24	24/25	25/26
Total Revenue:	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Service Revenue	O	O	O	O	O	O	O
Agency Revenue	O	O	O	O	O	O	O
Total Cost of Sales:	**0**	**-O**	**1 992**	**0**	**0**	**0**	**0**
Agency Cost of Sales	O	O	O	O	O	O	O
Direct Labour	O	O	1 957	O	O	O	O
Service Delivery Expenses	O	O	34	O	O	O	O
Direct Depreciation	O	-O	1	O	O	O	O
Gross Margin - overall	**0**	**0**	**(1 992)**	**0**	**0**	**0**	**0**
Gross Margin % - overall	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**
Gross Margin - services	**0**	**0**	**(1 992)**	**0**	**0**	**0**	**0**
Gross Margin % - services	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**
Gross Margin - agency	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Gross Margin % - agency	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**
Other Income	**23**	**14**	O	**0**	**0**	**0**	**0**
Total Operating Expenses:	**49 136**	**44 481**	**44 519**	**95 282**	**80 293**	**86 716**	**91 052**
Indirect Labour	22 759	38 606	40 638	72 020	40 086	43 293	45 457
Marketing expenses	O	O	O	O	O	O	O
Indirect Depreciation	98	111	140	2 416	207	224	235
Other Indirect Costs	26 279	5 765	3 741	20 846	40 000	43 200	45 360
Research and Development	O	O	O	O	O	O	O
Performance Bonus	O	O	O	O	O	O	O
Training	O	O	O	O	O	O	O
Operating Surplus	**(49 112)**	**(44 468)**	**(46 512)**	**(95 282)**	**(80 293)**	**(86 716)**	**(91 052)**
Net Finance Income	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Profit/(Loss) Before Tax	**(49 112)**	**(44 468)**	**(46 512)**	**(95 282)**	**(80 293)**	**(86 716)**	**(91 052)**
Income tax payable	O	O	O	O	O	O	O
Net Profit	**(49 112)**	**(44 468)**	**(46 512)**	**(95 282)**	**(80 293)**	**(86 716)**	**(91 052)**

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 13 – Key risks and mitigations

Outcome	Key risk	Mitigation
Improved governance and financial sustainability	Delivery capability in the application development team is not aligned with the high demand nor correctly priced, resulting in delayed modernisation and additional Capex requirements to support legacy systems	1. ADM capacity supplemented through industry on an SCM panel basis 2. ADM to pro-actively build required capacity, and HCM to create a different recruitment drive and specialised salary scale to attract the right skills 3. Review of ADM costing and pricing 4. SITA to continue investing in mainframe systems, with modernisation at the user-interface level
Seamless integrated and trusted public services	Increasing customer dissatisfaction with deteriorating foundational services and unresponsive reaction to confirmed demand	1. Strict contract management with network provider, while eliminating single points of failure 2. Automation of SCM – identify and automate key processes 3. Establishment of the Specification Development Centre of Excellence 4. Customer-orientation drive through the culture programme
Seamless integrated and trusted public services	Multiple key indicators (qualified audit, poor service metrics and inability to deliver on digitalisation) force a political decision to restructure	1. Remediation of financial control environment, including upgrading the enterprise resource planning (ERP) system 2. Close monitoring of performance metrics 3. Prioritisation of digitisation deliverables in consultation with GITOC 4. Implementation of an audit action plan to address weaknesses in the control environment
A high performing workforce capable of solving complex public service ICT problems and the adoption of innovative solutions	Competitive market conditions with globalisation of digital skills reduce SITA's ability to retain trained/upskilled employees, in addition to key reliance resulting in burn-out of key individuals	1. Retention strategies targeting direct and indirect mechanisms of retention 2. Succession planning, mentoring and coaching programmes, ensuring a pipeline of skills and thus avoiding reliance on key individuals 3. Wellness initiatives 4. Partnerships with industry to ensure digital skills in South Africa are utilised for the benefit of the country 5. Management of the labour bill by reviewing the recruitment strategies for critical, core and scarce skills 6. Formalise and contract on the skills transfer requirements that are included as part of service delivery bids

Outcome	Key risk	Mitigation
Increased citizen value through availability & accessibility of digital services	Mandate, bureaucracy and legislative restrictions, exacerbated by massive Capex requirement, limit SITA's ability to service the increasing demands from clients and citizens alike for highly available digitalisation services	1. Specific, phased capital investment plans, aligned with shareholder and key client prioritisation 2. Alignment of provincial and national requirements to ensure economies of scale in utilisation of new infrastructure 3. Leveraging of industry capability for South Africa's benefit, with regulatory changes where required 4. Improve the transformation agenda by identifying and implementing procurement strategies targeting local products, services and solutions 5. Strategic deviations for specified interventions such as SOCC and potentially on-premise hosting
Increased citizen value through availability & accessibility of digital services	Sovereign and/or confidential information loss as well as disruption of services through a cyber incident	1. Set minimum security standards for hosted clients 2. Implementation of right to use (access control) information and systems based on security and business needs 3. Strategic deviation for SOCC 4. Enforce minimum ICT governance controls, including notification and escalation to minimise impact of a governmental attack 5. Continued awareness initiatives to effectively engage with employees and contractors on cybersecurity threats
Reformed supply chain through ICT economic transformation	Limitations in regulation, inefficient SCM processes and lack of market responsiveness impair the efficiency of panels and/or the effectiveness of awards, reducing the positive impact of implemented measures on the customer experience in terms of both turnaround time and cancellations	1. Market interventions to encourage complete and responsive bids, limiting cancellations 2. Development of market intelligence to drive effective specification development and apply economies of scale 3. Automation of SCM – identify key processes for automation and digitalisation 4. Investment in business acumen training interventions to augment internal capabilities
Improved governance and financial sustainability	Severe economic pressure may limit government budget allocation, negatively impacting the growth target	1. Strategic consultation with clients, creating full economies of scale in the public sector through technology alignment 2. Strict debtor and creditor management practices 3. Implementation of cost-containment measures to curb unsustainable spending 4. NRC and Service Delivery divisions to take corrective actions to ensure that the growth target is on track.
Increased citizen value through availability & accessibility of digital services	Driving revenue growth in the absence of efficient delivery processes negatively affects the relationship with SAPS (concentration risk increases)	1. Focused SAPS engagement at relationship level 2. Dedicated SAPS network and hosting teams 3. Establish focused SAPS programme and procurement teams 4. Grow profitable revenue streams through the provision of innovative solutions to targeted clusters

Part D

Technical Indicator Descriptions

10.   TECHNICAL INDICATORS

10.1 Percentage implementation of Court Online Phase 1 Roll-out plan

Definition	To incrementally 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) Qualified Demand (IJS has budgeted R71 mil for the Court Online Solution for FY23/24). The commitment remains intact.
Disaggregation of beneficiaries (where applicable)	Target for SCA/ Con-Court Judges = N/a Target = Law practitioners Target for Appellant = N/a
Spatial transformation (where applicable)	National
Calculation type	Non-cumulative
Reporting cycle	Quarterly
Desired performance	100% implementation of Court Online Phase 1 Roll-out plan
Indicator responsibility	Executive: National and Regional Consulting Services

10.2 Percentage implementation of Indigent household application and integration Phase 1 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 (DSD, DHA and SASSA).
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	Non-cumulative
Reporting cycle	Quarterly
Desired performance	100% implementation of Indigent household application and integration Phase 1 plan
Indicator responsibility	Executive: Applications Development and Maintenance

10.3 An electronically lodged submission for a title deed registration

Definition	The ability for a citizen or business to lodge a submission for registration of a title deed and have the title deed registered electronically.
Data/Evidence source	eDRS approved Project Plan
Method of calculation	Actual milestones completed as per the project plan
Means of verification	Signed deployment certificate by client
Assumptions	(a) The approved MOUs for data access are established (b) The availability of multi-disciplinary and dedicated competence
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	Deployment of an electronically lodged submission for a title deed registration
Indicator responsibility	Executive: Applications Development and Maintenance

10.4 Number of services automated within SITA

Definition	The automation of services will enable SITA to minimize the use of paper, operate efficiently and effectively, as well as ensure traceability of transactions
Data/Evidence source	Automated services
Method of calculation	Actual number of services automated
Means of verification	Acceptance certifcates of automated services by service owners
Assumptions	(a) Process owners will be available throughout the automation of their services (b) Automation Tools, with licenses, will be available by the end of May 2023
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-end)
Reporting cycle	Quarterly
Desired performance	5 services automated within SITA
Indicator responsibility	Executive: Corporate and Digital Strategy

10.5 Improved Information Security Maturity Level

Definition	The information Security Maturity modelling and control over information security processes is based on a method of evaluating the organization, by rating it from a maturity level of non-existent (0) to a maturity level of optimized (5)
Data/Evidence source	Approved Information Security Improvement plan
Method of calculation	Information Security Forum Security Maturity Assessment results
Means of verification	Information Security Forum Security Maturity Assessment report
Assumptions	(a) Approval of SITA Information Security Strategy (b) A Security Improvement Plan Project Steering committee to be set up with representation from all relevant LOBs reporting into the Enterprise Security Steering Committee to drive the plan implementation (c) The Project Steering committee will meet more frequently than the Enterprise Security Steering Committee, to ensure timeous delivery of the plan activities
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	Achieve Information Security Maturity Level 3.89
Indicator responsibility	Executive: Service Management

10.6 Number of Government Departments Information Security Maturity Level assessments completed

Definition	To measure the Information Security Maturity Level of government to determine priorities improvement interventions to improve information and cyber resilience in government.
Data/Evidence source	National and Provincial government departments
Method of calculation	Information Security Maturity Assessment Report completed covering 100 Government Departments
Means of verification	Government Information Security Maturity Assessment Report
Assumptions	(a) Plan Project Steering committee set up with representation from all relevant LOBs and key stakeholders in government i.e. DCDT, DPSA. (b) The Project Steering committee will meet according to the terms of reference for the committee.
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-end)
Reporting cycle	Quarterly
Desired performance	100 Government Departments Information Security Maturity Level assessments completed
Indicator responsibility	Executive: Service Management

10.7 Number of clients 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 National, Provincial and Local government
Method of calculation	Number of client campaigns completed across National, Provincial and Local government
Means of verification	Number of client 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	(a) Support is obtained 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)	N/a
Calculation type	Cumulative (year-end)
Reporting cycle	Quarterly
Desired performance	100 clients provided with Information Security Awareness Campaigns
Indicator responsibility	Executive: Service Management

10.8 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) Reports
Method of calculation	(a) **% 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) (b) **% 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) (c) **% Core Network Availability Performance = Average between % Availability and % Reachability** (for the period under review - month, quarter, year-to-date) (d) **Exclusions are as follows:** (i) All planned downtime (ii) All downtimes related to force majeure as defined in Client SLA
Means of verification	Information from Network Monitoring Systems (NMS)
Assumptions	N/a
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	97% Core Network Availability
Indicator responsibility	Executive: IT Infrastructure Services

10.9 Percentage Implementation of plan for SITA Complaints and Query Management system

Definition	To improve the SITA Complaints and Query Management process that enables all stakeholders to log, track, trace and query their Complaints on the SITA website
Data/Evidence source	EXCO approved SITA Complaints and Query Management Implementation plan
Method of calculation	(Actual milestones completed as per plan / Total planned milestones) * 100
Means of verification	Achieved milestones as per SITA Complaints and Query Management Implementation plan
Assumptions	(a) Effective change management will be implemented within SITA to ensure all complaints are immediately channeled through the System (b) Effective change management across all clients to ensure that all clients are informed of the system and the process to follow including information to contractual documents.
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)	Not applicable
Calculation type	Cumulative (year-to-date)
Reporting cycle	Quarterly
Desired performance	100% Implementation of plan for the SITA Complaints and Query Management system
Indicator responsibility	Executive: Service Management

10.10 Percentage of employees trained against the SITA Workplace Skills Plan

Definition	The ability of an organisation to identify and develop the required skills to meet current and future business needs
Data/Evidence source	EXCO approved Workplace Skills Plan (WSP)
Method of calculation	(Actual number of employees trained/total number of employees as per the WSP) x 100
Means of verification	(a) Workplace Skills 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	80% employees trained against the SITA Workplace Skills Plan
Indicator responsibility	Executive: Human Capital Management

10.11   Improved Employee Engagement level

Definition	To embed a culture that consists of shared beliefs and values established by leaders and then communicated and reinforced through various methods to shape employee perceptions, behaviours and understanding
Data/Evidence source	Employee engagement plan
Method of calculation	Employee engagement survey results
Means of verification	Employee engagement survey report
Assumptions	(a) Collaboration and a common willingness to improve SITA's culture, to make a positive contribution to customers and country. (b) Employees are open to learning, re-learning and growing as individuals (c) Initiatives to be implemented as planned supported by available budget (d) Participation of Project/Process owners (e) Procurement initiatives are successful
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	Non-cumulative
Reporting cycle	Annually
Desired performance	Achieve Employee Engagement level of 75%
Indicator responsibility	Executive: Human Capital Management

10.12   Audit report issued on predetermined objectives

Definition	Achieve an unqualified audit opinion from the Auditor-General of South Africa for the 2022-23 financial year
Data/Evidence source	Audit report issued by the Auditor-General of South Africa
Method of calculation	Unqualified Audit Opinion on predetermined objectives as per the audit report from the Auditor-General of South Africa
Means of verification	This is derived directly from the report issued by the Auditor-General of South Africa.
Assumptions	(a) Full support from EXCO and divisions. (b) Full support from the Audit Risk and Compliance Committee. (c) Full support from the Board.
Disaggregation of beneficiaries (where applicable)	N/a
Spatial transformation (where applicable)	N/a
Calculation type	Non-cumulative
Reporting cycle	Annually
Desired performance	Achieve an unqualified audit opinion on predetermined objectives for the 2022-23 financial year
Indicator responsibility	Chief Financial Officer

10.13   Audit report issued on Annual Financial Statements (AFS)

Definition	Achieve an unqualified audit opinion from the Auditor-General of South Africa for the 2022-23 financial year
Data/Evidence source	Audit report issued by the Auditor-General of South Africa.
Method of calculation	Unqualified Audit Opinion on Annual Financial Statements (AFS) as per the audit report from the Auditor-General of South Africa
Means of verification	This is derived directly from the report issued by the Auditor-General of South Africa
Assumptions	(a) Full support from EXCO and divisions. (b) Full support from the Audit Risk and Compliance Committee. (c) Full support from the Board.
Disaggregation of beneficiaries (where applicable)	N/a
Spatial transformation (where applicable)	N/a
Calculation type	Non-cumulative
Reporting cycle	Annually
Desired performance	Achieve an unqualified audit opinion on Annual Financial Statements (AFS) for the 2022-23 financial year
Indicator responsibility	Chief Financial Officer

10.14 Percentage Earnings before interest, taxes, depreciation and amortisation (EBITDA) as percent 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) Full support from EXCO and divisions. (b) Improved financial governance across the organization (c) Managing HCM related cost as well as recoverability rates
Disaggregation of beneficiaries (where applicable)	N/a
Spatial transformation (where applicable)	N/a
Calculation type	Non-cumulative
Reporting cycle	Annually
Desired performance	10% EBITDA as a percentage of revenue
Indicator responsibility	Chief Financial Officer

10.15 Percentage year-on-year service revenue growth

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 increase in revenue year-on-year
Data/Evidence source	Quarterly finance reports Annual Financial Statement
Method of calculation	(current period service revenue – service revenue per previous year Financial Statements)/service revenue per current year Financial Statements
Means of verification	SITA ERP system/general ledger data
Assumptions	(a) Synchronization 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)	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 FY2022/23 baseline
Indicator responsibility	Chief Financial Officer

10.16 Percentage procurement awards >R10m completed within targeted turnaround times

Definition	Accumulative total number of tenders approved within the targeted turnaround times agreed with the customer
Data/Evidence source	(a) SCM tender register/report (b) SCM tender SLA targets (c) Proof of receipt by procurement management (d) Proof of pre-approval by Executive SCM in event of Brand specific products (e) Proof of resolution date from relevant adjudication committee (f) Signed off agreed to project plan by Client
Method of calculation	(Procurement awards >R10m approved per SLA target agreement/total number of procurement awards >R10m approved per FY) x 100 (a) It measures end-to-end process from procurement management / brand specific approval to award (b) Condition: Only procurement awards completed (adjudicated) for the reporting period are part of the formula; this excludes transactions that emanated from prior years (c) The days used in SCM are working days
Means of verification	Turnaround time database report
Assumptions	(a) Devolvement of transactions to clients: Non-mandatory services can be procured using a sliding scaled approach with effect from April 2023 (b) Decentralised small value SITA procurements to Regions and LOBs (c) Ongoing SCM technology deployment and process refinements (d) SCM does not encounter any legal constraints (e) Audit integrity reviews' findings are concluded within 10 days
Disaggregation of beneficiaries (where applicable)	Not Applicable
Spatial transformation (where applicable)	National and provincial
Calculation type	Cumulative (year-to-date)
Reporting cycle	Quarterly
Desired performance	80% of procurement awards >R10m completed within targeted turnaround times
Indicator responsibility	Executive Supply Chain Management

10.17 Number of transversal, panel contracts and framework agreements implemented, renewed or refreshed

Definition	Transversal, panel contracts and framework agreements completed within the financial year aimed at minimising individual procurement requests
Data/Evidence source	Contract register and/or signed contracts Recommendation letter send to Client Department (Agency transaction)
Method of calculation	Number of transversal, panel contracts and framework agreements implemented, renewed or refreshed
Means of verification	Transversal, panel contracts and framework agreements database report
Assumptions	(a) SITA will implement robust technology to enable commercial contract management and performance tracking (b) These contracts will be refreshed annually (c) Manage the backlog of tenders (d) Adequate capacity (e) Adequate market response (f) Stakeholder participation from DCDT as the custodian of transversal instruments (g) 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	15 transversal, panel contracts and framework agreements implemented, renewed or refreshed
Indicator responsibility	Executive Supply Chain Management

10.18 Percentage of procurement spend through entities designated as SMME, Black, Women, Youth and People living with disabilities on influenceable procurement spend

Definition	Small and Medium Micro Enterprises (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 groups spend means the rand value invoiced by and paid (Directly and Indirectly 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 / affidavits 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)} • 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 • 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 Reconstruction and Development Programme (RDP) by main contractors in accordance with sub-contracting clauses as stated on the contracts register and reflected in the sub-contracting report. • 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 – BBEEE 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	40% 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

4IR	Fourth Industrial Revolution		LAN	local area network
ADM	application development and maintenance		Mbps	megabits per second
			MTEF	medium-term expenditure framework
AGSA	Auditor-General South Africa		NDP	National Development Plan
API	application programming interface		NKP	national key point
APP	annual performance plan		NT	National Treasury
BBBEE	broad-based black economic empowerment		OEM	original equipment manufacturer
			OLA	operational level agreement
COVID-19	Coronavirus disease 2019		OSM	original software manufacturer
DC	data centre		POPIA	Protection of Personal Information Act
DCDT	Department of Communication and Digital Technologies		PRC	Presidential Review Commission
			PSS	products, services and solutions
DPSA	Department of Public Service and Administration		SA	South Africa
			SAPS	South African Police Service
DSD	Department of Social Development		SCM	supply chain management
EBITDA	earnings before interest, tax, depreciation and amortisation		SDN	software-defined network
			SD-WAN	software-defined wide-area network
ERP	enterprise resource planning		SMME	small, medium and micro enterprises
ESD	enterprise and supplier development		SITA	State Information Technology Agency
EUC	end-user computing		SLA	service level agreement
FY	financial year		SOC	state-owned company
GPCE	government private cloud ecosystem		SOCC	security operation centre capability
HCM	human capital management		SP	strategic plan
ICT	information and communication technology		SSA	State Security Agency
			TMPS	total measured procurement spend
IMST	information management systems and technology		UPS	uninterruptible power supply
			VPN	virtual private network
IoT	internet-of-things		WAN	wide-area network
IP	intellectual property		WSP	workplace skills plan
ISS	Information Security Services			
IT	information technology			

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) indicate that entitles should reflect targets for each outcome in their strategic plans. The Parliament-approved SITA Strategic Plan 2020–2025 was developed in 2019 against the assumption that the SITA repurposing programme might have a significant impact on the strategic direction of the agency; hence only a three-year view (up to 2023) of outcomes and targets was defined. However, the repurposing programme has not yet been concluded and the agency has reached the three-year mark of the strategic implementation cycle. SITA's strategic plan's vision, mission, values, impact statement remain as defined. Minimal changes to the strategic plan include the revision of the 2025 targets, outcomes and outcome indicators to reflect the five-year desired state of the agency.

The table below provides amended outcome indicators and targets.

B.1   Measuring outcomes

MTSF priority 1: A capable, ethical and developmental state

Programme	Outcome	Outcome indicator	Baseline (2019/20)	Three-year target (2022/2023) as per Strategic Plan	Revised five-year target (2024/2025)
Thought leadership and service delivery	Seamless integrated and trusted public services	**Previous 2023 indicator:** Percentage increase in customer satisfaction level **New 2025 indicator:** Percentage implementation of Court Online Phase 2 Roll-out plan	51% customer satisfaction level	60% customer satisfaction level	100% implementation of Court Online Phase 2 Roll-out plan
Digital infrastructure	**Previous 2023 outcome:** Increased citizen value through availability and accessibility of core government public-facing services on digital platforms **Revised 2025 outcome:** Effective and efficient public service with modernized, automated and paperless processes	**Previous 2023 indicator:** Percentage core public-facing services available on digital platforms **New 2025 indicator:** Percentage implementation of Indigent household application and integration Phase 2 plan	-	40% core public-facing services available on digital platforms	100% implementation of Indigent household application and integration Phase 2 plan

MTSF priority 1: A capable, ethical and developmental state

Programme	Outcome	Outcome indicator	Baseline (2019/20)	Three-year target (2022/2023) as per Stragic Plan	Revised five-year target (2024/2025)
Digital infrastructure	**Previous 2023 outcome:** Optimised digital infrastructure **Revised 2025 outcome:** Increased citizen value through availability & accessibility of digital services	**Previous 2023 indicator:** Maturity level of the digital infrastructure **New 2025 indicator:** Percentage Core Network Availability	-	Attain maturity level 2 digital infrastructure as per digital government maturity model	97% Core Network Availability
Skills and capability development	**Previous 2023 outcome:** Enhanced workforce capability – solving complex problems and adopting innovative solutions **Revised 2025 outcome:** A high performing workforce capable of solving complex public service ICT problems and the adoption of innovative solutions	**Previous 2023 indicator:** Percentage digitally capable workforce **New 2025 indicator:** Percentage of employees trained against the SITA Workplace Skills Plan	-	50% digitally capable workforce	85% of employees trained against the SITA Workplace Skills Plan
Financial sustainability	**Previous 2023 outcome:** Innovative digital service investments promoting financial sustainability **Revised 2025 outcome:** Improved governance and financial sustainability	**Previous 2023 indicator:** Percentage increase in profitability **New 2025 indicator:** Audit report issued on predetermined objectives that is unqualified with a 5% reduction of audit finding Audit report issued on Annual Financial Statements (AFS) that is unqualified with a 5% reduction of audit finding	-1% profitability	3% increase in profitability	Achieve an unqualified audit opinion on predetermined objectives with a 5% reduction of audit findings Achieve an unqualified audit opinion on Annual Financial Statements (AFS) with a 5% reduction of audit findings

MTSF priority 1: A capable, ethical and developmental state

Programme	Outcome	Outcome indicator	Baseline (2019/20)	Three-year target (2022/2023) as per Strategic Plan	Revised five-year target (2024/2025)
Procurement and industry transformation	**Previous 2023 outcome:** Reshaping supply chain through ICT economic transformation	**Previous 2023 indicator:** Percentage of black SMME suppliers in SITA	10% of black SMMEs suppliers in SITA	50% of black SMME suppliers in SITA	43% of procurement spend through entities designated as SMME, Black, Women, Youth and People living with disabilities on influenceable procurement spend
	Revised 2025 outcome: Reformed supply chain through ICT economic transformation	**New 2025 indicator:** Percentage of procurement spend through entities designated as SMME, Black, Women, Youth and People living with disabilities on influenceable procurement spend			

The tables below provide the amended technical indicator descriptions for the revised 2025 Strategic Plan's outcome targets and related outcome indicators.

B.2 Revised technical indicator descriptions for 2025 outcomes

B.2.1 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
Data/Evidence source	SCA and ConCourt Processes, and practice rules Approved project charter and plan
Method of calculation	(Actual milestones completed /planned milestones on the project plan) X 100
Assumptions	(a) Qualified Demand for the implementation of Phase 2 of the Court online Roll-out plan (b) SITA proposal to the OCJ for the development and implementation of the Supreme Court and Constitutional Court Modules of the Court Online is approved by the client
Disaggregation of beneficiaries (where applicable)	Target for SCA/ Con-Court Judges= N/a Target = Law practitioners Target for Appellant= N/a
Spatial transformation (where applicable)	National
Desired performance	100% implementation of Court Online Phase 2 Roll-out plan
Indicator responsibility	Executive: Application Development and Maintenance

B.2.2 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 3 further identified data sources for 2024/25 to build up from the initial 3 data sources in FY2023/24 – bringing the total to (six) 6 data sources by 2025.
Source of data	Indigent Household Project Plan
Method of calculation	Actual milestones completed as per the project 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
Desired performance	100% implementation of Indigent household application and integration Phase 2 plan
Indicator responsibility	Executive: Applications Development and Maintenance

B.2.3 Percentage Core Network Availability

Definition	To meet and exceed contracted Network Availability service levels with clients which includes continual service improvement interventions were required.
Source of data	Network Monitoring Systems report (NMS)
Method of calculation	(a) **% Availability** of switching centres = Sum of availability of all SITA switching centres / Number of switching centres (b) **% Reachability** of all core links = Sum of reachability of SITA Core Links / Number of Core Links (c) **% Core Network Availability Performance**= Average between % Availability and % Reachability (d) **Exclusions are as follows:** • All planned downtime • All downtimes related to or force majeure as defined in Client SLA
Assumptions	(a) Budget will be made available by the project investment committee (CAPEX & OPEX) to address network modernisation and upgrades 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)	Public sector
Desired performance	97% Core Network Availability
Indicator responsibility	Executive: IT Infrastructure Services

B.2.4 Percentage of employees trained against the SITA Workplace Skills Plan

Definition	The ability of an organisation to identify and develop the required skills to meet current and future business needs
Data/evidence source	Workplace Skills Plan (WSP)
Method of calculation	(Actual number of employees trained/total number of employees as per the WSP) x 100
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
Desired performance	85% of employees trained against the SITA Workplace Skills Plan
Indicator responsibility	Executive: Human Capital Management

B.2.5 Audit report issued on predetermined objectives that is unqualified with a 5% reduction of audit findings

Definition	Achieve an unqualified audit opinion from the Auditor-General of South Africa for the 2023-24 financial year with a 5% reduction of audit findings
Data/Evidence source	Audit report issued by the Auditor-General of South Africa.
Method of calculation	(a) Unqualified Audit Opinion on predetermined objectives as per the audit report from the Auditor-General of South Africa. (b) Audit findings percentage reduction: Number of findings in the previous financial year - Number of findings in current financial year x100 Number of findings in the previous financial year
Assumptions	(a) Full support from EXCO and divisions. (b) Full support from the Audit Risk and Compliance Committee. (c) Full support from the Board.
Disaggregation of beneficiaries (where applicable)	N/a
Spatial transformation (where applicable)	N/a
Desired performance	Achieve an unqualified audit opinion on predetermined objectives with a 5% reduction of audit findings
Indicator responsibility	Chief Financial Officer

B.2.6 Audit report issued on Annual Financial Statements (AFS) that is unqualified with a 5% reduction of audit findings

Definition	Achieve an unqualified audit opinion from the Auditor-General of South Africa for the 2023-24 financial year
Data/Evidence source	Audit report issued by the Auditor-General of South Africa.
Method of calculation	(a) Unqualified Audit Opinion on Annual Financial Statements (AFS) as per the audit report from the Auditor-General of South Africa. (b) Audit findings percentage reduction: Number of findings in the previous financial year - Number of findings in current financial year x100 Number of findings in the previous financial year
Assumptions	(a) Full support from EXCO and divisions. (b) Full support from the Audit Risk and Compliance Committee. (c) Full support from the Board.
Disaggregation of beneficiaries (where applicable)	N/a
Spatial transformation (where applicable)	N/a
Desired performance	Achieve an unqualified audit opinion on Annual Financial Statements (AFS) with a 5% reduction of audit findings
Indicator responsibility	Chief Financial Officer

B.2.7 Percentage of procurement spend through entities designated as SMME, Black, Women, Youth and People living with disabilities on influenceable procurement spend

Definition	Small and Medium Micro Enterprises (SMMEs) spend means Exempted Micro Enterprises (EMEs) and Qualifying Small Enterprises (QSEs) that qualifies for measurement under entity scorecard with an annual turnover of R50m or less. Designated groups spend means the rand value invoiced by and paid (Directly and Indirectly 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 / affidavits 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)} • 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 • 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 Reconstruction and Development Programme (RDP) by main contractors in accordance with sub-contracting clauses as stated on the contracts register and reflected in the sub-contracting report. 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
Assumptions	(a) Certificates are valid for a period of one year (b) SCM will collate supplier certificates and 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
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

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