State Information Technology Agency Annual Performance Plan for 2021-2022

Chairperson of the Board statement

The State Information Technology Agency (SITA) is today standing on the cusp of history. Digital savvy and innovation will remain part of its value proposition going into the future, given the consistent challenges to service delivery and governance exposed by the outbreak of the Coronavirus epidemic in 2020, and its devastating effect on the ability of the nation and the government to function optimally.

With the advent of the Presidential Commission on the 4IR and its subsequent adoption by the Cabinet in 2020, government is reaffirming its resolve to constantly innovate, research and develop digital solutions in a secured cyber environment to improve the work of the state for citizen convenience.

Since its establishment almost 22 years ago, SITA has embarked on a digital journey to create an enabling environment for digitalisation, ensure improvements to service delivery while contributing to the economy through the mobilisation of the digital industry and associated infrastructure. Primarily the agency was conceived to assist the government to anticipate the future and its impact on the ability of the state to improve service delivery using innovative information and communications technology.

At the heart of the digital economy and its ability to contribute to the sixth administration's vision of growth and revival, is the R1 trillion worth of infrastructure so fundamental to the Reconstruct and Recovery phase of the country's Economic Growth and Recovery blueprint. The President Commission on 4IR lists "research, technology and innovation, infrastructure and resources" as a pre-requisite for digital transformation thus reaffirming government resolve to locate digital innovation at the core of the country's economic growth. This has a direct impact on the role of SITA.

Following her appointment in 2019, the Minister of Communications and Digital Technologies summed up her mandate with regard to the implementation of the State-Owned Companies (SOC) Rationalisation resolutions and the repurposing of SITA within that as "having been seized with the task of creating a new department that places at its centre, the digital transformation of government and support for a digital economy and society.
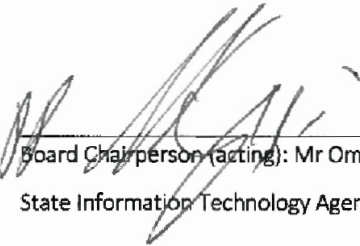
"In order to drive digital transformation in government, there is a need to establish the State IT Company. This will entail the repurposing of the current SITA to drive innovation, transformation, localisation, cyber-security, e-government and IT service management," noted the Minister.

With the Coronavirus sweeping the globe in 2020, and South Africa not being spared, the country's economy which was already battered ahead of the pandemic, was severely affected due to the tough but necessary levels of economic lockdowns imposed by the government as part of the risk-adjusted strategies to battle the COVID-19 pandemic. As public service delivery ebbed due to lockdown, SITA stepped up and entered the fray, demonstrating digital prowess as most electronic government services could be delivered remotely using the power of digital technologies.

This innovative streak will be expected to subsist into the future, making SITA the go-to digital hub for government. As part of its culture, the agency will continue to invest in the mainstreaming of digital skilling, creating capabilities that will buoy the agency and increase its contribution significantly to the notion of a "capable state" identified by the Economic Growth and Recovery Plan. Human capital and the future of work are key focus areas of the Presidential Commission on 4IR, and we must therefore be forthright in investing in digital skilling and re-skilling as an imperative for inclusion in the digital economy while acknowledging the fact

that the vast majority of our people still lack access to digital infrastructure, which is the bedrock for the digital economy.

Thus, efforts to build internal capacity and create a digital culture that will be fused into the strategic planning processes of the agency while also helping to shape daily strategic conversations must be encouraged and supported.

Board Chairperson (acting): Mr Omega Shelembe

State Information Technology Agency SOC Ltd

Executive Caretaker statement

The declaration of the National Disaster Management Act by the President in early 2020 signalled an ominous start to 2020/21. The announcement summed up what was to become a very difficult operating environment as the whole country was plunged into a state of near-hysteria with the economy locked down and the civil liberties put on hold to give the authorities the space to plan for, anticipate and prepare for the outbreak of the COVID-19 pandemic driven by the Coronavirus which at the time had a global presence.

Globally all eyes were on governments to provide leadership while continuing to render both basic and critical services for the citizens in times of COVID-19. Inadvertently the 4IR was thrust into society and new ways of delivering services and managing the economy had to be found with digital solutions being uppermost.

South Africa was no exception and SITA was called upon to help the government uphold service delivery through innovative digital platforms, keeping the public service functional. The outbreak coincided with the new public service financial year – 2020/21. Immediately government entities including SOCs were on a back foot, trying to keep the country and the economy afloat while averting a public service delivery vacuum.

Apparent paradoxes of the pandemic were visible early on, as on the one hand global markets took a tumble with the commodity stocks reaching all-time rock bottom levels. On the other hand, digital stocks boomed and high yields were recorded, creating value for the digital industry. The latter was consequently thrusted to the fore, leading the way for economic sustainability and possible recovery amidst the pandemic.

The notion of the *workforce of the future* was put to the test as critical government departments and their concomitant programmes remain operational, chief among them being the Temporary Employee Relief System (TERS) of the Department of Labour and Employment to give economic and financial reprieve to the millions of workers adversely affected by the economic lockdown.

With the introduction of the universal poverty relief grant system (the Basic Income Grant), both the roles of the government central departments responsible for the identification, verification and processing of the beneficiaries were put in the spotlight, using digital innovation to speed up the process and while data analysis and data verification were undertaken at an industrial scale to ensure the right benefits went to the right recipients. The age of digital transformation had descended.

On the education front e-learning was invoked to bring educational content to the millions of learners and students affected by the economic lockdown, adding impetus to the new innovative mediums heralding the education format of the future. Indeed, the future of education in South Africa will never be the same again.

Internally, in mitigation of the pandemic, embracing a digital culture was expedited with SITA employees being forced to work from home, continuing to strengthen service management remotely while rendering critical outputs. Digital platforms were deployed to keep employees regularly informed on the internal and external environments and their effect on the key performance areas of the organisation and to encourage digital skilling among others through e-learning (SITAVarsity) to continue to create a workforce of the future.

Investment in digital skilling is being prioritised for employees across all levels, imbuing them with an ethos for thought-leadership for enhanced serviced delivery. SITA will continue to seek collaborations with the industry and learning institutions on the creation of relevant and useful e-content, whereas hackathons and other smart ideas harvesting will be encouraged among the public to build innovation capital. This is part of skills, research, innovation and capacity development and is intrinsic to the building of a digital culture buoyed

by a conscious complementary organisational design to help incorporate digitisation to all strategy planning processes.

Afterall digital transformation (i.e. culture and infrastructure) has been identified as a strategic focus at the heart of the repurposed state information technology company not only to drive a new way of life of innovation and enhanced performance, but also to largely contribute to the Economic Recovery and Growth Plan as detailed by President Ramaphosa amidst the COVID-19 pandemic.

In response, and for the new performance cycle (2021/ 22), the agency has reconfigured its strategic/key programmes to align to and compliment the objectives of the Economic Recovery and Growth Plan which among others call for job creation, infrastructure (including digital) investment, governance and administration, implementing necessary economic reforms and the improvement of the capability of the state. Among other interventions envisaged is the reduction of data costs and the *"expansion of the broadband access to low-income households"*.

Five strategic programmes (focus areas) have been identified to drive the repurposing of the agency while supporting government's digital transformation agenda within the 4IR in the short- to medium-term and possibly beyond. Key among them is the financial sustainability of the agency with financial management improvements put in place to improve the profitability and net cash collection rates to enable much needed capital investment.

Given the hostile operating and trading conditions brought on by the COVID -19 pandemic, the focus in the Midterm Framework is to improve the agency's financial management to lay the basis for sustainability, profitability and growth in support of the Recovery Plan. As the agency advocates for the centralisation of the ICT budgets within National Treasury to propel the government's digital vision, there is a forecast to increase our year-on-year total revenue by improving our value proposal to government while proportionally decreasing the total operational costs thus increasing the net profitability.

One way to drive costs down is through investment in digital infrastructure to improve efficiencies and effectiveness through the network value chain, bringing closer the realisation of a swift, agile, capable and responsive government for the convenience of the citizens. To leverage on the demand created by the pandemic, the agency will scale up connectivity and mobility services through the intensification of investment in digitalisation to reposition the government for the "new normal" – integrated government business, transformed public service, and improved citizen experience.

Thus, the large scale roll-out of SA Connect, government broadband and unified communications capability for interaction and collaboration will gather momentum, while investment will continue in digital infrastructure for improved and agile networks, data centres and disaster recovery capability as well as cloud and security technology to protect the integrity of government data assets.

The reform of the Supply Chain Management environment will continue with emphasis on e-commerce platforms to entrench constitutional obligations of competitiveness, fairness, transparency and cost-effectiveness while touting value-for-money. To boost the economy and support the government's Growth and Revival strategy, about half of the agency's procurement spend will be consciously directed to the emerging business to *"reverse the decline of the local manufacturing sector and promote reindustrialisation through deeper levels of localisation"*.

COVID-19 is by no means the last viral born pandemic with the resilience of the planet weakened by poor conservation and environmental management practices, it could signal the opening of the floodgates for more diseases, requiring governments in particular and societies in general to factor these social geopolitical upheavals in their planning and forecasts. In the meantime, the likes of SITA need to continue to sharpen their innovation capabilities to anticipate and mitigate the adverse impact of environmental outbreaks, through the adoption and application of digital transformation.

Mr Luvuyo Keyise
Executive Caretaker
State Information Technology Agency SOC Ltd

Official sign – off

It is hereby certified that this Annual Performance Plan was developed by the management of the State Information Technology Agency (SITA) under the guidance of Mr Luvuyo Keyise and takes into account all relevant policies, legislation and other mandates for which SITA is responsible and accurately reflects the outcomes and outputs which SITA will endeavour to achieve over the period 2021-2022.

Mr Sidima Ntsangani
Executive Application Development and Maintenance

Ms Makgopelo Mkhwanazi
Executive Human Capital Management

Mr Lance Williams
Executive IT Infrastructure

Dr Busisiwe Vilakazi
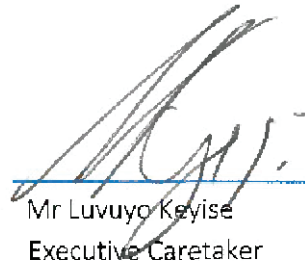Executive Corporate and Digital Strategy (acting)

Mr Gopal Reddy
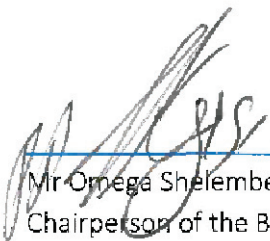Executive Service Management

Mr Molathegi Kgauwe
Chief Financial Officer

Mr Kenneth Pillay
Executive Supply Chain Management

Mr Luvuyo Keyise
Executive Caretaker

Mr Omega Shelembe
Chairperson of the Board of Directors (acting)

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(a)   SITA Strategic Plan 2020-2025.
(b)   SITA Annual Performance Plan 2020-2021.
(c)   SITA Annual Report 2019-2020.
(d)   National Development Plan 2030.
(e)   Supplementary Budget Review 2020.
(f)   DPME Framework for Strategic Plans and Annual Performance Plans 2020.
(g)   Government Medium-Term Strategic Framework 2020-2024.
(h)   DCDT Draft APP 2021-2022.
(i)   Report of the Presidential Commission on the 4th Industrial Revolution (PC4IR) 2020.

Part A: Our Mandate

1.   Updates to the relevant legislative and policy mandates

(a)   The legislative and policy mandates remain unchanged as articulated in the SITA Strategic Plan 2020-2025; however, there are anticipated changes as outlined in the draft bill for the new State IT company as informed by the SOC rationalisation programme.

(b)   SITA as a public entity 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. for 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 the whole-of-government IMST initiatives in relation to a specific set of IMST functions with other participating departments.

(c)   Further to the Presidential Review Committee (PRC) report, SITA derives its mandate from the SITA 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, as well as optimal service delivery to its customers. Moreover, SITA subscribes to the principles of the ICT House of Values, which provides guiding principles that are a prerequisite for the successful implementation of digital government and that ensure that government derives business value from SITA as a lead ICT agency.

2.   Updates to institutional policies and strategies

The accelerated digital transformation is brought about by 4IR, coupled with the Presidential 4IR Commission report on 4IR Commission report, which recommends the need to build capabilities in conjunction with relevant role-players within the ecosystem in which the agency operates. Therefore, SITA's role as the driver of government's digital transformation becomes more pertinent in order to deliver on institutional policies and strategies as defined in the strategic plan, namely government national priorities, National Development Plan (NDP) 2030 vision, National Integrated ICT Policy White Paper, National e-Government Strategy and Roadmap and the SOC Rationalisation Framework.

3.   Updates to relevant court rulings

Currently, there are no specific court rulings that have a significant, ongoing impact on the operations or service delivery obligations of SITA.

Part B: Our Strategic Focus

4. Updated situational analysis

The situational analysis provides an overview of issues that influence the activities of SITA within the 2021-2022 performance year. SITA developed a new medium-term strategic plan, which aims to digitally transform the business of government to achieve improved citizen experience of government service delivery through digital channels, as well as improved efficiency of government operations through the provisioning of secure and cost-effective ICT solutions, products and services.

The NDP 2030 emphasises that the use of digital communications has the ability to change society and is potentially a powerful means of fostering social inclusion. Digital service delivery requires the streamlining and integration of government service delivery processes to provide relevant and faster information and services to the South African information society, including its citizens, businesses and industry alike, and a more efficient government administrative function to improve management and accounting over scarce government resources.

SITA, in its medium-term strategic plan, recognises that the envisioned impact of government digital transformation necessitates the need to establish a digital government platform ecosystem. The platform will, among others, provide a shared digital infrastructure, services and applications that can accelerate the deployment of digital services. It will allow government to achieve greater economies of scale, retire legacy systems and infrastructure, and better position government to deliver secure, highly intelligent, automated citizen-centric digital government services.

SITA will in the upcoming financial year continue to establish the digital government platform ecosystem, build and strengthen its internal capability and partner with industry to deliver on its key strategic focus areas as defined in the strategic plan. The impact of the changes in the external and internal environments have been considered, and adjustments to the strategic focus areas are incorporated to ensure the achievement of the overall strategic intent. The changes to these environments, the impacts and opportunities are discussed in the subsequent sections of this document.

4.1 External environment analysis

The COVID-19 outbreak has contributed significantly to changes in the operating environment of government, which affects the service delivery environment at large. Global forecasts and predictions have been made to determine how the pandemic might play out in the 2021-2022 financial year and beyond so as to guide policy directives, planning and prioritisation of initiatives, and allocation of funds by government to ensure medium- and long-term economic recovery. The overall impact of COVID-19 on SITA's strategic direction has elevated the critical role that SITA plays in the transformation of government and places increased pressure on the agency to prioritise the acceleration of the digitisation programme. Several research studies demonstrate that government's digital transformation remains one of the mission-critical priorities for most governments across the globe.

The advent of COVID-19 has seen a significant improvement in government and society's perception of technology and its role in achieving government priorities, coupled with the increased willingness to utilise digital technologies to render and access public services.

Furthermore, the need for digital innovation in government is validated by the increased demand for connectivity and application development services by most of SITA's clients. Moreover, government

institutions have revised their medium-term strategic plans within the context of the "new normal" created by COVID-19, and most chief information officers (CIOs) have prioritised the implementation of digital technologies. SITA will respond to this demand and continue to implement digital innovations in government that demonstrably improve the effectiveness, speed and accuracy of public services.

Key external environmental changes impacting the strategic direction and operations in the forthcoming year are summarised as follows:

4.2   Product and services demand

(a)   Increased appetite from government and citizens to consume modern digital solutions;

(b)   Citizens have become more tech-savvy with a need to access data and services from everywhere, anytime, from any device which requires high network availability;

(c)   Lockdowns and work from anywhere inclinations in line with digitisation drives creates new opportunities resulting from remote work and digitisation strategies;

(d)   Government intends to achieve social inclusion through universality of ICT and broadband services which increases demand for services to be deployed in underserved areas;

(e)   Increased client demand to migrate to cloud results in more clients requesting cloud services and subscription to the Government Private Cloud Ecosystem GPCE;

(f)   Increased adoption of Internet and demands of electronic services from citizens creates high demands on scalable network to be able to respond to government traffic volumes;

(g)   Demand for modernised high-capacity data centres to respond to growth in customer demand; and

(h)   Increased demand to extend network connectivity to local government.

4.2.1 Economic impact on financial sustainability

(a)   Overall contracting economic trajectory and economic downgrades by rating agencies is limiting government's ability for investments;

(b)   SA's debt burden has more than doubled over the last 10 years. The South African economy is expected to contract by 7.8% in 2020;

(c)   The Medium-Term Budget Policy Statement (MTBPS) provides a five-year fiscal consolidation trajectory that promotes economic growth while keeping debt in check. Within the five-year period, the debt to GDP ratio is expected to stabilise at around 95%. Gross debt is expected to rise from approximately R4 trillion this year to R5.5 trillion in 2023/24 fiscal year;

(d)   Increasing demands on the fiscus, constrained national budgets, competing priorities such as COVID-19, etc;

(e)   Anticipated ICT budgets cuts by government resulting in a decline in market share and revenue; and

(f)   Budget cuts on ICT at all governmental levels may make it difficult for SITA to find anchor departments for ICT modernisation programmes; and innovative ways of funding will need to be investigated, e.g. Transversal funding.

4.2.2 Regulatory impact on solution development and deployment

The legislative framework is somehow unresponsive and does not create an enabling environment for some digital transformation ambitions. Examples are as follows:

(a)   The Protection of Personal Information Act (POPIA) requires government departments to apply for exemption in order for them to share data among each other. This has a potential to delay or hamper government-wide data analytics initiatives;

(b)   The nature of procurement is not flexible enough to take on innovative solutions and inhibits commercialisation of intellectual property from SMMEs;

(c)   Inability to implement procurement set-aside for start-ups that are taken through a formal programme of development; and

(d)   Current policy in some instances by design supports manual operations that conflict with digital transformation initiatives.

4.2.3 Technology landscape

(a)   The following digital transformation trends are still relevant:
  (i)   Big data analytics
  (ii)   Digital platforms
  (iii)   Connectivity and mobility
  (iv)   Internet of thigs, artificial intelligence, robotics and blockchains
  (v)   eCommerce;

(b)   Unnecessary duplication of ICT investments within government and minimal return on ICT investment and increased inefficiencies and wastefulness;

(c)   Lack of a common ICT investment and consumption model within government leading to inability to reap the results of digitisation;

(d)   Rapid technology changes that may disrupt current plans before implementation is complete – there is a need for timely implementation of innovations; and

(e)   Current international "tech" trade wars may have a significant impact on the products and solutions that SITA has partnered on to render services to its customers.

4.3   Internal environment analysis

The COVID-19 pandemic has created an opportunity for SITA to test its human capital management strategy, policies and processes to ensure that an enabling environment is created with a focus on HR digitalisation; digital skills attraction, generation, continuous enhancement and retention (ICT skills growth and HR customer-centricity) and transformational leadership. According to research conducted by Gartner, the allocation of resources, availability of talent and the organisation's culture are the top three barriers to digital transformation. Key internal environmental challenges impacting the strategic direction and operations in the forth coming year are summarised as follows:

4.3.1 Talent management and culture

(a)   COVID-19 pandemic restrictions brought about changes in work culture and negative impacts on employee wellness;

(b)   Competition for limited digital transformation skills increases the cost of attracting and retaining skills;

(c)   Lack of internal skills in new technologies;

(d)   Manual and lengthy recruitment processes leading to loss of potential employees and loss of planned income; and

(e)   Lack of skills transfer between old and new generations leading to lack of capacity to service legacy systems.

4.3.2 Technology and infrastructure modernisation

(a)   Outdated technology and development practices i.e. SITA is currently operating through a bi-modal approach, i.e. legacy-oriented and modern technology applications;

(b)   Lack of an inventory of all ICT assets across organs of state that have been/are government funded so that these can be leveraged for re-use and commercialised;

(c)   Some infrastructure has reached end of life and needs to be refreshed;

(d)   Lack of recapitalisation and configuration of infrastructure to support the corporate strategy;

(e)   Current design of the SITA network limits the ability of the network to scale and so does the use of leased lines on the transmission network hence the need for a refresh and modernisation of the SITA network to a Software Defined Network (SDN); and

(f)   Lack of appropriate industry partnerships to augment technology and human capacity to be more responsive to client demand without bloating the organisational structure.

4.3.3 Internal processes

(a)   Lack of automation of key service delivery processes;

(b)   Unacceptably long turnaround times for business cases which compounds the inability to deliver on key client requests;

(c)   Insufficient workflow automation to manage and track procurement and service delivery transactions end-to-end;

(d)   Inadequate capacity and capability leading to longer procurement time-frames, cancellations and procuring on emergency basis; and

(e)   The service catalogue is outdated, expensive and does not fully align to 4IR and digital transformation priorities.

4.4 Response to situational analysis

Though there is increased demand and opportunities for SITA, the agency is mindful of the economic impact of COVID-19 and the pressure it places on the fiscus. The digitisation efforts implemented by SITA should enable government to do more with less resources and create enablers that ensure that funds are utilised or transferred to activities that are aligned to the economic recovery plan. Moreover, skills development and employment opportunities will be key to empower citizens and reduce reliance on social support by government.

The impact of digitisation requires the establishment of a programme structure which ensures collaboration with all stakeholders to prioritise key technologies, candidate services targeted for innovation and a technical roadmap for deployment which considers decisions about governance, funding, enablers, risk, timing, and sequencing of technology investments.

Furthermore, SITA aims to develop a digital transformation in-a-box framework which will be utilised to assist departments to develop a well-constructed digital strategy and implementation plan. Moreover, SITA aims to implement an end-to-end digital transformation in-a-box programme at a provincial level in alignment with the government vision to establish smart cities and demonstrate the value of digital transformation. This programme will provide an opportunity to establish the required capabilities to digitise the rest of government.

The figure below depicts an overview of the key strategic focus areas for the 2021-2022 financial year. The key opportunities are discussed below and details regarding outputs, indicators and targets are described in

part C of this document. It must be noted that some of the initiatives are not measured on the APP due to the complexities and external dependencies; implementation will be managed and monitored at an operational level as these are equally critical to the achievement of the overall strategic vision.

Figure 1 – Strategic initiatives and projects

4.4.1 Digital services

The digitisation journey of the public sector commenced with the deployment of multiple e-government services and the establishment of the e-Government portal that serves as a single point of entry to government's electronic services. SITA recognises that its ability to fully execute its mandate and show tangible, impactful results of its digitisation efforts requires it to have full control of the development and maintenance of applications within government, as well as access to the data that runs on the applications within the boundaries of government data policies and legislation. Furthermore, the compliance impact of the POPIA of November 2020 on public data and the delays in the finalisation of data-sharing practises, policies and legislation creates additional delays in the deployment of use cases that show the value of existing e-services and digitisation of public services.

SITA will, in the upcoming financial year, continue to develop and deploy digital services that are aimed at integrating the business of government, transforming public service delivery and ensuring an improved citizen experience of government services. The following key initiatives will be implemented:

(a) Automation of key public-facing development services prioritised within the Batho Pele context;

(b) Commercialisation of open innovation solutions through SMME entities aimed at promoting the production of local software solutions;

(c) Deployment of the big data analytics use cases aimed at demonstrating the value of integrating government systems;

(d)   Establishment of the digital government platform ecosystem which is the key enabling platform to achieve the digitisation objectives;

(e)   Development of API middleware and Internet-of-Things (IoT) platforms to fast-track the development of new solutions provisioned as platforms-as-a-service;

(f)   Modernise the existing legacy applications to ensure that they are cloud-enabled applications that cannot be migrated to the cloud in their current architecture will be reengineered for the new cloud platform; and

(g)   Adoption of delivery practices and frameworks such as DevOps and partnering with industry and academia to provide products and render services.

SITA recognises that research, development and innovation is the cornerstone for creating locally-developed digital services and innovations, and to position SITA as an ICT thought-leader to government. Therefore, SITA will continue to invest in the creation of research and development capabilities through a meaningful engagement model with the industry as well as partners from academic institutions focused on delivering solutions to government.

4.4.2 Digital infrastructure

The provisioning of digital services and solutions requires the establishment of computing capabilities (i.e. storage, software, networks, platforms, security and support) that provides reasonable levels of availability, flexibility, scalability, predictability and security. SITA's strategic intent regarding aging infrastructure has been the modernisation of hosting infrastructure and utilising cloud principles to enable fast, efficient and cost-effective service delivery to government. The agency has made investments through the establishment of a government private cloud ecosystem, which provides reasonable processing capability in line with best practices.

SITA has also initiated other infrastructure modernisation initiatives around its data centres, networking and security capabilities – all of which are vital for the enablement of the digital transformation mandate. The investments made and the ongoing modernisation initiatives are aligned with the intent of the SOC rationalisation programme, in particular the establishment of the state network infrastructure company. The repurposed SITA, as the state IT company, will still be responsible for the end-to-end value chain of ICT service provision to the customer. To achieve this, SITA will continue to provide infrastructure computing services and may source the network infrastructure service (i.e. OSI layers 2 and 1 such as access links, connectivity and telecom infrastructure) through the envisaged state network infrastructure company. The agency also has an obligation to ensure the confidentiality, privacy, integrity and availability of data and information assets of its customers; therefore, it will continue to provide modern cyber and information security, end-user computing, customer experience and digital experience services.

SITA recognises the influence of international politics regarding existing infrastructure implementation partnerships and will need to develop a strategy that minimises the risk through the development of local content. SITA may need to collaborate with other state-owned entities that are mandated to ensure the development and creation of local companies within the technology space. Similar to digital services, there is an increase in the demand for cloud services, storage and secure remote connectivity.

Furthermore, cyber-security has been identified as a key strategic priority for the repurposing of SITA and it therefore becomes imperative within the digital and 4IR era. Digital transformation has changed the way

government operates and there are now more potential cyber threats than ever before. SITA has adopted a holistic approach that will not only respond to cyber-security threats but will also look at the entire end-to-end value chain of ICT security. Consequently, SITA is establishing a Security Operations Centre Capability (SOCC). A SOCC is a centralised business unit that deals with information security on an enterprise level by 24/7 monitoring and analysis of security events to prevent, detect and respond to security incidents, using a combination of technologies and well-defined processes. SITA through the establishment of the SOCC will render these services to its clients.

The following key initiatives will be implemented in the upcoming financial year:

(a) Implement SA Connect programme: Ensure connection of the identified government sites at bandwidths of at least 10 Mbps to enable access to digital platforms and services;

(b) Leverage the demand created by COVID-19 to scale up connectivity and mobility services;

(c) Implement unified communication capability to ensure a higher level of interaction and collaboration;

(d) Implement a software-defined network capability to transform the government network to be more agile and flexible while enabling the network to be intelligently and centrally controlled;

(e) Modernise the data centre in line with industry standards to ensure provisioning of the disaster recovery capability;

(f) Capacitation of private on-premise cloud foundation infrastructure;

(g) Implement available services on the government virtual private networks (VPNs)

(h) Implement the revised Go-to-Market Strategy for telecom access links which aims to optimise the provisioning of connectivity to government with optimal security measures for corporate and work-from-home scenarios while ensuring that economies of scale are realised and the value proposition is improved; and

(i) Expand the deployment of broadband beyond the Western Cape, Eastern Cape and Gauteng.

4.4.3 Supply chain management

Procurement is a mandated service offered by SITA and provides an opportunity to demonstrate the value of digitisation through the establishment of e-commerce platforms that have been proven to be the key for efficient supply chain management within government and the private sector. This also provides an opportunity to build trust and promote ethical behavioural practices, since transactions will be transparent and fair and stimulate competitive bidding.

SITA will continue with a process of implementing supply chain reforms to address past challenges and ensure efficient service delivery. Furthermore, SITA will leverage economies of scale to ensure that all procurement delivers value-for-money and promotes the South African ICT industry, with a particular emphasis on the national transformation and localisation agenda.

SITA aspires to achieve the following objectives within its supply chain management capability:

(a) Create a reliable and proactive supply of goods, services or works of the right quality and price that SITA and its clients require to fulfil respective mandates;

(b) Digitise the supply chain management process with strict controls to improve efficiency and reduce possibilities for fraud and corruption;

(c) Contribute to SITA's financial sustainability by ensuring value for money through economical supply chain processes, as well as supporting the generation of revenue; and

(d) Contribute to transformation, empowerment and economic development in South Africa.

The following are the key strategies that will be implemented to meet the stated aspirations:

(a) Drive government cost down and ensure government departments are provided with proper services to enable service delivery to the citizens of SA;

(b) Create a service excellence environment and culture to provide services within SITA and organs of state; and

(c) Be the catalyst in sourcing activities and implement targeted procurement across all categories, exclusively for the benefit of black-owned, black-female-owned and youth enterprises and designated groups that are exempt micro enterprises and qualifying small enterprises.

4.4.4 Customer service delivery improvement

The successful implementation of digital transformation across government requires SITA to have an in-depth understanding of the customer business environment in order to provide thought-leadership with regard to the provisioning of appropriate business and digital solutions.

While SITA drives its digitisation mandate within government and introduces digital innovations of the 4IR era, the agency will concurrently address its internal inefficiencies by implementing programmes aimed at improving current and pressing customer service delivery challenges. Central to fulfilling this mandate, SITA is required to comprehensively understand the client environment through a collaborative process in order to implement appropriate customer improvement initiatives.

It is crucial for SITA to leverage the strategic opportunities created through the COVID-19 pandemic, which have accelerated digital transformation across government, as this will enable the agency to strengthen its consulting capability for the benefit of both customers and SITA. This implies that SITA must be fully responsive to customer needs and requirements, meet and exceed Service Level Agreement (SLA) targets, improve customer relationships and automate key service delivery processes. The result will be impactful citizen experiences, while SITA will be able to grow its market share and improve the overall bottom line.

4.4.5 Financial sustainability

Within the current economic climate of South Africa, it is difficult for SITA to live up to the expectation of digitising government, since the fiscus is being prioritised to remedy the negative impact of the COVID-19 pandemic. As a result, government ICT budgets have been impacted to the extent that most clients are channelling their available budgets towards core business activities and legal/mandate obligations rather than making investments in ICT. They have to do more with less. This may very well affect some planned capital projects – specifically ICT capital projects that will subsequently directly impact SITA business.

SITA is however optimistic that the implementation of the SOC rationalisation programme will serve as a strategic enabler, which will ensure that ICT capital investment and operational budget of the national and provincial spheres of government is consolidated and centralised within National Treasury, who will pay for services rendered by SITA upon consultation and confirmation of delivery with the relevant government department. This will not cost government any additional funds, as it represents a reallocation of budgets that

are included for this purpose within the current national and provincial voted funds. In this way, government will be able to ensure that its overall investment is aligned to its objectives of creating a digital society and it will also be able to realise costs savings from the consolidation of purchasing power using economies of scale.

4.4.6 Talent management and culture

The COVID-19 pandemic has created an opportunity for SITA to test its human capital management strategy, policies and processes to ensure that an enabling environment is created with a focus on HR digitalisation, digital skills attraction, generation, continuous enhancement and retention (ICT skills growth and HR customer-centricity), and transformational leadership.

According to research conducted by Gartner, the allocation of resources, availability of talent and the organisation's culture are the top three barriers to digital transformation. Given that culture, underpinned by organisational values, is the glue that holds organisations together during the good and bad times, SITA has embarked on the implementation of a digital and ethical culture programme to ready its workforce to embrace 4IR and digital transformation through embedding a culture of learning and relearning new skills. This programme also aims to drive initiatives that preserve employees' physical and emotional well-being, redefine and create policies that enable remote work, implement an online learning academy and reconfigure employee workspaces to promote healthy and safe work environments aligned to digital workplace requirements, among others. The following key initiatives will be implemented in the upcoming financial year:

(a) Implement a digitalising skills development programme by providing training initiatives through online/virtual platforms such as SITAVarsity among others;

(b) Implementation of the workplace skills plan which prioritises the investment in digital skills across all levels in the organisation;

(c) Develop digital transformation leadership capabilities;

(d) Capacitate the organisation with the required talent and ensure succession management to ensure sustainability and business continuity in key business areas;

(e) Optimise and digitise the human capital management function and ensure full automation of the termination and exit management processes;

(f) Implement the organisational culture revitalisation programme; and

(g) Implement of the employee wellness strategy to minimise the impact of COVID - 19.

4.4.7 Governance

SITA is committed to ensuring good governance is practised for the company to remain a viable and sustainable business. The agency through its Audit, Risk and Compliance Committee monitors compliance with legislation and ensures that appropriate systems of internal control are implemented and maintained to protect SITA's interests and assets. Furthermore, SITA has established practices that aim to inculcate an ethical behaviour, prevent and fight corruption. SITA will implement the following initiatives in the upcoming financial year to improve the control environment, compliance management, governance and risk management to drive clean audit outcomes:

(a) Implement the remedial action plan to address Auditor General (AG) findings and some of the control deficiencies noted by AG;

(b) Implement measures to eliminate wasteful, fruitless and irregular expenditure as well as the reduction of irregular expenditure;

(c)   Implement fraud prevention and detection measures and roll out awareness campaigns to promote ethical behavior and enforce consequence management for corruption and misconduct; and

(d)   Ensure effective risk management processes and procedures and proactively manage risks that may affect SITA's performance.

4.4.8 Organisational structure

The unattractive changes in the external environment are severely exacerbated by the impact of the COVID-19 pandemic, namely the severely declining South African economy, the heightened pressure on government's fiscus and the call for public entities to prudently manage expenditure. These become key driving forces, among others, that influence and shape the organisational structure of SITA.

The macro structure, which is woven into the corporate strategy, has been systematically realigned as depicted in the figure below. The overall business objectives of the structural realignment are to optimise resource capacity, reduce the span of control of the Executive Caretaker to create strategic focus and enhance customer service delivery capacity.
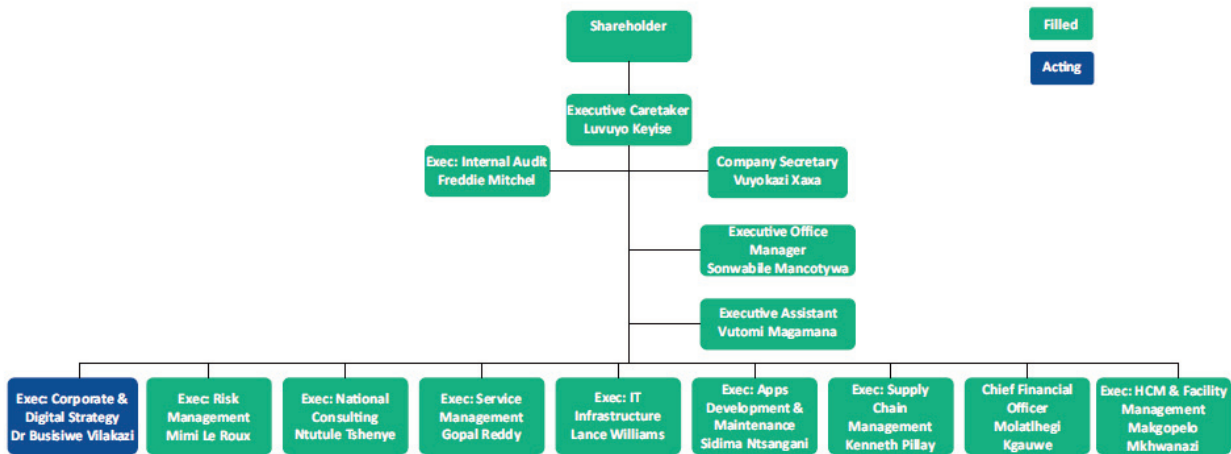
Figure 2 – SITA macro organisational structure

This fit-for-purpose structure provides for a split of networks and service management capabilities into separate executive roles, namely Executive: IT Infrastructure Services (which is crucial to SITA's digital transformation agenda and value proposition to government departments) and Executive: Service Management (which is central to appropriate processes, technology and people to ensure SITA can achieve its business goals).

Additionally, the structure caters for an Executive: Corporate and Digital Strategy, which is created by merging the Chief Digital Officer and Executive: Strategy Management positions. This allows for central integration of all digital transformation initiatives into the strategy planning process, ensuring that digital innovation and transformation is at the heart of the corporate strategy. It also allows for the creation of innovative digital solutions for products, services, processes, customer experiences, marketing channels and business models and enables central monitoring of the digital innovation project portfolio.

The structural realignment further consolidates all provincial and local consulting capabilities under the Executive: National Consulting, thereby reducing the higher-end labour budget without any disruption to customer service delivery.

Overall, the macro structure is integrated with SITA's digital transformation strategy, thereby enabling the agency to deliver high and sustainable performance according to the organisation's value chain.

Part C: Measuring our Performance

5. Institutional programme performance information

During the upcoming medium-term period, SITA will proceed with implementing planned activities that will further enable the government's digital transformation agenda within the 4IR era and position the agency according to its mandate, government and shareholders priorities to drive and lead the implementation of digital transformation. SITA will implement its planned performance for the 2021-2022 financial year through the five organisational strategic programmes in line with the available resources.

The five strategic programmes are depicted in the table below. The APP will be cascaded to the organisation through the corporate balanced scorecard tool, with each division developing its unique business plan and divisional balanced scorecard to support the successful implementation of planned initiatives. On a monthly and quarterly basis, organisational performance will be monitored and evaluated through established governance structures, including the implementation of appropriate interventions to close performance gaps identified.

Table 1 – Strategic programmes

Programme	Programme purpose
Programme 1: Thought-leadership and service delivery	The purpose of this programme is to provide well researched, tested, innovative and secure solutions, products and services aimed at digitising government to improve citizens' experience of government services.
Programme 2: Digital infrastructure	The purpose of this programme is to optimise and/or build the required computing capabilities such as platforms, networks, storage, etc. to enable the provisioning of digital services and solutions at increased availability, flexibility, scalability, predictability and security.
Programme 3: Skills and capability development	The purpose of this programme is to develop, build and/or buy the required digital skills and capability to enable the strategic drive to digitise government while building a culture of performance, accountability, corruption-free and consequence management.
Programme 4: Financial sustainability	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.
Programme 5: Procurement and industry transformation	The purpose of this programme is to advance transformation of the ICT sector to stimulate economic growth, development of local ICT content and radically transforming the procurement capability towards the reduction of unemployment and poverty alleviation, supporting skills development and promoting fair, equitable, transparent and cost-effective procurement services.

5.1 Programme 1: Thought-leadership and service delivery

5.1.1 Programme purpose

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

5.1.2 Outcomes, outputs, performance indicators and targets

Table 2 – Programme 1 performance indicators and medium-term targets

Outcomes	Outputs	Output indicators	Audited/actual performance			Estimated performance 2020-2021	Medium-term targets		
			2017-2018	2018-2019	2019 -2020		2021-2022	2022-2023	2023-2024
Increased citizen value through availability & accessibility of core government public facing services on digital platforms	Core public facing services available on digital platforms	% core public facing services available on digital platforms	-	-	-	-	Baseline of candidate core public facing services for digitisation established	10% core public facing services available on digital platforms	20% core public facing services available on digital platforms
	Application Programming Interfaces (APIs) established and published in production	# of APIs established to enable heterogenous systems to integrate	-	-	-	-	8 APIs established and published in production	20 APIs established and published in production	50 APIs established and published in production

Outcomes	Outputs	Output indicators	Audited/actual performance			Estimated performance 2020-2021	Medium-term targets		
			2017-2018	2018-2019	2019 -2020		2021-2022	2022-2023	2023-2024
	Big data analytics use cases deployed through the integration of government data and systems	# of big data use cases deployed through the integration of government data and systems	-	-	-	1 Big Data Analytics Use Case deployed through the integration of government data and systems	4 Big Data Analytics Use Cases deployed through the integration of government data and systems	4 Artificial Intelligence/IoT Use Cases deployed through the integration of government data and systems	4 Artificial Intelligence/IoT Use Cases deployed through the integration of government data and systems
Seamless integrated and trusted public services	Open innovation solutions commercialised	# of open innovation solutions commercialised	-	-	-	1 open innovation solution commercialised	2 open innovation solutions commercialised	3 open innovation solutions commercialised	4 open innovation solutions commercialised
	Contracted SLA metrics achieved	% performance against measured contracted SLA metrics	96.56% performance against measured contracted SLA metrics	96.38% performance against measured contracted SLA metrics	95.40% performance against measured contracted SLA metrics	90% performance against measured contracted SLA metrics	95% performance against measured contracted SLA metrics	95% performance against measured contracted SLA metrics	95% performance against measured contracted SLA metrics

5.1.3 Output indicators: Annual and quarterly targets

Table 3 – Programme 1 quarterly targets

Output indicator	Annual target 2021-2022	Quarterly targets			
		Quarter 1	Quarter 2	Quarter 3	Quarter 4
% core public facing services available on digital platforms	Baseline of candidate core public facing services for digitisation established	Implementation plan approved	Multistakeholder governance structure established	As-Is assessment and prioritisation of candidate core public facing services for digitisation	Baseline of candidate core public facing services for digitisation established
# of APIs established to enable heterogenous systems to integrate	8 Application Programming Interfaces (APIs) established and published in production	API architecture and the necessary architectural patterns developed and approved	2 APIs established and published in production	5 APIs established and published in production	8 APIs established and published in production
# of big data analytics use cases deployed through the integration of government data and systems	4 Big data analytics use cases deployed through the integration of government data and systems	Operational Level Agreement (OLA) for 4 Big data analytics use cases approved	2 Big data analytics use cases deployed through the integration of government data and systems	3 Big data analytics use cases deployed through the integration of government data and systems	4 Big data analytics use cases deployed through the integration of government data and systems
% performance against measured contracted SLA metrics	95% performance against measured contracted SLA metrics	95% performance against measured contracted SLA metrics	95% performance against measured contracted SLA metrics	95% performance against measured contracted SLA metrics	95% performance against measured contracted SLA metrics
# of open Innovation solutions commercialised	2 open Innovation solution commercialised	Open innovation solution commercialisation implementation plan	-	1 open Innovation solution commercialised	2 open Innovation solution commercialised

5.1.4 Explanation of planned performance

The thought-leadership and service delivery programme will continue to focus on responding to the needs of public sector, including SOCs, as well as broader consumers of public services. This programme also supports the achievement of the NDP 2030 priorities and in particular *priority 1: Economic Transformation and Job Creation* as follows:

(a)   *Outcome: Re-industrialisation of the economy and emergence of globally competitive sectors* – SITA will commercialise innovation solutions which are aimed at unlocking opportunities for SMMEs and assist in growing their business into larger entities, thereby supporting economic transformation.

(b)   Outcome: *Inclusive economy, enabled by advanced digital technologies, which provides equally accessible, intelligent and competitive products and services through government and industry* – SITA will develop and deploy digital services across all spheres of government in line with client requirements thereby enabling increased citizens value through the availability of core government public-facing services on digital platforms.

The agency has adopted a customer-centric approach that ensures an in-depth understanding of a customer's businesses to provide the relevant, reliable and cost-effective solutions that address specific needs. In this regard, SITA consulting services capabilities will play a central role. Additionally, SITA will be partnering with research institutions (e.g. CSIR, universities, international ICT research and advisory bodies, etc.) to ensure that innovative digital solutions are developed and implemented in government transversally. SITA will also ensure its service management capability is embedded in all SITA services to ensure end-to-end service performance management to maintain and improve its service delivery levels. Furthermore, the improved sustainability of the SITA business is hugely dependent on its ability to grow its government market share in designated services. Therefore, concerted efforts will also be made to identify new opportunities that cover existing, modernised and new services driven by go-to-market programmes, among others.

5.2   Programme 2: Digital infrastructure

5.2.1 Programme purpose

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

5.2.2 Outcomes, outputs, performance indicators and targets

Table 4 – Programme 2 performance indicators and medium-term targets

Outcomes	Outputs	Output indicators	Audited/actual performance			Estimated performance 2020-2021	Medium-term targets		
			2017-2018	2018-2019	2019 -2020		2021-2022	2022-2023	2023-2024
Optimised digital infrastructure	SA Connect sites connected	% of SA Connect sites connected as per the government order (layer 3 connectivity)	-	270 SA Connect sites connected as per the government order	126.9% of SA Connect sites connected at bandwidths of 10 Mbps as per the government order	100% of SA Connect sites connected as per the government order (layer 3 connectivity)	100% of SA Connect sites connected as per the government order (layer 3 connectivity) [1]	100% of SA Connect sites connected as per the government order (layer 3 connectivity)	100% of SA Connect sites connected as per the government order (layer 3 connectivity)
	Establishment and operationalisation of the Security Operations Centre Capability (SOCC) on SITA virtual private networks (VPNs)	% implementation of SOCC on SITA virtual private networks (VPNs)	Attain information security level 2 as per generic security codes	Maturity level 3 as per ISF security model for 11 discipline areas	-	100% Implementation of planned activities for security operations centre capability	100% implementation of SOCC on SITA virtual private networks (VPNs)	25% implementation the SOCC management and reporting platform	50% Implementation of the SOCC on a central management and reporting platform
	Establishment of the Unified Communications (UC) Capability	% implementation of UC capability	-	-	-	100% implementation of planned activities for	On-board 10 clients on SITA UC platform	On-board 15 clients on SITA UC platform	On-board 20 clients on SITA UC platform

[1] Achievement of this target is dependent on Broadband Infraco (BBI) completing connectivity at layer 2 (i.e. all sites tested and functional, as per the open systems Interconnection levels) and this must be completed prior to SITA completing connectivity at layer 3.

Outcomes	Outputs	Output indicators	Audited/actual performance			Estimated performance 2020-2021	Medium-term targets		
			2017-2018	2018-2019	2019 -2020		2021-2022	2022-2023	2023-2024
						the UC plan for SITA			
	Establishment and operationalisation of the software-defined network (SDN) capability	% implementation of planned remediation to address core network single point of failure	-	-	-	100% Implementation of planned activities for SDN capability	75% implementation of planned remediation to address core network single point of failure	25% implementation of SDN for layer 1 and 2	75% implementation of SDN for layer 1 and 2
	Modernise data centre facilities	% completion of strategic data centre upgrades to support hyperscale infrastructure requirements	-	-	-	Complete the following upgrades in line with tier 3 requirements: (a) UPS fire suppression (b) Access control systems	40 % strategic data centre facilities upgrades completed to support hyperscale infrastructure requirements	80 % strategic data centre facilities upgrades completed to support hyperscale infrastructure requirements	100 % strategic data centre facilities upgrades completed to support hyperscale infrastructure requirements

Outcomes	Outputs	Output indicators	Audited/actual performance			Estimated performance 2020-2021	Medium-term targets		
			2017-2018	2018-2019	2019 -2020		2021-2022	2022-2023	2023-2024
	Digital platform deployed	# of digital platforms deployed	-	-	-	3 digital platforms deployed	2 digital platforms deployed	-	-

5.2.3 Output indicators: Annual and quarterly targets

Table 5 – Programme 2 quarterly targets

Output indicator	Annual target 2021-2022	Quarterly targets			
		Quarter 1	Quarter 2	Quarter 3	Quarter 4
% of SA Connect sites connected as per the government order (layer 3)	100% of SA Connect sites connected as per the government order (layer 3 connectivity)	10% of SA Connect sites connected as per the government order (layer 3 connectivity)	40% of SA Connect sites connected as per the government order (layer 3 connectivity)	80% of SA Connect sites connected as per the government order (layer 3 connectivity)	100% of SA Connect sites connected as per the government order (layer 3 connectivity)
% implementation of SOCC on SITA virtual private networks (VPNs)	100% implementation of SOCC on SITA VPNs	25% implementation of SOCC on SITA VPNs	50% implementation of SOCC on SITA VPNs	75% implementation of SOCC on SITA VPNs	100% implementation of SOCC on SITA VPNs
% implementation of UC capability	On-board 10 clients on UC platform	100% packaging of the UC platform	10 proposals submitted to clients to be added on the UC platform	5 clients added on the SITA UC platform	10 clients added on the SITA UC platform
% implementation of planned remediation to address core network single point of failure	75% implementation of planned remediation to address core network single point of failure	Core network design for SDN approved	25% implementation of planned remediation to address core network single point of failure	50% implementation of planned remediation to address core network single point of failure	75% implementation of planned remediation to address core network single point of failure
% completion of strategic data centre upgrades to	40% strategic data centre facilities upgrades	10% strategic data centre facilities upgrades	15% strategic data centre facilities upgrades	25% strategic data centre upgrades	40% strategic data centre upgrades completed to

Output indicator	Annual target 2021-2022	Quarterly targets			
		Quarter 1	Quarter 2	Quarter 3	Quarter 4
support hyperscale infrastructure requirements	completed to support hyperscale infrastructure requirements	completed to support hyperscale infrastructure requirements	completed to support hyperscale infrastructure requirements	completed to support hyperscale infrastructure requirements	support hyperscale infrastructure requirements
# of digital platforms deployed	2 digital platforms deployed	Establish architecture for the digital platforms	1 digital platform deployed	Contracts established for digital platforms	2 digital platforms deployed

5.2.4 Explanation of planned performance

The intent of the digital infrastructure programme is to modernise the hosting infrastructure environment, using cloud principles and to enable fast, efficient and cost-effective service delivery to the South African Government, thereby enabling a digital-service-oriented public service. This programme supports the achievement of the NDP 2030 *priority 1: Economic Transformation and Job Creation* and in particular the outcome of *inclusive economy, enabled by advanced digital technologies, which provides equally accessible, intelligent and competitive products and services through government and industry* – SITA will establish the required digital platforms to enable the development and deployment of digital services, the agency will also optimise its digital infrastructure inline with industry trends to ensure the provisioning of secure,high speed and reliable connectivity and data processsing services.

SITA will implement its data centre strategy and continue with the upgrade of its data centres, including the incorporation of green strategy principles as well as implementing the data centre network connectivity project, thereby ensuring ICT service availability and the delivery of services at expected levels. It will also implement unified communications capability to on-board government clients, thereby streamlining and enhancing business communications, collaboration and productivity.

Broadband connectivity remains a priority and SITA, as per its mandate, is working in collaboration with the executive authority to roll out broadband connectivity according to the SA Connect broadband policy through available resources, collaboration with other government entities and partnerships with industry in the upcoming financial year. Furthermore, to ensure effective and efficient implementation of the government's digitisation vision, SITA has initiated a process to modernise its network and follow industry trends that show a move to a hybrid network, virtualisation function services and a software defined network (SDN), which are more effective, efficient and agile using the already established cloud-based infrastructure and technologies. This will be achieved through the implementation of the SDN blueprint.

Cybersecurity within the context of the COVID-19 pandemic has become be a key strategic priority as the repurposing of SITA unfolds and becomes very relevant within the digital and 4IR era. In the previous financial year, SITA commenced with the establishment of a security operations centre capability, available capabilities will be rolled-out in the SITA Virtual Private Networks while the establishment of the full capability continues.

5.3   Programme 3: Skills and capability development

5.3.1 Programme purpose

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

5.3.2 Outcomes, outputs, performance indicators and targets

Table 6 – Programme 3 performance indicators and medium-term targets

Outcomes	Outputs	Output indicators	Audited/actual performance			Estimated performance 2020-2021	Medium-term targets		
			2017-2018	2018-2019	2019 -2020		2021-2022	2022-2023	2023-2024
Enhanced workforce capability solving complex problems and adopting innovative solutions	Employees trained against the workplace skills plan (WSP)	% of employees trained against the WSP	-	-	79.5% of employees trained against the WSP	60% of employees trained against the WSP	70% of employees trained against the WSP	75% of employees trained against the WSP	80% of employees trained against the WSP
	Digital and ethical culture developed	% milestones achieved as per the culture plan	-	-	-	100% implementation of planned activities as per the culture plan	100% of milestones achieved as per the culture plan	Conduct culture survey (establish baseline)	Conduct culture survey (improvement on baseline)

5.3.3 Output indicators: Annual and quarterly targets

Table 7 – Programme 3 quarterly targets

Output indicator	Annual target 2021-2022	Quarterly targets			
		Quarter 1	Quarter 2	Quarter 3	Quarter 4
% of employees trained against the WSP	70% of employees trained against the WSP	Annual WSP approved by EXCO	20% of employees trained against the WSP	50% of employees trained against the WSP	70% of employees trained against the WSP
% milestones achieved as per the culture plan	100% of milestones achieved as per the culture plan	30% of milestones achieved as per the culture plan	50% of milestones achieved as per the culture plan	80% of milestones achieved as per the culture plan	100% of milestones achieved as per the culture plan

5.3.4 Explanation of planned performance

This programme aligns with the NDP 2030 *priority 6: Capable, Ethical and Developmental State* and in particular the (a) *outcome of Professional and ethical public service* and the (b) *outcome of Honest and capable state with professional and meritocratic public servants* – SITA will continue with the implementation of initiatives and behaviours aimed at embedding an ethical and high-performance culture.

SITA recognises that the successful implementation of its digital transformation strategy requires investment in new skills that are needed now and into the future. Given the scarcity of requisite technical and professional skills, SITA will implement its talent management strategy which includes training and development initiatives through the workplace skills plan with a focus on digital and leadership skills.

5.4   Programme 4: Financial sustainability

5.4.1 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.

5.4.2 Outcomes, outputs, performance indicators and targets

Table 8 – Programme 4 performance indicators and medium-term targets

Outcomes	Outputs	Output indicators	Audited/actual performance			Estimated performance 2020-2021	Medium-term targets		
			2017-2018	2018-2019	2019 -2020		2021-2022	2022-2023	2023-2024
Innovative digital service investments promoting financial sustainability	Improved profitability	#EBITDA	R263m (EBIT)	-R48.3m (EBIT)	R245.7m (EBIT)	R84.3m	R42.2m	R103.5m	R103.5m
		% net collection rate	94% net collection rate	80% net collection rate	87% net collection rate	80% net collection rate	80% net collection rate	80% net collection rate	80% net collection rate
	Achieve growth in revenue	% Growth in revenue	-	-	-	-	10% Growth in revenue related to designated services (defined baseline based on SITA's 2020/21 service portfolio in scope)	10% Growth in revenue related to designated services (defined baseline based on SITA's 2021/22 service portfolio in scope)	10% Growth in revenue related to designated services (defined baseline based on SITA's 2022/23 service portfolio in scope)

5.4.3 Output indicators: Annual and quarterly targets

Table 9 – Programme 4 quarterly targets

Output indicator	Annual target 2021-2022	Quarterly targets			
		Quarter 1	Quarter 2	Quarter 3	Quarter 4
# EBITDA	R42.2m	R0[2]	R25m	R35m	R42.2m
% net collection rate	80% net collection rate	40% net collection rate	60% net collection rate	70% net collection rate	80% net collection rate
% Growth in revenue	10% Growth in revenue related to designated services (defined baseline based on SITA's 2020-2021 service portfolio in scope)	-	-	-	10% Growth in revenue related to designated services (defined baseline based on SITA's 2020-2021 service portfolio in scope)

5.4.4 Explanation of planned performance

SITA, as a schedule 3A self-funded public entity, must ensure that it continues to meet all its statutory obligations through sound corporate governance and internal controls, thereby ensuring that it remains financially sustainable as the SOC rationalisation process gains momentum.

Through financial frameworks, tools and systems that enable prudence, optimisation and accountability, SITA will focus its medium-term efforts to improve profitability and net cash collection rates to support the capital investment outlays needed to transform its internal business operations and modernise current infrastructure. This programme aligns with the NDP 2030 *priority 6: Capable, Ethical and Developmental State* and in particular the outcome of *Honest and capable state with professional and meritocratic public servants* – SITA will implement controls to address challenges raised by the AG and place controls and proactives systems to reduce irregular expenditure.

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[2] There is no targeted figure for quarter 1 as the organisation will be finalising sign-off of the service level agreements with clients and most of the payments for services rendered would not have been received.

5.5   Programme 5: Procurement and industry transformation

5.5.1   Programme purpose

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

5.5.2 Outcomes, outputs, performance indicators and targets

Table 10 – Programme 5 performance indicators and medium-term targets

Outcomes	Outputs	Output indicators	Audited/actual performance			Estimated performance 2020-2021	Medium-term targets		
			2017-2018	2018-2019	2019 -2020		2021-2022	2022-2023	2023-2024
Reshaping supply chain through ICT economic transformation	Procurement awards completed within targeted turnaround times	% of procurement awards completed within targeted turnaround times	28.94% of tender awards completed within the targeted turnaround time	33.9% of tender awards completed within the targeted turnaround time	27.04% of tender awards completed within targeted turnaround times	75% of procurement awards completed within targeted turnaround times	80% of procurement awards completed within targeted turnaround times	90% of procurement awards completed within targeted turnaround times	98% of procurement awards completed within targeted turnaround times
	Concluded transversal and panel contracts/framework agreements	# transversal and panel contracts/framework agreements implemented	-	-	-	5 transversal contracts implemented	10 transversal and panel contracts/framework agreements implemented	15 transversal and panel/framework agreements implemented	20 transversal and panel contracts/framework agreements implemented
	Increased acquisition spends through black SMME entities	% of acquisition spend through black	14.22% of acquisition spend	19.84% of acquisition spend	9.71% of acquisition spend	40% of acquisition spend	40% of acquisition spend through black	50% of acquisition spend through	60% of acquisition spend through black

Outcomes	Outputs	Output indicators	Audited/actual performance			Estimated performance 2020-2021	Medium-term targets		
			2017-2018	2018-2019	2019 -2020		2021-2022	2022-2023	2023-2024
	on influenceable spend	SMME entities on influenceable spend	through SMME entities	through SMME entities	through SMME entities	through black SMME entities on influenceable spend	SMME entities on influenceable spend	black SMME entities on influenceable spend	SMME entities on influenceable spend

5.5.3 Output indicators: Annual and quarterly targets

Table 11 – Programme 5 quarterly targets

Output indicator	Annual target 2021-2022	Quarterly targets			
		Quarter 1	Quarter 2	Quarter 3	Quarter 4
% of procurement awards completed within targeted turnaround times	80% of procurement awards completed within targeted turnaround times	80% of procurement awards completed within targeted turnaround times	80% of procurement awards completed within targeted turnaround times	80% of procurement awards completed within targeted turnaround times	80% of procurement awards completed within targeted turnaround times
# of transversal and panel contracts/framework agreements implemented	10 transversal and panel contracts/framework agreements implemented	-	3 transversal and panel contracts/framework agreements implemented	5 transversal and panel contracts/framework agreements implemented	10 transversal and panel contracts/framework agreements implemented
% of acquisition spend through black SMME entities on influenceable spend	40% of acquisition spend through black SMME entities on influenceable spend	40% of acquisition spend through black SMME entities on influenceable spend	40% of acquisition spend through black SMME entities on influenceable spend	40% of acquisition spend through black SMME entities on influenceable spend	40% of acquisition spend through black SMME entities on influenceable spend

5.5.4 Explanation of planned performance

SITA will continue to fulfil its mandate by effectively and efficiently managing the contracting of state ICT commodities, thereby ensuring the delivery of value for money, quality services and products. For the 2021-2022 financial year, SITA aims to radically transform its procurement capability through the implementation of an internal procurement reform process that will address procurement challenges, minimise the number of cancellations on bids, and optimise its tender administration process to improve procurement award turnaround times. Moreover, SITA will improve its supplier market intelligence approach and response to render effective supply chain services to both SITA and its clients. Furthermore, it will implement more transversal and framework agreements for procurement that will serve organs of state immediately in cases where repetitive and common procurement items are required.

This programme supports the achievement of the NDP 2030 *priority 1: Economic Transformation and Job Creation* and in particular the o*utcome on re-industrialisation of the economy and emergence of globally competitive sectors* – SITA will advance the transformation of the ICT sector to stimulate economic growth towards the reduction of unemployment and poverty, supporting skills development and promoting fair, equitable, transparent and cost-effective procurement services. In particular, SITA will implement preferential procurement enablers such as channelling 40% of its influenceable supply chain spending to emerging suppliers and other preferred groups, namely black-owned businesses, youth, women, military veterans, rural people and people with disabilities. SITA will also facilitate other opportunities for SMMEs through the provision of training, collaboration and partnerships with original equipment manufacturers (OEMs) and original software manufacturers (OSMs) using targeted procurement approaches.

6. Financial resources

6.1 Budgeted statement of financial performance

Description	Audited/actual performance 19/20	Estimated performance 20-21	Medium-term targets			
			21/22	22/23	23/24	24/25
Total Revenue	**5 121 935**	**5 625 982**	**6 202 407**	**6 462 908**	**6 747 276**	**7 044 156**
Service Revenue	4 428 261	4 892 363	5 688 304	5 927 213	6 188 010	6 460 283
Agency Revenue	693 674	733 619	514 103	535 695	559 265	583 873
Total Cost of Sales	**3 704 507**	**4 483 693**	**4 886 461**	**5 091 692**	**5 315 726**	**5 549 618**
Agency Cost of Sales	683 253	650 735	448 836	467 687	488 265	509 749
Direct Labour	942 195	1 345 417	1 513 595	1 577 166	1 646 561	1 719 010
Service Delivery Expenses	1 884 769	2 304 741	2 656 947	2 768 539	2 890 354	3 017 530
Depreciation	194 290	182 800	267 083	278 301	290 546	303 330
Gross Margin- Overall	**1 417 428**	**1 142 289**	**1 315 946**	**1 371 216**	**1 431 549**	**1 494 537**
Gross Margin %- Overall	**28%**	**20%**	**21%**	**21%**	**21%**	**21%**
Gross Margin - Services	*1 407 007*	*1 059 405*	*1 250 679*	*1 303 208*	*1 360 549*	*1 420 413*
Gross Margin %- Services	**32%**	**22%**	**22%**	**22%**	**22%**	**22%**
Gross Margin - Agency	*10 421*	*82 884*	*65 267*	*68 008*	*71 000*	*74 124*
Gross Margin %- Agency	**2%**	**11%**	**13%**	**13%**	**13%**	**13%**
Other income	*48 608*	*13 291*	*23 702*	*24 697*	*25 784*	*26 918*
Total Operating Expenses	**1 335 276**	**1 005 425**	**1 326 586**	**1 382 302**	**1 443 123**	**1 506 621**
Indirect Labour	*882 299*	*514 219*	*578 497*	602 794	629 317	657 007
Marketing Expenses	*34 244*	*2 402*	*24 594*	25 627	26 755	27 932
Depreciation Expenses	*16 056*	*15 587*	*20 358*	21 213	22 146	23 121
Other Indirect Costs	*373 706*	*444 478*	*655 597*	683 133	713 190	744 571
Research & Development	*7 631*	*3 070*	*9 500*	9 899	10 335	10 789
Training	*21 340*	*25 669*	*38 039*	39 637	41 381	43 202
Operating Surplus	**130 760**	**150 154**	**13 062**	**13 611**	**14 210**	**14 835**
Net Finance Income	**58 126**	**0**	**0**	**0**	**0**	**0**
Profit Before Tax	**188 886**	**150 154**	**13 062**	**13 611**	**14 210**	**14 835**
Income Tax payable	-137 755	-42 043	-3 657	-3 811	-3 979	-4 154
Net Profit	**51 131**	**108 111**	**9 405**	**9 800**	**10 231**	**10 681**

6.2 Budgeted statement of financial position

Description	Audited FY 2019/20 Audited R'000	Forecast FY 2020/21 Forecast R'000	Budget FY 2021/22 Budget R'000	Estimated Budget		
				FY 2022/23 Estimates R'000	FY 2023/24 Estimates R'000	FY 2024/25 Estimates R'000
ASSETS						
CURRENT ASSETS	3 013 137	2 787 516	2 522 453	2 484 313	2 478 291	2 507 072
Cash and cash equivalents	1 350 978	1 516 552	1 422 305	1 333 933	1 284 084	1 264 544
Trade and other receivables	1 171 705	1 056 544	886 498	922 590	972 911	1 025 880
Income Tax receivable	166 170	121 064	114 972	123 488	111 049	100 116
Prepayments	30 770	93 356	98 678	104 302	110 247	116 532
Inventory	293 514	0	0	0	0	0
NON-CURRENT ASSETS	1 177 328	1 392 009	1 532 614	1 643 691	1 719 961	1 755 549
Property, plant & equipment	879 435	1 104 519	1 167 086	1 256 856	1 315 065	1 337 104
Intangible assets	297 893	287 490	365 528	386 835	404 896	418 445
Deferred tax assets	0	0	0	0	0	0
TOTAL ASSETS	4 190 465	4 179 525	4 055 066	4 128 004	4 198 252	4 262 621
LIABILITIES						
CURRENT LIABILITIES	1 124 848	1 079 594	956 140	1 019 915	1 076 693	1 124 063
Creditors	653 866	670 225	664 084	720 026	764 808	795 566
Other payables	194 518	113 796	119 427	125 338	131 542	138 055
Income received in advance	251 595	276 754	160 308	169 286	178 766	188 776
Post-retirement medical liability	1 169	1 286	1 414	1 494	1 577	1 666
Finance lease liability	23 700	17 533	10 907	3 771	0	0
Income Tax Payable	-	-	-	-	-	-
NON-CURRENT LIABILITIES	178 393	138 994	124 926	124 289	127 528	133 847
Post-retirement medical liability	83 145	92 102	92 102	101 312	111 444	122 588
Finance lease liability	66 988	46 892	32 824	22 977	16 084	11 259
Deferred tax liability	28 260	0	0	0	0	0
TOTAL LIABILITY	1 303 241	1 218 588	1 081 066	1 144 204	1 204 221	1 257 909
TOTAL NET ASSETS	2 887 224	2 960 937	2 974 000	2 983 800	2 994 031	3 004 712
TOTAL LIABILITIES AND EQUITIES	4 190 465	4 179 525	4 055 066	4 128 004	4 198 252	4 262 621
NET ASSETS ANALYSED AS FOLOWS						
Equity contributed	-		-	-	-	-
Non-distributable reserves	627 334	627 335	627 335	627 335	627 335	627 335
Accumulated surplus	2 259 890	2 333 602	2 346 665	2 356 465	2 366 696	2 377 377
	2 887 224	2 960 937	2 974 000	2 983 800	2 994 031	3 004 712

6.3   Budgeted cash flow statement

Description	Historical Data	Medium Term Budget			Outer Years	
	FY 2019/20 Audited R'000	FY 2020/21 Forecast R'000	FY 2021/22 Budget R'000	FY 2022/23 Estimates R'000	FY 2023/24 Estimates R'000	FY 2024/25 Estimates R'000
Cash generated in operations	453 878	361 505	409 410	415 439	454 130	484 613
Normal taxation	(64 056)	(38 500)	(3 657)	(3 811)	(3 979)	(4 154)
Finance income	54 039	42 569	-	-	-	-
Cash from operating activities	443 861	365 574	405 753	411 628	450 151	480 460
Cash flows from investing activities	(265 871)	(200 000)	(500 000)	(500 000)	(500 000)	(500 000)
Cash flow from financing activities	(168)	-	-	-	-	-
Increase/(decrease) in cash and cash equivalents	177 823	165 574	(94 247)	(88 372)	(49 849)	(19 540)
Cash and cash equivalents beginning of year	1 173 156	1 350 978	1 516 552	1 422 305	1 333 933	1 284 084
Cash and cash equivalents end of year	1 350 978	1 516 552	1 422 305	1 333 933	1 284 084	1 264 544

7. Updated key risks

SITA has identified key strategic risks through its risk framework, which are 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 exposure to risk is minimised and that the planned medium-term targets are achieved.

Table 12: Key risks

Outcome	Key risk	Mitigation
Innovative digital service investments promoting financial sustainability	Threatened financial sustainability: Insufficient reserves to reinvest for modernisation and future-proofing the business	(a) Market benchmarking and tariff review (b) Influence a reviewed allocation of transversal-like ICT budgets
Seamless integrated and trusted public services	Negative branding: SITA is known for providing old mainframe services with similar skillsets, coupled with an inability to attract and retain innovative ICT leaders and technologists	(a) Implement industry standards for service monitoring and customer satisfaction using the net promoter score methodology (b) Directed marketing, public relations and branding initiatives
Enhanced workforce capability solving complex problems and adopting innovative solutions	Inadequate skills: Insufficient capacity and capability to meet service expectations and deliver on 4IR	(a) Skills development through OEM programmes, digital culture intervention and skills development to enable future product development (b) Financial management training across senior management level (c) Identification and sourcing of critical skills to drive digital transformation
Optimised digital infrastructure	Information security exposure: Information loss, cyber-attacks and sovereign data loss	(a) Security operating centre project (b) Define and operationalise improved cyber- and information security processes to enable security incident management to perform identify, protect, detect, respond and recover activities in a shorter time (c) Catalogue cyber- and information security services in support of defence in-depth principle (d) Assess and on-board data governance tool to improve data classification process delivery and address compliance obligation of POPIA (e) Implement SharePoint and document management protocols

Outcome	Key risk	Mitigation
Seamless integrated and trusted public services Reshaping supply chain through ICT economic transformation	Inability to deliver service at the expected levels: ICT service unavailability, inefficient supply chain services	(a) Data centre strategy (upgrade of facilities and green strategy) (b) Software-defined network project (addressing single point of access and end-of-life equipment) (c) Switching centre remote environmental monitoring solution (d) Switching centre modernisation programme (e) Integrated operations centre – end-to-end user experience management (f) SCM automation of processes (g) Implement efficient transversal agreements for common goods and services
Enhanced workforce capability solving complex problems and adopting innovative solutions	Misaligned corporate culture with business objectives: Poor performance, accountability and limited initiatives	(a) Performance management inculcation (b) Digital culture intervention (c) Directed wellness programmes (d) Facilities upgrade
Enhanced workforce capability solving complex problems and adopting innovative solutions	Fraud and corruption	Continued fraud awareness with focus on both internal and external stakeholders
Seamless integrated and trusted public services Innovative digital services investments promoting financial sustainability	Concentration risk: South African Police Service (SAPS) remains almost a third of SITA's revenue	(a) Focused relationship engagement with SAPS (b) Digital strategy for broader government
Enhanced workforce capability solving complex problems and adopting innovative solutions Reshaping supply chain through ICT economic transformation	Long-term sustainability of SITA: Inability to repurpose SITA	(a) Define the digital leadership skills required for our leadership (b) Enhance research and development outputs (c) Develop a localisation strategy based on open-source technology

Part D: Technical Indicator Description

8. Technical indicators

8.1 Percentage of core public facing services available on digital platforms

Definition	The automation of key public facing services in order to ensure access and availability of these services to the citizens on digital platforms and thereby improving their experience of government service delivery
Data/evidence source	Project report
Method of calculation	Baseline report of candidate services
Means of verification	Baseline report of candidate services signed in line with the approved governance structure
Assumptions	Availability of external stakeholders to participate in the identification and prioritisation of candidate services
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
Calculation type	Non-cumulative
Reporting cycle	Quarterly
Desired performance	Baseline of candidate core public facing services for digitisation established
Indicator responsibility	Executive: Application Development and Maintenance

8.2 Number of Application Programming Interfaces (APIs) established and published in production

Definition	APIs are capabilities and utilities that enable the ease of integration of heterogeneous systems, enabling interoperability of and ease of exchange of data between these systems
Data/evidence source	An API must be published and consumable in the production environment performing the functions or task it is built to perform in the context of systems interoperability
Method of calculation	Number of APIs established and published in production
Means of verification	Production acceptance certificate signed in line with the approved governance structure
Assumptions	Big data sourced from various source systems/media and analytics applied to such data using the data analytics/sharing platform
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, Provincial and Local Government
Calculation type	Cumulative (year-to-date)
Reporting cycle	Quarterly
Desired performance	8 APIs established and published in the production environment
Indicator responsibility	Executive: Application Development and Maintenance

8.3 Number of big data analytics use cases deployed through the integration of government data and systems

Definition	Use case to showcase the outcome/results of analytics derived from big data stored in the underlying data-sharing platform
Data/evidence source	Use case available for consumption
Method of calculation	Number of big data analytics use cases deployed and in production
Means of verification	Production acceptance certificate signed in line with the approved governance structure
Assumptions	Big data stored in data sharing platform
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	4 big data analytics use cases deployed
Indicator responsibility	Executive: Application Development and Maintenance

8.4 Number of open innovation solutions commercialised

Definition	To grow SMMEs through innovation and to drive the government transformation agenda by enabling and unlocking opportunities for procurement and innovation while building local ICT capability to enable SMMEs to develop their current solutions for government consumption. This will also assist in growing their businesses into larger entities, thereby supporting economic transformation.
Data/evidence source	Signed proposals by the client
Method of calculation	Number of open innovation solutions commercialised
Means of verification	Commercialisation certificate
Assumptions	Innovative solutions will be developed
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 and private sector
Calculation type	Cumulative (year-to-date)
Reporting cycle	Quarterly
Desired performance	2 open innovation solution commercialised
Indicator responsibility	Executive: Corporate and Digital Strategy

8.5   Percentage performance against measured contracted SLA metrics

Definition	Level of achievement of SLA metrics
Data/evidence source	(a) SLAs (b) ITSM7/NMS and ARS systems (SLA performance and trend reports)
Method of calculation	(Number of SLA metrics met/total number of contracted SLA metrics measured for the period) x business impact weight NOTE Excludes dependencies on areas requiring upgrades and modernisation as well as power outages The above equation is applied to each of the 15 measure categories across business impact weights, which totals 100 (as per the figure below) The sum of the weighted performance per metric category is added to determine overall % performance
Means of verification	Signed SLAs and implementation of service improvement plans
Assumptions	Timely sign-off of SLAs and implementation of service improvement plans
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	95% performance against measured contracted SLA metrics
Indicator responsibility	Executive: Service Management

8.6   Percentage of SA Connect sites connected as per the government order (layer 3)

Definition	Connectivity of identified government sites at bandwidths of 10 Mbps to enable access to digital platforms and services
Data/evidence source	Completion certificates of connectivity for identified government sites at bandwidths of 10 Mbps

Method of calculation	(a) The performance against the target (100% SA Connect sites connected at bandwidths of 10 Mbps as per the government order) will be determined by the following calculation: the number of sites connected/total number of sites included in the government orders received X 100
	(b) Note that before any site is included in the implementation plan, the following criteria must be established:
	    (i) The client must provide a Government Order (GO);
	    (ii) The GO must be received before 31 October 2021 (GOs received after 31 October 2021 will be included in the 2022/23 FY implementation plan);
	    (iii) The client must make available pre-funding for the services; and

	(c) BBI must complete the layer 2 connectivity installation and hand over to SITA for all new sites timeously (1 month before the end of a quarter and 2 months before the end of the FY)
Means of verification	Completion certificates
Assumptions	Government order will be received timeously and sites will be ready for SITA for deployment
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, provincial and local
Calculation type	Cumulative (year-to-date)
Reporting cycle	Quarterly
Desired performance	100% SA Connect sites connected as per the government order (layer 3)
Indicator responsibility	Executive: Infrastructure Services

8.7 Percentage establishment and operationalisation of the Security Operations Centre on SITA VPNs

Definition	A security modernisation programme for the South African Government, which will establish a centralised unit that deals with security issues at a technical level
Data/evidence source	Deliverables as per project plan
Method of calculation	(a) Annual performance = sum (% completed * weight) (b) Quarterly or year-to-date performance = sum (% completed * weight)
Means of verification	Defined project plan milestones and artefacts
Assumptions	Operating/functional SOC
Disaggregation of beneficiaries (where applicable)	Target for women = N/A Target for youth = N/A Target for people with disabilities = N/A
Spatial transformation (where applicable)	National and provincial
Calculation type	Cumulative (year-to-date)
Reporting cycle	Quarterly
Desired performance	100% implementation of SOCC on SITA VPN
Indicator responsibility	Executive: Service Management

8.8 Percentage implementation of unified communications capability

Definition	A network modernisation initiative to establish UC capability and provisioning of UC services to clients
Data/evidence source	Clients added to the UC platform
Method of calculation	Number of clients added to the UC platform
Means of verification	Client proposals and acceptance certificate
Assumptions	Operating/functional UC capability

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	On-board 10 clients on UC platform
Indicator responsibility	Executive: Service Management and

8.9 Percentage establishment and operationalisation of the software-defined network capability

Definition	A network modernisation programme to transform government network to be more agile and flexible while enabling the network to be intelligently and centrally controlled. In FY 2021-2022 the focus will be on the creation of network redundancy and the creation of the core network design for the SDN
Data/evidence source	Deliverables as per project plan
Method of calculation	(a) Annual performance = sum (% completed * weight) (b) Quarterly performance = sum (% completed * weight)/total weight for the quarter
Means of verification	Defined project plan milestones and artefacts
Assumptions	(a) Operating/functional SDN (b) Sufficient funding
Disaggregation of beneficiaries (where applicable)	Target for women = N/A Target for youth = N/A Target for people with disabilities = N/A
Spatial transformation (where applicable)	National and provincial
Calculation type	Cumulative (year-to-date)
Reporting cycle	Quarterly
Desired performance	100% implementation of planned remediation to address network single point of failure
Indicator responsibility	Executive: IT Infrastructure Services

8.10 Percentage completion of strategic data centre upgrades to support hyperscale infrastructure requirements

Definition	The modernisation of strategic SITA data centres in line with industry standards to ensure adherence to TIER III+ guidelines where all government servers and applications can be rationalised and integrated to ensure digital transformation within the South African Government, and to support hyperscale data centre requirements.
Data/evidence source	Signed supplier contract(s) and supplier acceptance certificates
Method of calculation	Annual performance = sum (% completed * weight)
Means of verification	Deliverable as per project plan
Assumptions	The tender process will be completed on time

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
Calculation type	Cumulative (year-to-date)
Reporting cycle	Quarterly
Desired performance	40% data centre upgrades completed to support hyperscale infrastructure requirements
Indicator responsibility	Executive: IT Infrastructure Services

8.11 Number of digital platforms deployed

Definition	Deployment of digital technologies for the provisioning of digital services to create better experiences for customers, employees, and ecosystem partners, and to lower costs
Data/evidence source	Platforms available in production
Method of calculation	Number of digital platforms deployed in production
Means of verification	Production acceptance certificate
Assumptions	Subscription to the service by internal and external application development teams
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	2 digital platforms deployed
Indicator responsibility	Executive: Application Development and Maintenance

8.12 Percentage of employees trained against the WSP

Definition	The ability of an organisation to identify and develop the required skills to meet current and future business needs
Data/evidence source	WSP
Method of calculation	Actual number of employees trained/total number of identified employees as per the WSP x 100
Means of verification	(a) WSP (b) Training plan (c) Training attendance register or training certificates
Assumptions	Timely availability of training providers and targeted employees for training
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	70% employees trained against WSP
Indicator responsibility	Executive: Human Capital Management

8.13 Percentage milestones achieved as per culture plan

Definition	Implementation of transformation and ethical business culture interventions to attain behaviours aligned to the digital transformation ecosystem of SITA
Data/evidence source	Deliverables as per culture plan
Method of calculation	Actual milestones completed against planned milestones on the project plan
Means of verification	Defined culture plan milestones
Assumptions	Planned milestones as per transformation and ethical business plan are implemented and achieved
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	100% implementation of planned activities as per culture plan
Indicator responsibility	Executive: Human Capital Management

8.14 Earnings before interest, taxes, depreciation and amortisation (EBITDA)

Definition	EBITDA is defined as revenue minus expenses, excluding tax, depreciation, amortisation and interest. It is an indicator of a company's profitability.
Data/evidence source	(a) Quarterly financial reports (b) Annual financial statements
Method of calculation	EBITDA
Means of verification	System-generated report (trial balance from Enterprise Resource Planning (ERP) system)
Assumptions	Services revenue will increase, operational costs are contained
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	R42.2m
Indicator responsibility	Chief Financial Officer

8.15 Percentage net collection rate

Definition	This measures current year invoices due and the percentage that SITA actually collect
Data/evidence source	(a) ERP system (b) Monthly and quarterly financial report
Method of calculation	Receipts/total current year invoices due and receivable (excluding disputed invoices)
Means of verification	System-generated report (trial balance from ERP)
Assumptions	Customers pay SITA on time for services rendered
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	80% net collection rate
Indicator responsibility	Chief Financial Officer

8.16 Percentage growth in revenue

Definition	To gauge the extent of growth in revenue relevant to SITA's service portfolio
Data/evidence source	(a) 2020-2021 SITA Revenue: Obtained from the SITA ERP system/general ledger (b) 2021-2022 SITA Revenue: Obtained from the SITA ERP system/general ledger
Method of calculation	% Growth in revenue 2021-2022 = ((2021-2022 Revenue minus 2020-2021 Revenue) divided by 2020-2021 Revenue) x 100 NOTES (a) Defined baseline based on SITA's 2020-221 service portfolio in scope (b) Revenue figures would be used as at 31 March 2022. The revenue figures would be subject to completion of AG Audit (c) Accruals will be included in 2020-2021 and 2021-2022 figures while ensuring no double dipping
Means of verification	SITA ERP system/general ledger data
Assumptions	Not applicable
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	Non-cumulative
Reporting cycle	Annually
Desired performance	10% growth in revenue related to designated services (defined baseline based on SITA's 2020/21 service portfolio in scope)
Indicator responsibility	Executive: Service Management

8.17 Percentage of procurement awards completed within targeted turnaround times

Definition	A cumulative total number of tenders approved within the targeted turnaround time agreed with the customer
Data/evidence source	(a) SCM tender register/report (b) SCM tender SLA targets (c) Proof of receipt by acquisition management (d) Proof of resolution document date from relevant adjudication committee
Method of calculation	(a) Method of calculation: (Procurement awards approved per SLA target/total number of procurement awards approved per FY) x 100 (b) It measures end-to end process from procurement acquisition management to award (c) Condition: Only procurement awards completed (adjudicated) for the reporting period is part of the formula; this excludes transactions that emanated from prior years (d) The days used in SCM are working days
Means of verification	Turnaround time database report
Assumptions	(a) SITA will implement IT systems to enable automation of SCM processes (b) Manage the backlog of tenders (c) Lines of business and CRMs manage customer expectations (d) Completed annual procurement plans (e) No serious business disruption occurs such as COVID-19
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	80% of procurement awards completed within targeted turnaround times
Indicator responsibility	Executive: Supply Chain Management

8.18 Number of cumulative transversal and panel contracts and framework agreements implemented

Definition	Transversals and panel contracts and framework agreements completed within the financial year aimed at minimising individual procurement requests
Data/evidence source	Contract register
Method of calculation	Number of transversal and panel contract/framework agreements implemented
Means of verification	Transversal, panel and framework agreements/contracts database report
Assumptions	(a) SITA will implement IT systems to enable automation of SCM processes (b) Manage the backlog of tenders (c) Adequate capacity (d) Adequate market response (e) Stakeholder participation from DCDT as the custodian of transversal instruments (f) No serious business disruption occurs such as COVID-19

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	10 transversal and panel contracts / framework agreements implemented
Indicator responsibility	Executive: Supply Chain Management

8.19 Percentage of acquisition spend through black SMME entities on influenceable spend

Definition	Acquisition spend through the use of companies classified as black SMMEs (EME and QSE)
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 for suppliers (e) Contract register and subcontracting report
Method of calculation	{P= ((black SMME_direct_spend + black SMME_indirect_spend)/available_spend) *100)} (a) Black SMME_direct_spend means the spend (rand) on black SMME entities for the reporting period as reflected in the ERP creditors report (b) Black SMME_indirect spend means the rand value invoiced by and paid to black SMMEs by main contractors in accordance with subcontracting clauses as stated on the contracts register and reflected in the subcontracting report (c) Available spend means the total measured influenceable procurement spend (TMPS) less all OEMs, OSMs and allowable exclusions by SITA, the Department of Trade and Industry and National Treasury
Means of verification	SCM SMME database report
Assumptions	(a) Certificates are valid for a period of one year (b) SCM will collate supplier certification – B-BEEE certificates collated late impact previous performance reported (c) Black SMME clauses will be implemented
Disaggregation of beneficiaries (where applicable)	Target for women = Yes Target for 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	40% of acquisition spend through black SMME entities on influenceable spent
Indicator responsibility	Executive: Supply Chain Management

Annex A: Abbreviations

4IR	Fourth Industrial Revolution
AG	Auditor General
APP	Annual Performance Plan
BAS	Business Accounting System
B-BBEE	Broad-Based Black Economic Empowerment
CIO	Chief Information Officer
COVID -19	Coronavirus disease of 2019
CSIR	Council for Scientific and Industrial Research
DC	Data centre
DCDT	Department of Communication and Digital Technologies
EBITDA	Earnings Before Interest, Tax, Depreciation and Amortisation
ERP	Enterprise Resource Planning
FY	Financial Year
GO	Government Order
GPCE	Government Private Cloud Ecosystem
HCM	Human Capital Management
ICT	Information and Communication Technology
IMST	Information management systems and technology
IoT	Internet-of-Things
IP	Intellectual Property
IT	Information Technology
Mbps	Megabits per second
MTBPS	Medium-Term Budget Policy Statement
NDP	National Development Plan
NT	National Treasury
OEM	Original equipment manufacturer
OLA	Operational level agreement
OSM	Original software manufacturer
POPIA	Protection of Personal Information Act
PRC	Presidential Review Commission
SA	South Africa
SAPS	South African Police Service
SCM	Supply Chain Management
SDN	Software-defined network
SMME	Small, Medium and Micro Enterprises
SITA	State Information Technology 999
SLA	Service level agreement
SOC	State-owned company
SOCC	Security Operation Centre capability
TMPS	Total measured procurement spend
UC	Unified Communications
UPS	Uninterruptible power supply
VPN	Virtual private network

WSP   Workplace Skills Plan