



national treasury

Department:
National Treasury
REPUBLIC OF SOUTH AFRICA

PRESS STATEMENT

National Treasury issues a multi-billion rand project to integrate all government systems

National Treasury is publishing a multi-billion rand Request for Proposal (RFP) for the provision of an Enterprise Resource Planning (ERP) system, including ongoing upgrades and support. The revised RFP is directed at bidders who are, inter alia Tier 1 ERP COTS Original Software Manufacturers (OSM) and is for acquisition of Tier 1 ERP COTS software, including ongoing upgrades and support for this software.

The detailed technical and pricing requirements as well as the compliance requirements for bidders responding to this RFP is included in bid documents that are available to all potential bidders on the SITA website www.sita.co.za. The project is expected run over the next five years

This is a follow-up to a process which started in March 2014, where National Treasury invited service providers to bid for the provision, lead site implementation, maintenance and support of the Integrated Financial Management System (IFMS) ERP system.

A number of questions and observations from industry were received relating inter alia to response times and the identified lead sites. This necessitated further engagements to resolve all issues with the potential to delay the project which have now been resolved by the project team.

Talking about the project, Accountant General Michael Sass says, "In keeping with global trends, the South African government is continually improving the way it manages public resources through, inter alia the regular refinement of financial management and human resource management policies and procedures.

Thus, in order to support policy environments and the governance upgrades, government decided to upgrade the financial management systems to replace the Legacy Systems currently in use."

Cabinet approved the implementation of IFMS, which at that time, was characterized by a solution architecture consisting of a mix of Commercial Off The Shelf (COTS) and bespoke (in-house developed) systems.

In November 2013, after national government reviewed the feasibility of the hybrid COTS/bespoke system, Cabinet approved an IFMS with a seamless fully integrated and secure ERP COTS Solution.

Sass says, “Programmes such as the National Treasury’s Financial Management Improvement Programme (FMIP), the upgrades of human resource and supply chain management policies and processes are part of a general programme to transform the SA government for improved service delivery through better resourcing, reporting and accountability”.

IFMS benefits

Primarily the IFMS solution is expected to overcome policy implementation constraints experienced due to ageing and legacy systems and to at least support the Public Service in the following:

- Financial accountability framework – directing the way government finances are to be governed, controlled and managed;
- Budgeting framework – directing the way government activity is to be resourced;
- Appropriation framework – authorising expenditure from the consolidated revenue fund;
- Cash management framework – controlling and managing the funding required to enable government business to operate;
- Financial reporting framework – reporting on financial results;
- Performance reporting framework – evaluating performance; and
- Human resource management framework – regulating how human resources in the Public Service are managed.

IFMS will support the business imperative of transforming of financial management practices by providing centrally hosted and integrated financial, supply chain management and human resource management systems. The IFMS will:

- Accommodate ongoing financial management reforms and legislation such as Public Finance Management Act, and the Public Service Act;
- Improve decision making through improved information and knowledge management;
- Modernise the ageing systems with newer technologies;
- Reduce expenditure of maintaining ageing systems;
- Reduce expenditure of maintaining fragmented/disparate systems.
- Achieve interoperability, security, economies of scale and elimination of duplicated IT systems
- Improve productivity and service delivery by standardising and automating processes as well as reducing redundant and unnecessary tasks and activities;
- Enhance operational effectiveness by improving quality of data (timely, accurate and complete) and making it available for use and sharing.

Issued on behalf of the Office of the Accountant General

Date: 28 November 2014

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