

NATIONAL ASSEMBLY

QUESTION FOR ORAL REPLY

TRANSFERRED TO WRITTEN REPLY

QUESTIONS NUMBER: 792*244 [NW1017E]

DATE OF PUBLICATION: 10 SEPTEMBER 2024

792★244. Mr A G Bateman (DA) to ask the Minister of Finance:

What is (a) the current status of the development of the Integrated Financial Management System (IFMS) and (b) the total amount that has been spent on the IFMS since 2005 when the project was initiated? NW1017E

REPLY:

Background

The IFMS project was mandated by Cabinet in 2005 and 2007 to replace the aging, costly and disparate administration applications within national and provincial government. The IFMS project rollout was envisaged in phases, however programme slippages started to occur due to lack of ICT capacity to support the initial technical design (a combination of developed and procured solutions). Reviews conducted in 2013 by the World Bank, Ernst and Young and Gartner recommended a change in approach to the delivery and management of the programme which would realise a solution within the initial (2007) cost estimates.

The revised approach, endorsed by Cabinet in 2013, envisaged the implementation of a single solution, i.e. a Commercial-Off-The-Shelf (COTS) solution. The COTS solution was procured in 2016 as planned. Although the revised approach aimed at mitigating delivery risks, other challenges emerged in 2017 which led to several internal and external reviews and investigations. To this end, National Treasury deemed it prudent to resolve and act where appropriate, ultimately slowing down the programme progress.

A project of this size and nature is open to substantial scrutiny. ITC projects in particular often face delays as gleaned from discussions with private sector organisations.

(a) The National Treasury has to date addressed findings from reviews commissioned. The findings and report of the SIU on the IFMS is currently being considered by the National Treasury. In the meantime, the National Treasury considered the implications of the National Policy on Data and Cloud (2024) and plans to convert the licenses procured in 2016, to cloud based.

(b) To date, the actual expenditure incurred by the National Treasury and SITA, since 2005 amounts to R2,6billion.