Public Sector
Solutions to a sustainable government
Government is constantly faced with balancing the many service delivery needs of the Country while ensuring that the fiscus is not compromised.
Introduction

Government has to look at a range of alternatives to deliver infrastructure and services to its people. Deloitte has a vast pool of public sector specific strategic and business solutions that are aligned to government’s 12 key priority outcomes which include:

1. Improved quality of basic education
2. A long and healthy life for all South Africans
3. All people in South Africa are, and feel safe
4. Decent employment through an inclusive economic growth path
5. An efficient, competitive and responsive economic infrastructure network
6. Vibrant, equitable and sustainable rural communities with food security for all
7. Sustainable human settlements and improved quality of household life
8. A responsive, accountable, effective and efficient local government system
9. Environmental assets and natural resources that are well protected and continually enhanced
10. Create a better South Africa and contribute to a better and safer Africa and World
11. An efficient, effective and development oriented public service and an empowered, fair and inclusive citizenship
12. A Skilled and capable workforce to support an inclusive growth path
Working with government
We will work with the Public sector to pursue five broad avenues of change:

- Cut costs, reshape expectations for public services and rebuild public faith
- Generate jobs now, and lay the groundwork for deep improvements in our countries’ competitiveness
- Transform policy areas that weigh heavily on state budgets: health care and education
- Plunge deep into departmental operations to become more innovative, more technologically proficient and more attuned to emerging needs
- Effectively execute on bold government reform programs

As Deloitte, we partner with our clients to understand your unique needs, and provide truly sustainable South African solutions. We ensure that work is completed in time, on budget and with an exit strategy. Together, we can do more.
Deloitte in Africa

Deloitte has the largest professional services footprint in Africa with over 3600 professionals in Southern Africa and 53 offices across the African continent. Deloitte operates in 28 countries including:


The Deloitte Africa Desk

The Deloitte Africa Desk is equipped to help the challenges and opportunities of operating across this vast African continent. Africa is an exciting place to grow and organisation; but also poses its unique challenges. Africa offers the most sustainable real GDP growth prospects of all emerging markets, according to forecasts by the World Bank among others. The size and diversity of continental African markets present unique challenges for local, national and international organisations.

A number of our clients acknowledge that the support provided by the Deloitte Africa Desk, coupled with the fact that we stay close to them throughout the investment and implementation phases, have played a key role in enabling them to grow their organisation in Africa.
Improving state competitiveness
**Bridging the skills gap and creating jobs**

**NDP Vision 2030: Economy and Employment**
- The unemployment rate should fall from 24.9% in June 2012 to 14% by 2020 and to 6% by 2030. This requires an additional 11 million jobs. Total employment should rise from 13 million to 24 million.
- The proportion of adults working should increase from 41% to 61%.
- The proportion of adults in rural areas working should rise from 29% to 40%.
- The labour force participation rate should rise from 54% to 65%.
- Gross Domestic Product (GDP) should increase 2.7 times in real terms, requiring average annual GDP growth of 5.4% over the period. GDP per capita should increase from about R50 000 per person in 2010 to R110 000 per person in 2030 in constant prices.
- The proportion of national income earned by the bottom 40% should rise from about 6% today to 10% in 2030.
- Broaden ownership of assets to historically disadvantaged groups.
  - Exports (as measured in volume terms) should grow by 6% a year to 2030 with non-traditional - exports growing by 10% a year.
  - Increase national savings from 16% of GDP to 25%.
  - The level of gross fixed capital formation should rise from 17% to 30%, with public sector fixed investment rising to 10% of GDP by 2030.
  - Public employment programmes should reach one million people by 2015 and two million people by 2030.

**The solution**
Deloitte Skills Development Solutions offer a multi-disciplinary approach to skills development, including:
- Design and development of corporate and industry skills development solutions.
- National Skills Development implementation and project management.
- Learner support services, including counselling, coaching and mentoring.
- Niche training such as assessment and moderation training.
- Recognition of Prior Learning Implementation (RPL).
- Workplace Readiness Programmes (WPR).
- Occupational Assessment, learnership role-out, skills development gap analysis and framework implementation.

**Why Deloitte**
Deloitte’s highly experienced Skills Development Solutions team not only developed an innovative industry specific critical skills development solution, but rather one that accelerates employment and recognition skills:
- We provide realistic practical ways to apply the learning in the workplace
- Our training is practical
- We are aggregating our experience which come from “being in the trenches”
- Our trainers have practical on the job experience
- We include global Deloitte experts who have extensive experience and global subject matter experts in the training
- We understand the organisation and so can provide customised training
- We provide consistent quality learning
- True Educationalists guide the courses
- In required instances we offer a simulated environment

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21st Century Education

The solution
Our services focus on the improvement of core processes and systems to provide a sustainable solution within a holistic approach.

Our approach is systemic with a focus on the integration of national and provincial systems and the alignment of strategies and goals whereby the improvement of learner outcomes is placed at the centre.

Centralised Education Management Information System (CEMIS)
CEMIS is an online learner tracking system that monitors and tracks learner movements, including the enabling of online transactions for schools and enabling them to use the CEMIS database. This is the first learner tracking system that has been implemented in Africa and favourably compares to the best in the world.

Turnaround Strategies for Provincial Departments
We develop and implement turnaround strategies spanning across all programmes with a focus on the Department’s planning activities, performance gaps in functional areas and data management. Our approach incorporates a skills transfer model to ensure that a long-term sustainable solution is achieved. This model is integrated with a performance management system to ensure accountability.

Learner and Educator Audits
A learner and/or educator audits enables the leadership team to understand the impact of ineffective data management on the quality of service delivery to schools in the province. We provide a quantitative analysis of existing data management and how it impacts on decisions such as post provisioning, transfer payments and school support. These audits are normally performed by following a scientific approach to sampling and unannounced school visits.

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NDP Vision 2030: Improving Education, Training and Innovation
• Make early childhood development a top priority among the measures to improve the quality of education and long-term prospects of future generations. Dedicated resources should be channelled towards ensuring that all children are well cared for from an early age and receive appropriate emotional, cognitive and physical development stimulation
• All children should have at least two years of pre-school education
• About 90% of learners in Grades 3, 6 and 9 must achieve 50% or more in the annual national assessments in literacy, maths and science
• Between 80% and 90% of learners should complete 12 years of schooling and or vocational education with at least 80% successfully passing the exit exams. Eradicate infrastructure backlogs and ensure that all schools meet the minimum standards by 2016
• Expand the college system with a focus on improving quality. Better quality will build confidence in the college sector and attract more learners. The recommended participation rate of 25% would accommodate about 1.25 million enrolments
• Provide 1 million learning opportunities through Community Education and Training Centres
• Improve the throughput rate to 80% by 2030
• Produce 30 000 artisans per year
• Increase enrolment at universities by at least 70% by 2030 so that enrolments increase to about 1.62 million from 950 000 in 2010
• Increase the number of students eligible to study towards maths and science-based degrees to 450 000 by 2030
• Increase the percentage of PhD-qualified staff in the higher education sector from the current 34% to over 75% by 2030
• Produce more than 100 doctoral graduates per million per year by 2030. That implies an increase from 1 420 in 2010 to well over 5 000 a year
• Expand science, technology and innovation outputs by increasing research and development spending by government and through encouraging industry to do so

National Development Plan: Vision for 2030
Post Provisioning System
Our solution is based on the development, management and support of an online, web-based Post Provisioning Management Solution and the building of capacity in Education Planning, Provisioning and Management (at Head Office, District and School levels) which are aligned with national policy. This solution is also aligned to National Outcome 1: Improve the quality of learning and the sub-output, referring to the strengthening of school management and promotion of functional schools.

National Education Infrastructure Management System (NEIMS) and Asset Management
Assessments of capital infrastructure at schools are done by including the capturing of data onto the NEIMS database and development of norms and standards for work inspectors. We provide support in asset management through planning, budgeting, asset counts, reconciliations and accounting support. We provide project management support in the rolling out and monitoring of physical facilities projects and assists with future capital investment plans.

South African School Administration and Management System (SASAMS)
We have developed a training methodology for the DBE SASAMS software solution and have delivered it successfully in two provinces.

Performance Information (Planning and reporting on pre-determined objectives)
Our understanding of national objectives and Action Plan 2014 (that outlines the realisation of schooling 2025) enables us to assist with a process whereby broader national objectives are aligned with the Strategic Plan and Annual Performance Plan with specific reference to performance indicators, data sources, quarterly reporting templates and performance management contracts. We developed a performance assessment tool to analyse the Department’s performance against National requirements based on current performance.

This process is focused on statutory compliance to achieve clean audits as it relates to the planning and reporting cycles of pre-determined objectives.

Learner Teaching Support Material (LTSM) Tracking System
We implement a project management tool and database for LTSM planning, tracking, procurement, delivery, optimisation and monitoring reports to ensure that learner material is obtained, delivered, tracked and reported as per a predetermined project plan.

Leave Audit
Deloitte provides PERSAL specific solutions and assistance in ensuring the accuracy of personnel data and the assessment of leave credits for educators.

Project and Programme Management
Deloitte uses PMM4/ Prince II project management tools to set-up and operate a Programme Management (PM) Office. This would typically include the defining and setting up of the PM Office including programme management processes, procedures and tools and providing project management services through the integration of a Risk Sharing Model

Why Deloitte
Deloitte brings world-class best practice, on the ground experience, an impeccable track record of delivering success in the Education sector, intimate knowledge of the institutional and sector challenges, proven tools and methodologies – such as the implementation of the Education Enterprise Value Map, the Education Turnaround roadmap and a market-leading team.
Closing the Infrastructure gap

NDP Vision 2030: Economic Infrastructure

- The proportion of people with access to the electricity grid should rise to at least 90% by 2030, with non-grid options available for the rest.
- The country would need an additional 29 000MW of electricity by 2030. About 10 900MW of existing capacity is to be retired, implying new build of more than 40 000MW.
- At least 20 000MW of this capacity should come from renewable sources.
- Ensure that all people have access to clean, potable water and that there is enough water for agriculture and industry, recognising the trade-offs in the use of water.
- Reduce water demand in urban areas to 15% below the business-as-usual scenario by 2030.
- The proportion of people who use public transport for regular commutes will expand significantly. By 2030, public transport will be user friendly, less environmentally damaging, cheaper and integrated or seamless.
- Durban port capacity should increase from 3 million containers a year to 20 million by 2040.
- Competitively priced and widely available broadband.

National Development Plan: Vision for 2030

Through Deloitte’s practical and proven experience, our team of experts understand what contributes to successful capital project delivery and can provide the right blend of technical, financial and legal skills and local market knowledge to achieve this.

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The Solution
Through Deloitte’s practical and proven experience, our team of experts understand what contributes to successful capital project delivery and can provide the right blend of technical, financial and legal skills and local market knowledge to achieve this.

Deloitte can assist by:
• Making the right case for investment by establishing a robust project evaluation and business case development.
• Using capital effectively, efficiently and safely to optimise the capital investment portfolio and measure for success.
• Setting our clients up to succeed by creating teams that deliver outcomes and maximise the value of the Engineering, Procurement, Construction, Management (EPCM) relationship.
• Effectively structuring, funding and procuring the project.
• Creating and maintaining oversight and visibility by keeping a watchful eye on time, cost and quality through fit for purpose processes, controls and systems.
• Delivering an operation not just an asset by supporting the transition from the build environment to operations, and assisting in managing and monitoring throughout the operations maintenance, decommissioning and rehabilitation phases of a project.

Why Deloitte
Our infrastructure & capital projects professionals have practical experience in nearly every aspect of the capital projects lifecycle, as well as advanced degrees in engineering, quantity surveying, economics, architecture, business, law, financial and cost accounting.

Deloitte is positioned to assist public sector or donor agencies by providing leaders with tools to address critical issues and challenges impacting government or country performance, economic competitiveness and citizen service. Influential government organisations currently benefit from Deloitte is deep industry expertise, breadth of services, and presence in Africa. Since acquiring BearingPoint in March 2009, Deloitte is one of the largest public sector consulting practices worldwide.

Our solutions are designed in conjunction with our clients, both private sector and government officials, to ensure that they are relevant and can better serve and improve the quality of life for the people of South Africa and the rest of Africa.
Agriculture

The solution
In fulfilling our objectives of consistently providing clients with high quality integrated solutions that address their needs, Deloitte Agribusiness offers the following advisory and strategic services:

• Positioning advisory (geographical and competitive)
• Production advisory (high value products such as export fruits and vegetables, and value-adding through leading-edge technologies, such as increasing the shelf life and retail value of fresh products by several weeks).
• Marketing (access and penetration for domestic and export purposes, as well as branding, brand valuation and marketing strategies).
• Operations and logistics (project integration, cold chain and other preservation methods, speed to consumer and supply chain optimisation).
• Finance (corporate finance, planning and monetary control, access to finance, deal structuring and credit strategies).
• Value chain analyses (farm and farm-to-fork) Development of Geo – Information Systems (GIS) for projects and individual countries consists of:
• Channel strategies (franchising and direct store distribution)
• Feasibility studies (due diligence on all production factors, including sensitivity and risk analysis)

NDP Vision 2030: Inclusive rural economy

• Expand irrigated agriculture
• Convert some under-used land in communal agriculture sectors and regions that have the highest potential for growth and employment
• Pick and support commercial agriculture sectors and regions that have the highest potential for growth and employment
• Support job creation in the upstream and downstream industries
• Find creative combinations between opportunities. For example, emphasis on land could benefit from irrigation infrastructure; give priority to successful farmers in communal areas; and support industries and areas with high potential to create jobs. All these will increase collaboration between existing farmers and beneficiaries of land reform
• Develop strategies that give new entrants access to product value-chains and support from better resourced players

Why Deloitte
As a result of our firms’ stature and credibility, we have been privileged to assist various Ministries of Agriculture and Trade and Industry with the future development of their Agricultural and Agribusiness sectors. Deloitte’s expertise, including our network of specialists, extends from Agribusiness industry development, global and African market access, produce prices and markets solutions, to livestock, aquaculture, poultry, fruit and vegetable enterprises, grain and oil seed industry solutions.

Furthermore, our involvement in major agro-industry organisations reflects our leadership in the Agribusiness space and has allowed us to secure an impressive client base as well as successful completion of a number of large-scale projects in Africa.

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Transforming the delivery social services
Transforming health care
The challenges and solutions

**Challenge: Healthcare Resources**

Solution: **Workforce planning**
1. Workforce planning is a fundamental part of the healthcare sector’s ability to ensure that the supply of talented healthcare professionals meets the needs of the population of the country.
2. Remuneration packages
3. Job grading

**Challenge: Tariffs and Regulations**

Solution: **Tariffs Setting & Modeling**
Modelling of the healthcare business in intricate detail will help determine the charging structure that would be appropriate for the current environment and healthcare structure as well as to comply with any regulations that may apply. This involves establishment of an appropriate framework, data mining, modelling, projection of financial statements and providing sound financial advice.

**NDP Vision 2030: Healthcare for all**
- Increase average male and female life expectancy at birth to 70 years
- Progressively improve TB prevention and cure
- Reduce maternal, infant and child mortality
- Significantly reduce prevalence of non-communicable chronic diseases
- Reduce injury, accidents and violence by 50% from 2010 levels
- Deploy primary healthcare teams to provide care to families and communities
- Everyone must have access to an equal standard of care, regardless of their income
- Fill posts with skilled, committed and competent individuals

National Development Plan: Vision for 2030

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Why Deloitte?
Deloitte has vast healthcare experience in South Africa and other African countries including a core team of actuaries dedicated to healthcare. With our large resource capacity we are able to involve specialist staff at the appropriate level ranging from data mining, business advisory, financial and statistical experts.
Clean Audit

The challenges
• Insufficient skills and capacity within organisations
• Leadership instability and diverted focus
• Inadequate organisational structures
• Inadequate focus and leveraging on governance, risk, compliance and oversight arrangements and tools
• Basic financial disciplines are not adhered to, resulting in poor financial management
• Poor performance is not managed.

The solution
There are a number of principles that guide our proposed approach, these include but are not limited to:

• Strong, visionary leadership is important as well as a strong understanding of organisational transformation. This also means that all levels of leadership should take ownership of the process.
• The solution must be holistic and integrated. The solution must take cognisance of interdependencies and address all underlying root causes of poor performance.
• There should be a strong focus on co-ordination and co-operation between government organisations, across regions ensuring mutual support, economies of scale and greater collaboration.
• Deliverables, milestones and demonstrable value for money must be clearly defined upfront and the measurement of success must be clearly defined.
• There must be a clear transformation journey strategy and plan to ensure alignment and support of all key stakeholders.
• An intervention should recognise the central role of skills and capacity building and ensuring sustainability.
• Solutions must aim to institutionalise good practices and compliance requirements, accompanied by tools that promote conformance and efficiency.
• Solutions must be aligned to improving effective delivery of the organisation’s mandate through focusing on robust performance management systems.

Why Deloitte
Over the years Deloitte has been involved in public sector both in an advisory capacity and also working very closely with the Auditor-General of South Africa (AGSA). Deloitte have performed a number of public sector audits on behalf of the AGSA. Deloitte is in a unique position to assist public sector organisations who currently do not have clean audit outcomes with improving the results of their audits.

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Introduction
To achieve a ‘clean audit’ a organisation’s financial statements and annual report must give a true and fair view in accordance with the financial reporting framework used for the preparation and presentation of the financial statements and the framework for reporting against predetermined objectives (service delivery reporting). There should be no significant non-compliance with laws and regulations and the reporting against predetermined objectives should be true and fair.
The Challenges
(as per the assessment by CoGTA)

• Local Government is in distress & comprehensive turnaround is needed
• Huge service delivery and backlog challenges - many municipalities unable to deliver basic services or grow their economies
• There are leadership and governance challenges in municipalities including weak responsiveness and accountability to communities
• Problems with the political/administrative interface
• Corruption and fraud impacting on service delivery
• Poor financial management, illustrated by negative audit opinions
• Insufficient municipal capacity due to lack of scarce skills, high vacancy rates, and lack of performance management, training & career paths (dysfunctional HR function)
• There is inadequate human resource capital to ensure professional administrations or positive relations between labour, management and Councils

The solution
A comprehensive, sustainable turnaround strategy and approach is needed which includes:

• The design and establishment of a tailored Programme Management Office (“PMO”) is the most optimal vehicle to execute the turnaround. The role of the PMO is to design, plan, coordinate, execute and monitor the implementation of the turnaround plan.

The PMO therefore needs to be capacitated by experts from required fields such as accounting, engineering, HR, project management, change management, skills development, etc. Required work streams in the PMO must be agreed, must be led by subject matter experts and should be aligned to priority areas for the affected municipality.

• Also essential to the execution is the establishment of a Regional Support Centre. This Centre should comprise of:
  • a shared services centre (standardised systems and processes to execute shared, non-core functions),
  • a centre of expertise (a vehicle to access professional services and scarce skills) and
  • a municipal academy (to ensure skills development).
• The whole solution must be underpinned by an appropriate funding strategy to ensure affordability and sustainability.

• A sustainable turnaround and clean audit can be achieved with the right leadership, plan, partners, buy-in and political will and perseverance.

• Some areas covered by the turnaround solution, but can also be focused on individually include:
  - Municipal turnaround and revenue enhancement strategies and implementations
  - Government finance, including GRAP conversions and audit readiness
  - Government performance assessments.
  - Business process re-engineering
  - Project and programme management.
  - Training and skills development
  - Supply chain management
  - Asset management
  - Entity and agency formation
  - Business intelligence
  - Enterprise architecture
  - Talent management
  - Change journey management
  - PPP (Public Private Partnership)
  - Capital projects
  - Business process outsourcing
  - Employee engagement
  - Risk and governance services
  - Internal audit

Why Deloitte
Deloitte offers sustainable and tailor-made solutions for local government. Our success stems from partnering with our clients ensuring absolute focus on sustainability via skills and capacity building. We work with you to implement best practices and skills to your existing staff.

Our success stems from partnering with our clients ensuring absolute focus on sustainability via skills and capacity building.
Overhauling state operations
The challenges
Key challenges facing South African government today are:

- Skills shortage
- Clean audits
- Limited anti-corruption measures
- Demands for service improvement
- Supply chain management
- Inadequate information management and ICT infrastructure
- Disparate systems

The solution
- Technology Advisory Services offering help government with technology strategy and architecture, IT Effectiveness and Cost Reduction, Information Management, Package Strategy & Selection, and IT Programme Delivery.
- Enterprise Applications-SAP offers Large and Medium Enterprise Implementations, SAP Strategic Services unit of Deloitte Consulting is a specialised task force of highly experienced SAP practitioners focused on assisting clients with complex strategic decisions. Deloitte offers Rapid Preconfigured Implementations with SAP certified solutions using SAP preconfigured templates which reduce implementation costs for government. We also have niche offerings on Environment Health and Safety (EH&S), Mobility, Business Intelligence and Value Extraction.
- Enterprise Applications-Oracle offers Advisory services on Pre & Post Implementation. We also offer Oracle ERP covering financials, human capital and supply chain management. The Oracle Utility Applications for Local Government cover Customer Care and Billing, Meter Data Management, Network and Outage Management, Work and Asset Management, Mobile Workforce Management and Utility Analytics. Information Management covers Information Analytics, Enterprise Performance Management, Business Intelligence & Data Warehouse, Enterprise Data Management and Big Data.
- Information Technology Outsourcing offers Infrastructure Support, System Support and Web Technology.
- Data Analytics covers Workforce Analytics, Finance Analytics, Customer & Growth Analytics, Risk & Regulatory Analytics, Supply Chain Analytics.
- Flexible Resource Management provides our clients with contract staff in cases where scarce IT skills are required for a limited time period.

Why Deloitte
Deloitte technology team help our clients to realise business value through IT. And avoid the myriad of pitfalls. We have some of the best Technologists, Project Managers and Architects in the business. The support you in putting our advice into practice and establishing an environment to continue the delivery of benefits long after we have left.
Introduction
The ability to properly initiate and execute projects is becoming increasingly critical for executing a company’s strategy. For many companies, projects do not deliver the intended results due to poor project management practices.

The challenges
- Limited strategic vision and alignment
- Contract and supplier management
- Skills shortage and competency gap
- Heavy administration and governance with limited mandate

The solution
Deloitte provides the entire Project Management service/solution, or a portion thereof, wherever your organisation sees the need. Deloitte assists companies with the methodical approach of project management for the entire portfolio, programme or project, by planning and guiding a single project or an entire project portfolio, within an agreed project governance framework. This ensures repeatability, consistency and integrated reporting.

- Portfolio management
  Deloitte’s approach to portfolio management illustrates the steps required to bring structure to the management of all your initiatives. It is supported by a suite of advanced tools and a system that supports the entire portfolio, focusing on prioritisation, costs, benefits and tracking through the life of the project and beyond and aligning programme delivery with Enterprise strategy.

- Programme management
  Programme Management is more than the sum of just managing related projects. Programmes are different from projects in that the focus is on outcomes rather than outputs. Deloitte facilitate, structure and co-ordinate the strategic management of key programmes and projects within an organisation in such a way that the portfolio of initiatives reflects what is most critical to the organisation.

- Project Management Office (PMO)
  Deloitte provides both strategic and operational PMO establishment and support to an organisation enabling the PMO to:

  - Develop, maintain and improve the project management tools required to effectively manage, track and report on the organisations projects.
  - Acts as a reservoir of expertise and knowledge for the use on all projects and assisting with the planning of future projects.
  - Support project managers and their teams in the effective application of sound project management principles and techniques to achieve project success.

- Project management tools
  Deloitte, together with Post Vision, offer a Project Portfolio Office System (PPO) which is a single communication portal with key information for the whole organisation to understand the strategic context, project focus, individual project health and progress made on the portfolio as a whole. It allows for tracking, monitoring and reporting as well as effective resource capacity management, long range strategic planning and tactical operational decision-making. It facilitates successful project progress; encourages collaboration while allowing easy access to online information.

- Project management
  Deloitte’s project management experts can be on-site or on-call to provide practical hands on knowledge, assisting, coaching and advising of project/programme managers as needed. Our offerings consist of several components which can be selected individually or as part of a complete solution.

Why Deloitte
Deloitte has extensive international and South African experience in the provision of professional services in support of major sporting events, infrastructure development and socio economic development. We have assembled a world class team with extensive programme and project management experience.

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Through our local and international networks we are able to call on a vast range of additional skills and capabilities.
Introduction

Deloitte Analytics represents a team focussed on the management and application of data to drive business value. This team is uniquely positioned through our multi-disciplinary analytics capabilities, spanning Information Management, Performance Optimisation and Analytical Insights to help our clients extract value from their information assets be it in trying to identify and quantify a business issue or opportunity. The unique combination of skills and capabilities, combined with a wealth of industry experience, positions us as a leader in the Business Analytics environment.

The Challenges

- Information Management
  - Design | Implement | Manage
- Analytic Insights
  - Optimize | Analyze | Predict
- Performance Optimisation
- The Strategy
  - What do we need to work out? What happens in our business?
  - How do we make it happen?
  - How do we take advantage?
- Knowledge
  - Facts/Data
- Systems
- Security
- Governance
- Software
- Strategy

Business Domains

- Financial Services
- TMT
- Consumer Business
- Manufacturing
- Public Sector
- Mining, Oil and Gas

Deep Industry Expertise

- Customer Analytics
  - How do we enhance life cycle, sales & marketing systems and overall customer experience?
- Supply Chain Analytics
  - What insights can we provide to enhance life cycle, sales & marketing systems and overall customer experience?
- Workforce Analytics
  - How do we use analytics to inform better workforce decisions and intelligence?
- Finance Analytics
  - How do we measure, control, and optimize financial management processes through analytics?
- Risk Analytics
  - What can we do to manage, monitor and mitigate enterprise risk?

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The Solution
The public sector needs to become more efficient in the way they operate, cut costs, optimise their workforce and manage their risk, while continuing to deliver the core public services their citizens require.

Analytics can form a major part of the solution to these problems by generating the required insights and enabling fact based decision making – the analytics based approaches and solutions we develop can be applied across different countries and public sector organisations.

The insight and innovation derived from these solutions can add value irrespective of scale – an analytics model or tool used in a small public sector organisation can often be applied at scale for a large government or department.

Issues and trends
- Health reform/health care transformation
- Strategies for economic recovery
- Transparency and efficiency
- Sustainability
- Financial reform
- Human capital/workforce of tomorrow
- Cloud computing
- Cyber security

Analytics service demands
- Information management
- IT transformation
- Health IT
- Performance management technology (PMT)
- Business intelligence/data warehousing
- Finance transformation
- Grants management
- Integrated performance management (IPM)
- Workforce analytics
- Predictive data modeling
- Text analytics
- Analytic and forensic technology consulting
- Fraud analytics
- Continuous monitoring
- Geospatial analytics
- Predictive modeling
- Rules-based definition
- Security and privacy services
- Risk and governance
- Internal controls
- Cyber
### Data Analytics public sector proposition

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<td>Enterprise wide financial reporting and analysis of current trends to inform future budgetary planning</td>
<td>Single source of truth through integration of siloed financial data reporting increasing transparency and regulatory compliance</td>
<td>Cost effective rationalisation of physical assets. Optimisation of estate use and reallocation of resources to improve service delivery</td>
<td>Significant improvements in debt and revenue collection through profiling and target optimisation of demographic groups</td>
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<tr>
<th>Customer &amp; Growth Analytics</th>
<th>Understanding the citizen</th>
<th>Anticipate Behaviour</th>
<th>Citizen Engagement</th>
<th>Reduce cost of service delivery</th>
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<tr>
<td></td>
<td>Data Mining and analysis of citizen data to build advanced customer segmentation models</td>
<td>Understand likely behavioural responses to service, policy or regulatory changes. Gain insight into aspects of citizen behaviour such as propensity to pay taxes</td>
<td>Leveraging social media analysis to improve citizen engagement with clients through facilitation of direct contribution to policy development and indirect analysis of citizen opinions on policy / regulatory changes</td>
<td>Rationalisation of costs of service delivery through enhanced profiling of citizens / groups who use specific services to identify areas of over or under allocation of resources</td>
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<tr>
<th>Risk &amp; Regulatory Analytics</th>
<th>Management of Risk</th>
<th>Fraud and Corruption signal detection</th>
<th>Protection of workforce</th>
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<td>Single view of truth facilitated through advanced data warehouse and reporting capabilities. Alignment of performance indicators to key risks within enterprise to enable real time monitoring of threats to organisation</td>
<td>Advanced analysis technologies to automate the process of pattern and trend detection to identify irregularities quickly and efficiently</td>
<td>Use of Analytics to monitor data linked to Health and Safety and Workforce compliance regulations enables clients to classify employees in terms of risk and therefore implement effective strategies to reduce potential harm</td>
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<tr>
<th>Supply Chain Analytics</th>
<th>Changing the Supply Chain</th>
<th>Improving the Public Sector client influence</th>
<th>Improved Decision Making</th>
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<td>Transforming client supply chains from reactive models based on historic data to proactive models which react continuously to changing market conditions</td>
<td>Using Analytics to augment internal data with external data to understand the client impact on supplier market, and leverage this knowledge to extract better cost efficiencies</td>
<td>Consolidated data management and better alignment of performance indicators enables clients to make evidenced based decisions on supply chain operations</td>
</tr>
</tbody>
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Why Deloitte

1. **OneDeloitte**
   - Global initiative;
   - Cross functional expertise to deliver business led solutions;
   - Deloitte Analytics consists of 3,400+ people globally;
   - Over $1bn practice with 25% growth in 2010;
   - “Analytics Applied” – or Analytics is inside everything we do;
   - Over 150 analytics practitioners in SA

2. **Change through Deep Industry, Sector and Domain Knowledge**
   - Deep industry subject-matter experts;
   - Portfolio of analytics service offerings around five business domains;
   - Expertise in connecting the right client need to the right solution.

3. **Deloitte Analytics Institute and Innovation Centres**
   Deloitte has built an Analytics Institute to innovate leading solutions in Analytics
   - Centralised thought-ware, methodology, and solution development;
   - Multiple Innovation Centres that showcase state-of-the-art custom and vendor alliance solutions;
   - Institute Analytics Certification and Learning Program.

4. **Heart-of-Business Issues**
   - Our approach dives deep into the heart of business issues or opportunities;
   - Business led approach that embeds the insight and analytics into new and existing business processes;
   - Managing and changing the behaviour of the client;
   - Approach moves Analytics away from operational data to a mix of internal and external signals to shape forward-looking business decisions.

5. **Sustainable change**
   With a rich delivery model that isn’t one-size-fits-all, Deloitte offers the full range of services to embed any solution into business as usual:
   - Analytics and modelling;
   - Operating models & business processes
   - Strategic change and programme management
   - Technology and data integration
Getting it done
Performance Audit and Evaluations

Introduction
While it is crucial for government to be able to report credibly on its actual performance against predetermined objectives, the expectations of its stakeholders are increasing exponentially. Key stakeholders – including citizens – expect that government obtains “value for money” when spending taxpayer’s money in the pursuit of delivering services. Citizens further expect that the necessary management measures are implemented to ensure that resources (including goods and services) are procured economically (at the right time, the right place, the right quality and quantity, at the lowest price) and utilised efficiently (using the existing resources to achieve more or utilising less resources to achieve the same objective) and effectively (achieving the desired objective), thereby contributing towards enhanced service delivery.

The challenges
Legislation requires government institutions to report on actual performance against predetermined objectives. The Auditor-General of South Africa (AGSA) is mandated to audit these reports on an annual basis. This has created an increased focus on compliance (government institutions striving to achieve Clean Audits) while citizens expect a greater focus on the evaluation of service delivery to ensure value-for-money (in terms of economy, efficiency and effectiveness). Furthermore, there is currently confusion within the public sector between the Audit of Predetermined Objectives performed by the AGSA (conformance) and Performance Audit and Evaluations that focus on value-for-money (performance).

The solution
Our team has extensive experience in both the Audit of Predetermined Objectives (AoPO) and Performance Audit and Evaluations. We understand the fundamental differences between these two offerings, thereby ensuring that clients are provided with a customised solution that meets their specific needs. We have an experienced multi-disciplinary team that will not only ensure that systemic challenges experienced are diagnosed comprehensively (thereby ensuring that our recommendations are relevant, specific and practical to implement), but also demonstrate the effects of the issues identified. This tailored solution will enable government to enhance its execution of its mandate, resulting in improved service delivery and value for money that will ultimately benefit the lives of citizens.

Why Deloitte
At Deloitte we understand that the journey towards sustainable Clean Audits and effective reporting of government performance against predetermined objectives (conformance) is an important one, albeit post facto. However, focus should not entirely be diverted from the overall mandate of government and the public sector – that is, to improve the lives of citizens through efficient, economical and effective service delivery. An increased focus on performance monitoring and evaluation of service delivery (performance) during the performance cycle of an institution, thereby ensuring that value-for-money is obtained, is essential to improving the level of service delivery of government.

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The Audit of Pre-Determined Objectives

Introduction
Reporting against pre-determined objectives indicates how well an institution is meeting its aims and objectives, and which policies and processes are working. This is key to effective management, including planning, budgeting, implementation, monitoring and reporting. The most valuable reason for measuring performance is that what gets measured gets done. If an institution knows that its performance is being monitored, it is more likely to perform the required tasks - and to perform them well.

The audit of reported actual performance against predetermined objectives, indicators/measures and targets now forms part of the annual regulatory audit by the Auditor – General of South Africa (ASSA) for all national and provincial departments, public entities, constitutional institutions, trading entities, Parliament and provincial legislatures.

The challenges
Some of the key challenges encountered during the audit of reporting against pre-determined objectives over the recent years have been:

- Information on performance against predetermined objectives are not submitted for the audit
- Non-compliance with regulatory requirements
- Information on performance against predetermined objectives is not useful or relevant
- Information on performance against predetermined objectives is not reliable (not valid, accurate or complete)
- Lack of dedicated resources to effectively report on and monitor progress in respect of pre-determined objectives
- Lack of internal controls around reporting on pre-determined objectives.

The solution
- Proper planning by management at initial stages, taking into account legislative requirements, the organisation’s strategic objectives, reporting requirements and alignment of the organisational structure to reporting against pre-determined objectives.
- Clearly defined roles and responsibilities which should be documented in policy and procedure manuals for planning and reporting against pre-determined objectives.
- Implementation of effective systems and controls which should be continuously monitored and reported on.

Why Deloitte
Our team has extensive experience in reviewing and providing recommendations for reporting on performance information, including:

- Review of the systems, processes and controls for reporting
- Review of the validity, accuracy, consistency and alignment of data
- Compliance to SMART criteria
- Compliance with regulatory requirements

We have also been involved in independent verification of actual reported data to source documents for inclusion in final year end reports for audit purposes.

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The challenges
Proper financial and project management is key to any project or programme – as is also the case with programmes or projects funded by donor organisations. It is crucial for the donor to know that relevant controls and procedures are in place to ensure that the funds are used for the intended purposes. This includes compliance and adherence to the requirements of the donor organisation, and the agreed upon purpose for what the funds were to be used for. Proper audit trail of what the funds were used for through maintaining original supporting documents, deliverables and other evidence that the expenses paid for were in fact incurred and in line with the agreement with the donor organisation, is crucial.

The solution
Deloitte offers donors and/or implementing agents an end-to-end solution for all their needs. In line with our vision to deliver “OneDeloitte” to clients, we have changed our business model to deliver holistic solutions to our clients in areas where we have significant depth and breadth of expertise. This will include donor assurance, financial management services, risk management services, capital management services, advisory services, as well as direct capacity building initiatives. Our solutions are either of a “packaged” or “customised” nature, depending on the nature of your requirements.

More and more donor organisations and implementing agents are starting to perform project evaluations and audits not only at the end of a project period but with regular intervals, for example every 6 months. This enables them to identify irregularities or non-compliance aspects at an early stage, and still be able to implement corrective measures before the end of the project.

Why Deloitte
Deloitte can provide the donor organisations and/or the implementing agents with an end-to-end solution to ensure that the donor funds are properly managed. Deloitte has been involved in the auditing of donor funds provided to a number of projects/government institutions for a number of years. In these audits, Deloitte would typically determine whether the funds were used for the intended purposes. These audits will include elements of a financial, compliance and controls audit as well as programme and project evaluations, with the aim to also provide recommendations to both the donor organisation and the implementing agent.

In addition, Deloitte is in tune with Pubic Finance Management reform in various African countries where we enable capacity building programmes and provide oversight over projects.

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One of the most important aspects of donor funds is to ensure that the funds are properly managed by the implementing agent and used for the purpose intended.
The challenges
Events of the past few years have brought sweeping changes and the new challenges for business, HR and talent are becoming clear. Talent, leadership, world class HR services and business-driven HR are all fundamental areas for the forward-thinking organisation.

We recognise that our clients are dynamic organisations that will, through their lifecycles, exist in both stable and transition modes. Organisational stability or the ‘stable model’ typically refers to the employee lifecycle from attraction and recruitment through to exiting the organisation. In contrast, organisations in transition or the transition mode are primarily project-focused and follow a project lifecycle.

The solution
Deloitte Human Capital is recognised as the largest broad-based human capital business in South Africa. Our business model has been set up to provide discreet services to cover different phases that organisations experience in different lifecycle stages, which all affect the way people perform. We offer a number of services that are applicable to either or both of the ‘stable’ and ‘transition’ modes. These include:

• Sourcing
• Deloitte Graduate Academy
• Leadership
• Talent
• Assessment
• Reward Consulting
• Programme Management
• Human Resources Transformation
• Organisation Design
• Strategic Change

Why Deloitte
Our experienced consultants identify, manage and solve the people issues that cause businesses to perform below their potential. We assist clients across multiple industries and functions to capitalise on their people capabilities in order to release real business value through their people. We help our clients make people more effective at work.
Taxation services – VAT and PAYE reviews waiting for content

Introduction
The vast array of Tax legislation, amended legislation, Practice Notes, Interpretation Notes, Binding General Rulings and guides create a huge compliance responsibility for Public Sector entities. Non-compliance in this area was highlighted by the Auditor-General of South Africa’s report. Tax featured as an audit finding in most reports. In order to achieve a “clean audit” from a tax perspective, Public Sector entities should dedicate more time and resources to this area. In addition, where tax is not a focus, opportunities are lost to make the entity more tax efficient.

The challenges
Skills shortages in the tax arena and an ever changing tax landscape are the key challenges.

The Solution

Value-Added Tax (VAT)
Objective: To address the key Auditor-General findings by providing a basic roadmap to improve compliance to the VAT legislation and by identifying opportunities to make the entity more VAT efficient.
Specific issues to be addressed:
- Identifying VAT opportunities and risks by utilizing data analytics
- Assisting with various VAT Reconciliations
- Apportionment ratio calculations
- Issuing the Financial Management System (FMS) is coded correctly for VAT purposes
- Verifying input VAT calculations and valid tax invoice requirements
- Confirming Taxable supplies and Output VAT calculations
- Analysing SARS Account - Assessments raised, withholding of refunds, penalties & interest etc.
- VAT ‘year-end balance calculations

Pay-As-You-Earn (P.A.Y.E)
Objective: The overall objective is to highlight the key Auditor-General findings and issues raised and to provide a basic roadmap to improve compliance to the PAYE legislation.
Specific issues to be addressed:
- PAYE EMP201 returns
- Late filing of monthly PAYE returns (EMP349)
- PAYE annual EMP901 reconciliations
- Late submission of bi-annual reconciliations (EMP501)
- High risk areas: travel allowance, other allowances, company vehicles, taxation of contractors
- SARS Account: Late payment/short-payment/non-payment of monthly PAYE; penalties & interest etc.

Grants & Incentives
Objective: To capacitate participants in respect of the various grant incentives introduced by Government to stimulate job creation and economic development within the Public Sector.
Specific issues to be addressed:
- Identification of risks and opportunities;
- Identification of funding opportunities;
- Identification of opportunities to maximize grant funding;
- Assessment of grant allocations and spending;
- Development of management capacity;
- Preparation of grant applications and monitoring and reporting

Customs and Excise
Objective: The overall objective is to assist with Customs duty compliance and to identify opportunities in respect of tariff classification, rebates and lobbying.
Specific issues to be addressed:
- Tariff classification and customs valuation on imported products
- Analysis of customs duty paid and identifying opportunities
- Customs compliance
- Tariff lobbying for large projects
- Identification of tariff lobbying opportunities with the International Trade Administration Commission (“ITAC”).
- Addressing and assisting Public Sector in resolving all SARS and Auditor-General queries.
- Comprehensive customs compliance review to identify possible savings and/ or risks and the impact on the Public Sector entity.
- Identification of possible current rebate provisions.

International Tax
Objective: The objective is to determine the most appropriate business vehicle to be used for outbound and inbound investment, bearing in mind, inter alia, Double Taxation Agreements and to assist with the implementation thereof.
Specific issues to be addressed:
- Advice in respect of the application of Double Taxation Agreements
- To obtain the required foreign exchange control approval
- To minimise general tax exposure
- Assist with the implementation of the investment structure
- Africa health check, where applicable, to assess the level of tax compliance and assist in resolving any issues identified.
- Understanding the funding model for the expansion and where possible advising on the most appropriate method taking into account the existence or not of thin capitalisation rules as well as broader profit repatriation tax issues
- Understand the expected income streams with a view to minimise any withholding tax impact

Why Deloitte
Deloitte boasts an exceptional track record with regard to the provisioning of services to the Public Sector; including public entities and the local government sphere. Our extensive experience in the Public Sector and depth of technical expertise in the functional areas provide a compelling value proposition to partner with Deloitte.

Deloitte has exceptional qualifications based on our expertise and experience in implementing complex engagements in the Public Sector. Our strategic, audit and operational intervention in the Public Sector encompass the full range of services provided to public entities and to local government entities.

We have developed an innovative and effective methodology and report format, which is unique and tailor-made for each entity.

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