IN THE COMMISSION OF INQUIRY INTO GOVERNANCE AND ADMINISTRATION AT SARS

HELD AT PRETORIA

For and on behalf of:

GARTNER INC

and

GARTNER SOUTH AFRICA (PTY) LTD

(ADDITIONAL) STATEMENT OF JOHN GREGORY ROBINSON

I, the undersigned

JOHN GREGORY ROBINSON

do hereby state that:

1.   I am an adult male attorney, currently employed by Gartner Inc as a Vice President Ombudsman, having its place of business at Gartner, Inc., 56 Top Gallant Rd, Stamford Connecticut, 06902.

2.   On 10 October 2018, I submitted a statement to the SARS Commission. This statement is submitted in addition to that statement for the purpose of placing before the commission, a copy of an internal report prepared, upon my instruction.

3. As stated in my prior statement, the office of the Ombudsman has taken an active role in investigating the matters currently before the commission, particularly insofar as they relate to Gartner its work product and or the conduct of its employees or agents.

4. As part of the process of investigating and reviewing integrity and independence matters, the Office of the Ombudsman regularly engages available Gartner subject matter experts to assist in technical analysis. In this instance, as we sought to better understand and validate the efforts and deliverables tied to the SARS project, the assistance of an independent group of Gartner Consultants was leveraged to conduct a "desk review" by examining the available physical record. Working at my direction, the desk review team analysed the multiple workstreams to assess the overall quality of deliverables based on Gartner Consulting's experience and comparable engagements

4.1 The independence of the team was based on the fact that members:

4.1.1 Had no involvement with any portion of the SARS project;

4.1.2 Do not have any direct lines of report to those who were involved in SARS project;

4.1.3 Did not derive any direct financial benefit from the SARS project; and,

4.1.4 Did not engage with the SARS project team while developing their findings.

4.2 The primary questions posed to the desk review team were:

4.2.1 Was the SARS engagement consistent with Gartner Consulting standards? AND,

4.2.2 Were the services and deliverables commensurate with the fees levied?

4.3   The team was asked to produce a report broken out by workstream in a manner that would allow the Office of the Ombudsman, as a non-technical expert, to better understand and review the project while providing references and analysis to assist in determining whether Gartner's standards were upheld.

5.   Due to the short time frame, the team focused the review on Phase II of the engagement. Phase II however constituted the largest portion of the work and consequently also the largest portion of fees paid to Gartner.

6.   The report is attached marked "**A**". The first portion of the report summarizes the observations on each project in Phase II and the second portion (commencing on page 30) contains a spreadsheet listing the specific details about each project.

6.1   Given the complexity of the SARS project and the benefit that this report provided the Office of the Ombudsman in our internal review, I am offering it to the Commission not for the truth of the findings, but rather in the interest of further cooperating, assisting, and accelerating the efforts of the inquiry.

7.   The report concludes with the following findings:

7.1   The solution frameworks and approaches used were consistent with Gartner Consulting standards;

7.2   Subject matter experts and Quality Assurance associates were used to work with, and provide oversight on, the project teams in South Africa;

7.3   Formal project charters and completion were approved on projects.

7.4   Project pricing seemed to be commensurate with the scope and depth of the project Workstreams;

7.5   Gartner Consulting project resources were generally a mix of Gartner associates and subcontractors on integrated project teams;

7.6   Customer satisfaction surveys were conducted on project Workstreams;

7.7   The level of detail and specificity in deliverables varied across the individual projects. Where recommendations were more general and at a higher level (as indicated in our review), challenges experienced during the project were cited – most notably, project disruptions and SARS resource changeover due to the on-going, concurrent organizational transformation at SARS.

8.   The office of the Ombudsman concurs with the above findings and is satisfied that the work performed by Gartner for SARS, is commensurate with that expected from Gartner.

John Gregory Robinson

16.10.18

This review of the largest SARS project, Phase II, was conducted 27Sep2018 – 13Oct2018, and focused on Gartner Consulting (GC) deliverables and other project artifacts. The objective was to assess the overall quality of deliverables based on GC experience and comparable engagements. The review team was not involved with the project, and the review was conducted independent of the delivery team.

There are two work products: 1) this document, which summarizes observations on each project in the second phase of Gartner Consulting's assistance to the IT Renewal Programme at SARS; and 2) a spreadsheet that lists specific details about each project.

Overall, we found the projects in SARS Phase II to be aligned with GC solutions and consistent in quality with comparable engagements. All consulting projects are different, and transformational projects of this breadth and depth are challenging – so some degree of variability in project workstreams and deliverables is not unusual. In some cases, project timelines were delayed and work products were relatively high level and based on industry best practices – in these instances, challenges during the project (e.g., disruptions in SARS resources due to the on-going organizational transformation) were documented by the team in project completion reports. Projects were signed off by SARS.

In conclusion, this review of deliverables and project artifacts indicated that:

- o The solution frameworks and approaches used were consistent with GC standards
- o Subject matter experts and Quality Assurance associates were used to work with, and provide oversight on, the project teams in S.A.
- o Formal project charters and completion were approved on projects.
- o Project pricing was developed consistent with GC practices, though the administrative mark-up for the subcontractor Rangewave was low – 2.5%. For a project of this scope, complexity, and duration, SARS pricing was not out of line with comparable efforts.
- o GC project resources were generally a mix of Gartner associates and subcontractors on integrated project teams.
- o Customer satisfaction surveys were conducted on project Workstreams.
- o The level of detail and specificity in deliverables varied across the individual projects. Where recommendations were more general and at a higher level (as indicated in our review), challenges experienced during the project were cited – most notably, project disruptions and SARS resource changeover due to the on-going, concurrent organizational transformation at SARS.

** ** ** ** **

Programme: IT Renewal
Initiative: IT Strategy
Project: 1 - IT Strategy
- **Project Objective:** The scope was (a) to develop a business driven IT Strategy with emphasis on compliance, revenue collection and customer centricity and (b) to develop a well-defined roadmap of initiatives over a rolling 3 year period with associated budgets linked to business benefits.
- **Alignment with Gartner Consulting solution frameworks/approaches:** Yes
- **Project Quality Controls:** Formal charters approved, Subject Matter Expert and Quality Assurance (QA) participation, certificate of client acceptance and completion signed off.
- **Client Engagement:** The project team consisted of 7 SARS members and 4 Gartner members. In addition, 30 SARS individuals participated in workshops and/or interviews during this project.
- **Deliverable Observations:**
  - Five deliverables were produced on the project: (a) an IT strategy (b) an IT strategic plan (c) an IT strategy presentation (d) a one-page strategy document (e) a communication plan.
  - Deliverables were at standard for the defined scope and objectives, and included implementation roadmap, charters, risks and costing.
  - During the project, SARS requested additional deliverables that were not defined in the original project scope. The additional deliverables were developed and provided by the Gartner team at no additional cost, and consisted of (a) Chief Officer (CO) Digital, Information Services and Technology (DIST) 100 day plan for an executive breakaway (b) graphical depiction of IT Strategy for communication.
  - Roadmap costing was very precise and should have been given some level of precision (i.e., +/- 25%).
  - Risks did not highlight client maturity, which was low – in the Strategic SARS IT Assessment conducted earlier, it was noted that: "an approved and well communicated IT strategy is not evident," and "IT decision making was vested in a few individuals and not based on best practice IT governance frameworks, which would have ensured mitigation against a number of key risks, improved performance management, improved prioritisation, and improved portfolio management."
  - Knowledge transfer occurred across a range of IT strategic planning capabilities, approaches and critical success factors.
- **Challenges:**
  - This IT Strategy project was reliant on a number of other projects for input. This resulted in unplanned timing differences and delays. For example, the restructuring work led by Bain ran in parallel to the Gartner IT Renewal Programme and provided information required for the IT Strategy project. There were initially limited interactions between these workstreams, though attempts were made to improve alignment to ensure accurate use of restructuring information in Gartner work.
    - Gartner Statement of Work dated 17Jul2015 states as an assumption, "Recommendations made by Bain during the operating model review have not been shared with Gartner and therefore have not been considered in this proposal." (source: SARS-GRAP Plan Review-330029642-Signed Proposal_201511110732.pdf)

- o The Project Weekly Progress Report, dated 09Sep2015, notes "Bain/Gartner Gaps – Syncronisation Meetings, Johan stated that he has had a few meetings and uncovered potential work gaps, not in either Bain or Gartner's scope." (source: SARS IRP Progress meeting mins 150910 LT distributed.docx)
    - o A SARS Bain Gartner Alignment Meeting was held 04Mar2016 where information was exchanged and key dependencies and overlapping areas identified, with agreement for follow-up meetings and actions in 8 areas – IT Strategy, Applications & GRAP, Customer Service, Security, PPM/EPMO, Governance, Interfront, Human Capital, SARS Vacancies (source: SARS IRP SARS Bain Gartner Aligment Meeting Notes v1.4 160330 final distributed to Alfresco.docx). This meeting appears to have occurred approximately 14 months after the start of the 19 month IT Strategy project.
  - o A stated objective of this IT Strategy project was to "…align IT to new operating model and SARS organizational requirements (post modernization era)". However, the new business strategy, which was out of scope for the Gartner work, was developed toward the end of the IT Strategy project and therefore required validation later in the project due to the objective and associated dependencies of developing a "business driven IT strategy".
  - o Organizational changes and challenges that impacted the project were highlighted in the project completion report: "The IT strategy was also developed in a time of political change and uncertainty… Whilst the DIST Group Executives were involved at points in time, it would have assisted buy in and congruity had they been more involved during the strategy development process."   In addition, the lack of an appointed permanent Chief Officer for DIST was identified as a risk in the project completion report that would impact the application of the IT strategy going forward.
- **Reference documents:**
  - o SARS IRP Strategy Project Completion Report 160730 Final.docx
  - o STRAT SARS 33030117_SARS_IT Strategy_Report_27Julye2016 vers 5 (final).docx
  - o STRAT SARS IT Strategic Plan V1.5 Final 280716 LLOYD.pptx
  - o STRAT Business context v2.0 121115 LLOYD.pptx
  - o STRAT Strategic Plan Business Case 30052016 V1.0 LLOYD.docx
  - o STRAT Task 3 Deliverable V1.1 091215 LLOYD HW.pptx
  - o STRAT Task 4 Deliverable V2 0 290216 LLOYD HW.pptx
  - o STRAT SARS IT Strategy Task 5 Deliverable LLOYD HUGO - vers 2.2 Final 210416 (1).docx
  - o Strategy Detailed CommsPlan_25_07_2016 SARS Final.xlsx
  - o SARS-GRAP Plan Review-330029642-Signed Proposal_201511110732.pdf
  - o SARS IRP Progress meeting mins 150910 LT distributed.docx
  - o SARS IRP SARS Bain Gartner Aligment Meeting Notes v1.4 160330 final distributed to Alfresco.docx

Programme: IT Renewal
Initiative: IT Strategy
Project: 2 – IT Governance and Risk Management

- **Project Objective:** The objective of this project was to deliver a proposed IT governance framework for consideration and approval by SARS. The proposed IT governance recommendations included (a) IT governance bodies to address key decisions (e.g. IT Standards, Architecture, priorities, funding etc.), (b) processes and (c) other input mechanisms. This project also involved recommending resources that would be required to implement, manage and evolve an IT governance structure.
- **Alignment with Gartner Consulting solution frameworks/approaches:** Yes, along with leading industry frameworks from external sources (e.g. COBIT)
- **Project Quality Controls:** Formal charters approved, Subject Matter Expert and QA participation, certificate of client acceptance and completion signed off.
- **Client Engagement:** The project team consisted of 9 SARS members and 4 Gartner members. To create project deliverables, multiple assessments and group workshops were conducted during Phase I and Phase II involving SARS personnel. In addition, as stated on page 9 in *SARS IT Governance Strategy v1 20160217*, "A draft IT Governance Framework and associated Implementation Roadmap have been developed in conjunction with SARS management which will enable the establishment of IT Governance practices."
- **Deliverable Observations:**
  - Final deliverables are based on industry best practices and at a higher level than expected for the defined scope and project objective.
  - Deliverables and recommendations are broad and not deep, which can be expected given the scope of transformational change occurring at SARS though are less actionable to drive adoption of new governance.
  - The IT governance framework deliverables contained many different components to address enterprise-wide governance spanning a broad set of strategic and tactical decisions, ranging across topics such as establishing IT standards, principles, architecture, priorities and investments.
  - The use of "desired future state" numerical ratings is somewhat unusual, lacking in description and less actionable.
  - A high-level roadmap of recommended initiatives was outlined for Jan 2016 – June 2018.
  - A Communication Plan and an IT metric model were also delivered, based on Gartner Research, Intellectual Property and best practices.
- **Challenges:**
  - The project completion report states "The IT Governance Project was completed in the absence of a formally approved SARS Enterprise Governance framework, so assumptions were made and documented for future validation by SARS."
  - The project completion report also states changes to the composition of the SARS project team presented some challenges that were subsequently resolved with no major impact on project deliverables.
  - Customer satisfaction survey results were positive; a suggestion was made to "be more specific in terms of consulting advice to our specific industry viz Public Sector and Revenue and Customs Management."

- **Reference documents:**
  - SARS IRP Governance Project Completion Report v1.3 160512 Final.docx
  - SARS IT Governance Project - Executive Briefing 20160303.pptx

- o SARS IT Governance Strategy v1 20160217.docx
- o SARS IT Governance Framework 712015MA.docx
- o SARS IT Risk Management Framework.docx
- o SARS ICT Governance Change Enablement Plan v1 20160215.docx
- o SARS IT Governance Communications Plan v1 20160302.xlsx
- o 2. Governance 160510 R Jinabhai feedback.msg

Programme: IT Renewal
Initiative: IT Strategy
Project: 3 – IT Change Management
- **Project Objective:** The scope was to assist SARS with the adoption of change management principles in daily work and the DIST culture. The project objectives were to (1) gain an in-depth understanding of the current change management drive in SARS given the new operating model; (2) develop change management processes and procedures for DIST in line with the overall change management initiative of SARS; and (3) plan the establishment of a change management capability in DIST. During the project, SARS requested expansion of the change management work within DIST to be applicable SARS-wide, which resulted in involvement of more individuals from multiple SARS divisions and increased time and effort to complete deliverables.
- **Alignment with Gartner Consulting solution frameworks/approaches:** Yes, along with leading industry frameworks from external sources (e.g. Kotter)
- **Project Quality Controls:** Formal charters approved, Subject Matter Expert and QA participation, certificate of client acceptance and completion signed off.
- **Client Engagement:** The project team consisted of 16 SARS members and 5 Gartner members. There were a larger number of SARS participants across multiple divisions after SARS requested the change management work be expanded beyond DIST and be applicable SARS-wide. Meetings and work sessions were conducted throughout the project. Project status reports and meeting notes summarize key discussions and outcomes.
- **Deliverable Observations:**
  - o Project work included a review of multiple change management models and resulted in change management deliverables and recommendations adopted for DIST and applicable SARS-wide.
  - o Recommendations reflected integration with SARS' change management framework and organizational environment and challenges.
  - o Deliverables seem appropriate for defined scope with a level of detail expected for a transformation project of this magnitude and complexity.
- **Challenges:**
  - o During the project, SARS requested the change management work be expanded beyond DIST and be applicable SARS-wide. This resulted in an increase in time and effort required for the project, with a cumulative increase of 6 weeks beyond the original plan to complete the 5 tasks associated with this project.
  - o A challenge was noted in the project completion report: "There was a challenge documenting the change management process in the SARS Standard Operations Process (SOP) format… This was a period of knowledge transfer from Gartner and a learning experience for Gartner consultants in the SARS business process methodology."

- o Customer satisfaction survey results were positive; a comment was shared "with respect to this project, both SARS and Gartner would have optimized inputs had the various stakeholders been included from the conceptual stages of the project".
- **Reference documents:**
  - o 3. SARS IRP Change Managment Project Completion Report v6 160907 Final to Alfresco and SARS.docx
  - o Executive Overview IT Renewal Programme Change Management Project.pptx
  - o SARS IRP CM project Task 5 Plan CM capability in DIST V1.3 2016_06_21.docx
  - o SARS IRP CM Task 3 deliverable 20160226.pdf
  - o 3. Change Management 160628 Renee Magazi.msg

Programme: IT Renewal
Initiative: IT Strategy
Project: 4 – IT Service Management (ITSM)
- **Project Objective:** The objectives of this IT Service Management (ITSM) project were to (a) provide clear articulation of ITSM business imperatives and IT implications, (b) gain an understanding of the current ITSM environment, (c) create a long term ITSM roadmap with a focus on quick wins, and (d) organize potential initiatives into a program of work.
- **Alignment with Gartner Consulting solution frameworks/approaches:** Yes
- **Project Quality Controls:** Formal charters approved, Subject Matter Expert and QA participation, certificate of client acceptance and completion signed off.
- **Client Engagement:** The project team consisted of 4 SARS members plus the SARS ITSM team, and 4 Gartner members. Individuals from 21 different SARS business units were consulted and/or interviewed during this project. As noted in the project completion report, "The inclusive approach followed by SARS management, of including the process teams and process owners in all relevant project sessions, proved valuable towards successful alignment, problem and solution identification, and commitment and buy-in of process owners to achieve the set objectives."
- **Deliverable Observations:**
  - o Deliverables were appropriate for the defined scope and objectives.
  - o Deliverables and recommendations were moderate in level of detail and led to actions such as Project 8 - Enterprise Service Management (ESM), of the IT Renewal Programme.
- **Challenges:**
  - o There were no variances or differences in project deliverables anticipated or experienced.
  - o Customer satisfaction survey results were generally positive; a comment was shared "The engagement concentrated more on identifying gaps and putting together a road-map. I would have appreciated the engagement to include the implementation of the recommendations." Note: Implementation was not in the scope of this project.
- **Reference documents:**
  - o 4. SARS IRP ITSM Project Completion Report v1.2 160614 Final.pdf
  - o SARS ITSM Review and Development of Templates task 4 Final.pptx
  - o SARS IRP ITSM Roadmap final 151126.pptx
  - o SARS IRP ITSM Communications Plan Final V1.1.doc

  o 4. ITSM 160331 F Dali feedback.msg

Programme: IT Renewal
Initiative: IT Strategy
Project: 5 – Human Capital Management

- **Project Objective:** The scope was (a) to assist the DIST division of SARS with the development of an IT Organisation Structure utilising the Gartner organization design methodology, and (b) to assist DIST with the development of an IT Human Capital Strategy
- **Alignment with Gartner Consulting solution frameworks/approaches:** Yes
- **Project Quality Controls:** Formal charters approved, Subject Matter Expert and QA participation, certificate of client acceptance and completion signed off.
- **Client Engagement:** The project involved 57 SARS participants and 4 Gartner project team members. Workshops and meetings were conducted throughout the 15-month project. Project meetings were regularly conducted in conjunction with Project 3 - IT Change Management activities due to interdependencies.
- **Deliverable Observations:**
   o The project consisted of 21 tasks and 57 detailed deliverables.
   o Project deliverables were very detailed and specific to SARs. Deliverables addressed a broad range of human capital topics including an IT Human Capital Strategy, organizational design and structural options, competency profiles, job descriptions, and career paths.
   o Knowledge transfer occurred across a range of human capital practices, approaches and methodologies.
   o Three Change Addenda were executed to modify time frames, scope and the chronological order of tasks due to a shift in dependencies. There were no cost implications to the client.
- **Challenges:**
   o An additional 250 manhours were required to complete the project due to SARS requesting Gartner participation in a restructuring exercise led by Bain. There were no cost implications to the client.
   o Low attendance by SARS management and staff during some workshops resulted in project outcomes and decisions to be made by participants, and then to be communicated to non-participants afterwards to gain acceptance.
   o Acceptance certificates of completed tasks were not always signed off at the time of task completion. This resulted in a negative impact on some project dependencies and completions.
- **Reference documents:**
   o 5. SARS IRP HCM Project Completion Report 161205 Final to Alfresco and SARS.docx
   o 151207_GE Briefing Pack_IT.pptx
   o Attachment 1 IRP STRAT HC Capabilities Workshop.pptx
   o IRP STRAT HC Task 10 Define Function Scope Purpose & Accountabilities.docx
   o Competency Matrix SARS V1.2 Final.xlsx
   o Task 17 Strategies for Filling Resource & Capability Gaps in DIST V1.pdf
   o Workforce and Succession Planning Workshop20160913.pdf
   o IRP STRAT HC Change request 1.pdf

Programme: IT Renewal
Initiative: Architecture & Technology
Project: 6 - Enterprise Architecture, Strategy & Framework

- **Project Objective:** Scope was to develop an Enterprise Architecture (EA) Centre of Excellence for SARS. In so doing, the objectives were to:
    - Assist SARS in re-organising and extending the current Architecture Practice – defining and assisting in implementation of the EA approach, structure, governance, processes, artefacts, templates and tools to support and drive the EA effort
    - Create an EA Competency Centre
    - Define and assist in instantiating the portfolio of EA Domains, e.g. Business Architecture, Information Architecture, Application Architecture, Technology Infrastructure Architecture
    - Introduce an EA Maturity Dashboard to manage and maintain the prioritisation and evolution of each EA Domain
- **Alignment with Gartner Consulting solution frameworks/approaches:** Yes
- **Project Quality Controls:** Formal charters approved, Subject Matter Expert and QA participation, certificate of client acceptance and completion signed off for some tasks
- **Client Engagement:** Input was solicited from many parts of SARS IT through structured workshops and meetings. About 30 SARS employees participated or were consulted throughout this work stream.
- **Deliverable Observations:**
    - Deliverables were consistent with GC best practices.
    - There was a significant carryover from deliverables in Phase 1 so the Phase 2 deliverables were somewhat lighter in content, while still sufficiently addressing each item in scope.
    - The deliverables successfully leveraged Gartner Research and were specific to the SARS organization, deliverables targeting SARS' maturity level in Enterprise Architecture.
- **Challenges:**
    - No extraordinary issues arose during the course of this project. Any day to day/regular project concerns/issues were dealt with as they occurred – with the primary goal at all times being successful completion of the project as close to projected timelines as possible.
- **Reference documents:**
    - 6. SARS IRP Enterprise Architecture Project Completion Report 161205 Final to Alfresco and SARS.docx
    - SARS EA Mandate Final v1.0.doc
    - Business Architects Analysts and Innovation v1.0 Final.pptx

Programme: IT Renewal
Initiative: Architecture & Technology
Project: 7 - Solutions Architecture

- **Project Objective:** The objective and scope was to evaluate a number of the Core Technologies in place at SARS with a view to either removing, replacing or adding new Core Technologies to the SARS Technology landscape. In order to achieve this, combinations of the following artefacts

(Technology Strategies, Business Cases, Roadmaps, Methodologies, Technology Frameworks, Reference Architectures) were generated across 12 technology areas.

- **Alignment with Gartner Consulting solution frameworks/approaches:** Yes
- **Project Quality Controls:** Formal charters approved, Subject Matter Expert and QA participation, certificate of client acceptance and completion signed off for some tasks
- **Client Engagement:** SARS workshops were conducted. About 100 SARS employees participated or were consulted throughout this work stream.
- **Deliverable Observations:**
  - Final deliverables were relatively high level and directional, based on industry best practices. They leverage Gartner Research heavily, while providing specific recommendations for SARS. Deliverables included:
    - Strategy documents
    - Business Cases (where required)
    - Enterprise Frameworks for specific technology areas
    - A consolidated Future State Technology Roadmap
- **Challenges:**
  - No significant issues or challenges
- **Reference documents:**
  - 7. SARS IRP Solutions Architecture Project Completion Report 161205 Final to Alfresco and SARS.docx
  - Implementing BPM at SARS v1.1.pptx
  - Summary of Gartner Consultation calls re proposed iCBS Architecture and.pdf

Programme: IT Renewal
Initiative: Architecture & Technology
Project: 8 – Enterprise Service Management
- **Project Objective:** The scope of the project was defined as: Assist SARS in assessing the toolsets currently in use for Enterprise Systems Management (ESM) and IT Service Management (ITSM) processes with the aim to define the ESM technology domain for SARS and provide a recommended target state and migration plan.
- **Alignment with Gartner Consulting solution frameworks/approaches:** Yes
- **Project Quality Controls:** Formal charters approved, Subject Matter Expert and QA participation, certificate of client acceptance and completion signed off.
- **Client Engagement:** The project team involved 10 SARS members and 3 Gartner members. In addition, 48 individuals from 12 different SARS business units were consulted and/or interviewed during this project. Multiple workshops were conducted throughout the 6-month project.
- **Deliverable Observations:**
  - Project activities and deliverables were based on work conducted in previous phases and projects, which included a maturity-level assessment of the Infrastructure & Operations environment and an Enterprise Systems Management review.
  - The key tasks for this project were: (a) assess the ESM requirements and current toolset in use within SARS (b) define an ESM future state architecture and (c) define a roadmap to deploy next generation Business Service Management.
  - Deliverables were appropriate for the defined scope and included an assessment of the SARS ESM technology landscape and toolsets, recommendations for a future state ESM

architecture, an example of a service catalogue, and a preliminary business case for implementation.

- **Challenges:**
  - A number of issues and challenges were noted in the project completion report. For example, baseline SARS documents were not available so a new set of architecture materials were developed and verified. This resulted in a resource constraint on the project which was addressed by SARS staff.
  - There was disruption among the SARS project team due to the restructuring and resignation of critical staff, which resulted in the appointment of replacement SARS resources on the project who had heavy workloads and a lack of experience in their new roles.
- **Reference documents:**
  - 8. SARS IRP ESM Project Completion Report v1.2 161114 Final to Alfresco and SARS.docx
  - SARS IRP ARCH ESM Steerco Pack v1.0 160922 ES.pptx
  - SARS IRP ESM Gap Analysis Reportb V1.3 80716 ES MDS-PG-SS.docx
  - SARS IRP ARCH ESM End State Architecture v2.2 161031 ES.pptx

Programme: IT Renewal
Initiative: Architecture & Technology
Project: 9 - Information Security Strategy
- **Project Objective:** The scope of the security project was to provide SARS with the following:
  - A detailed assessment of the security posture and benchmark against financial (FSI) and Government peers
  - The development of a security strategy to address identified gaps and enable the vision
  - A three year strategic plan and budget to execute the strategy
- **Alignment with Gartner Consulting solution frameworks/approaches:** Yes
- **Project Quality Controls:** Formal charters approved, Subject Matter Expert and QA participation, certificate of client acceptance and completion signed off
- **Client Engagement:** Throughout the project, Gartner tools and research material were shared with the SARS project team during workshops and project team meetings including one-on-one sessions and group sessions with up to 40 SARS project participants.
- **Deliverable Observations:**
  - Deliverables and client specifications were delivered, including analysis of current state vs providing a roadmap for future enhancement.
  - Deliverables covered the following areas:
    - Tools and methods for assessing security that can re-used to annually review progress
    - Knowledge transfer on:
      - Best practices for the implementation of security across all security domains
      - Best practices for security organisational functions, governance and risk management.
      - Templates for the ongoing development of the strategy, plan and budgets
      - Templates for the monitoring and tracking of progress of the strategic initiatives

- Gartner technical guidance documents for the implementation of security capabilities
- **Challenges:**
  - Phase A of the Security Project was completed in the absence of a formally appointed Information Security Management and Information Security Operations Executive (a key stakeholder role), as well as the typical security functions and supporting functions. This contributed to challenges experienced with the composition of the project team and with obtaining SARS security input and direction for the project.
  - Due to the legacy IT structure and related issues, the GC team also received significantly varied views from the different IT teams on the level of capabilities and controls in place during the assessment. Further effort was therefore required to assess the information collected.
  - The initial part of the Phase B security project had similar challenges with obtaining information, input and agreement on improvements and priorities. The lack of architecture artefacts and solution documentation impacted the quality of guidance the GC team could provide.
  - The engagement improved greatly following the completion of the organisational re-structure and appointment of the Information Security Executive.
- **Reference documents:**
  - 9. SARS IRP Security Project Completion Report 161207 Final to Alfresco and SARS.doc
  - SARS Security ISMS Vision 160921 v1.0.docx

Programme: IT Renewal
Initiative: Architecture & Technology
Project: 10 - Security/Data Loss Prevention

- **Project Objective:** The scope of this project was to: formalise the Data Loss Prevention Programme (DLP); contribute to the reduction of risk of the loss of sensitive and confidential SARS information; and contribute to the selection and deployment of a Data Loss Prevention (DLP) solution. The goals of this project were to:
  - Develop a comprehensive Data Loss Prevention Programme (DLP)
  - Identify quick wins in line with SARS operational initiatives and existing technology
  - Provide assistance with the selection of a DLP solution addressing data in motion, data at rest and data in use functionality
  - Develop a DLP Governance framework in line with the Security Governance project
  - Develop an implementation roadmap for the selected DLP tool
- **Alignment with Gartner Consulting solution frameworks/approaches:** Yes
- **Project Quality Controls:** Formal charters approved, Subject Matter Expert and QA participation, certificate of client acceptance and completion signed off
- **Client Engagement**: A number of workshops were held with security, IT teams and business stakeholders to understand the security requirements and current capabilities. 16 SARS personnel participated. Workshops were also held to discuss how security best practices should be implemented – from governance and risk management to technical controls.
- **Deliverable Observations:**
  - Gartner deliverables reflected industry best practices and were broad in range of scope, assessing SARS' wide range of data management facilities.

- o Gartner performed many tasks on this workstream, including: an analysis of SARS structured vs unstructured data assets across SARS databases (included in prework report), in addition to recommendations for data protection specific to SARS going forward based on Gartner Research; a DLP plan for SARS included in a program that accounted for SARS capabilities; and a review of vendor Symantec which had submitted a proposal for a DLP solution.
- **Challenges:**
  - o The selection phase of the project was brought forward due to SARS time pressures to go out on tender for a Symantec DLP solution implementation provider before financial year end.
  - o Project work was completed in the absence of: formally appointed Information Security Management; an Information Security Operations executive; or an Information Security Management System; as such, some assumptions were made that may have required future validation once the security executives were appointed and an Information Security Management System initiative was formally undertaken.
  - o Challenges were experienced with the composition of the project team and differing visions among teams with the delivery, but this was subsequently resolved with no major impact on project deliverables
- **Reference documents:**
  - o 10. SARS IRP DLP Project Completion Report v1.0 160831 Final to SARS and Alfresco-1.docx
  - o SARS IRP DLP PreWork Report 1.0 20160829.doc
  - o SARS IRP DLP Plan Report 1.0 20160829.docx

Programme: IT Renewal
Initiative: Customer Service
Project: 11 - Customer Service & Contract Centers
- **Project Objective:** The scope of this project was to assist SARS with a refresh of its customer facing initiatives, and included five key areas:
  - o A complete rewrite of its current Customer Service strategy and vision
  - o The development of a new Voice of the Customer (VoC) strategy
  - o An update of the current SARS customer-centricity metrics
  - o The selection of a future focused Omni-Channel solution to replace the custom-developed BB&D telephony technology platform
  - o A refresh of the four SARS contact center office environments in line with SARS facilities management building policies
- **Alignment with Gartner Consulting solution frameworks/approaches:** Yes
- **Project Quality Controls:** Formal charters approved, Subject Matter Expert and QA participation, certificate of client acceptance and completion signed off
- **Client Engagement:** Approximately 50 SARS employees participated in this project. Gartner visited all SARS contact centers in Cape Town, Gauteng and in Durban and also visited a number of SARS branches during the course of the project.
- **Deliverable Observations:**
  - o Deliverables and recommendations provided on this project were appropriate for defined objectives and scope, and were consistent with effort related to visiting contact centers.

- **Challenges:**
  - The key challenge experienced during this project was the lack of funds to proceed with the procurement of the Omni-Channel solution in 2016. However, the first pass business case was approved.
  - Another challenge experience was an indication from SARS members that the Gartner Customer Service project and the Bain Channel Alignment project were doing the same thing and the projects were not talking to one another. A number of meetings between Gartner and Bain were conducted to ensure there was alignment and no duplication. This message was then conveyed at every SARS session to clear up any confusion. Bain was also invited to every single meeting and workshop in this project but they never participated
- **Reference documents:**
  - 11. SARS IRP Customer Service Project Completion Report 161206 Final to Alfresco and SARS - Copy.docx
  - SARS Voice of the Customer Strategy 2016 Final.docx
  - SARS Metrics Workshop 20161010.ppt.pptx
  - Consolidated Metrics Dashboard 20161027.docx
  - Omni Channel DTMC RFP Business Case V1.0.docx

Programme: IT Renewal
Initiative: Project & Portfolio Management
Project: 12 – Project & Portfolio Management (PPM)
- **Project Objective:** Scope was to assist SARS in the definition of a strategy and framework for the implementation of an Enterprise Project and Portfolio Management Office (EPMO). This included: Develop PPM strategy, plan to consolidate PMOs within SARS, assess skills/capabilities, assist in business case/selection of PPM tool, and define metrics/dashboard.
- **Alignment with Gartner Consulting solution frameworks/approaches:** Yes
- **Project Quality Controls:** Formal charters approved, Subject Matter Expert and QA participation, certificate of client acceptance and completion signed off.
- **Client Engagement:** Project was largely driven through client workshops. Total number of SARS participants was 90. The organizational transformation taking place in SARS led to "a totally new team midway through the project."
- **Deliverable Observations:**
  - Five phases in the project: 1) Develop PPM Strategy, 2) Deploy PPM Framework, 3) Consolidate Project Offices, 4) Procure PPM Tool, 5) Define Project Reporting Metrics and Dashboard.
  - Final deliverables are based on industry best practices, and higher level and directional than, for example, deliverables in Sourcing and Vendor Management. The document "Phase V – Reporting Metrics and Dashboards Final Report" defines responsibilities, frameworks and metric areas, but not specific KPIs or metrics.
- **Challenges:**
  - The on-going organizational transformation project impacted this project, e.g., the EPMO needed additional organizational change management. Acceptance of deliverables took longer than expected.
  - Final Report, Issues – relating to Phase III (Consolidate Project Offices), "The contracted expectations weren't acceptable to the SARS PPM project team." This issue was

escalated to the Steering Committee, which resulted in Gartner and SARS reworking the deliverable, "Define Target State" to meet the expectations of SARS – resulting in an eight week delay in approval. Documentation on specific escalation points was not found, but it was noted that the escalation was specifically related to the consolidation of project offices. It is not unusual for consolidation efforts to be controversial within an organization (including PMO consolidation efforts that potentially shift control between IT and business units), necessitating the elevation of decisions to a higher level in the organization. This may also have impacted the overall level of detail GC was able to provide.

- o Customer satisfaction surveys were mixed: client sponsor Thembile Hlati provided negative comments; Patrick Khoza's comments were strongly positive.
- **Reference documents:**
  - o 12. SARS IRP PPM Project Completion Report V0.5 161012 Final to Alfresco and SARS.docx
  - o PPM Strategy – Final – 18Jan2016.pptx
  - o PPM Phase V Final Report V0 1.pptx
  - o PPM Phase IV Final Report V0 1.pptx
  - o Customer Satisfaction Feedback SOUTH AFRICAN REVENUE SERVICES – 330030117 (Client Respondent Patrick Khoza).msg
  - o 12. SARS IRP PPM Project Completion Slides V0 1 161011 Final to Alfresco and SARS.pptx

Programme: IT Renewal
Initiative: Applications & SAP
Project: 13A - Application Strategy and Application Management Tool
- **Project Objective:** The scope of the project was to address shortcomings related to the application strategy as identified in the Phase I assessment and the resultant recommendations:
  - Understand how SARS measures and responds to the fit, cost, performance and risk of its portfolio of application assets
  - Understand the appropriate investment, divestment and trade-off decisions required to meet business objectives
  - Execute an assessment of the existing application portfolio, and   identify the deficiencies in meeting business needs
  - o The objectives of this project were to analyze existing applications deployed at SARS and, based on those findings, develop components of an application strategy that would provide consistent direction in the application management space:
    - Address SARS business context, SARS application inventory, Business capabilities and application contribution
    - Address SARS application Principles, application Governance, application Financial Management and Metrics.
    - Address SARS application Services, Enterprise Architecture, People and Sourcing and to ensure the strategy is successfully executed.
  - o To achieve this, a roadmap was needed to improve the application function and provide a more formalized and structured application management approach to business.
- **Alignment with Gartner Consulting solution frameworks/approaches:** Yes

- **Project Quality Controls:** Formal charters approved, Subject Matter Expert and QA participation, certificate of client acceptance and completion signed off
- **Client Engagement:** Over 130 SARS personnel were asked to participate in this project, not including the survey population. Client engagement was necessary for one of the main deliverables, a survey inclusive of client feedback and analysis by SARS business users of their applications. SARS personnel met this workstream with resistance, and therefore the Survey was not successfully executed to completion. The survey was eventually closed early due to lack of engagement by the client. Project meetings were cancelled by the client and no further Steering Committee meetings took place.
- **Deliverable Observations:**
  - Deliverables represent industry best practices and specific value-adds to SARS, including several assessments of APM tools. However, deliverables that required client engagement (such as the results of the survey), were lacking in quality due to the diminished client input.
  - It was agreed to terminate the survey process at the end of June 2016 with whatever data was collected, and to start the analysis phase as the project was already running three months behind schedule.
  - Data was not readily available and the identification of technical and user community members for all applications was difficult. Once identified, there was reluctance by identified survey participants to do the work that was requested.
  - The balance of the work was completed in a timely manner with input from Gartner consultants, but no further participation from SARS.
- **Challenges:**
  - The project was not undertaken by SARS with great enthusiasm.
  - SARS participants seemed to consider the exercise a poor use of their time and energy. Over time, they reduced their involvement to a point where the project was finalised with little input from the client at all. Were it not for the escalations by Jonas Makwakwa and the enthusiasm of project sponsor Kgabo Hlahla, the completion of this project may have been at risk. It was GC's opinion (as documented in the Completion Report) that this project was about 2 years ahead of its time for SARS, as the application management maturity was very low, and the priority for implementing a formal application portfolio management approach was also low.
  - GC had to escalate the lack of SARS participation on two occasions to Jonas Makwakwa, and on a third occasion to the Commissioner.
  - GC experienced a change in project owner from Tau Mashigo to Intikhab Shaik, and the project then experienced an even lower priority than before.
- **Reference documents:**
  - 13a. SARS IRP APM Strategy Project Completion Report 161201 Final.docx
  - Task2-APM Current Capability Assessment Report.docx
  - Task2-APM Current Capability Assessment Report Acceptance Certificate.PDF
  - 330030117-SARS APM Capability Target State (V1.1).docx
  - APM User Requirements Specification 30062016.docx
  - 13.2 SARS IRP APPS & SAP APM Tool Task 6-URS Milestone Acceptance Cert 160713 signed.pdf
  - SARS IRP APP Survey Results 161006 V1.8 FINAL.pptx

Programme: IT Renewal
Initiative: Applications & SAP
Project: 13B - SAP Competency Center
- **Project Objective:** The scope of the project was to design an SAP Competency Center (CC), including:
    - Create a vision and strategy for the SAP CC
    - Provide a communication plan for the establishment of the SAP CC
    - Develop metrics and measurements by which the success of the SAP CC could be monitored
    - Understand staffing and training requirements for empowering the SAP CC
    - Provide a strategic plan to obtain approval and deliver on the SAP CC
- **Alignment with Gartner Consulting solution frameworks/approaches:** Yes
- **Project Quality Controls:** Formal charters approved, Subject Matter Expert and QA participation, certificate of client acceptance and completion signed off
- **Client Engagement:** This was a difficult project from the start. Project ownership was passed from one group executive to another until it arrived back at the Group Executive of Business Systems. This delayed the start of the project by three weeks. While the project owner was absent from all team meetings, the project sponsor assisted in a number of meetings and helped resolve some fractious debate. Approximately 19 SARS personnel participated in the project.
- **Deliverable Observations:**
    - Five deliverables were produced, namely an SAP CC strategy, a SAP CC Strategic Plan, an SAP CC Structure, a Metrics and Measures document and a Planning document. The planning document included a stakeholders and communication plan, a training plan, and financing plan.
    - The main deliverable was a detailed report consistent with Gartner standards and appropriate given the timeframe of the work stream and challenges described below.
- **Challenges:**
    - During the project, a decision was made by the SARS Executive Committee to adopt SAP as an enterprise application of choice. This seemed to nullify agreed-upon principles, as team members realised the implications to their areas and span of control, and changed reporting lines. (Source: project completion report). Unclear what principles are being referenced here.
    - From early on in the project it was evident that the SARS team members' contribution (with one or two exceptions) would not be the development of deliverables, but rather the provision of discussion, thoughts, perspectives and critique. While the ability of the team was clearly high, the dominance of some individuals over others at times threatened to compromise arriving at an optimal solution. Similarly, the value-add from reviews of presented documents was limited.
    - The lack of a formally appointed CO DIST was a hindrance in finding a structure that was in the best interest of SARS and DIST as a whole.
- **Reference documents:**
    - 13b. SARS IRP SAP CC Project Completion Report 161202 Final to Alfresco and SARS.docx
    - APP MAN SARS 33030117_SARS_IT SAP CC Planning _09 November 2016 vers 3.docx
    - Project Team Training Sep Oct 2016 V6 Final.xlsx
    - APP MAN SAP CC Executive Briefing Deck v1.0 15112016 LC.pptx
    - APP SARS SAP CC Strategic Plan v1.1 111016 LLOYD.pptx

Programme: IT Renewal
Initiative: Sourcing
Project: 14 - Sourcing Management Strategy
- **Project Objective:** To enable SARS to make correct sourcing decisions that would support the Business and IT Strategies.
- **Alignment with Gartner Consulting solution frameworks/approaches:** Yes
- **Project Quality Controls:** Formal charters approved, Subject Matter Expert and QA participation, certificate of client acceptance and completion signed off.
- **Client Engagement:** Inputs were solicited from all areas of the business through structured interviews/workshops, including 33 SARS participants.
- **Deliverable Observations:** "Sourcing Strategy – Infrastructure and Applications", 11/30/2016, is a 170-page Powerpoint that reflects sourcing strategy scope/deliverable that is both broad and deep compared to other sourcing efforts. It leverages Gartner frameworks, reference models, and guiding principles for as-is assessments, and recommendations moving forward.
- **Challenges:**
  - From GC's earlier SARS assessment – IT Score for Sourcing and Procurement, 2015 – the Findings and Top 5 recommendations seem to belie SARS' self-assessment ratings.
    - For Sourcing: Governance and People & Organization are 3's, Process & Tools is close to 4, and Analytics & Trending is a 4. One of GC's Findings is "We feel that SARS is somewhat optimistic with regard to their capability around Analytics & Trending and Process & Tools."
    - For Vendor Management: Governance and People & Organization are 3's, Process & Tools is a 1, and Analytics & Trending is slightly less than 1. One of GC's Findings is "We feel that SARS staff are somewhat optimistic regarding their view on their Governance and People & Organisation capabilities."
    - Collectively, GC's Findings and Top 5 recommendations suggest that a more accurate assessment (compared to SARS' self-assessment) would be in the 1 and 2 ranges for all four areas of each discipline. This disparity in perspectives may have influenced interactions with participants during this project.
  - Constraints and dependencies impacted the duration of the project and standard Gartner methodologies, including the need to publish Infrastructure RFPs and a presentation on the Interfront status (both with consent of Interfront Project SARS client sponsor), and potential scenarios going forward. Also, benchmark financial data collection was delayed (see below: 18 – IT Cost Benchmark). The Contractual risk assessment & market scan sub-project was completed within overall project timelines, but not on the originally scheduled dates.
  - Under "Experience" in the "Project Completion Report for IT Renewal Programme, Sourcing Strategy," it was documented that, "SARS Modernisation had a very strong leadership where much of the control and direction vested in a single individual. The decisions made at the time were 'better than not making any decision at all', however SARS should return to its mandate of effective and efficient 'revenue collection' as its sole focus and remove anything, which does not directly support the SARS mandate."
- **Reference documents:**
  - 14. SARS IRP Sourcing Strategy Project Completion Report 161207 Final to Alfresco and SARS.docx Service Effectiveness and Risk Assessment V12 20161116 JM.xlsx

      o   SARS Sourcing Strategy V69 20161202.pptx
      o   SARS Sourcing Strategy Project Charter final 20151030.docx
      o   Gartner Strategic SARS IT Assessment – Procurement Stream v1 8.pptx

Programme: IT Renewal
Initiative: Sourcing
Project: 15 – Sourcing Interfront

- **Project Objective:** Scope was to assess and comment on the legal constraints and contractual commitments and execute a marketplace assessment to enable SARS to make appropriate decisions regarding Interfront going forward. This required an assessment of the contractual risks and the market appetite or requirement for another Customs and Excise application. A number of key questions were explored, including:
  - Investigate how aligned the ownership of a software development company is with the SARS Business and IT strategies?
  - Understand what policies and procedures are in place for SARS to manage business risk as it relates to Interfront?
  - Investigate if the promised business benefits are being realized?
  - Others

  It was noted in the Interfront contractual assessment and market scan final document, "Gartner is not a legal firm and as such cannot warrant that we have identified all possible contractual risks."

- **Alignment with Gartner Consulting solution frameworks/approaches:** Yes
- **Project Quality Controls:** Formal charters approved, Subject Matter Expert and QA participation, certificate of client acceptance and completion signed off.
- **Client Engagement:** Project was largely driven through structured interviews and workshops. SARS resources included the SARS Sponsor (which changed during the project), SARS Legal, and SARS DIST.
- **Deliverable Observations:**
  - Deliverables included an Executive presentation to SARS Executive committee in February 2016 (including findings of contract risk assessment, interim report on market scan results and finding, final report).
  - Main purpose for Interfront's creation was to develop an IT-based solution for the SARS Customs Modernisation program (now New Customs Acts Compliance -- NCAP) – the historical and legal background of events was complicated, necessitating the review/summary of many documents.
  - The Market Scan approach was changed: "The Market Scan approach was changed from what was defined in the project charter. Initially it was going to take the form of a questionnaire that would be sent to selected revenue entities accompanied by a letter of introduction from SARS. Potential slow and/or a low number of responses to the questionnaire could seriously impact the project timelines. It was therefore agreed with the SARS COO and confirmed in an email from Gartner to the SARS COO that the approach for the market scan would be changed to focus on research using the Internet and not approach the country revenue collection agencies directly as this would speed up the process. The answers to the main questions from the 'Overall Objectives' could be largely obtained by conducting Internet-based research. It was further agreed with the SARS COO, as to which countries Customs & Excise authorities would be focused on"

(from: SARS – Interfront contractual assessment and market scan final). Market Scan results were summarized in the final report, along with final recommendations. At the conclusion of this document, there is a point-by-point commentary on how/where the report addresses the initial questions posed at the beginning of the project.

- **Challenges:**
  - o Project was slightly delayed (though within Programme timelines) due to several factors, including project phasing and requirements:
    - ▪ Effort required to assist SARS in publishing Infrastructure RFPS required the same team to focus on the Sourcing Strategy requirements (SARS sponsor at the time concurred with this process change)
    - ▪ Requirement to build and present to SARS Executive Committee a presentation regarding Interfront and agree on scenarios going forward
    - ▪ Focus on NCAP business requirements specification, architecture discussions, and associated functionality development costs.
  - o "The expected negative attitude of the Interfront executive team meant that these interactions were limited to the absolute minimum" (SARS IRP Sourcing Interfront Project Completion Report).
- **Reference documents:**
  - o 15. SARS IRP Sourcing Interfront Project Completion Report 161207 Final to Alfresco and SARS.docx
  - o 15. SARS IRP Sourcing Interfront Project Completion Slides 161206 Final to Alfresco and SARS.pptx
  - o Interfront and NCAP Compliance 20160217.pptx
  - O Memo – Interfront future options for EXCO 12022016.docx
  - O SARS - Interfront contractual assessment and market scan final.docx

Programme: IT Renewal
Initiative: Vendor and Contract Management
Project: 16 - Vendor and Contract Management
- **Project Objective:** To help SARS develop a level three-maturity level in both IT Contract Management and IT Vendor Management.
- **Alignment with Gartner Consulting solution frameworks/approaches:** Yes
- **Project Quality Controls:** Formal charters approved, Subject Matter Expert and QA participation, certificate of client acceptance and completion signed off.
- **Client Engagement:** Project was workshop-driven, with 89 participants from SARS.
- **Deliverable Observations:**
  - o The "Vendor and Contract Management Assessment," (SARS IRP VM As Is Assessment Report V2.0 160106 ES.docx, 1/6/2016), is a hard-hitting document that builds on the SARS I assessment, and identifies a number of gaps and opportunities for improvement.
  - o The goal of this workstream was to help SARS develop a level three-maturity level (based on a 1-5 scale) in both IT Contract Management and IT Vendor Management, although it was acknowledged that full deployment of our recommendations was still being considered and yet to be fully executed.
  - o The Gartner Vendor Management Framework was followed. Contract Management is a subset of this Framework.

- o Number of deliverables provided was extensive. Many seemed to be driven largely by industry best practice recommendations, given a relatively low level of maturity in Vendor Management at SARS. In a document on Vendor Management Strategy, it was noted that, "No formal vendor management processes procedures or policies were documented."
      - o Training was part of this workstream – materials reviewed seemed straightforward, but fairly rudimentary (i.e., consistent with assessment at a low maturity level).
      - o Two value-added tasks were provided at no additional cost: 1) Interview Questions to use for the selection of a new Executive in Procurement role; and 2) contract review and opinion on SARS' obligation re: IBM mainframe and related software contracts.
- **Challenges:**
      - o Under "Issues and Changes" in the "Project Completion Report for IT Renewal Programme, Vendor Management," it was documented that:
        - ▪ The project sponsor was changed three times, which led to some rework and inconsistency in the project steering committee. The steering committee was later abandoned.
        - ▪ "SARS was busy with an organizational transformation project while this project was being executed. This resulted in posts either being vacant, or in some cases, staff not being interested in adopting new ways of work."
- **Reference documents:**
      - o 16. SAR IRP Vendor Management Project Completion Report 160727 Final.docx
      - o SARS IRP VM Vendor Management Policy V1.1 160114 ES.docx
      - o SARS IRP VM Vendor Management Strategy for SARS IT focus areas V2.1 160120 ES.docx
      - o SARS IRP VM Contract Management Programme v1.3 160207 ES.docx
      - o SARS IRP VM As Is Assessment Report V2.0 160106 ES.docx
      - o 14. SARS IRP Sourcing Strategy Completion Report 161207 Final to Alfresco and SARS.docx

Programme: IT Renewal
Initiative: Benchmark
Project: 17 – Indicative Price Benchmark
- **Project Objective:** The objectives of the project were to review the current outsourced environments in order to (a) determine if SARS is receiving a fair market deal (e.g., competitive in the South African market) for current services delivered by External Service Providers (ESPs) and (b) provide a "fair market price" for each of the services in scope of the project that can be used to review future tender responses received from potential ESPs. The IT services in scope: (a) Data Carrier Services, (b) Voice Carrier Services, (c) Network Carrier and Infrastructure Services, and (d) SMS Carrier Services.
- **Alignment with Gartner Consulting solution frameworks/approaches:** Yes
- **Project Quality Controls:** Formal charter approved, Subject Matter Expert and QA participation, certificate of client acceptance and completion signed off for some tasks.
- **Client Engagement:** The project team referenced in the project charter document consisted of 10 SARS members and 4 Gartner members.
- **Deliverable Observations:**

- o Deliverables developed on this project consisted of (a) management summary, (b) detailed results and comparison to peers for the 4 IT services in scope, (c) rate card summary and detailed comparisons for the South African market, and (d) approach and methodology overview.
    - o The indicative price benchmark deliverables are at standard for the defined scope and objectives.
    - o The analysis required normalization for reasons that are clear from the deliverables (e.g., service levels, terms and conditions, geography)
    - o The conclusions presented in the report appear sound and well supported by the benchmark data.
    - o Final deliverable could have included more actionable recommendations with respect to next steps for the client (i.e., preferred service bundles, single vs multiple vendors, duration of contracts).
    - o Documents do not indicate how project results were used by the client at project completion.
- **Challenges:**
    - o There were no available notes documenting project challenges
- **Reference documents:**
    - o 17. SARS IRP Price Benchmark Project Charter.pdf
    - o 330030117 SARS Price Benchmark DVIS Final Report v3.pdf

Programme: IT Renewal
Initiative: Benchmark
Project: 18 – IT Cost Benchmark
- **Project Objective:** The objective of the project was to (a) provide a financial analysis of the costs incurred by SARS in providing IT infrastructure services in the following areas: mainframe, storage, servers, end-user computing, IT service desk, data networking (LAN, WAN, ISP), voice networking; and (b) benchmark SARS IT employees by comparing the full time equivalent (FTE) numbers of SARS IT with those of the peers to determine the productivity levels of SARS resources.
- **Alignment with Gartner Consulting solution frameworks/approaches:** Yes
- **Project Quality Controls:** Formal charters approved, Subject Matter Expert and QA participation, certificate of client acceptance and completion signed off.
- **Client Engagement:** The project team involved 33 SARS individuals and 4 Gartner project team members. Data collection was performed by SARS; data validation conducted with SARS; reviewed draft results; final presentation and deliverable feedback. Access to an interactive dashboard of benchmark data was provided to SARS for 6 months.
- **Deliverable Observations:**
    - o Deliverables developed on this project consisted of (a) a baseline of SARS' current ICT costs for infrastructure services, (b) comparison of SARS' IT costs and service levels with those of similar enterprises across various industries and primarily from the Financial Services and Tax Authorities industries, (c) identification of cost savings that can be realised within each of the IT Infrastructure service areas being benchmarked, and (d) comparison of SARS' IT FTE numbers with those of the peers to identify indications of over- and under-staffing.

- o The IT cost benchmark deliverables are at standard for the defined scope and objectives.
- o The conclusions presented in the report appear sound and well supported by the benchmark data.
- o Knowledge transfer occurred across a range of IT cost benchmarking areas to enable SARS to continue to collect and analyze SARS cost data after the completion of the project.
- **Challenges:**
  - o According to the project completion report, SARS detailed cost data was difficult to obtain at the required level of detail, so data collection was a lengthy and time-consuming process. The bundled categories of SARS financial classifications made it difficult to obtain the necessary granular data for IT functional area. Extensive hands-on assistance from the Gartner team was required to allocate costs to the correct IT service areas in order to conduct the infrastructure cost benchmark.
  - o The initial SARS participants did not adequately represent the SARS organisation and the areas for which data had to be collected. Additional sessions were held and the scope of the benchmark explained again a number of times by the Gartner team, which delayed the project and the data collection process.
  - o The 4 weeks planned for data collection was extended an additional 12 weeks to allow for re-collection of data and re-allocation of cost and staffing (FTE) figures.
  - o Formal client satisfaction requested from 4 SARS individuals but not received.
- **Reference documents:**
  - o SARS IRP Project Completion Report for Cost Benchmark V1.1.docx
  - o SARS IRP2 ITOB V4.2 Final.pptx
    Gartner IT Cost Benchmark - Allocation of Costs V4.1 Final.xlsx
  - o Gartner Personnel Allocation Spreadsheet for SARS V1.6 Updated Pieter & Louise & PMO.xlsx

Programme: IT Renewal
Initiative: Benchmark
Project: 19 – Applications Fast Function Point Analysis (FFPA) & Value for Money (VfM) Benchmark
- **Project Objective:** The goal of this project was to benchmark a selection of application services that are being provided by SARS in-house as well as by external service providers, with the following objectives: (a) conduct a Value for Money (VfM) assessment of the charges made by a selection of external suppliers against market prices for Application Development, (b) recommend improvements to manage application development programmes, (c) create a charter, terms of reference and organisational structure for a Value Management Centre for software projects, and (d) establish the foundation of an operational SARS FFPA and Value Management Centre (VMC) for software projects.
- **Alignment with Gartner Consulting solution frameworks/approaches:** Yes
- **Project Quality Controls:** Formal charters approved, Subject Matter Expert and QA participation, certificate of client acceptance and completion signed off.
- **Client Engagement:** The project involved 23 SARS individuals and 4 Gartner project team members. 18 of the SARS participants were trained as Fast Function Point Analysis (FFPA) practitioners.
- **Deliverable Observations:**

- o Deliverables provided on this project consisted of (a) FFPA 2-day training course, FFPA training materials, a Counting Practices manual and Support clinics to assist in developing SARS FFPA practitioners as a step toward establishing a Value Management Centre (VMC); (b) fair market price assessment of 5 selected projects, compared to a multi-industry peer group of similar organisations; (c) a charter and organizational structure to ensure improved accountability and alignment with business needs, and to be staffed by trained and FFPA certified SARS personnel; and (d) business case for the implementation of a SARS VMC.
  - o The FFPA benchmark deliverables are at standard for the defined scope and objectives.
  - o The conclusions presented in the report appear sound and well supported by the benchmark data.
  - o Knowledge transfer occurred through a 2-day FFPA training session, conducted by Gartner for 18 SARS resources. The 18 SARS FFPA practitioner trainees form the core of a Value Management Team, and in the future additional training, coaching and development will need to take place in order to establish a fully-functional Value Management Centre.
- **Challenges:**
  - o There was initially significant resistance from the SARS team, mainly due to a lack of executive communication detailing the objectives of the project and why their involvement was requested. This did, however, change after the first half-day of FFPA training, and the level of commitment demonstrated by the SARS staff and the interest in future participation was higher than that normally experienced by GC in other clients.
  - o The lack of any formalised means to capture effort data against internal projects (e.g., time recording) meant that Gartner was unable to do any Value for Money comparisons for the internal projects sized by the SARS team.
  - o Customer satisfaction surveys were requested from 4 SARS participants, but no feedback was received.
- **Reference documents:**
  - o 19. SARS IRP FFPA Project Completion Report V1.1 160705 Final.docx
  - o Gartner FFPA Version 3 training deck version 2l_SARS.pdf
    SARS Value Management Initiative POC Plus Implementation_Support Outline v1c.pptx
  - o DTMC Business Case for SARS Value Management Centre_V1.1 Gartner Submission.docx

Programme: IT Renewal
Initiative: Simulated Target & Response
Project: 20 - Simulated Target & Response (STAR)
- **Project Objective:** The scope of this STAR assessment was to provide the business with the following insights:
  - o The potential level of exposure to information theft
  - o The potential level of exposure to theft of money (cyber fraud)
  - o Potential of 3rd parties being an avenue of attack e.g., exposure to the injection of undesirable software/data, malware
  - o Resilience to cyber-attacks – e.g. denial-of-service attacks, defacing websites
- **Alignment with Gartner Consulting solution frameworks/approaches:** Yes
- **Project Quality Controls**: Following the completion of the threat intelligence and reporting phase, SARS decided to put the project on hold while obtaining direction from the State Security

Agency (SSA) on how to proceed with the testing. At the IRP Programme Steercom on 19 October 2016, SARS confirmed that they would proceed from the STAR penetration testing phase without Gartner involvement, due to the need to align with the State Security Agency (SSA) recommendations.

- **Client Engagement:** Approximately 9 SARS personnel participated in this project.
- The STAR Project was completed in the absence of a formally appointed Information Security Management and Information Security Operations executive, as well as the absence of an Information Security Management System. Despite those hurdles, workshops were held for SARS personnel and quality deliverables were completed.
- **Deliverable Observations:**
    - Deliverables reflected industry best practices and alignment with Gartner Research, and were specific for SARS needs.
- **Challenges:**
    - The absence of a formally appointed information Security Management and an Information Security Operations executive contributed to the challenges experienced with the composition of the project team and with obtaining SARS security input and direction for the project
- **Reference documents:**
    - 20. SARS IRP STAR Project Completion Report v1.0 161110 Final to Alfresco and SARS.doc
    - May Workshops and Agendas_v1 0.pptx
    - SARS IRP Star Assessment Workshop 1 Minutes V1 160504.docx
    - SARS IRP Star Assessment Briefing Session Minutes V1 160503.docxSARS IRP Knowledge Transfer Workshop 3 Minutes V1.0 160506.docx

** ** ** ** **

In conclusion, this review of deliverables and project artifacts indicated that:

- **The solution frameworks and approaches used were consistent with GC standards**
- **Subject matter experts and Quality Assurance associates were used to work with, and provide oversight on, the project teams in S.A.**
- **Formal project charters and completion were approved on projects.**
- **Project pricing was developed consistent with GC practices, though the administrative mark-up for the subcontractor Rangewave was low – 2.5%. For a project of this scope, complexity, and duration, SARS pricing was not out of line with comparable efforts.**
- **GC project resources were generally a mix of Gartner associates and subcontractors on integrated project teams.**
- **Customer satisfaction surveys were conducted on project Workstreams.**
- **The level of detail and specificity in deliverables varied across the individual projects. Where recommendations were more general and at a higher level (as indicated in our review), challenges experienced during the project were cited – most notably, project disruptions and SARS resource changeover due to the on-going, concurrent organizational transformation at SARS.**

End of Document

SARS Phase	Program #	SARS projects (p.4, Project Completion Report for IT Renewal Programme 31 Mar 2017)	Pricing*	Start Date**	End Date**	Project On Time	Deliverables Approved	Subcontractors*** (Total)	Rangewave (Subset of Subcontractors)	Customer Satisfaction Survey Results				
										Dissatisfied	Neutral	Satisfied	Very Satisfied	Excellent
II	1	IT Strategy Development		9-Jan-2015	29-Jul-2016	Yes. Kicked off one	Yes, Kgabo Hlahla formally	2	1					
II	2	IT Governance & Risk Mgmt		18-Aug-2015	7-Mar-2016	Yes	Yes, Ramesh Jinabhai formally	4	1				1	2
II	3	IT Change Mgmt	$ 30,208,410	30-Oct-2015	23-Jun-2016	Delays: up to 3	Yes, All deliverables of the	4	0		1	1	3	2
II	4	IT Service Mgmt		16-Aug-2015	7-Mar-2016	Yes, and confirmed in	Yes, Mr. Tau Mashigo formally	3	2			1	2	
II	5	IT Human Capital		1-Feb-2016	29-Nov-2016	Yes, with change	Yes, All deliverables of the	3	0			1	4	
II	6	Enterprise Architecture, Strategy & Framework		1-Nov-2015	31-Oct-2016	Yes	Yes, signed acceptance	2	1					1
II	7	Solutions Architecture		1-Nov-2016	9-Dec-2016	Delays: 1 to 2 months	Yes, signed acceptance	2	1				1	1
II	8	Enterprise Service Mgmt	$ 26,678,310	28-Apr-2016	31-Oct-2016	Yes	Yes, Mr Kgabo Hlahla formally	2	2			1	1	2
II	9	Information Security Strategy		17-Sep-2015	6-Dec-2016	Delays: up to 1 month	Yes, Kgabo Hlahla formally	3	0					
II	10	Security/Data Loss Prevention		15-Feb-2016	26-Aug-2016	Yes, and confirmed in	Yes, Kgabo Hlahla formally	2	0					1
II	11	Customer Service & Contract Centers	$ 9,782,705	4-Sep-2015	2-Nov-2016	Yes, and confirmed	Yes, All deliverables of the	1	0				3	2
II	12	Project & Portfolio Mgmt	$ 6,171,400	1-Aug-2015	10-Oct-2016	Delays: "SARS, as an	Yes, The Acting Project	15	5	1	2			
	13a	Application Strategy and Application Mgmt Tool	$ 11,372,505	9-Jan-2015	30-Nov-2016	Delays: 4 to 6 months	Yes, Kgabo Hlahla formally	3	2					
		***this workstream was initially separate and then rolled into		9-Jan-2015	10-Sep-2016	Delays: 3 to 7 months	Yes, Andre Rabie formally	8	4			1		
II	13b	SAP Competency Center		9-Jan-2016	15-Nov-2016	Delays in kick off	Yes, Intikhab Shaik formally	2	2				2	1
II	14	Sourcing Mgmt Strategy	$ 4,534,000	2-Oct-2015	30-Nov-2016	Delays: approximately	Yes, Kgabo Hlahla formally	2	0					
II	15	Sourcing Mgmt Contractual Risk Assessment & Market Scan		15-Sep-2015	30-Sep-2016	Delays: 7 months	Yes	0	0					
II	16	Vendor and Contract Mgmt	$ 4,767,200	3-Aug-2015	31-Jul-2016	Yes	Yes, BasilButhelezi formally	1	1				1	1
II	17	Benchmarking: Price	$ 2,900,000	13-Aug-2015	6-Apr-2017		Yes, signed acceptance							
II	18	Benchmarking: Cost	$ 2,350,000	8-Sep-2015	14-Jun-2016	Delays: 1 task 3	Yes, Mr. Tau Mashigo formally	1	0					
II	19	Benchmarking: Applications Fast Function Point Analysis &	$ 2,725,000	13-Oct-2015	10-Mar-2016	Yes	Yes, Mr. Tau Mashigo formally	1	0					
II	20	Simulated Target & Response (STAR)		11-Apr-2016	31-Oct-2016	De-scoped: "SARS	No	4	0					
II		Project Management	$ 13,710,865											
										1	5	11	20	3

*All prices in 2015 Rand   **Start and End Dates derived from Project Completion Reports   ***Derived from completion reports, may be incomplete

y Services- 330030117-PROPOSAL 19 06 2015 V1(Tracked)(30-07-2015)see Pricing Traceability sheet for further details

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*** Pricing based on proposal document: SARS -Phase II Advisory Services - 330030117 -PROPOSAL 19 06 2015 V1(Tracked)(30-07-2015)

#	Workstream	Group	Item	Price
1	IT Strategy Development	**IT Strategy**	1. IT Strategy	**R 30 208 410.00**
2	IT Governance & Risk Mgmt		2. Governance and Risk Strategy and Structures	
3	IT Change Mgmt		3. Change Management Strategy	
4	IT Service Mgmt		4. IT Service Management Strategy	
5	IT Human Capital		5. Human Capital Management Strategy	
6	Enterprise Architecture, Solutions Architecture	**Architecture and Technology**	6. Strategy and Framework	**R 26 678 310.00**
7			8. Infrastructure and Operations and ESM	
8	Enterprise Service Mgmt		7. Solutions Architecture	
9	Information Security Strategy		9. Information Security	
10	Security/Data Loss Prevention		10. Privacy, DLP, End-Point-Protection	
11	Customer Service & Contract	**Customer Service and Contact Centres**	11. Customer Service Strategy	**R 9 782 705.00**
			Voice of the Customer Strategy	
			Metrics and Measurement	
			Omni-Channel Product Selection	
			CC Ergonomic Refresh	**This is a SARS project**
14	Sourcing Mgmt Strategy	**Sourcing Governance**	14. Develop Sourcing Strategy	**R 4 534 000.00**
15	Sourcing Mgmt Contractual Risk		15. Sourcing Roles and Responsibilities	
			Metrics and Measurement	
			Interfront – Review Contractual Implications	
			Interfront – Assess Market Opportunities	
16	Vendor and Contract Mgmt	**Vendor Management**	Vendor Management Model and Strategy	**R 4 767 200.00**
			Develop New Contract Management Process	
			Review and Audit All Existing Contracts	
			Develop New Governance Structure	
			Educate and Train Staff	
13a	Application Strategy and ***It appears this workstream	**Application Management and SAP Competency Centre**	13a. Develop Application Management Portfolio Strategy	**R 11 372 505.00**
			Record Application Portfolio	
			Procure Application Portfolio Management Tool	
			Deploy Application Portfolio Management Structure	
13b	SAP Competency Center		13b. Establish an SAP Competency Centre	
12	Project & Portfolio Mgmt	**Project Management**	Consolidate Project Offices	**R 6 171 400.00**
			12. Develop Project Portfolio Management Strategy	
			Procure Portfolio Management Tool	
			Deploy Project Portfolio Management Structure	
			Develop Project Reporting Metrics and Dashboard	
18	Benchmarking: Cost	**Benchmarking**	18. Benchmark Internal IT Costs	**R 2 350 000.00**
17	Benchmarking: Price		17. Benchmark External Service Provider Pricing for Infrastructure Services – Indicative Price Benchmark	**R 2 900 000.00**
			16. Benchmark Software Licence Renewals, New Software Purchases and New Hardware Purchases	**Gartner work on a "gain share" model. The initial forensic analysis of the pricing is done on risk. Should Gartner determine that there are savings to be made, then we operate on a share of the savings. Therefore these ongoing projects are self-funding.**
19	Benchmarking: Applications Fast Function Point Analysis & Value for Money		19. Conduct a Fast Function Point Analysis to Benchmark Costs of Application Development in the Modernisation Project	**R 2 725 000.00**
			Project Management	**R 13 710 865.00**
			TOTAL	**R115 200 395.00**
20	Simulated Target & Response (STAR)		no pricing information available	

SARS	Program #	Survey notes	Dissatisfied	Neutral	Satisfied	Very Satisfied	Excellent
			1	5	11	20	3
			Dissatisfied	Neutral	Satisfied	Very Satisfied	Excellent
I							
II	1						
II	2	2 very satisfied, 1 satisfied			1	2	
II	3	Range of satisfaction scores. "limited good very good excellent		1	1	3	2
II	4	2 very satisfied, 1 satisfied			1	2	
II	5	5 respondants, overall satisfied. Graphically represented in			1	4	
II	6	1 very satisfied				1	
II	7	1 very satisfied, 1 satisfied			1	1	
II	8	2 very satisfied, 1 satisfied, 1 neutral,		1	1	2	
II	9						
II	10	1 very satisfied				1	
II	11	2 very satisfied, 3 satisfied			3	2	
II	12	1 Dissatisfied, 1 Satisfied	1	2			
II	13a	2 Neutral respondants		1			
II	13b	1 Neutral			2	1	
II	14	2 satisfied, 1 very satisfied					
II	15	As this was a relatively confidential process no SARS Sponsor or					
II	16	1 excellent, 1 very satisfied				1	1
II	17						
II	18	Requested, but no feedback received					
II	19	Requested, but no feedback received					
II	20						

*normalized based on completion report
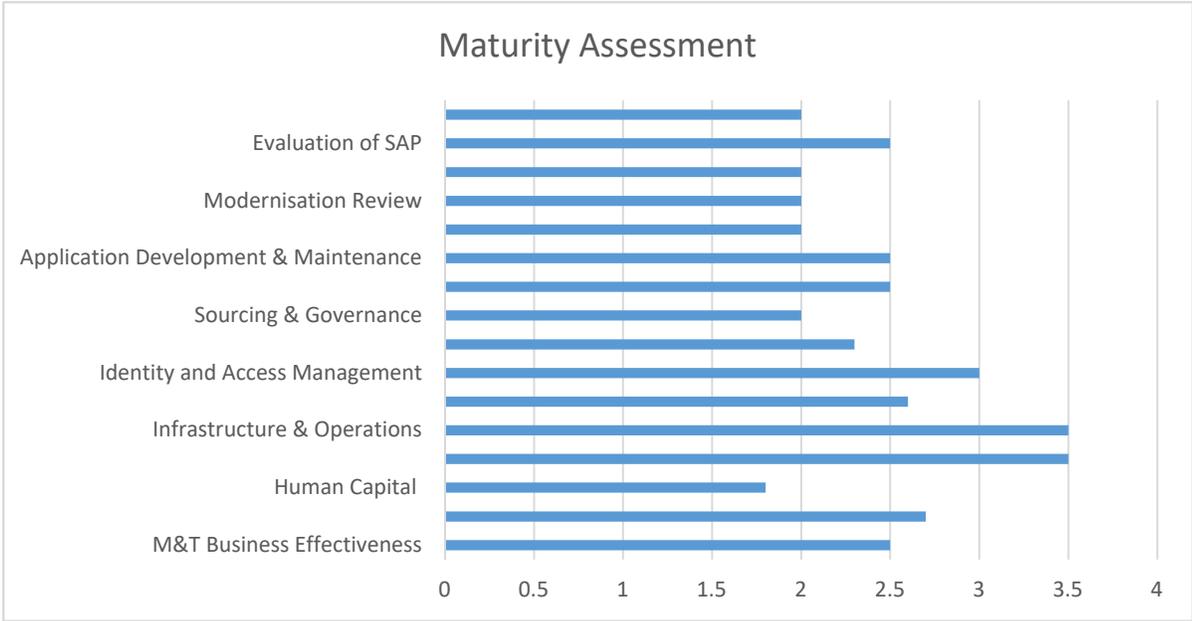
Customer Satisfaction Respondants*

Source: 330027277 - Gartner Strategic SARS IT Assessment - Final ML (1)

Workstream	Maturity Assessment
M&T Business Effectiveness	2.5
SARS IT Strategy	2.7
Human Capital	1.8
Enterprise Architecture	3.5
Infrastructure & Operations	3.5
Information Security	2.6
Identity and Access Management	3
Privacy	2.3
Sourcing & Governance	2
Sourcing Contract Management	2.5
Application Development &	2.5
Project & Program Management	2
Modernisation Review	2
Evaluation of Interfront	2
Evaluation of SAP	2.5
Evaluation of Contact Centres	2

EVALUATION CRITERIA:

The enterprise IT maturity assessment measures both the enterprise appetite and capability to leverage information technology for strategic gain, as well as the IT organization's ability to deliver against expected business outcomes

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Maturity Assessment
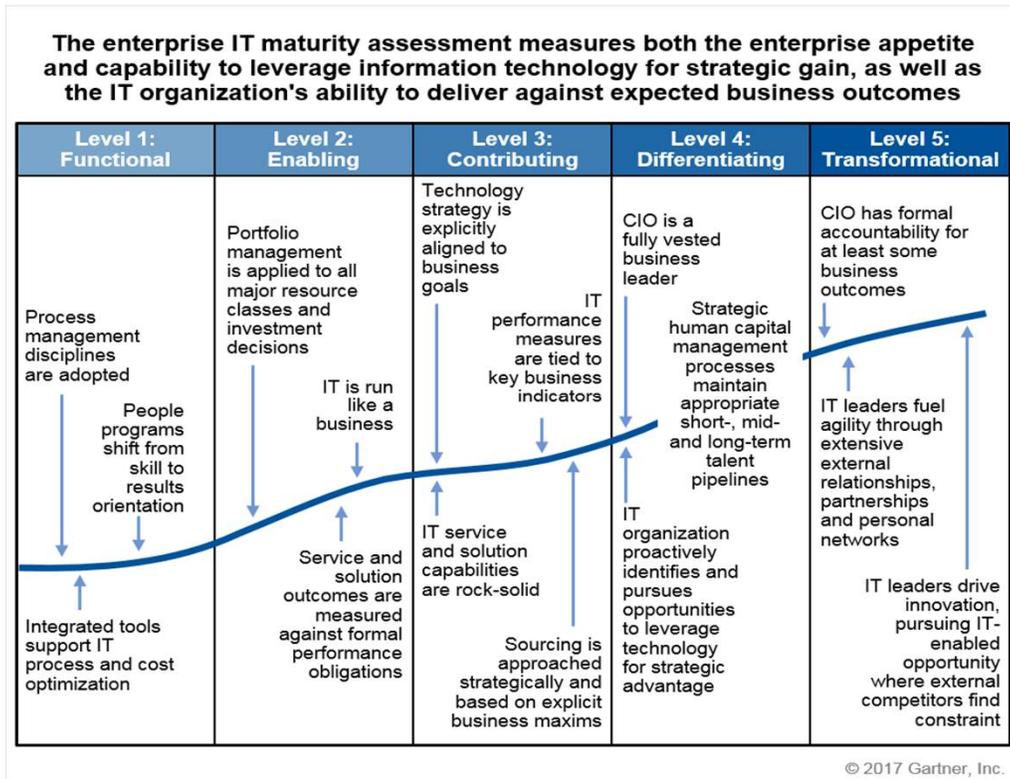
Subcontractors

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Modise, Marius (RANGEWAVE CONSULTING (PTY) LTD)
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Winterbach, Hugo (REVISION4 SERVICES (PTY) LTD)
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