

2016/17 **ANNUAL PERFORMANCE PLAN**

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Department:
National Treasury
REPUBLIC OF SOUTH AFRICA

2016/17 ANNUAL PERFORMANCE PLAN APP

The 2016/17 National Treasury Annual Performance Plan is compiled with the latest available information from departmental and other sources. Some of this information is unaudited or subject to revision.

For more information, please contact:

Communications Directorate,

National Treasury | Private Bag X115 | Pretoria, 0001, South Africa

Tel: +27 12 315 5944 | **Fax:** +27 12 406 9055

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Pravin Gordhan
Minister of Finance

MINISTER'S FOREWORD

The National Treasury (NT) is instituting reforms to strengthen infrastructure planning, implementation and procurement. Over the medium term, a new capital budgeting framework will be introduced. To improve resource allocation, value for money and service delivery, it will set out a systematic, consistent methodology for evaluating proposals for large projects. The framework will include clear institutional roles and responsibilities for national, provincial and local government and will outline steps to build skills and capacity for project appraisal, monitoring and evaluation. New Treasury Regulations that come into effect in April 2016 include a compulsory standard for infrastructure procurement and delivery management.

During the 2015/16 financial year, the National Treasury developed procurement systems (e-Tender and the Central Supplier Database (CSD)). These systems will, as indicated in the National Development Plan, enable the public sector to derive value for money rather than simply comply with procedures. Currently, R500 billion flows every year through the procurement systems in different spheres of government. This is a significant amount of money which, if spent wisely, can be a force for the greater good of all South Africans. The procurement systems will be regularly monitored to ensure transparency and accountability and to minimise the scope for corruption.

The CSD will increase government's ability to:

- engage and manage major suppliers
- engage and manage small, medium and micro-enterprise (SMME) suppliers
- scout, develop and contract new suppliers
- ensure greater productivity and value for money from suppliers doing business with the state.

From 1 April 2016, it will be mandatory for all suppliers wishing to do business with the state to be registered on the CSD.

Government's expenditure ceiling remains in place, and no resources will be added to it over the next two years. It will be supplemented by reforms to improve the quality of public spending, particularly on infrastructure projects. Spending on education, health and social protection remains a priority. Beginning with the 2016 Budget and building on its countercyclical and sustainable approach to fiscal management, government will align spending limits in the outer year of the medium-term expenditure framework (MTEF) with the long-term growth-path of gross domestic product (GDP).

The National Treasury is also taking a number of steps to make fiscal reporting more transparent in the years ahead, and during 2016 will publish a fiscal risks report.

The National Treasury will work with national and provincial departments to avoid any compromises on service delivery or the diversion of resources from capital budgets to pay for compensation because of a shortfall in compensation budgets. This could have significant consequences for the fiscus.

Government will continue to help municipalities to plan and implement urban development projects that catalyse spatial change. Projects currently receiving support include Cornubia and Warwick Junction in eThekweni, the Sleeper Site development in Buffalo City and the Athlone power station redevelopment in Cape Town. More projects are due to enter the preparation pipeline shortly.

The carbon tax aims to change the behaviour of firms, incentivising them to shift towards cleaner technology when replacing or renewing machinery, technology or processes. To ensure that South Africa makes the transition to a low carbon, climate resilient economy in a cost-effective and economically efficient manner, the objectives of inclusive economic growth, poverty alleviation, job creation and reduced greenhouse gas (GHG) emissions must be appropriately balanced and trade-offs effectively managed. The National Treasury is in the process of finalising regulations to give effect to the carbon offset scheme and is in discussions with the Department of Energy (DoE) and the Department of Environmental Affairs (DEA) about the administrative aspects of the offset scheme. Draft regulations will be published for public comment in early 2016.

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OFFICIAL SIGN-OFF

It is hereby certified that this Annual Performance Plan:
Was developed by the management of National Treasury under
the guidance of Honorable Minister Pravin Gordhan.

Was prepared in line with the current Strategic Plan of National Treasury.

Accurately reflects the performance targets which National Treasury will endeavour
to achieve given the resources made available in the budget for 2016/17.



Beerson Baboojee
Acting Chief Financial Officer



Stadi Mngomezulu
Deputy Director-General: Corporate Services



Lungisa Fuzile
Accounting Officer



Approved by:
Pravin Gordhan
Minister of Finance



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PART A
Strategic Overview



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UPDATED SITUATIONAL ANALYSIS

1. PERFORMANCE DELIVERY ENVIRONMENT

ECONOMIC ENVIRONMENT

The world economy is experiencing a lengthy period of low growth marked by slower global trade, volatile capital flows, weak commodity prices and heightened geopolitical tensions. All countries, and particularly developing nations, are grappling with the changes required to promote economic growth.

Slower, more volatile growth has become an enduring feature of the world economy, raising concerns of a protracted period of weakness in global trade, investment and commodity prices.

Economic growth in developed economies is expected to rise gradually. Lower energy prices, favourable interest rates and improving confidence and labour-market conditions are expected to boost European and Japanese performance and to support continued growth in the United States of America (USA).

By contrast, lower commodity prices, weaker domestic demand, tighter financial conditions and slower capital inflows have moderated growth in developing economies. If forecasts are realised, developing countries will experience the slowest three-year growth outcomes since the Asian financial crisis of the late 1990s.

ELECTRICITY SUPPLY AND THE ECONOMY

The National Treasury projects GDP growth of 0.9 per cent in 2016, improving gradually to 1.7 per cent in 2017 and 2.4 per cent in 2018. Electricity supply will remain a binding constraint throughout 2016, limiting output and dampening business and consumer confidence.

Constrained electricity supply remains the single largest drag on economic activity, estimated to cost close to one percentage point of annual GDP growth. Over the past nine months, progress has been made in stabilising electricity supply, promoting measures to manage demand and contracting additional supply from the private sector.

The first unit of the Medupi power station in Limpopo was fully commissioned in August 2015, adding 794 MW to the national grid. The Sere wind farm in the Western Cape added 100 MW of capacity in February. The Majuba plant in Mpumalanga has been returned to service and work to repair the damaged boiler at the Duvha plant in Mpumalanga is in progress. Eskom has been taking steps to improve the efficiency of its maintenance programme.

Easing electricity, transport and telecommunications infrastructure constraints, alongside improved confidence and higher demand from major trading partners, are expected to boost GDP growth to 2.8 per cent in 2018.

ENSURING FISCAL SUSTAINABILITY

In the 2015 Budget, government announced a medium-term fiscal policy package to ensure a sustainable foundation for the public finances. The main budget expenditure remained within the 2014/15 limits and is on track to stay within the spending ceiling in the current year. Debt is stabilising as a share of GDP. Despite some slippage in medium-term budget deficit projections, the deficit will continue to narrow.

UPDATED SITUATIONAL ANALYSIS - cont

Government is maintaining the fiscal course announced last year. To ensure sustainable public finances that are not overwhelmed by debt and interest payments, spending limits will remain in place. Within these limits, funds will be shifted to accommodate the three-year public-sector wage agreement reached in 2015. Scarce resources will also be targeted to meet pressing social needs.

The central fiscal objective over the medium term is to stabilise the growth of debt as a share of GDP. Rising debt-service payments are already crowding out spending on social and economic priorities. Failure to stabilise the growth of public debt would further erode the composition of spending and increase the risk of a shock to the economy.

The expenditure ceiling remains the primary tool to stabilise debt. No resources will be added to the spending ceiling over the next two years. Beginning with the 2016 Budget, government will align spending limits in the outer year of the medium-term expenditure framework (MTEF) with the long-term path of GDP growth, building on government's countercyclical and sustainable approach to fiscal management.

A capital budgeting framework that addresses the planning, skills and capacity shortfalls across the public sector is being developed. Over the medium term, the emphasis will be on improving spending efficiency within existing budgets, with a greater share of funds directed to improving asset management and maintenance. The development of a strong capital project planning and appraisal system will also enable government to adjust expenditure plans where financially viable projects with clear social or economic benefits have been identified.

BUILDING CRITICAL INFRASTRUCTURE AND RAISING PRODUCTIVITY

Public-sector infrastructure spending remains a cornerstone of government's commitment to building a more agile, competitive economy. Public-sector capital expenditure of R865.4 billion is projected over the next three years. As infrastructure constraints ease, private-sector investment is expected to increase. Over the past year, electricity availability was bolstered with the completion of the first unit of the Medupi power station and the Sere wind farm. Projected capital investment by Eskom totals R155.3 billion over the medium term. This includes continuing work on the Medupi and Kusile power stations, and strengthening of transmission and distribution grids. Additional units from the Ingula power station will be connected in 2017.

Transnet will spend R77 billion over the next three years. Although total investment spending has fallen, reflecting weaker growth and commodity prices, spending has been reprioritised to accelerate investment in ports.

LABOUR MARKETS

Persistently high unemployment remains one of South Africa's most pressing challenges. Labour relations improved during 2015, with 176 000 workdays lost to industrial action in the first half of the year, down from 7.5 million in the first half of 2014. Strikes were relatively short-lived, primarily affecting individual firms rather than entire subsectors. Difficult trading conditions and low business confidence levels limited hiring during 2015. According to Statistics South Africa, most of the 338 000 jobs created in the first half of the year were in the informal sector. The formal sector lost 76 000 jobs, with sharp declines in manufacturing and construction as well as in community, social and personal services. Employment did not expand rapidly enough to absorb the estimated 659 000 new entrants into the job market in the first half of 2015. As at June 2015, there were an estimated 2.43 million discouraged work seekers.

Under the auspices of the National Economic Development and Labour Council, government is finalising a framework with business and labour to reduce economic disruption caused by large, protracted strikes. The social partners have reached agreement on the

UPDATED SITUATIONAL ANALYSIS – cont

principle of a national minimum wage; deliberations continue on an appropriate level. Rebuilding trust between business and labour is critical for finding collaborative solutions as the economy undergoes structural change. Government continues to advance the introduction of secret ballots, codes of good practice and reinvigorated workplace forums to improve labour relations.

The Commission for Conciliation, Mediation and Arbitration continues to take an active role in settling disputes; as a result, the number of arbitration proceedings has fallen by more than 75 per cent since 2003.

REGULATORY AND BUSINESS ENVIRONMENT

Government is acting to alleviate the most binding constraint to growth – inadequate electricity supply – and has set out a series of urgent economic reforms to build a more competitive economy. These include continuing to invest in economic infrastructure, especially in the transport, logistics and energy sectors; reforming the governance of state-owned entities; rationalising state holdings and encouraging private-sector participation; effecting labour-market reforms that can help avoid protracted strikes; expanding the independent power producer programme; encouraging affordable, reliable and accessible broadband access; promoting black ownership of productive industrial assets; finalising amendments to the Mineral and Petroleum Resources Development Act (2002) and continuing dialogue with the industry; and reviewing business incentive programmes in all economic sectors to ensure that resources support labour-intensive, job-creating outcomes.

INCENTIVES, NEW SECTORS AND NEW BUSINESS

Regulatory barriers increase operating costs and place a particularly heavy burden on small business, reducing competitiveness. Government is acting to assist business through a range of measures:

- The visa regime has been eased to facilitate tourism and business travel.
- The Department of Small Business Development (DSBD) is working with municipalities to cut red tape and improve infrastructure for township and rural enterprises. It plans to help small businesses to open bank accounts, register companies and draft business plans. The department will also help small firms to set up cooperatives and gain access to local and international markets.
- Nine of South Africa's largest municipalities are participating in a programme intended to reduce red tape for business in areas such as obtaining construction permits and electricity connections, and registering property.

South Africa remains the largest direct investment destination in Africa but more can be done to transform current challenges into opportunities. Short-term measures can include:

- Encouraging special economic zones to roll out innovative approaches to policy to boost economic activity.
- Speeding up spectrum allocation and broadband roll out
- Encouraging greater competition through cohesive trade, competition and regulatory policies, including those governing state-owned companies
- Ensuring that migration policy helps ease skills constraints
- Supporting employment-intensive services by taking advantage of global opportunities in information and communication technology, financial and other professional services. South Africa is well positioned to grow its services in an expanding African market.
- Promoting the expansion of travel and tourism. Tourism directly contributes 3 per cent to GDP and 4.5 per cent to total employment. Recent changes to the visa regime and well-targeted advertising will support sector growth.
- Regional economic integration efforts to leverage growth in Africa. Despite the commodity-related economic slowdown in many African countries, low intra-continental trade continues to suggest potential avenues to boost economic growth.

UPDATED SITUATIONAL ANALYSIS - cont

2. ORGANISATIONAL ENVIRONMENT

The National Treasury remains measured and consistent in its approach to improving the organisational environment, rising to challenges through a culture of self-awareness and performance excellence. It continues to make a concerted effort to ensure that its structure is appropriate for achieving its strategic objectives and those of government at large.

Key organisational focus areas over the medium-term include:

- Promoting economic policy coherence around the objectives of growth and jobs
- Addressing risks on the public sector balance sheet
- Executing a credible budget process that allocates resources sustainably to policy priorities and is in line with spending plans
- Exercising public finance management oversight responsibilities, including capacity building, that delivers value for money
- Making the financial sector serve South Africa better
- Building a happy and effective institution that is a centre of excellence
- Implementing a strategic communications and outreach programme that addresses stakeholders.

Expected increases in spending on compensation of employees, from R817.6 million in 2016/17 to R937.4 million in 2018/19, are mainly attributable to cost of living adjustments and funding of vacant positions. In the 2014/15 financial year, the department heeded the call to curb excessive growth on compensation of employees and implemented Cabinet-approved budget reductions of R40.5 million, R42.1 million and R46.4 million respectively over the medium term. This has led to a sharper focus when evaluating funded positions in the establishment, carefully prioritising posts which are critically important to fill. However, the evaluation and reprioritisation of funded positions in the establishment remains a challenge. The implemented budget reductions have brought about the situation where, over the medium term, the department could not accommodate approximately 144 vacant positions currently at the active recruitment stage. The 2016 Estimates of National Expenditure (ENE) allocation letter clearly indicates the compensation ceilings set for all departments; the expenditure may not exceed the allocated amounts. However, the compensation ceiling will only accommodate an establishment of 1194 against 1332, including unfunded vacancies. This will result in a considerable shortfall in the amount available to the department for compensation, which will certainly exceed the ceiling set by Public Finance. This calls for an injection to allow for compensation of the full establishment of 1332 employees.

Notable additions and changes to the National Treasury structure to be made over the period ahead are described below.

FINANCIAL SECTOR POLICY

In addition to being responsible for developing policy on the regulation of the financial sector in South Africa, Financial Sector Policy aims to improve the national savings rate through reforms to the legislative framework governing the savings industry and to work towards implementing retirement reform proposals.

Enabling legislation for the Twin Peaks model for regulation and oversight in the financial sector was introduced in 2013/14. Parliament is considering legislation to enable the implementation of this model. In line with global trends, the framework will establish two complementary regulators. The Prudential Authority, located in the Reserve Bank, will be responsible for the safety and soundness of financial institutions, and the Financial Sector Conduct Authority, which will replace the Financial Services Board, will be responsible for market conduct and securities regulation.

UPDATED SITUATIONAL ANALYSIS - cont

INTEGRATED FINANCIAL MANAGEMENT SYSTEM (IFMS)

After Cabinet's endorsement of a change in direction of the IFMS project, considerable work has been undertaken by the National Treasury, the Department of Public Service and Administration (DPSA) and the State Information Technology Agency (SITA) to deliver on the business-led modernisation agenda. Dedicated institutional capacity has been established through the IFMS Chief Directorate and key vacancies have been filled. This capacity continues to be augmented through the Programme Management Office and key resources from within the DPSA and the SITA.

The project has continued its momentum and the process of procuring enterprise resource planning (ERP) software has advanced and the preferred original software manufacturer (OSM) has been notified of their conditional award to provide software licenses, subject to successful negotiation of a contract with the National Treasury.

With the choice of OSM substantially clarified, the IFMS team is now in a position to continue with planning and execution of the services and infrastructure related procurement initiatives.

Key business processes within the scope of the IFMS have been documented and approved to Level 4 and final choices relating to lead sites are being made in consultation with various stakeholders.

OFFICE OF THE CHIEF PROCUREMENT OFFICER

The Office of the Chief Procurement Officer (OCPO) has been an area of intense activity and focus. Plans are now firmly in place and organisational capacity required for delivering on them has been identified. Primary areas of increased capacity include those related to transversal contracts, procurement related to infrastructure development and the conduct of government procurement in a manner that increases opportunities for small businesses and for young entrepreneurs.

To ensure transparency in procurement methods and processes, the OCPO will publish departments' and entities' procurement plans, deviations from normal bidding processes and contract extensions and/or expansions. The OCPO will focus on visibility. It will also ensure compliance and monitoring by reviewing specifications, evaluating criteria and bid committee minutes and reviewing contracts to ensure adequate performance management of contracts and suppliers.

Projects will be physically verified to ensure that deliverables are aligned with the scope of work and the conditions of the contract.

Interventions between institutions and aggrieved suppliers should reduce litigation, with issues being resolved without recourse to courts of law.

To increase centralised coordination of procurement in government, and particularly of commodities commonly procured in small volumes by most departments, the capacity of the unit coordinating transversal contracts will be considerably increased. Four new directorates have been established to accelerate centre lead procurement.

In deliberations relating to procurement and the functions of the OCPO, it became clear that the approach to government purchases of goods and services is distinct from purchases of infrastructure. Organisational capacity for considering and leading policy relating to procurement of capital items and infrastructure will be established over the period ahead.

UPDATED SITUATIONAL ANALYSIS - cont

Intelligent procurement can realise value for money, create opportunities and improve efficiency. A differentiated approach and the implementation of strategic sourcing will help supply chain managers to plan, manage and develop the supply base; create an understanding of the categories of goods and services in their spending portfolio and of their intended use and the sources of supply. This will help to identify leverage points in the procurement categories where government has purchasing power or influencing power to change industry, develop appropriate sourcing strategies, reduce costs, improve efficiencies and increase the benefits and value of the service or commodity to government.

The procurement policy unit in the OCPO will also be refocused, in line with the organisational strategy. Policies will be interrogated and adjusted where necessary, in order to reduce the administrative burden and increase the number of economic opportunities available particularly to the country's small, medium and micro enterprises (SMMEs) and young people. The necessary capacity to optimise the effectiveness of government procurement and enable it to contribute towards an inclusive economy will be acquired. Policy relating to SMME development, broad-based black economic empowerment (BBBEE) and set-asides in respect of government procurement will be amongst the first to receive attention.

With the splitting of capacity building and client support, the revised unit includes Stakeholder Management, aimed at ensuring that government stakeholders are well informed about public sector supply chain management (SCM) and that government SCM practitioners have stable formal and informal forums in which knowledge of SCM matters are regularly exchanged. This will reduce the number of SCM practitioners attending conferences and workshops not aligned with public sector SCM, and provide government committees and external groups to assist government in doing oversight where government is out of reach.

The establishment of a unit responsible for SCM technology has resulted in a number of initiatives to optimise procurement efficiency and effectiveness. During 2015/16, a Central Supplier Database (CSD), eTender Portal and gCommerce facility are being established. Modernisation of SCM is dependent on eProcurement functionality and the Chief Directorate: SCM ICT is focusing on rolling out technology to provide government with integrated planning capability and electronic quotation functionality in 2016/17.

REVISIONS TO LEGISLATIVE AND OTHER MANDATES

There have been no significant changes to the National Treasury's legislative and other mandates.

UPDATED SITUATIONAL ANALYSIS - cont

3. STRATEGIC OUTCOME ORIENTED GOALS OF THE INSTITUTION

PROGRAMME 1: ADMINISTRATION

The programme ensures effective leadership, strategic management and administrative support to the National Treasury through continuous refinement of organisational strategy and structure in line with appropriate legislation and best practice.

PROGRAMME 2: ECONOMIC POLICY, TAX, FINANCIAL REGULATION AND RESEARCH

This programme aims to promote economic policy coherence around the objectives of growth and jobs and improve South Africa's macroeconomic and microeconomic framework by conducting on-going analysis, research and policy advisory services. The programme supports economic growth, employment and macroeconomic stability and retirement reform by:

- Developing tax policy proposals and supporting tax legislation for the annual budget.
- Monitoring the collection of revenue through on-going consultation with relevant stakeholders, and analysing the factors determining the tax collection.
- Providing macroeconomic forecasts & scenario modelling
- Providing economic policy analysis, research, assessment and advice on macro and micro economics, including government policy proposals.

PROGRAMME 3: PUBLIC FINANCE AND BUDGET MANAGEMENT

This programme aims to promote growth, social development and poverty reduction through sound fiscal and financial policies and through effective, efficient and appropriate allocation of public funds to address government's policy priorities. It aims to achieve these objectives by:

- Providing analysis and advice on fiscal policy and public finances, intergovernmental financial relations and expenditure planning and priorities; and
- Managing the annual budget process and providing public finance management support

PROGRAMME 4: ASSET AND LIABILITY MANAGEMENT

The programme manages government's annual funding programme in a manner that ensures prudent cash management and an optimal portfolio of debt and other fiscal obligations. This programme also seeks to promote and enforce prudent financial management of state-owned entities (SOEs) through financial analysis and oversight.

PROGRAMME 5: FINANCIAL ACCOUNTING AND SUPPLY CHAIN MANAGEMENT SYSTEMS

This programme is made up of two divisions: the Office of the Accountant-General and the Office of the Chief Procurement Officer. This programme facilitates accountability, governance and oversight by promoting effective, efficient, economic and transparent management of revenue, expenditure, assets and liabilities across all spheres of government and public entities.

The Office of the Accountant-General also provides financial support through the Financial Management Grant (FMG) and technical assistance in the form of specialist advisor placements to municipalities. This augments municipal own resources to implement the reforms legislated in the Municipal Finance Management Act (MFMA). The grant further assists assist municipalities build institutional and technical skills in all aspects of financial management ranging from appointment of suitably qualified finance officials, growing

UPDATED SITUATIONAL ANALYSIS - cont

the internship programme designed for graduates to be absorbed in municipalities, implement budget reforms, improvements in supply chain management, address shortcomings in revenue management, implement strictly controls in expenditure management, develop assets management plans that also addresses repairs and maintenance of assets, produce accurate accounting records, assist in auditing compliance and producing quality and reliable reports, support training of officials to meet the minimum competencies, amongst others.

PROGRAMME 6: INTERNATIONAL FINANCIAL RELATIONS

This programme manages South Africa's interests in shaping regional and global policies which advance the economic, financial and development objectives of the country and those of Africa as a whole.

PROGRAMME 7: CIVIL AND MILITARY PENSIONS, CONTRIBUTIONS TO FUNDS AND OTHER BENEFITS

This programme provides for the processing and payment of pensions to members and their dependents in terms of various statutes, collective bargaining agreements and other commitments.

PROGRAMME 8: TECHNICAL AND MANAGEMENT SUPPORT AND DEVELOPMENT FINANCE

This programme provides advisory services, programme management and development finance support to improve public finance management, support high-impact government initiatives, facilitate employment creation and strengthen infrastructure planning and delivery.

PROGRAMME 9: REVENUE ADMINISTRATION

This programme comprises transfers made to the South African Revenue Service for purposes of undertaking core tax administration activities and maintaining the information technology competencies that support these operations.

PROGRAMME 10: FINANCIAL INTELLIGENCE AND STATE SECURITY

This programme essentially comprises transfers made to the Financial Intelligence Centre to combat financial crimes, including money laundering and terror-financing activities.

UPDATED SITUATIONAL ANALYSIS - cont

4. VOTE 7: NATIONAL TREASURY RESOURCE PLAN

BUDGET SUMMARY

R million	2016/17				2017/18		2018/19	
	Total	Current payments	Transfers and subsidies	Payment for capital assets	Payment for financial assets	Total	Total	
MTEF ALLOCATION								
Administration	412.7	379.3	3.7	29.6	-	411.9	432.3	
Economic Policy, Tax, Financial Regulation and Research	146.1	116.8	28.5	0.8	-	148.9	150.9	
Public Finance and Budget Management	287.0	240.6	44.8	1.5	-	293.6	297.7	
Asset and Liability Management	107.2	106.6	-	0.6	-	100.3	101.9	
Financial Accounting and Supply Chain Management Systems	849.9	759.2	85.6	5.1	-	910.0	945.8	
International Financial Relations	5 039.1	51.1	835.5	0.3	4 152.2	5 834.8	5 910.1	
Civil and Military Pensions, Contributions to Funds and Other Benefits	4 173.2	61.4	4 111.8	-	-	4 381.9	4 636.1	
Technical Support and Development Finance	2 634.7	377.3	2 257.4	-	-	2 897.0	3 434.5	
Revenue Administration	10 009.2	-	10 009.2	-	-	11 078.5	11 037.1	
Financial Intelligence and State Security	4 812.5	-	4 812.5	-	-	5 070.0	5 364.1	
Subtotal	28 471.4	2 092.3	22 189.0	38.0	4 152.2	31 127.0	32 310.5	
Direct charge against the National Revenue Fund								
Provincial equitable share	410 698.6	-	410 698.6	-	-	441 831.1	469 051.1	
Debt-service costs	147 720.0	147 720.0	-	-	-	161 927.0	178 556.0	
General fuel levy sharing with metropolitan municipalities	11 223.8	-	11 223.8	-	-	11 785.0	12 468.6	
National Revenue Fund payments	145.0	-	-	-	145.0	-	-	
Total expenditure estimates	598 258.8	149 812.3	444 111.4	38.0	4 297.2	646 670.2	692 386.2	

UPDATED SITUATIONAL ANALYSIS - cont

SELECTED PERFORMANCE INDICATORS BY PROGRAMME AND RELATED OUTCOMES

Indicator	Programme	Outcome	Past			Current			Projections		
			2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19		
Net loan debt as a percentage of GDP	Asset and Liability Management	Outcome 4: Decent employment through inclusive economic growth	35.5% (R1.2tr)	38.2% (R1.4tr)	41.2% (R1.6tr)	44.3% (R1.8tr)	45.7% (R2tr)	46.2% (R2.2tr)	46.2% (R2.4tr)		
Value of government gross annual borrowing	Asset and Liability Management		R209.4bn	R201.3bn	R215.4bn	R204.6bn	R229.5bn	R220.9bn	R206.3bn		
Cost to service debt as a percentage of GDP	Asset and Liability Management		2.6% (R88.1bn)	2.8% (R101.2bn)	3% (R114.8bn)	3.2% (R129.1bn)	3.4% (R147.7bn)	3.4% (R161.9bn)	3.5% (R178.6bn)		
Number of active training providers delivering the municipal regulated minimum competency levels programme per year	Financial Accounting and Supply Chain Management Systems	Outcome 12: An efficient, effective and development oriented public service	72	24	40	43	43	43	43		
Percentage of identified transversal contracts with strategic sourcing principles introduced per year	Financial Accounting and Supply Chain Management Systems		70% (14)	90% (18)	100% (15)	100% (21)	100% (14)	100% (23)	100% (23)		
Number of individuals trained per year to assist with the implementation of financial management reforms	Financial Accounting and Supply Chain Management Systems		3 547	267	350	760	750	740	740		
Number of Neighbourhood Development Partnership grant projects under construction per year	Technical Support and Development Finance	Outcome 9: Responsive, accountable, effective and efficient developmental local government system	86	83	43	40	40	40	40		
Total estimated third party investment leveraged	Technical Support and Development Finance	Outcome 8: Sustainable human settlements and improved quality of household life	R1.5bn	R1.9bn	R2.1bn	R3bn	R3.5bn	R4bn	R4bn		
Total number of new jobs contracted for approved and active projects in the Jobs Fund	Technical Support and Development Finance	Outcome 4: Decent employment through inclusive economic growth	65 121	143 914	100 423	140 000	150 000	150 000	150 000		
Number of long term urban regeneration programmes registered per year	Technical Support and Development Finance	Outcome 8: Sustainable human settlements and improved quality of household life	- ¹	18	18	18	18	20	20		

UPDATED SITUATIONAL ANALYSIS - cont

SELECTED PERFORMANCE INDICATORS BY PROGRAMME AND RELATED OUTCOMES - CONTINUED

Indicator	Programme	Outcome	Past			Current	Projections		
			2012/13	2013/14	2014/15		2015/16	2016/17	2017/18
Number of training placements contracted with active private companies in the Jobs Fund per year	Technical Support and Development Finance	Outcome 4: Decent employment through inclusive economic growth	105 000 ²	128 085 ²	140 000	160 000	160 000	160 000	160 000
Number of placements contracted with project partners in the Jobs Fund (cumulative inception to date and still active) per year ³	Technical Support and Development Finance		35 000	49 000	56 000	70 000	70 000	70 000	70 000

1. No historical data is available as the urban regeneration programme was launched in 2013/14.

2. The indicator was incorrectly recorded for 2012/13 and 2014/15 when previously published.

3. This is a new indicator showing jobs created that did not previously exist in the economy (cumulative). This indicator is closely linked to other indicators published in the Estimates of National Expenditure.

UPDATED SITUATIONAL ANALYSIS - cont

EXPENDITURE ANALYSIS

The National Development Plan (NDP) charts a growth trajectory to reduce poverty and inequality, and envisages a country in which citizens have the capabilities to access available opportunities equitably. These capabilities include education and skills, decent accommodation, nutrition, safe communities, social security and transport, facilitated by a capable state and a growing, resilient economy. The 2014-2019 Medium Term Strategic Framework (MTSF) directs government to invest in infrastructure development, create jobs, transform South Africa to a low carbon economy and bring about social transformation and unity. In the current tight fiscal environment, the National Treasury will continue to channel resources towards the critical outcomes of the national development plan and the MTSF. The global economic crisis has caused a deceleration in economic growth, and South Africa's low GDP continues to place the fiscus under considerable pressure. This compels the National Treasury to be vigilant in managing competing demands on public funds.

The department's priorities over the medium term will be: managing future spending growth and fiscal risk; reviewing tax policy; supporting sustainable employment; supporting infrastructure development and economically integrated cities and communities; making government procurement more efficient; strengthening government financial management; strengthening the regulation of the financial sector; regional and international cooperation; and managing government's assets and liabilities. These priorities support long term financial stability and the continued direction of public funds towards inclusive economic growth.

The National Treasury's total budget for transfers and subsidies, excluding direct charges, is R71.4 billion over the medium term. The department makes transfers to post-retirement medical scheme subsidy benefits for civil pensioners, former members of development boards and former members of the National Film Board. Following the increase in benefits legislated in 2015, spending on post-retirement medical scheme subsidy benefits is projected to be R5.8 billion over the medium term and is budgeted for in the *Civil and Military Pensions, Contributions to Funds and Other Benefits* programme. The department is also responsible for the main statutory transfers to provincial governments, and will transfer R410.7 billion in 2016/17, R441.8 billion in 2017/18 and R469.1 billion in 2018/19 for the provincial equitable share. Increases to the main statutory transfers to provincial governments of R5.4 billion in 2016/17, R12.9 billion in 2017/18 and R15.3 billion in 2018/19 have been approved by Cabinet.

The National Treasury is also responsible for servicing government debt and for the distribution of the general fuel levy to metropolitan municipalities. These are regarded as a direct charge against the National Revenue Fund, and together account for 95.3 per cent of the department's budget over the medium term. Cabinet has approved increased funding of R6.9 billion in 2016/17, R8.6 billion in 2017/18 and R11.9 billion in 2018/19 for higher debt service costs.

As part of Cabinet's decision to lower the national aggregate expenditure ceiling, the department's compensation of employees budget has been reduced by R73.8 million for 2017/18 and R120.5 million for 2018/19. In consultation with the DPSA, the National Treasury will develop and implement a plan to manage its personnel expenditure, including cost of living adjustments, within its reduced personnel cost. The compensation of employees budget is projected at R2.4 billion over the medium term. The department's goods and services budget has also been reduced, by R31.2 million for 2016/17, R31.4 million for 2017/18 and R41.2 million for 2018/19. This is made possible by its plans to carry out in-house some functions previously performed by consultants and by continuing to identify opportunities to reduce costs.

R88 million is allocated over the medium term for urgent upgrading and maintenance of the department's ICT infrastructure and for renewing software licences.

UPDATED SITUATIONAL ANALYSIS - cont

MANAGING FUTURE SPENDING GROWTH AND FISCAL RISK

Over the medium term, the National Treasury will continue to manage the national budget preparation process and facilitate the Division of Revenue Act (DoRA) process which provides for the equitable distribution of nationally raised revenue between the national, provincial and local spheres of government. These activities are budgeted for in the *Public Finance and Budget Management* programme, at a projected cost of R878.3 million over the medium term, mainly for compensation of employees and goods and services. In 2015/16, the National Treasury proposed reforms to manage expenditure growth and improve capital budgeting and fiscal risk analysis. In 2016/17, the department will seek comments on a proposed fiscal guideline that links spending growth to long term GDP growth and will publish discussion papers on capital budgeting and fiscal risk.

REVIEWING TAX POLICY

To promote inclusive economic growth, employment creation, development and fiscal sustainability, in 2013 the Davis Tax Committee was established to review South Africa's tax policy framework. Since its inception, the committee has established 11 sub-committees to look at various tax streams. It has published for public comment interim reports on macro-analysis, value added tax, estate duty, mining taxation and the carbon tax. In 2015/16, it submitted three interim reports to the Minister of Finance for approval. Over the medium term, the committee will be finalising these interim reports and will be focusing on base erosion and profit shifting as well as on corporate income tax. The work of the committee is funded through the *Tax Policy* sub-programme of the *Economic Policy, Tax, Financial Regulation and Research* programme; spending over the medium term is projected at R95.8 million.

SUPPORTING SUSTAINABLE EMPLOYMENT

The National Treasury supports the creation of sustainable employment through the Jobs Fund. Established by government in 2011, the fund supports initiatives that generate employment in innovative ways. The fund has recently completed a funding round focused on the agriculture sector. Each funding round usually takes about nine months. At its inception, the total budget for the fund was set at R9 billion, ringfenced until the completion of the fund's work. R5.6 billion has thus far been allocated to 108 innovative employment generation initiatives. 60 675 new permanent jobs have been created and an additional 30 358 unemployed people have been placed in employment. Spending is projected at R3 billion over the medium term in the *Employment Creation Facilitation* sub-programme within the *Technical Support and Development Finance* programme. When its work is completed, the Jobs Fund will have facilitated the creation of approximately 150 000 new permanent jobs.

SUPPORTING INFRASTRUCTURE DEVELOPMENT AND ECONOMICALLY INTEGRATED CITIES AND COMMUNITIES

To support the development of infrastructure and economically integrated cities and communities, the National Treasury provides subsidies, technical assistance and training for infrastructure planning and development. This is provided to municipalities, especially metropolitan municipalities, through the neighbourhood development partnership grant, the integrated city development grant, and the infrastructure delivery improvement programme in the *Technical Support and Development Finance* programme.

The neighbourhood development partnership grant assists 18 metropolitan and secondary city municipalities to plan and develop inclusive and productive cities through catalytic infrastructure that attracts third-party investment to township nodes, known as urban hubs, located in strategic integration zones. Over the medium term, the grant will support an estimated 24 urban hub precinct plans that will prioritise 60 catalytic infrastructure projects. Spending is projected at R2.9 billion in the *Urban Development and Support* sub-programme within the *Technical Support and Development Finance* programme. The interventions are aimed at leveraging R12.8 billion in third party investments.

UPDATED SITUATIONAL ANALYSIS - cont

The integrated city development grant was introduced in 2013/14 to provide financial incentives for metropolitan municipalities to use their infrastructure investments and regulatory instruments to develop more compact urban environments. Spending on this grant is projected at R868 million over the medium term in the *Urban Development and Support* sub-programme in the *Technical Support and Development Finance* programme.

The *infrastructure delivery improvement* programme supports provincial departments that deliver infrastructure, and aims to improve the delivery of public sector infrastructure through institutionalising best practice and building capacity. Over the medium term, the National Treasury will deploy 36 long term technical assistants to train provincial officials on the Construction Industry Development Board's infrastructure delivery management toolkit for public service infrastructure delivery. The department will also use temporary specialist consultants to provide technical assistance for planning infrastructure development and supporting implementation across government. These functions are *ad hoc* and it is inefficient for full time National Treasury personnel to be employed to carry them out. Spending on the programme is projected at R266.9 million over the medium term in the *Infrastructure Development Support* sub-programme in the *Technical Support and Development Finance* programme.

MAKING GOVERNMENT PROCUREMENT MORE EFFICIENT

The department's reforms to government SCM will be accelerated over the medium term, funded in the *Financial Accounting and Supply Chain Management Systems* programme at a projected R2.7 billion. The bulk of the spending is expected to be on computer services (R1.4 billion), compensation of employees (R604.2 million) and consultants (R280.6 million).

Strategies for sourcing travel and accommodation, mobile and fixed line communication, medical waste management, hospital nutrition, hospital laundry and linen services have been finalised. An evaluation of the top 100 suppliers that do business with government is at an advanced stage. Negotiations will be undertaken with these suppliers to generate savings for government.

In June 2015, the OCPO standardised and costed school building plans and provinces are now compelled to adhere to the standard when building schools. It is anticipated that this intervention will reduce the average cost of building a new school from between R60 million and R70 million to just under R35 million.

During 2016/17, the technological modernisation of SCM will be one of the department's major interventions for saving money for government and reducing fraud. The National Treasury will be establishing integrated electronic planning, quotation and tendering as well as enhancing the supplier management database and the e-tendering portal.

STRENGTHENING GOVERNMENT FINANCIAL MANAGEMENT

An important element of the National Treasury's work to modernise financial management in government entails replacing ageing financial systems with integrated financial management systems. Implementation of these systems will be given increased momentum over the medium term, reflected in projected spending of R1.5 billion in the *Financial Systems* sub-programme of the *Financial Accounting and Supply Chain Management Systems* programme over the period.

Building financial management capacity in municipalities will also receive attention, supported mainly through the local government financial management grant and the work of the Government Technical Advisory Centre (GTAC). Spending on building financial management capacity in municipalities is projected to increase to R1.9 billion over the medium term in the *Local Government Financial Management Support* sub-programme in the *Technical Support and Development Finance* programme. Municipalities use the funds to train interns and the National Treasury deploys finance experts to municipalities to address issues detected in auditing processes and carry out other tasks.

UPDATED SITUATIONAL ANALYSIS - cont

STRENGTHENING THE REGULATION OF THE FINANCIAL SECTOR

The Twin Peaks model for regulating the financial sector as encapsulated in the Financial Sector Regulation Bill tabled in October 2015 will redefine the regulatory and supervisory responsibilities of the South African Reserve Bank (SARB) and the Financial Services Board (FSB). This will change the current system of regulation and supervision, which is determined by financial sectors, to one determined by functions. The SARB will regulate and supervise prudential management and the FSB will regulate and supervise market conduct. The new system lays the basis for South Africa to meet higher financial sector regulatory standards and to address the gaps identified in the country's assessment in 2015 by the financial sector assessment programme of the International Monetary Fund (IMF) and the World Bank. Higher and more comprehensive regulatory standards will allow South African financial institutions to compete better globally. The Financial Sector Regulation Bill also lays the foundation for creating more efficient and dedicated regulators, reducing fragmentation between them and improving the efficiency of funding the regulators. Spending on these activities is expected to increase from R29.3 million in 2015/16 to R30.9 million in 2018/19 in the *Financial Sector Policy* sub-programme in the *Economic Policy, Tax, Financial Regulation and Research* programme.

REGIONAL AND INTERNATIONAL COOPERATION

Over the medium term, the National Treasury will maintain its engagement with regional and international forums and institutions such as the African Development Bank, the Brazil-Russia-India-China-South Africa (BRICS) group of countries, the G20, the Southern African Customs Union (SACU), the IMF and the World Bank Group. The National Treasury represents South Africa in engagements with the BRICS-led New Development Bank, both as a shareholder and a borrower. The New Development Bank intends to mobilise resources for infrastructure and sustainable development projects in the BRICS and other emerging markets and developing countries. South Africa plays an active and equal role in the management and leadership of the bank. Moreover, as a borrower, South Africa will use the bank as an additional source of financing for infrastructure. The first capital instalment to the bank of just over R2 billion, paid at the end of December 2015, was funded through a Special Appropriation Act using the proceeds of the sale of government's stake in Vodacom. R3.8 billion has been made available in 2016/17 for the second instalment, R4.5 billion in 2017/18 and R4.5 billion in 2018/19 in the *International Development Funding Institutions* sub-programme in the *International Financial Relations* programme. The New Development Bank's Africa Regional Centre will be established in the first quarter of 2016 in Johannesburg. It will serve as the primary operational interface between the bank and the continent and will have the objective of engaging closely with governments and other public sector stakeholders, private sector role players and civil society.

Compensation to the member countries of the Common Monetary Area (CMA) for the use of the rand as currency is expected to increase from R653.4 million in 2015/16 to R804.9 million in 2018/19, funded in the *African Integration and Support* sub-programme in the *International Financial Relations* programme. The CMA links South Africa, Namibia, Lesotho and Swaziland in a monetary union and is allied to the SACU.

MANAGING GOVERNMENT'S ASSETS AND LIABILITIES

Over the medium term, the National Treasury will continue its oversight of state owned companies. The aim is to enable them to meet government's policy objectives in a financially and fiscally sustainable manner and to promote their sound corporate governance. State owned companies' applications for funding, guarantees and borrowing limits will be reviewed as well as their compliance with other requirements of the Public Finance Management Act (PFMA) (1999). Companies' financial performance and adherence to conditions attached to borrowings and guarantees will also be monitored. To strengthen regulatory compliance, the National Treasury will report on major state owned companies' compliance with the PFMA, the Companies Act (2008), Treasury Regulations and the King III Code of Corporate Governance. R3.2 billion is allocated to state owned companies administered by the National Treasury in 2015/16, budgeted for in the *Financial Investments* sub-programme in the *Asset and Liability Management* programme. No provision is made over the medium term for transfers due to non-recurring expenditure on the Land and Agricultural Development Bank of South Africa and the Development Bank of Southern Africa.

UPDATED SITUATIONAL ANALYSIS - cont

EXPENDITURE ESTIMATES

Vote expenditure estimates by programme and economic classification									
Programme	Revised estimate	Average growth rate (%)		Medium-term expenditure estimate			Average growth rate (%)		Expenditure/total: Average (%)
		2015/16	2012/13 - 2015/16	2016/17	2017/18	2018/19	2015/16 - 2018/19		
R million	2015/16	2012/13 - 2015/16	2016/17	2017/18	2018/19	2015/16 - 2018/19	2015/16 - 2018/19	2015/16 - 2018/19	2015/16 - 2018/19
1. Administration	377.0	5.5%	412.7	411.9	432.3	4.7%	4.7%	0.1%	
2. Economic Policy, Tax, Financial Regulation and Research	134.7	3.2%	146.1	148.9	150.9	3.9%	3.9%	0.0%	
3. Public Finance and Budget Management	265.5	2.4%	287.0	293.6	297.7	3.9%	3.9%	0.0%	
4. Asset and Liability Management	3 266.6	126.0%	107.2	100.3	101.9	-68.5%	-68.5%	0.1%	
5. Financial Accounting and Supply Chain Management Systems	799.2	5.2%	849.9	910.0	945.8	5.8%	5.8%	0.1%	
6. International Financial Relations	3 272.8	46.5%	5 039.1	5 834.8	5 910.1	21.8%	21.8%	0.8%	
7. Civil and Military Pensions, Contributions to Funds and Other Benefits	4 042.7	6.5%	4 173.2	4 381.9	4 636.1	4.7%	4.7%	0.7%	
8. Technical Support and Development Finance	2 649.5	9.8%	2 634.7	2 897.0	3 434.5	9.0%	9.0%	0.5%	
9. Revenue Administration	9 334.4	0.7%	10 009.2	11 078.5	11 037.1	5.7%	5.7%	1.7%	
10. Financial Intelligence and State Security	4 562.1	4.6%	4 812.5	5 070.0	5 364.1	5.5%	5.5%	0.8%	
Subtotal	28 704.6	10.7%	28 471.4	31 127.0	32 310.5	4.0%	4.0%	4.8%	
Direct charge against the National Revenue Fund	526 640.6	8.8%	569 787.4	615 543.1	660 075.7	7.8%	7.8%	95.2%	
Provincial equitable share	386 500.0	7.5%	410 698.6	441 831.1	469 051.1	6.7%	6.7%	68.5%	
Debt-service costs	128 800.0	13.2%	147 720.0	161 927.0	178 556.0	11.5%	11.5%	24.8%	
General fuel levy sharing with metropolitan municipalities	10 658.9	5.6%	11 223.8	11 785.0	12 468.6	5.4%	5.4%	1.9%	
National Revenue Fund payments	681.7	-	145.0	-	-	-100.0%	-100.0%	0.0%	
Total	555 345.1	8.9%	598 258.8	646 670.2	692 386.2	7.6%	7.6%	100.0%	
Change to 2015 Budget estimate			15 085.7	25 238.5	35 402.6				

UPDATED SITUATIONAL ANALYSIS - cont

EXPENDITURE ESTIMATES - CONTINUED

Vote expenditure estimates by programme and economic classification								
Programme	Revised estimate	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term expenditure estimate		Average growth rate (%)	Expenditure/total: Average (%)	
R million	2015/16	2012/13 - 2015/16	2015/16	2016/17	2017/18	2015/16 - 2018/19	2015/16 - 2018/19	
ECONOMIC CLASSIFICATION								
Current payments	1 30 710.2	13.0%	22.3%	1 49 812.3	1 64 105.1	1 80 810.2	11.4%	25.1%
Compensation of employees	739.3	6.3%	0.1%	817.6	808.2	816.9	3.4%	0.1%
Goods and services	1 170.8	2.6%	0.2%	1 274.8	1 370.0	1 437.3	7.1%	0.2%
of which:								
Administrative fees	3.2	-21.4%	0.0%	3.1	3.6	3.6	4.2%	0.0%
Advertising	5.4	20.6%	0.0%	2.1	2.3	2.3	-24.6%	0.0%
Minor assets	0.7	-33.4%	0.0%	1.2	1.8	1.8	33.9%	0.0%
Audit costs: External	13.2	4.5%	0.0%	16.0	16.9	17.8	10.5%	0.0%
Bursaries: Employees	5.6	1.6%	0.0%	6.8	6.5	6.4	4.5%	0.0%
Catering: Departmental activities	1.6	-12.9%	0.0%	2.1	2.2	2.3	13.1%	0.0%
Communication	8.1	0.7%	0.0%	7.4	7.8	7.7	-1.5%	0.0%
Computer services	377.6	-3.4%	0.1%	463.2	506.0	543.1	12.9%	0.1%
Consultants: Business and advisory services	558.0	7.9%	0.1%	567.4	600.7	615.8	3.3%	0.1%
Legal services	11.8	-	0.0%	11.9	12.5	13.1	3.8%	0.0%
Contractors	2.5	-10.1%	0.0%	2.6	2.4	2.8	3.3%	0.0%
Agency and support/outourced services	11.3	-11.1%	0.0%	10.7	11.6	12.3	2.9%	0.0%
Entertainment	0.3	-17.6%	0.0%	0.5	0.5	0.5	21.1%	0.0%
Fleet services (including government motor transport)	1.9	-	0.0%	2.4	2.5	2.7	11.4%	0.0%
Consumable supplies	2.2	-12.9%	0.0%	3.2	3.8	3.8	20.0%	0.0%
Consumables: Stationery, printing and office supplies	12.7	-7.8%	0.0%	13.6	14.5	14.7	5.1%	0.0%
Operating leases	60.9	20.6%	0.0%	69.1	77.4	83.6	11.1%	0.0%
Property payments	19.1	-	0.0%	15.8	16.4	18.2	-1.6%	0.0%
Travel and subsistence	49.9	59.5%	0.0%	52.8	55.5	58.8	5.6%	0.0%
Training and development	8.1	7.6%	0.0%	8.9	9.0	9.6	5.9%	0.0%

UPDATED SITUATIONAL ANALYSIS - cont

EXPENDITURE ESTIMATES - CONTINUED

Programme	Vote expenditure estimates by programme and economic classification							
	Revised estimate	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/total: Average (%)
	2015/16	2012/13 - 2015/16	2015/16	2016/17	2017/18	2018/19	2015/16 - 2018/19	2015/16 - 2018/19
<i>R million</i>								
<i>Operating payments</i>	6.5	-17.7%	0.0%	5.9	6.0	6.3	-0.8%	0.0%
<i>Venues and facilities</i>	10.2	–	0.0%	8.2	10.0	10.0	-0.9%	0.0%
Interest and rent on land	128 800.0	13.2%	21.9%	147 720.0	161 927.0	178 556.0	11.5%	24.8%
Transfers and subsidies	418 299.5	7.3%	76.8%	444 111.4	477 680.1	506 673.1	6.6%	74.1%
Provinces and municipalities	398 594.2	7.5%	72.9%	423 409.0	455 214.4	483 210.7	6.6%	70.6%
Departmental agencies and accounts	14 930.0	3.9%	2.9%	15 741.5	17 219.7	17 907.3	6.2%	2.6%
Foreign governments and international organisations	774.1	-8.6%	0.1%	838.0	917.4	975.4	8.0%	0.1%
Public corporations and private enterprises	11.4	-72.5%	0.1%	12.0	12.6	13.3	5.4%	0.0%
Households	3 989.8	6.5%	0.7%	4 111.0	4 315.9	4 566.4	4.6%	0.7%
Payments for capital assets	22.0	-13.8%	0.0%	38.0	15.8	16.6	-8.9%	0.0%
Buildings and other fixed structures	0.2	-64.8%	0.0%	–	–	–	-100.0%	0.0%
Machinery and equipment	21.8	-9.4%	0.0%	37.9	15.8	16.6	-8.6%	0.0%
Payments for financial assets	6 313.5	216.0%	0.9%	4 297.2	4 869.1	4 886.3	-8.2%	0.8%
Total	555 345.1	8.9%	100.0%	598 258.8	646 670.2	692 386.2	7.6%	100.0%

UPDATED SITUATIONAL ANALYSIS - cont

PERSONNEL INFORMATION

Programmes																			
Number of posts estimated for 31 March 2016		Number and cost ³ of personnel posts filled/planned for on the funded establishment												Number					
		Actual			Revised estimate			2016/17			2017/18					2018/19			
Number of funded posts	Number of posts additional to the establishment	2014/15		2015/16		2016/17		2017/18		2018/19		2015/16 - 2018/19							
		No.	Cost	No.	Cost	No.	Cost	No.	Cost	No.	Cost	Average growth rate (%)	Salary level/total: Average (%)						
1. Administration																			
2. Economic Policy, Tax, Financial Regulation and Research																			
3. Public Finance and Budget Management																			
4. Asset and Liability Management																			
5. Financial Accounting and Supply Chain Management Systems																			
6. International Financial Relations																			
7. Civil and Military Pensions, Contributions to Funds and Other Benefits																			
8. Technical Support and Development Finance																			
9. Revenue Administration																			
10. Financial Intelligence and State Security																			
Salary level	1 245	37	1 185	671.5	0.6	1 282	739.3	0.6	1 332	817.6	0.6	1 332	882.0	0.7	1 332	937.4	0.7	1.3%	100.0%
1 - 6	66	3	69	13.1	0.2	69	13.5	0.2	69	14.1	0.2	69	15.2	0.2	69	16.2	0.2	-	5.2%
7 - 10	548	12	524	178.8	0.3	560	199.9	0.4	568	210.8	0.4	568	227.8	0.4	568	241.9	0.4	0.5%	42.9%
11 - 12	327	10	297	191.9	0.6	337	220.3	0.7	364	253.2	0.7	364	273.0	0.7	364	291.5	0.8	2.6%	27.1%
13 - 16	304	12	295	287.6	1.0	316	305.6	1.0	331	339.5	1.0	331	366.0	1.1	331	387.8	1.2	1.6%	24.8%
Programme	1 245	37	1 185	671.5	0.6	1 282	739.3	0.6	1 332	817.6	0.6	1 332	882.0	0.7	1 332	937.4	0.7	1.3%	100.0%
Programme 1	408	6	385	166.4	0.4	414	187.8	0.5	419	196.9	0.5	419	212.8	0.5	419	225.7	0.5	0.4%	31.7%
Programme 2	115	-	106	70.8	0.7	115	78.5	0.7	121	90.9	0.8	121	98.0	0.8	121	104.5	0.9	1.7%	9.1%
Programme 3	277	21	271	175.1	0.6	298	192.0	0.6	309	213.8	0.7	309	230.5	0.7	309	245.8	0.8	1.2%	23.2%
Programme 4	115	-	113	69.3	0.6	115	71.5	0.6	119	76.8	0.6	119	82.8	0.7	119	88.3	0.7	1.1%	8.9%
Programme 5	292	10	274	158.3	0.6	302	182.4	0.6	319	204.2	0.6	319	220.2	0.7	319	232.9	0.7	1.8%	23.9%
Programme 6	38	-	36	26.1	0.7	38	27.2	0.7	45	35.0	0.8	45	37.7	0.8	45	40.2	0.9	5.8%	3.3%
Programme 8	-	-	-	5.4	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Reduction	-	-	-	-	-	-	-	-	-	-	-	-	(73.8)	-	-	(120.5)	-	-	-
Total	1 245	37	1 185	671.5	0.6	1 282	739.3	0.6	1 332	817.6	0.6	1 332	808.2	-	-	816.9	-	-	-

1. Data has been provided by the department and may not necessarily reconcile with official government personnel data.
 2. The department's compensation of employees budget has been reduced by R194.3 million for 2017/18 and 2018/19. After consultation with the DPSA and National Treasury, the department will finalise, develop and implement a plan to manage its personnel expenditure within this reduced expenditure ceiling.
 3. Rand million.

2016/17 **ANNUAL
PERFORMANCE
PLAN** APP

PART B
*PROGRAMME AND
SUB-PROGRAMME PLANS*



national treasury

Department:
National Treasury
REPUBLIC OF SOUTH AFRICA

PROGRAMME 1: ADMINISTRATION

PURPOSE

Provide strategic leadership, management and support services to the department, and capacity building.

STRATEGIC OBJECTIVES

STRATEGIC OBJECTIVE (SO)	OBJECTIVE STATEMENT	SUB-PROGRAMMES
SO 1.1 Provide integrated business solutions	Align support provided with the requirements of the department and its strategic and performance plans	Corporate Services
SO 1.2 Ensure good governance and sound control environment	To ensure good governance and a sound control environment for the department	Corporate Services
SO 1.3 Provide support for strategic and performance management across the organisation	To provide sound strategic direction and leadership to NT through facilitation of credible strategic plans, annual performance plans and reliable management of NT's performance	Office of the Director-General

SUB-PROGRAMME OVERVIEW

Office of the Minister and Deputy Minister

This sub-programme supports the Minister and Deputy Minister by providing executive and administrative support. The sub-programme is responsible for the development of systems and mechanisms for handling parliamentary questions and replies, Cabinet matters, correspondence, submissions and memoranda.

Office of the Director-General

This sub-programme primarily provides administrative support and reports directly to the Director-General who is responsible for supporting the Minister in providing strategic direction and leadership to the National Treasury.

Management

This sub-programme primarily provides administrative support and reports directly to the Director-General. It consists of four support services.

Internal Audit assists the department to achieve its strategic objectives by evaluating and improving the adequacy and effectiveness of governance, risk management and control processes. The unit facilitates improved effectiveness and efficiency by providing strategic advice. In this role, it provides robust practical insight and recommendations founded on aligning the business with best practice. By acting as a frame of reference, the unit also supports the Office of the Accountant-General in providing guidance and support to internal audit (IA) functions in government.

Enterprise Risk Management ensures that a risk management culture is embedded within the department. It does this by providing information enabling the implementation and maintenance of effective systems to identify and mitigate risks that may threaten the attainment of objectives, and to optimise opportunities that enhance institutional performance. Fraud prevention is an integral part of the strategy, operations and administration function. It ensures that the National Treasury has a strategic risk profile register that enables coordination and alignment of strategic initiatives across the department.

PROGRAMME 1: ADMINISTRATION - cont

Legal Services is responsible for providing a comprehensive legal advisory service to enable the department to carry out its mandate effectively within the law.

Communication is responsible for ensuring effective communication between the department and its stakeholders.

Corporate Services

The Corporate Services division delivers and oversees shared services in alignment with the National Treasury's needs. It does this by proactively identifying requirements, monitoring and maintaining service levels and setting standards aligned with compliance and best practices, including reporting on delivery.

Human Resources (HR) Management ensures transactional and transformational HR support to the department so that it can attract, develop and retain the skills needed to deliver on its objectives and mandate.

Financial Management focuses on compliance with all relevant financial statutes and regulations, the most important of which is the PFMA. In ensuring compliance, the unit strives to attain a balance between service excellence and achieving its key objectives.

Information and Communication Technology (ICT) provides long term planning and day-to-day support in respect of ICT-enabled delivery using ICT services and systems.

Strategic Projects and Support is responsible for preserving the department's institutional memory and provides management support to projects. Knowledge management (KM) deals with the preservation of business information created within the department. Records management focuses on the preservation of tangible knowledge so that it can be accessed easily in compliance with the National Archives Act.

The *Public Entities Oversight* unit oversees entities reporting to the Minister of Finance, ensuring compliance with relevant governance and reporting requirements.

Facilities and Security Management ensures continuous physical and information security and provides, maintains and services available facilities.

PROGRAMME 1: ADMINISTRATION - cont

ANNUAL TARGETS

Performance Indicator	Audited/actual performance				Current year	MTEF		
	2011/12	2013/14	2014/15	2016/17		2017/18	2018/19	2019/20
Strategic Objective 1.1: Provide integrated business solutions								
1.1.1	Percentage completion of the business continuity plan	#	#	#	100% of Phase 2	30% of Phase 3	60% of Phase 3	100% of Phase 3
1.1.2	Management Performance Assessment Tool (MPAT) score achieved on risk management standard	N/A	N/A	N/A	4	4	4	4
1.1.3	Percentage of knowledge management strategy rolled out	#	#	#	10%	30%	50%	80%
1.1.4	Percentage savings on goods and services expenditure	#	N/A	3%	5%	5%	5%	5%
1.1.5	Percentage of funded positions filled	N/A	N/A	93.3%	92%	92%	92%	92%
1.1.6	Percentage of staff retained	N/A	N/A	90.2%	90%	90%	90%	90%
1.1.7	Percentage of staff utilising development programmes	N/A	N/A	N/A	50%	55%	60%	65%
1.1.8	Percentage of ICT services aligned to and delivered according to business requirements	#	N/A	N/A	95%	97%	98%	99%
1.1.9	Percentage availability of ICT systems achieved	N/A	N/A	N/A	95%	97%	98%	99%
Strategic Objective 1.2: To ensure good governance and a sound control environment.								
1.2.1	Percentage completion of the approved risk-based IA plan	#	#	N/A	100%	100%	100%	100%
1.2.2	Percentage implementation of enterprise risk management (ERM) annual plan	#	#	100%	100%	100%	100%	100%
1.2.3	Percentage of vetting files completed by priority group, submitted to State Security Agency (SSA) for investigation	16.5%	20%	36%	100%	100%	100%	100%
1.2.4	Number of reviewed quarterly reports submitted for Minister's consideration	N/A	N/A	#	40	40	40	40
1.2.5	Percentage adherence to prescribed timeframes on: i) Closure of financial records on basic accounting system (BAS) before the closure date. ii) Submission of the procurement plan before 31 March each year.	N/A	N/A	N/A	100%	100%	100%	100%
1.2.6	MPAT score achieved on ICT standard	N/A	N/A	N/A	3	3	4	4

- The department has revised its indicators and targets to ensure compliance with the framework of strategic plans and annual performance plans, and to address findings by the Auditor General. Refer to the published Annual Report for actual information reported on similar indicator.

N/A – The indicator is new.

PROGRAMME 1: ADMINISTRATION - cont

QUARTERLY TARGETS FOR 2016/17

Performance Indicator		2016/17 Annual targets	Quarter 1	Quarter 2	Quarter 3	Quarter 4
Strategic Objective 1.1: Provide integrated business solutions						
1.1.1	Percentage completion of the business continuity plan	100% of Phase 2	25%	50%	75%	100%
1.1.2	MPAT score achieved on risk management standard	4	4	4	4	4
1.1.3	Percentage of knowledge management strategy rolled out	10%	2.5%	5.5%	7.5%	10%
1.1.4	Percentage savings on goods and services expenditure	5%	1%	2.5%	4%	5%
1.1.5	Percentage of funded positions filled	92%	90%	91%	91%	92%
1.1.6	Percentage of staff retained	90%	97%	95%	93%	90%
1.1.7	Percentage of staff utilising development programmes	50%	15%	30%	40%	50%
1.1.8	Percentage ICT services aligned to and delivered according to business requirements	95%	85%	90%	95%	95%
1.1.9	Percentage availability of ICT systems achieved	95%	90%	94%	95%	95%
Strategic Objective 1.2: To ensure good governance and a sound control environment.						
1.2.1	Percentage completion of the approved risk-based IA plan	100%	100%	100%	100%	100%
1.2.2	Percentage implementation of ERM annual plan	100%	25%	50%	75%	100%
1.2.3	Percentage of vetting files completed by priority group, submitted to SSA for investigation	100%	25%	50%	75%	100%
1.2.4	Number of reviewed quarterly reports submitted for Minister's consideration	40	10	20	30	40
1.2.5	Percentage adherence to prescribed timeframes on: iii) Closure of financial records on BAS before the closure date iv) Submission of the Procurement Plan before 31 March each year	100%	100%	100%	100%	100%
1.2.6	MPAT score achieved on ICT standard	3	3	3	3	3

PROGRAMME 1: ADMINISTRATION - cont

EXPENDITURE TRENDS AND ESTIMATES

Sub-programme	Administration expenditure trends and estimates by sub-programme and economic classification														
	Audited outcome		Adjusted appropriation		Average growth rate (%)		Expenditure/total: Average (%)		Medium-term expenditure estimate		Average growth rate (%)		Expenditure/total: Average (%)		
	2012/13	2013/14	2014/15	2015/16	2012/13 - 2015/16	2015/16	2016/17	2017/18	2018/19	2015/16 - 2018/19	2012/13 - 2015/16	2015/16	2016/17	2017/18	2018/19
R thousand															
Ministry	3 143	3 301	3 309	4 225	10.4%	4 225	4 509	4 861	5 149	6.8%	1.0%	4 509	4 861	5 149	1.2%
Departmental Management	37 823	42 183	47 458	45 812	6.6%	45 812	49 597	50 361	51 114	3.7%	12.9%	49 597	50 361	51 114	12.1%
Corporate Services	89 032	90 455	107 272	108 690	6.9%	108 690	135 463	121 287	127 571	5.5%	29.5%	135 463	121 287	127 571	30.4%
Enterprise Wide Risk Management	25 637	32 042	22 496	26 930	1.7%	26 930	25 709	26 437	27 605	0.8%	8.0%	25 709	26 437	27 605	6.6%
Financial Administration	32 181	35 662	38 632	40 763	8.2%	40 763	41 224	41 641	43 796	2.4%	11.0%	41 224	41 641	43 796	10.3%
Legal Services	15 656	16 439	16 593	18 164	5.1%	18 164	19 668	20 035	20 610	4.3%	5.0%	19 668	20 035	20 610	4.8%
Internal Audit	15 674	22 014	17 119	22 358	12.6%	22 358	22 835	23 173	23 910	2.3%	5.7%	22 835	23 173	23 910	5.7%
Communications	9 586	8 838	10 120	10 009	1.4%	10 009	11 865	11 714	11 846	2.8%	2.9%	11 865	11 714	11 846	2.8%
Office Accommodation	68 011	68 661	99 528	86 678	8.4%	86 678	101 791	112 360	120 729	11.7%	24.1%	101 791	112 360	120 729	26.0%
Total	296 743	319 595	362 527	363 629	7.0%	363 629	412 661	411 869	432 330	5.9%	100.0%	412 661	411 869	432 330	100.0%
Change to 2015 Budget estimate				(3 036)		(3 036)	33 132	13 022	10 351			33 132	13 022	10 351	

ECONOMIC CLASSIFICATION

Current payments	279 812	298 581	345 080	346 400	7.4%	346 400	379 340	400 679	420 481	6.7%	94.6%	379 340	400 679	420 481	95.5%
Compensation of employees	132 490	144 304	166 375	183 192	11.4%	183 192	196 878	197 339	203 263	3.5%	46.7%	196 878	197 339	203 263	48.2%
Goods and services	147 322	154 277	178 705	163 208	3.5%	163 208	182 462	203 340	217 218	10.0%	47.9%	182 462	203 340	217 218	47.3%
of which:															
Administrative fees	1 306	1 841	996	1 680	8.8%	1 680	1 008	1 336	1 391	-6.1%	0.4%	1 008	1 336	1 391	0.3%
Advertising	713	618	473	738	1.2%	738	579	633	669	-3.2%	0.2%	579	633	669	0.2%
Minor assets	555	100	1 173	816	13.7%	816	705	1 310	1 257	15.5%	0.2%	705	1 310	1 257	0.3%
Audit costs: External	6 387	8 256	8 230	7 852	7.1%	7 852	7 500	7 950	8 427	2.4%	2.3%	7 500	7 950	8 427	2.0%
Bursaries: Employees	530	690	832	1 424	39.0%	1 424	1 645	1 347	1 375	-1.2%	0.3%	1 645	1 347	1 375	0.4%
Catering: Departmental activities	562	612	394	582	1.2%	582	567	596	625	2.4%	0.2%	567	596	625	0.1%
Communication	5 215	4 699	3 548	4 337	-6.0%	4 337	4 070	4 335	4 025	-2.5%	1.3%	4 070	4 335	4 025	1.0%
Computer services	23 087	18 388	24 868	21 535	-2.3%	21 535	22 495	29 362	31 900	14.0%	6.5%	22 495	29 362	31 900	6.5%

PROGRAMME 1: ADMINISTRATION - cont

EXPENDITURE TRENDS AND ESTIMATES - CONTINUED

Sub-programme	Administration expenditure trends and estimates by sub-programme and economic classification									
	Audited outcome		Adjusted appropriation	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/total: Average (%)
R thousand	2012/13	2013/14	2014/15	2015/16	2012/13 - 2015/16	2016/17	2017/18	2018/19	2015/16 - 2018/19	2015/16 - 2018/19
Consultants: Business and advisory services	12 011	18 927	8 949	7 838	-13.3%	9 052	9 701	10 087	8.8%	2.3%
Legal services	9 891	10 679	12 313	11 217	4.3%	11 899	12 504	13 137	5.4%	3.0%
Contractors	1 404	2 175	2 247	2 267	17.3%	2 462	2 301	2 642	5.2%	0.6%
Agency and support/outourced services	8 825	10 368	9 738	11 121	8.0%	10 682	11 630	12 339	3.5%	2.8%
Entertainment	66	59	43	121	22.4%	142	149	155	8.6%	-
Fleet services (including government motor transport)	356	1 608	2 226	2 033	78.7%	2 407	2 512	2 643	9.1%	0.6%
Consumable supplies	2 429	2 849	2 885	1 536	-14.2%	2 450	3 030	3 006	25.1%	0.6%
Consumables: Stationery, printing and office supplies	3 113	3 116	2 983	3 315	2.1%	3 526	3 676	3 802	4.7%	0.9%
Operating leases	39 555	39 490	58 912	53 794	10.8%	66 788	75 047	81 085	14.7%	17.1%
Property payments	11 420	12 026	21 389	13 782	6.5%	15 788	16 399	18 192	9.7%	4.0%
Travel and subsistence	15 806	15 189	13 223	12 988	-6.3%	15 120	15 939	16 673	8.7%	3.7%
Training and development	2 612	2 026	2 741	3 556	10.8%	3 018	3 046	3 238	-3.1%	0.8%
Operating payments	885	431	531	436	-21.0%	318	320	327	-9.1%	0.1%
Venues and facilities	594	130	11	240	-26.1%	241	217	223	-2.4%	0.1%
Transfers and subsidies	2 635	3 541	4 274	4 253	17.3%	3 696	3 926	4 032	-1.8%	1.0%
Departmental agencies and accounts	533	1 866	2 304	2 090	57.7%	2 116	2 126	2 182	1.4%	0.5%
Households	2 102	1 675	1 970	2 163	1.0%	1 580	1 800	1 850	-5.1%	0.5%
Payments for capital assets	14 292	17 199	13 111	12 976	-3.2%	29 625	7 264	7 817	-15.5%	3.6%
Buildings and other fixed structures	615	-	-	-	-100.0%	-	-	-	-	-
Machinery and equipment	13 677	17 199	13 111	12 976	-1.7%	29 625	7 264	7 817	-15.5%	3.6%
Payments for financial assets	4	274	62	-	-100.0%	-	-	-	-	-
Total	296 743	319 595	362 527	363 629	7.0%	412 661	411 869	432 330	5.9%	100.0%
Proportion of total programme expenditure to vote expenditure	1.4%	1.3%	1.4%	1.3%	-	1.4%	1.3%	1.3%	5.9%	-

PROGRAMME 1: ADMINISTRATION - cont

EXPENDITURE TRENDS AND ESTIMATES - CONTINUED

Sub-programme	Administration expenditure trends and estimates by sub-programme and economic classification												
	Audited outcome		Adjusted appropriation		Average growth rate (%)		Expenditure/total: Average (%)		Medium-term expenditure estimate		Average growth rate (%)		Expenditure/total: Average (%)
	2012/13	2013/14	2014/15	2015/16	2012/13 - 2015/16	2016/17	2017/18	2018/19	2015/16 - 2018/19				
R thousand													
DETAILS OF TRANSFERS AND SUBSIDIES													
Households													
Other transfers to households													
Current	1 782	1 351	1 557	1 566	-4.2%	1 580	1 800	1 850	5.7%				0.4%
Bursaries for non-employees	1 532	1 351	1 557	1 566	0.7%	1 580	1 800	1 850	5.7%				0.4%
Advocate Zubeida Barmania	250	-	-	-	-100.0%	-	-	-	-				-
Departmental agencies and accounts													
Departmental agencies (non-business entities)													
Current	533	1 866	2 304	2 090	57.7%	2 116	2 126	2 182	1.4%				0.5%
Communication	6	9	9	16	38.7%	10	19	20	7.7%				-
Finance and Accounting Services Sector Education and Training Authority	527	1 857	2 295	2 074	57.9%	2 106	2 107	2 162	1.4%				0.5%
Households													
Social benefits													
Current	320	324	413	597	23.1%	-	-	-	-100.0%				-
Employee social benefits	320	324	413	597	23.1%	-	-	-	-100.0%				-

PROGRAMME 1: ADMINISTRATION - cont

PERSONNEL INFORMATION

Number of posts estimated for 31 March 2016		Administration personnel numbers and cost by salary level ¹ prior to Cabinet-approved reduction, effective from 2017/18 ² ; budget reductions and aggregate baseline total														
		Number and cost ³ of personnel posts filled/planned for on the funded establishment						Medium-term expenditure estimate						Number		
		Actual			Revised estimate			2016/17		2017/18		2018/19		Average growth rate (%)	Salary level/total: Average (%)	
2014/15		2015/16		2016/17		2017/18		2018/19		2015/16 - 2018/19						
No.	Unit Cost	No.	Cost	Unit Cost	No.	Cost	Unit Cost	No.	Cost	Unit Cost	No.	Cost	Unit Cost			
Number of posts additional to the establishment																
Administration																
Salary level	408	6												100.0%		
1 – 6	51	–	49	9.1	0.2	51	10.2	0.2	51	11.0	0.2	51	11.8	0.2	–	12.2%
7 – 10	242	3	229	69.2	0.3	245	78.6	0.3	247	87.9	0.4	247	92.5	0.4	0.3%	59.0%
11 – 12	66	–	56	37.3	0.7	66	45.8	0.7	69	51.9	0.8	69	55.4	0.8	1.5%	16.3%
13 – 16	49	3	51	50.8	1.0	52	57.6	1.1	52	62.1	1.2	52	66.1	1.3	–	12.4%
Reduction	–	–	–	–	–	–	–	–	–	(15.5)	–	–	(22.5)	–	–	–
Total	408	6	385	166.4	0.4	414	187.8	0.5	419	196.9	0.5	419	203.3	0.5	–	–

1. Data has been provided by the department and may not necessarily reconcile with official government personnel data.
2. The department's compensation of employees budget has been reduced by R194.3 million for 2017/18 and 2018/19. After consultation with the DPSA and the National Treasury, the department will finalise, develop and implement a plan to manage its personnel expenditure within this reduced expenditure ceiling.
3. Rand million.

PROGRAMME 2: ECONOMIC POLICY, TAX, FINANCIAL REGULATION AND RESEARCH

PURPOSE

Provide specialist policy research, analysis and advisory services in the areas of macroeconomics, microeconomics, taxation, the financial sector and regulatory reform.

STRATEGIC OBJECTIVES

STRATEGIC OBJECTIVE	OBJECTIVE STATEMENT	SUB-PROGRAMMES
SO 2.1 Build economic research capacity in academic research institutions with the objective of promoting relevant research	Promoting economic research capacity in academic/research institutions through funding research relevant to the public interest. The research function provides information on topics relating to macroeconomic stability, poverty alleviation, retirement reform and financial sector development	Research
SO 2.2 Provide policy advice on the financial sector	Providing policy advice on the financial sector in relation to the regulatory framework and supporting legislation. The objective for policy is to make the financial sector safer and to treat customers more fairly and better, and to be more inclusive and have integrity. This includes implementing regulatory reforms related to the Twin Peaks system, savings and retirement reform, and to improving market conduct practices in the industry to ensure it provides more appropriate financial products.	Financial Sector Policy
SO 2.3 Provide advice and input into tax policy, frameworks and legislation	Providing tax policy advice, tax revenue analysis, tax revenue forecasting and drafting the annual tax legislation as a part of the budget. The programme is responsible for developing a tax administrative system that ensures sustainable growth of the economy and improved environmental sustainability	Tax Policy
SO 2.4 Provide input into economic policy, related frameworks and strategies	Providing advice on macro and microeconomic policy, macroeconomic projections and modelling, monetary policy framework and economic sector strategies	Economic Policy

SUB-PROGRAMMES

Programme Management for Economic Policy, Tax, Financial Regulation and Research

This sub-programme provides overall programme management and policy advice to government relating to the promotion of economic growth, employment, and microeconomic and macroeconomic stability.

Research

This sub-programme promotes economic research institutions by funding economic research in the public interest, and dedicated economic research on behalf of the department. This includes research into the promotion of macroeconomic stability, poverty alleviation, social security and retirement reform and financial sector policy development. Most funding is for long-term agreements with institution and for ad hoc economic research related projects.

Financial Sector Policy

This sub-programme is responsible for developing policy on the regulation of the financial sector in South Africa, on broadening access to financial services by all South Africans and on improving the national savings rate through reforms to the legislative framework governing the savings industry, including work being undertaken towards the implementation of retirement reform proposals. Enabling legislation for the Twin Peaks model of regulation and oversight in the financial sector was tabled in Parliament in 2015/16. Under this model, the financial services industry and related structures will have two regulators: a prudential regulator, which will operate within the Reserve Bank; and a new market conduct regulator, which will be established within a restructured Financial Services Board.

PROGRAMME 2: ECONOMIC POLICY, TAX, FINANCIAL REGULATION AND RESEARCH - cont

Tax Policy

This sub-programme is responsible for preparing tax and revenue proposals for the annual national budget, and for drafting the necessary tax legislation to give effect to the proposals adopted. The unit also processes recommendations made by the Davis Tax Committee to the Minister of Finance and provides advice to the Minister on such recommendations.

The unit promotes an effective, equitable and efficient tax policy framework and tax administrative system that ensures sustainable growth and delivery on government's mandate to address the needs of all South Africans. This includes providing tax proposals towards improved environmental sustainability, the reduction of inequality and raising of revenue. The unit has prepared a bill on the carbon tax which is expected to serve before Parliament during 2016.

Economic Policy

This sub-programme provides macroeconomic and microeconomic policy analysis, economic forecasts that inform the Budget and Medium Term Budget Policy Statement and scenario modeling. The sound policy advice on the economic environment provided assists in promoting economic policy coherence in relation to the objectives of growth and jobs, and helps to improve South Africa's macroeconomic and microeconomic framework as policy advice is mainly focused on creating decent employment through inclusive economic growth.

PROGRAMME 2: ECONOMIC POLICY, TAX, FINANCIAL REGULATION AND RESEARCH - cont

ANNUAL TARGETS

Performance Indicator	Audited/actual performance			Current year			MTEF			
	2011/12	2013/14	2014/15	2016/17	2017/18	2018/19	2019/20			
Strategic Objective 2.1: Build economic research capacity in academic research institutions with the objective of promoting relevant research										
2.1.1	61	87	91	80	80	80	80	80		
Strategic Objective 2.2: Provide policy advice on the financial sector										
2.2.1	#	#	N/A	Enactment and implementation of legislation to establish Twin Peaks regulatory system (Bill was tabled in Parliament in October 2015)						
2.2.2	#	#	#	Implementation of tax-free savings and retirement reforms						
Strategic Objective 2.3: Provide advice and input into tax policy, frameworks and legislation										
2.3.1	#	#	#	<ul style="list-style-type: none"> Publish tax and revenue proposals on 2016 Budget. Update revenue estimates for 2016 Medium Term Budget Policy Statement (MTBPS) 						
2.3.2	#	#	#	Prepare, publish and table tax legislation in Parliament						
Strategic Objective 2.4: Provide input into economic policy and frameworks										
2.4.1	#	#	#	6	6	6	6	6		
2.4.2	#	#	#	25	25	25	25	25		
2.4.3	#	#	#	4	4	4	4	4		
2.4.4	N/A	N/A	#	2	2	2	2	2		
2.4.5	#	N/A	#	8	8	8	8	8		
2.4.6.1	#	#	#	11 - Reports on the exchange rate, monetary policy and macroeconomic framework			11 - Reports on the exchange rate, monetary policy and macroeconomic framework			11 - Reports on the exchange rate, monetary policy and macroeconomic framework.

PROGRAMME 2: ECONOMIC POLICY, TAX, FINANCIAL REGULATION AND RESEARCH - cont

ANNUAL TARGETS - CONTINUED

Performance Indicator	Audited/actual performance			Current year		MTEF		
	2011/12	2013/14	2014/15	2016/17	2017/18	2018/19	2019/20	
Strategic Objective 2.4: Provide input into economic policy and frameworks								
2.4.6.2	#	#	#	420 - Daily, weekly and monthly reports on high frequency data	420 - Daily, weekly and monthly reports on high frequency data	420 - Daily, weekly and monthly reports on high frequency data	420 - Daily, weekly and monthly reports on high frequency data	
2.4.7.1	#	#	#	66 regular reports on high frequency data	66 regular reports on high frequency data	66 regular reports on high frequency data	66 regular reports on high frequency data	
2.4.7.2	#	#	#	30 - reports, assessments and reviews on policy proposals	30 - reports, assessments and reviews on policy proposals	30 - reports, assessments and reviews on policy proposals	30 - reports, assessments and reviews on policy proposals	

PROGRAMME 2: ECONOMIC POLICY, TAX, FINANCIAL REGULATION AND RESEARCH - cont

QUARTERLY TARGETS FOR 2016/17

Indicator		2016/17 Annual targets			
		Quarter 1	Quarter 2	Quarter 3	Quarter 4
Strategic Objective 2.1: Build economic research capacity in academic research institutions with the objective of promoting relevant research					
2.1.1	Number of papers published in association with academic research institutions	80	40	60	80
Strategic Objective 2.2: Provide policy advice on the financial sector					
2.2.1	Enact Twin Peaks model legislation	Enactment and implementation of legislation to establish Twin Peaks regulatory system	Work under Standing Committee on Finance (SCOF) to process Bill	Work under SCOF to process Bill	Prepare for passage of Bill in National Assembly and present to SCOF in National Council of Provinces (NCOP)
2.2.2	Implement savings and retirement policies	Implementation of tax-free savings and retirement reforms	Prepare for implementation of tax harmonisation laws	Prepare internal analysis on implementation of tax free savings accounts	Prepare proposals for 2018 Budget
Strategic Objective 2.3: Provide advice and input into tax policy, frameworks and legislation					
2.3.1	Publish tax proposals in annual budget review	Publish tax and revenue proposals on 2016 Budget Update revenue estimates for 2016 MTBPS	Prepare analysis of 2015/16 revenue outcome	Prepare revised revenue estimates for MTBPS	Prepare revenue and tax proposals for 2018 Budget
2.3.2	Implement legislation to give effect to tax proposals from the Budget	Prepare, publish and table tax legislation in Parliament	Publish Monetary Rates and Threshold Bill	<ul style="list-style-type: none"> Publish draft Taxation Laws Amendment (TLAB) Table carbon tax bill 	Prepare Monetary Rates and Threshold Bill for 2018 Budget

PROGRAMME 2: ECONOMIC POLICY, TAX, FINANCIAL REGULATION AND RESEARCH - cont

QUARTERLY TARGETS FOR 2016/17 - CONTINUED

Indicator		2016/17 Annual targets	Quarter 1	Quarter 2	Quarter 3	Quarter 4
Strategic Objective 2.4: Provide input into economic policy and frameworks						
2.4.1	Number of economic models developed in line with work agenda	6	2	4	5	6
2.4.2	Number of economic models maintained (models reflect the most recent economic environment)	25	7	13	19	25
2.4.3	Number of quarterly economic forecasts based on high-quality policy scenario modelling developed	4	1	2	3	4
2.4.4	Chapter 2 of the MTBPS and Budget Review published	2	0	0	1	2
2.4.5	Number of model to policy scenario application conducted	8	2	4	6	8
2.4.6.1	Number of economic policy analyses, research, assessment and advice on macroeconomics, including government policy proposals developed	11 - Reports on the exchange rate, monetary policy and macroeconomic framework	0	0	0	11
2.4.6.2						
2.4.7.1	Number of economic policy analysis, research, assessment and advice on microeconomics, including government policy proposals developed	66 regular reports on high frequency data	17	34	50	66
2.4.7.2						

PROGRAMME 2: ECONOMIC POLICY, TAX, FINANCIAL REGULATION AND RESEARCH - cont

EXPENDITURE TRENDS AND ESTIMATES

Sub-programme	Economic Policy, Tax, Financial Regulation and Research expenditure trends and estimates by sub-programme and economic classification													
	Audited outcome		Adjusted appropriation	Average growth rate (%)		Expenditure/total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/total: Average (%)			
	2012/13	2013/14		2014/15	2015/16		2012/13 - 2015/16	2016/17	2017/18			2018/19	2015/16 - 2018/19	
R thousand														
Programme Management for Economic Policy, Tax, Financial Regulation and Research	19 351	20 220	20 668	22 093	4.5%	16.6%	23 337	24 021	24 945	4.1%	16.2%			
Research	7 493	16 657	11 529	10 948	13.5%	9.4%	11 708	12 533	12 100	3.4%	8.1%			
Financial Sector Policy	21 393	25 111	27 974	29 277	11.0%	21.0%	30 827	30 555	30 915	1.8%	20.9%			
Tax Policy	24 233	23 401	21 589	26 819	3.4%	19.4%	32 474	31 759	31 592	5.6%	21.1%			
Economic Policy	22 764	22 473	25 731	28 909	8.3%	20.2%	31 252	30 787	30 947	2.3%	21.0%			
Cooperative Banks Development Agency	16 000	16 236	16 838	17 341	2.7%	13.4%	16 472	19 275	20 393	5.6%	12.6%			
Total	111 234	124 098	124 329	135 387	6.8%	100.0%	146 070	148 930	150 892	3.7%	100.0%			
Change to 2015 Budget estimate				1 495			3 435	(4 917)	(11 878)					

ECONOMIC CLASSIFICATION

Current payments	84 521	97 123	96 289	105 913	7.8%	77.5%	116 797	116 228	116 368	3.2%	78.3%
Compensation of employees	62 226	66 731	70 770	79 057	8.3%	56.3%	90 895	88 698	88 355	3.8%	59.7%
Goods and services	22 295	30 392	25 519	26 856	6.4%	21.2%	25 902	27 530	28 013	1.4%	18.6%
of which:											
Administrative fees	714	134	126	194	-35.2%	0.2%	152	166	174	-3.6%	0.1%
Advertising	384	343	408	330	-4.9%	0.3%	238	240	260	-7.6%	0.2%
Minor assets	23	16	15	81	52.1%	-	48	57	67	-6.1%	-
Bursaries: Employees	299	819	761	424	12.3%	0.5%	362	398	383	-3.3%	0.3%
Catering: Departmental activities	151	147	90	133	-4.1%	0.1%	203	197	211	16.6%	0.1%
Communication	424	351	296	449	1.9%	0.3%	383	411	435	-1.1%	0.3%
Computer services	102	37	144	44	-24.4%	0.1%	98	121	126	42.0%	0.1%
Consultants: Business and advisory services	8 330	17 121	11 843	11 731	12.1%	9.9%	12 158	13 021	12 637	2.5%	8.5%

PROGRAMME 2: ECONOMIC POLICY, TAX, FINANCIAL REGULATION AND RESEARCH - cont

EXPENDITURE TRENDS AND ESTIMATES - CONTINUED

Economic Policy, Tax, Financial Regulation and Research expenditure trends and estimates by sub-programme and economic classification												
Sub-programme	Audited outcome			Adjusted appropriation	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/total: Average (%)	
	2012/13	2013/14	2014/15				2015/16	2016/17	2017/18			2018/19
R thousand	2012/13	2013/14	2014/15	2015/16	2012/13 - 2015/16	2016/17	2017/18	2018/19	2015/16 - 2018/19	2015/16 - 2018/19	2015/16 - 2018/19	
ECONOMIC CLASSIFICATION												
Contractors	54	8	4	9	-45.0%	-	-	-	-100.0%	-	-	
Entertainment	26	18	10	57	29.9%	-	56	63	5.0%	66	-	
Fleet services (including government motor transport)	410	3	-	-	-100.0%	0.1%	-	-	-	-	-	
Consumable supplies	6	72	124	179	210.1%	0.1%	186	195	3.8%	200	0.1%	
Consumables: Stationery, printing and office supplies	859	884	1 047	894	1.3%	0.7%	957	1 020	6.1%	1 069	0.7%	
Operating leases	133	202	239	302	31.4%	0.2%	284	302	1.5%	316	0.2%	
Travel and subsistence	5 652	5 448	5 368	6 218	3.2%	4.6%	5 913	6 237	2.1%	6 626	4.3%	
Training and development	618	562	668	825	10.1%	0.5%	700	729	-1.1%	798	0.5%	
Operating payments	3 117	4 012	4 040	4 792	15.4%	3.2%	4 059	4 263	-1.8%	4 539	3.0%	
Venues and facilities	993	215	336	194	-42.0%	0.4%	105	110	-18.2%	106	0.1%	
Transfers and subsidies	26 191	26 531	27 653	28 746	3.2%	22.0%	28 471	31 861	5.5%	33 709	21.1%	
Departmental agencies and accounts	16 000	16 236	16 838	17 341	2.7%	13.4%	16 472	19 275	5.6%	20 393	12.6%	
Public corporations and private enterprises	10 000	9 900	10 780	11 384	4.4%	8.5%	11 999	12 586	5.4%	13 316	8.5%	
Households	191	395	35	21	-52.1%	0.1%	-	-	-100.0%	-	-	
Payments for capital assets	522	443	385	728	11.7%	0.4%	802	841	3.8%	815	0.5%	
Machinery and equipment	522	443	385	728	11.7%	0.4%	802	841	3.8%	815	0.5%	
Payments for financial assets	-	1	2	-	-	-	-	-	-	-	-	
Total	111 234	124 098	124 329	135 387	6.8%	100.0%	146 070	148 930	3.7%	150 892	100.0%	
Proportion of total programme expenditure to vote expenditure	0.5%	0.5%	0.5%	0.5%	-	-	0.5%	0.5%	-	0.5%	-	

PROGRAMME 2: ECONOMIC POLICY, TAX, FINANCIAL REGULATION AND RESEARCH - cont

EXPENDITURE TRENDS AND ESTIMATES - CONTINUED

Economic Policy, Tax, Financial Regulation and Research expenditure trends and estimates by sub-programme and economic classification											
Sub-programme	Audited outcome			Adjusted appropriation	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/total: Average (%)
	2012/13	2013/14	2014/15				2015/16	2016/17	2017/18		
R thousand	2012/13	2013/14	2014/15	2015/16	2012/13 - 2015/16	2016/17	2017/18	2018/19	2015/16 - 2018/19	2015/16 - 2018/19	2015/16 - 2018/19
DETAILS OF TRANSFERS AND SUBSIDIES											
Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current	16 000	16 236	16 838	17 341	2.7%	16 472	19 275	20 393	5.6%	12.6%	12.6%
Cooperative Banks Development Agency	16 000	16 236	16 838	17 341	2.7%	16 472	19 275	20 393	5.6%	12.6%	12.6%
Employee social benefits	191	395	35	21	-52.1%	-	-	-	-100.0%	-	-
Public corporations and private enterprises											
Public corporations											
Other transfers to public corporations											
Current	10 000	9 900	10 780	11 384	4.4%	11 999	12 586	13 316	5.4%	8.5%	8.5%
Economic Research Southern Africa	10 000	9 900	10 780	11 384	4.4%	11 999	12 586	13 316	5.4%	8.5%	8.5%

PROGRAMME 2: ECONOMIC POLICY, TAX, FINANCIAL REGULATION AND RESEARCH - cont

PERSONNEL INFORMATION

Number of posts estimated for 31 March 2016		Number and cost ³ of personnel posts filled/planned for on the funded establishment												Number				
		Actual			Revised estimate			Medium-term expenditure estimate						Average growth rate (%)	Salary level/total: Average (%)			
Number of funded posts	Number of posts additional to the establishment	2014/15			2015/16			2016/17			2017/18			2018/19		2015/16 - 2018/19		
		No.	Cost	Unit Cost	No.	Cost	Unit Cost	No.	Cost	Unit Cost	No.	Cost	Unit Cost	No.	Cost	Unit Cost		
Economic Policy, Tax, Financial Regulation and Research																		
Salary level	115	–																100.0%
1 – 6	1	–	0.2	0.2	1	0.2	0.2	1	0.2	0.2	1	0.3	0.3	1	0.3	0.3	–	0.8%
7 – 10	31	–	11.8	0.4	31	12.8	0.4	31	13.0	0.4	31	14.0	0.5	31	14.9	0.5	–	25.9%
11 – 12	37	–	18.3	0.6	37	22.4	0.6	40	28.2	0.7	40	30.4	0.8	40	32.5	0.8	2.6%	32.8%
13 – 16	46	–	40.5	0.9	46	43.2	0.9	49	49.5	1.0	49	53.3	1.1	49	56.8	1.2	2.1%	40.4%
Reduction	–	–	–	–	–	–	–	–	–	–	–	(9.3)	–	–	(16.1)	–	–	–
Total	115	–	70.8	0.7	115	78.5	0.7	121	90.9	0.8	121	98.0	0.8	121	104.5	0.9	1.7%	100.0%

1. Data has been provided by the department and may not necessarily reconcile with official government personnel data.
2. The department's compensation of employees budget has been reduced by R194.3 million for 2017/18 and 2018/19. After consultation with the DPSA and the National Treasury, the department will finalise, develop and implement a plan to manage its personnel expenditure within this reduced expenditure ceiling.
3. Rand million.

PROGRAMME 3: PUBLIC FINANCE AND BUDGET MANAGEMENT

PURPOSE

Provide analysis and advice on fiscal policy and public finances, intergovernmental financial relations, expenditure planning and priorities. Manage government's annual budget process and provide public finance management support.

STRATEGIC OBJECTIVES

STRATEGIC OBJECTIVE	OBJECTIVE STATEMENT	SUB-PROGRAMMES
SO 3.1 Developing and implementing South Africa's fiscal policy and related frameworks	Contribute to the South African economy by developing, ensuring Cabinet authorisation of and implementing South Africa's fiscal policy and related frameworks	Public Finance and Budget Office
SO 3.2 Preparation of the national budget	Prepare a national budget that supports government's long-term policy and strategic priorities, within a fiscal framework that will ensure sound and sustainable financial policies and the effective, efficient and appropriate allocation of public funds	
SO 3.3 Publication of the national budget	Publish the <i>Budget Review, Estimates of National Expenditure</i> and MTBPS and appropriation legislation, containing relevant, accurate and clear financial information and associated indicators of service delivery and performance	
SO 3.4 Monitoring and analysis of public expenditure and service delivery	Support improved monitoring and analysis of public expenditure and service delivery, and the appropriate use of public and private financial resources for social and economic development and infrastructure investment	
SO 3.5 Coordinating international development cooperation	Effectively manage and coordinate official development assistance (ODA), which includes grants, concessionary loans and technical assistance	The Budget Office in collaboration with Public Finance, Asset and Liability Management (ALM), International and Regional Economic Policy (IREP)
SO 3.6 Coordinating intergovernmental relations	Effectively coordinate fiscal relations between the three spheres of government and promote sound financial planning, reporting and management	Intergovernmental Relations

SUB-PROGRAMMES

Public Finance and Budget Management

Three divisions within the National Treasury are jointly responsible for fulfilling the functions of this programme. They are the Budget Office, Public Finance and Intergovernmental Relations.

Budget Office

The Budget Office is responsible for providing fiscal policy advice by monitoring economic and fiscal trends and advising on policy options and the budget framework. The Budget Office coordinates the national budgeting process which includes coordinating resource allocation to meet priorities set by government. The Budget Office oversees expenditure planning, leads the budget reform programme, coordinates international development cooperation, provides advice on public service remuneration and pension arrangements and compiles public finance statistics.

PROGRAMME 3: PUBLIC FINANCE AND BUDGET MANAGEMENT - cont

Public Finance

Public Finance provides financial and budgetary analysis, advises on policy and service delivery trends and manages the National Treasury's relations with other national departments as well as its own analytical work. The division monitors the use of scarce public resources by national spending agencies, engaging where necessary with accounting officers and other officials to promote efficient and effective use of these resources. Based on engagements with departments, the Public Finance team provides recommendations annually to the Medium Term Expenditure Committee (MTEC). The team also provides inputs on departmental budget submissions and compiles estimated national expenditure. Other outputs and activities include the phased implementation of contributory social security reforms over the medium term.

Intergovernmental Relations

Intergovernmental Relations coordinates fiscal relations between national, provincial and local government, promotes sound provincial and municipal budgetary planning, monitors implementation through periodic reporting and assists in building capacity that enables efficient and effective financial management practices. The division monitors the use of scarce public resources by provincial and local government, regularly engaging with a range of stakeholders to promote efficient and effective use of these resources. It also provides technical assistance to government departments to promote improved planning and management of infrastructure delivery.

PROGRAMME 3: PUBLIC FINANCE AND BUDGET MANAGEMENT - cont

ANNUAL TARGETS

Performance Indicator	Audited/actual performance			Current year	MTEF		
	2011/12	2013/14	2014/15		2016/17	2017/18	2018/19
Strategic Objective 3.1: Developing and implementing South Africa's fiscal policy and related frameworks							
3.1.1	N/A	N/A	#	= 0 or less than 0 for each year	= 0 or less than 0 for each year	= 0 or less than 0 for each year	= 0 or less than 0 for each year
3.1.2	#	#	#	2	2	2	2
Strategic Objective 3.2: Preparation of the national budget							
3.2.1	#	#	#	<ul style="list-style-type: none"> 1 set of MTEF guidelines issued by July 1 programme scheduling MTEC meetings drafted by July 1 Adjusted Estimates of National Expenditure (AENE) guideline issued in August 1 ENE guideline issued in November 	<ul style="list-style-type: none"> 1 set of MTEF guidelines issued by July 1 programme scheduling MTEC meetings drafted by July 1 AENE guideline issued in August 1 ENE guideline issued in November 	<ul style="list-style-type: none"> 1 set of MTEF guidelines issued by July 1 programme scheduling MTEC meetings drafted by July 1 AENE guideline issued in August 1 ENE guideline issued in November 	<ul style="list-style-type: none"> 1 set of MTEF guidelines issued by July 1 programme scheduling MTEC meetings drafted by July 1 AENE guideline issued in August 1 ENE guideline issued in November
3.2.2	#	#	#	<ul style="list-style-type: none"> Various funding recommendations to the MTEC, the Ministers' Committee on the Budget (MINCOMBUD) and Cabinet within budget calendar timelines 1 Cabinet endorsement of national government expenditure allocations in November 	<ul style="list-style-type: none"> Various funding recommendations to the MTEC, the MINCOMBUD and Cabinet within budget calendar timelines 1 Cabinet endorsement of national government expenditure allocations in November 	<ul style="list-style-type: none"> Various funding recommendations to the MTEC, the MINCOMBUD and Cabinet within budget calendar timelines 1 Cabinet endorsement of national government expenditure allocations in November 	<ul style="list-style-type: none"> Various funding recommendations to the MTEC, the MINCOMBUD and Cabinet within budget calendar timelines 1 Cabinet endorsement of national government expenditure allocations in November

PROGRAMME 3: PUBLIC FINANCE AND BUDGET MANAGEMENT - cont

ANNUAL TARGETS - CONTINUED

Performance Indicator	Audited/actual performance				Current year 2016/17	2017/18	2018/19	2019/20
	2011/12	2013/14	2014/15	2015/16				
Strategic Objective 3.3: Publication of the national budget								
3.3.1	#	#	#	<ul style="list-style-type: none"> 3 budget documents tabled in February 3 budget documents tabled in October 	<ul style="list-style-type: none"> 3 budget documents tabled in February 3 budget documents tabled in October 	<ul style="list-style-type: none"> 3 budget documents tabled in February 3 budget documents tabled in October 	<ul style="list-style-type: none"> 3 budget documents tabled in February 3 budget documents tabled in October 	
3.3.2	#	#	#	4 reports	4 reports	4 reports	4 reports	4 reports
3.3.3	#	#	#	4 reports	4 reports	4 reports	4 reports	4 reports
Strategic Objective 3.4: Monitoring and analysis of public expenditure and service delivery								
3.4.1	#	#	#	100%	100%	100%	100%	100%
3.4.2	#	#	#	480	480	480	480	480
3.4.3	#	#	#	160	160	160	160	160
3.4.4	#	#	#	6	6	6	6	6
3.4.5	N/A	N/A	#	4	4	4	4	4
3.4.6	#	#	#	100%	100%	100%	100%	100%

PROGRAMME 3: PUBLIC FINANCE AND BUDGET MANAGEMENT - cont

ANNUAL TARGETS - CONTINUED

Performance Indicator	Audited/actual performance				Current year		MTEF	
	2011/12	2013/14	2014/15	2016/17	2017/18	2018/19	2019/20	
Strategic Objective 3.5: Coordinating international development cooperation								
3.5.1	#	#	#	100%	100%	100%	100%	100%
3.5.2	#	#	#	100%	100%	100%	100%	100%
Strategic Objective 3.6: Coordination of intergovernmental relations								
3.6.1	#	#	#	3	3	3	3	3
3.6.2	N/A	N/A	#	4	3	2	2	2
3.6.3	#	#	#	18	18	18	18	18
3.6.4	#	#	#	8	8	8	8	8
3.6.5	#	#	#	33	33	33	33	33
3.6.6	#	#	#	18	18	18	18	18
3.6.7	#	#	#	34	34	34	34	34

PROGRAMME 3: PUBLIC FINANCE AND BUDGET MANAGEMENT - cont

ANNUAL TARGETS - CONTINUED

Performance Indicator	Audited/actual performance			Current year 2016/17	2017/18	MTEF 2018/19	2019/20
	2011/12	2013/14	2014/15				
3.6.8 Number of Section 71 quarterly reports, including expenditure against conditional grants published	#	#	#	4	4	4	4
3.6.9 Number of routine publications published	N/A	N/A	N/A	5	5	5	5
3.6.10 Publication of Local Government Budgets and Expenditure Review	#	#	#	1	0	1	0
3.6.11 Number of provinces for which rollover applications are assessed and unspent conditional grants are offset	N/A	N/A	N/A	9	9	9	9
3.6.12 Number of municipal payment schedules published	N/A	N/A	#	2	2	2	2
3.6.13 Number of provinces where specific strategies and support plans to address municipal finance performance failures are being implemented	N/A	N/A	N/A	9	9	9	9
3.6.14 Number of provincial visits undertaken to improve intergovernmental relations and provincial financial performance	N/A	N/A	N/A	9	9	9	9
3.6.15 Number of quarterly financial reports produced and published to comply with Section 32 of the PFMA	#	#	#	4	4	4	4
3.6.16 Number of monthly reports produced (internally) in respect of Section 40 of the PFMA	#	#	#	108	108	108	108
3.6.17 Number of parliamentary briefings provided on selected elements of provincial and local government financial performance	N/A	N/A	#	2	2	2	2
3.6.18 Number of municipalities where the Standard Chart of Accounts (SCOA) project is rolled out	#	#	#	278	278	N/A	N/A

PROGRAMME 3: PUBLIC FINANCE AND BUDGET MANAGEMENT - cont

QUARTERLY TARGETS FOR 2016/17

Indicator		2016/17 Annual targets			
Strategic Objective 3.1: Developing and implementing South Africa's fiscal policy and related frameworks		Quarter 1	Quarter 2	Quarter 3	Quarter 4
3.1.1	Difference between the expenditure tabled for the MTEF years within the expenditure ceiling in the MTBPS and the expenditure ceiling tabled for the MTEF years in the February budget	N/A	N/A	N/A	= 0 or less than 0 for each year
3.1.2	Number of sustainable fiscal frameworks provided	0	0	1	2
Strategic Objective 3.2: Preparation of the national budget					
3.2.1	Number of budget guidelines issued and budget decision making processes coordinated	N/A	<ul style="list-style-type: none"> 1 set of MTEF guidelines issued by July 1 programme, scheduling MTEC meetings drafted by July 1 AENE guideline issued in August 1 ENE guideline issued in November 	<ul style="list-style-type: none"> 1 ENE guideline issued in November 	<ul style="list-style-type: none"> 1 set of MTEF guidelines issued by July 1 programme scheduling MTEC meetings drafted by July 1 AENE guideline issued in August 1 ENE guideline issued in November
3.2.2	Adherence to timelines for budget allocation recommendations based on departmental budget submissions	N/A	<ul style="list-style-type: none"> Various funding recommendations to the MTEC, the MINCOMBUD and Cabinet within budget calendar timelines 	<ul style="list-style-type: none"> Various funding recommendations to MTEC, the MINCOMBUD and Cabinet within budget calendar timelines 1 Cabinet endorsement of national government expenditure allocations in November 	<ul style="list-style-type: none"> Various funding recommendations submitted to MTEC, MinComBud and Cabinet Cabinet-endorsed national government allocations

PROGRAMME 3: PUBLIC FINANCE AND BUDGET MANAGEMENT - cont

QUARTERLY TARGETS FOR 2016/17 - CONTINUED

Indicator	2016/17 Annual targets				Quarter 1	Quarter 2	Quarter 3	Quarter 4
	Strategic Objective 3.3: Publication of the national budget							
3.3.1	Budget legislation and accompanying documentation tabled in Parliament and published	3 budget documents tabled in February 3 budget documents tabled in October	N/A	N/A	N/A	Publish 3 budget documents	Publish 3 budget documents	
3.3.2	Public finance statistics according to function and economic classification for consolidated government presented per quarter	4 reports	1 report	2 reports	2 reports	3 reports	4 reports	
3.3.3	Guidance to departments and entities on the classification of expenditure per quarter	4 reports	1 report	2 reports	2 reports	3 reports	4 reports	
Strategic Objective 3.4: Monitoring and analysis of public expenditure and service delivery								
3.4.1	Percentage adherence to timelines for sectoral analysis and advice for policy framework development	100%	100%	100%	100%	100%	100%	100%
3.4.2	Number of monthly expenditure feedback to departments	480	120	240	240	360	480	
3.4.3	Number of quarterly expenditure reports submitted to the Standing Committee on Appropriations	160	40	80	80	120	160	
3.4.4	Number of selected expenditure and performance reviews undertaken	6 per year	N/A	N/A	N/A	N/A	6 expenditure reports	
3.4.5	Number of reports produced on review and implementation of the COLA costing model	4	1	2	2	3	4	
3.4.6	Provide support on governance and financial management monitoring and compliance system in public entities.	100%	0%	0%	0%	0%	100%	
Strategic Objective 3.5: Coordinating international development cooperation								
3.5.1	Percentage alignment of development cooperation with government policy and priorities	100%	0%	0%	0%	0%	100%	
3.5.2	Percentage management and coordination of development cooperation in South Africa	100%	0%	0%	0%	0%	100%	

PROGRAMME 3: PUBLIC FINANCE AND BUDGET MANAGEMENT - cont

QUARTERLY TARGETS FOR 2016/17 - CONTINUED

Indicator	2016/17 Annual targets	Strategic Objective 3.6: Coordination of intergovernmental relations				
		Quarter 1	Quarter 2	Quarter 3	Quarter 4	
3.6.1	Number of Division of Revenue and Division of Revenue Amendment Bills published annually	3	1	1	2	3
3.6.2	Number of reforms introduced to enhance provincial and local government fiscal frameworks	4	0	1	2	4
3.6.3	Number of plans assessed to support improvements in infrastructure planning in provinces	18	0	0	18	18
3.6.4	Number of built environment performance plans assessed to support improvement in the built environment	8	0	0	0	8
3.6.5	Number of training initiatives (workshops and courses) on conditional grants, infrastructure delivery management; budget formulation and analysis undertaken to facilitate improved budgeting and financial management	33	15	15	24	33
3.6.6	Number of provincial budgeting benchmarking exercises held to improve provincial budget credibility, composition, and achievability	18	0	0	9	18
3.6.7	Number of benchmarking and midyear engagement reports for non-delegated municipalities	34	17	17	17	34
3.6.8	Number of Section 71 quarterly reports, including expenditure against conditional grants published	4	1	2	3	4
3.6.9	Number of routine publications published	5	0	0	5	5
3.6.10	Publication of Local Government Budgets and Expenditure Review	1	0	0	0	1

PROGRAMME 3: PUBLIC FINANCE AND BUDGET MANAGEMENT - cont

QUARTERLY TARGETS FOR 2016/17 - CONTINUED

	Indicator	2016/17 Annual targets	Quarter 1	Quarter 2	Quarter 3	Quarter 4
3.6.11	Number of provinces for which rollover applications are assessed and unspent conditional grants are offset	9	0	9	9	9
3.6.12	Number of municipal payment schedules published	2	0	1	1	2
3.6.13	Number of provinces where specific strategies and support plans to address municipal finance performance failures are being implemented	9	0	9	9	9
3.6.14	Number of provincial visits undertaken to improve intergovernmental relations and provincial financial performance	9	9	9	9	9
3.6.15	Number of quarterly financial reports produced and published to comply with Section 32 of the PFMA	4	1	2	3	4
3.6.16	Number of monthly reports produced (internally) in respect of Section 40 of the PFMA	108	27	54	81	108
3.6.17	Number of parliamentary briefings provided on selected elements of provincial and local government financial performance	2	1	2	2	2
3.6.18	Number of municipalities where SCOA project is rolled out	278	278	278	278	278

PROGRAMME 3: PUBLIC FINANCE AND BUDGET MANAGEMENT - cont

EXPENDITURE TRENDS AND ESTIMATES - CONTINUED

Public Finance and Budget Management expenditure trends and estimates by sub-programme and economic classification														
Sub-programme	Audited outcome				Adjusted appropriation	Average growth rate (%)		Expenditure/total: Average (%)		Medium-term expenditure estimate			Average growth rate (%)	Expenditure/total: Average (%)
	2012/13	2013/14	2014/15	2015/16		2012/13 - 2015/16	2015/16	2016/17	2017/18	2018/19	2015/16 - 2018/19			
R thousand														
Agency and support/outsourced services	-	-	95	-	-	-	-	-	-	-	-	-	-	-
Entertainment	49	50	40	103	28.1%	-	125	134	140	10.8%	-	10.8%	-	
Fleet services (including government motor transport)	8	1	2	1	-50.0%	-	2	2	2	26.0%	-	26.0%	-	
Consumable supplies	9	308	328	449	268.1%	0.1%	328	346	362	-6.9%	0.1%	-6.9%	0.1%	
Consumables: Stationery, printing and office supplies	7 171	5 714	5 828	6 665	-2.4%	2.6%	6 810	7 378	7 214	2.7%	2.5%	2.7%	2.5%	
Operating leases	352	488	588	785	30.6%	0.2%	791	757	842	2.4%	0.3%	2.4%	0.3%	
Travel and subsistence	9 581	8 590	7 867	9 654	0.3%	3.7%	8 649	8 909	9 362	-1.0%	3.2%	-1.0%	3.2%	
Training and development	318	331	388	1 190	55.3%	0.2%	633	664	693	-16.5%	0.3%	-16.5%	0.3%	
Operating payments	40	194	39	230	79.2%	0.1%	26	30	16	-58.9%	-	-58.9%	-	
Venues and facilities	247	584	264	393	16.7%	0.2%	410	421	473	6.4%	0.1%	6.4%	0.1%	
Transfers and subsidies	38 093	41 366	45 473	42 025	3.3%	17.2%	44 839	50 647	53 110	8.1%	16.7%	8.1%	16.7%	
Departmental agencies and accounts	37 268	39 567	45 288	41 156	3.4%	16.8%	44 839	50 647	53 110	8.9%	16.6%	8.9%	16.6%	
Households	825	1 799	185	869	1.7%	0.4%	-	-	-	-100.0%	0.1%	-100.0%	0.1%	
Payments for capital assets	1 398	897	1 338	1 659	5.9%	0.5%	1 548	1 389	1 515	-3.0%	0.5%	-3.0%	0.5%	
Machinery and equipment	1 398	897	1 338	1 659	5.9%	0.5%	1 548	1 389	1 515	-3.0%	0.5%	-3.0%	0.5%	
Payments for financial assets	110	10	42	-	-100.0%	-	-	-	-	-	-	-	-	
Total	232 758	227 567	245 271	266 104	4.6%	100.0%	286 955	293 643	297 687	3.8%	100.0%	3.8%	100.0%	
Proportion of total programme expenditure to vote expenditure	1.1%	0.9%	0.9%	0.9%	-	-	1.0%	0.9%	0.9%	-	-	-	-	

PROGRAMME 3: PUBLIC FINANCE AND BUDGET MANAGEMENT - cont

EXPENDITURE TRENDS AND ESTIMATES - CONTINUED

Public Finance and Budget Management expenditure trends and estimates by sub-programme and economic classification												
Sub-programme	Audited outcome			Adjusted appropriation	Average growth rate (%)		Expenditure/total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/total: Average (%)
	2012/13	2013/14	2014/15		2015/16	2012/13 - 2015/16		2016/17	2017/18	2018/19		
R thousand	2012/13	2013/14	2014/15	2015/16	2012/13 - 2015/16	2016/17	2017/18	2018/19	2015/16 - 2018/19			
DETAILS OF TRANSFERS AND SUBSIDIES												
Departmental agencies and accounts												
Departmental agencies (non-business entities)												
Current	37 268	39 567	45 288	41 156	3.4%	44 839	50 647	53 110	8.9%	16.8%	16.6%	16.6%
Financial and Fiscal Commission	37 268	39 567	45 288	41 156	3.4%	44 839	50 647	53 110	8.9%	16.8%	16.6%	16.6%
Households												
Social benefits												
Current	825	1 799	185	869	1.7%	-	-	-	-100.0%	0.4%	0.1%	0.1%
Employee social benefits	825	1 799	185	869	1.7%	-	-	-	-100.0%	0.4%	0.1%	0.1%

PROGRAMME 3: PUBLIC FINANCE AND BUDGET MANAGEMENT - cont

PERSONNEL INFORMATION

Number of posts estimated for 31 March 2016		Public Finance and Budget Management personnel numbers and cost by salary level ¹ prior to Cabinet-approved reduction, effective from 2017/18 ² ; budget reductions and aggregate baseline total																	
		Actual						Revised estimate						Medium-term expenditure estimate					
Number of funded posts	Number of posts additional to the establishment	2014/15			2015/16			2016/17			2017/18			2018/19			Average growth rate (%)	2015/16 - 2018/19	
		No.	Cost	Unit Cost	No.	Cost	Unit Cost	No.	Cost	Unit Cost	No.	Cost	Unit Cost	No.	Cost	Unit Cost			
Public Finance and Budget Management	21	271	175.1	0.6	298	192.0	0.6	309	213.8	0.7	309	230.5	0.7	309	245.8	0.8	1.2%	100.0%	
Salary level	277	2	0.4	0.2	2	0.5	0.2	2	0.5	0.2	2	0.5	0.2	2	0.5	0.3	-	0.7%	
1 – 6	2	2	0.4	0.2	2	0.5	0.2	2	0.5	0.2	2	0.5	0.2	2	0.5	0.3	-	0.7%	
7 – 10	93	90	31.3	0.3	98	35.2	0.4	99	38.7	0.4	99	41.8	0.4	99	44.6	0.5	0.3%	32.2%	
11 – 12	97	91	56.6	0.6	106	67.5	0.6	113	77.4	0.7	113	83.4	0.7	113	89.1	0.8	2.2%	36.3%	
13 – 16	85	88	86.8	1.0	92	88.9	1.0	95	97.2	1.0	95	104.8	1.1	95	111.5	1.2	1.1%	30.8%	
Reduction	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(32.0)	-	-	-	
Total	277	271	175.1	0.6	298	192.0	0.6	309	213.8	0.7	309	230.5	0.7	309	245.8	0.8		-	

1. Data has been provided by the department and may not necessarily reconcile with official government personnel data.
2. The department's compensation of employees budget has been reduced by R194.3 million for 2017/18 and 2018/19. After consultation with the DPSA and the National Treasury, the department will finalise, develop and implement a plan to manage its personnel expenditure within this reduced expenditure ceiling.
3. Rand million.

PROGRAMME 4: ASSET AND LIABILITY MANAGEMENT

PURPOSE

Manage government's annual funding programme in a manner that ensures prudent cash management, an optimal portfolio of debt and other fiscal obligations. Promote and enforce the prudent financial management of SOEs through financial analysis and oversight.

STRATEGIC OBJECTIVES

STRATEGIC OBJECTIVE	OBJECTIVE STATEMENT	SUB-PROGRAMMES
SO 4.1 Exercise oversight of state-owned companies	Exercise oversight of state-owned companies to enable them to achieve government's policy objectives in a financially and fiscally sustainable manner by: <ul style="list-style-type: none"> Reviewing the corporate plans and annual financial statements of state-owned enterprises regularly Tracking progress on capital expenditure programmes on an ongoing basis Reviewing applications for funding, guarantees and borrowing limits and other applications in terms of the PFMA and monitoring progress on an ongoing basis Reviewing and commenting on legislative, policy or regulatory amendments that may impact on state-owned enterprises. 	State-owned Companies Financial Management and Governance
SO 4.2 Optimal debt management and funding of government borrowing requirement	Government's funding requirement to be met while ensuring that debt service costs remain sustainable	Government Debt Management
SO 4.3 Ensure sound management of government's cash resources	Ensure that government's liquidity requirements are consistently met through effective cash management and by making sound cash flow forecasts on an ongoing basis	Financial Operations
SO 4.4 Minimise and mitigate risks emanating from government's fiscal obligations	Minimise and mitigate risks emanating from the debt portfolio, sovereign credit rating and contingent liabilities	Strategy and Risk Management

SUB-PROGRAMMES

Programme Management for Asset and Liability Management

This sub-programme provides the overall management and regulatory support related to this programme, including support for planning, monitoring and delivering the programme's objectives and associated activities, which include the management of government debt, financial assets and investments.

State-Owned Companies Financial Management and Governance

This sub-programme is responsible for overseeing state-owned enterprises to enable them to meet government's policy objectives in a financially and fiscally sustainable manner, and for promoting sound corporate governance of these enterprises. Over the medium term, the unit will continue to review and compile submissions on applications for funding, guarantees and borrowing limits as well as other PFMA applications from state-owned companies. Where such applications are approved, the unit will monitor financial performance and adherence to any conditions. It will also continue to review state owned enterprises' corporate plans and annual reports as they are received annually, and progress on the enterprises' capital expenditure programmes will be monitored on a quarterly basis. Where legislative, policy or regulatory amendments that may impact on state owned enterprises are being contemplated, the unit will comment on the proposed changes. To strengthen regulatory compliance, the unit will report on compliance by major state-owned companies with the PFMA, the Companies Act (2008), Treasury Regulations and the King III Code on Corporate Governance.

PROGRAMME 4: ASSET AND LIABILITY MANAGEMENT - cont

Government Debt Management

This sub-programme is responsible for government's long-term funding needs. It manages the funding of domestic and foreign debt, contributes to the development of domestic financial markets, maintains sound investor relations and ensures that debt servicing costs remain sustainable.

Financial Operations

This sub-programme provides for government's short-term funding needs, invests government's surplus cash, prudently manages cash in all spheres of government and ensures efficient accounting for debt, the supply of reliable systems and the provision of high-quality information.

Strategy and Risk Management

This sub-programme develops and maintains a risk management framework for the debt and contingent liabilities of government, and monitors the implementation of strategies to ensure that risks remain within tolerance thresholds and to mitigate the risk of an adverse credit rating outcome for the sovereign credit rating.

Financial Investments

This sub-programme provides for the transfer of funding to meet the needs of state-owned entities, such as the re-capitalisation of the Land and Agricultural Development Bank of South Africa, Postbank and the Development Bank of Southern Africa.

PROGRAMME 4: ASSET AND LIABILITY MANAGEMENT - cont

ANNUAL TARGETS

Indicator	Audited/actual performance			Current year			MTEF		
	2012/13	2013/14	2014/15	2016/17	2017/18	2018/19	2019/20		
Strategic Objective 4.1: Exercise oversight of state-owned companies									
4.1.1	#	#	#	100%	100%	100%	100%	100%	100%
4.1.2	#	#	#	100%	100%	100%	100%	100%	100%
4.1.3	#	#	#	100%	100%	100%	100%	100%	100%
4.1.4	#	#	#	100%	100%	100%	100%	100%	100%
4.1.5	#	#	#	100%	100%	100%	100%	100%	100%
4.1.6	#	#	#	100%	100%	100%	100%	100%	100%
4.1.7	#	#	#	100%	100%	100%	100%	100%	100%
4.1.8	#	#	#	100%	100%	100%	100%	100%	100%
4.1.9	#	#	#	1	1	1	1	1	1
4.1.10	#	#	#	1	1	1	1	1	1
4.1.11	#	#	#	100%	100%	100%	100%	100%	100%
4.1.12	#	#	#	100%	100%	100%	100%	100%	100%
Strategic Objective 4.2: Optimal debt management and funding of government borrowing requirement									
4.2.1	#	#	#	100%	100%	100%	100%	100%	100%
4.2.2	#	#	#	100%	100%	100%	100%	100%	100%
4.2.3	5	4	4	4	4	4	4	4	4

PROGRAMME 4: ASSET AND LIABILITY MANAGEMENT - cont

ANNUAL TARGETS - CONTINUED

Indicator	Audited/actual performance				Current year	MTEF		
	2012/13	2013/14	2014/15	2016/17		2017/18	2018/19	2019/20
Strategic Objective 4.3 : Ensure sound management of government's cash resources								
4.3.1	#	#	#	100%	100%	100%	100%	100%
4.3.2	#	#	#	100%	100%	100%	100%	100%
Strategic Objective 4.4: Minimise and mitigate risks emanating from government's fiscal obligations								
4.4.1	#	#	#	100%	100%	100%	100%	100%
4.4.2	#	#	#	6	6	6	6	6
4.4.3	#	#	#	6	6	6	6	6

PROGRAMME 4: ASSET AND LIABILITY MANAGEMENT - cont

QUARTERLY TARGETS FOR 2016/17

Indicator	2016/17 Annual targets	Quarter 1	Quarter 2	Quarter 3	Quarter 4
Strategic Objective 4.1: Exercise oversight of state-owned companies					
4.1.1	Percentage of corporate plans of Schedule 2 and 3B SOCs, DFIs and WBs received and reviewed within four months of receipt	100%	100%	100%	100%
4.1.2	Percentage of annual reports of Schedule 2 and 3B SOCs, DFIs and WBs received and reviewed within four months of receipt	0%	0%	100%	100%
4.1.3	Percentage of annual reports and corporate plans received from Schedule 2 and 3B SOCs reporting to NT (SAA, PIC, DBSA, Land Bank, Sasria) tabled in Parliament within the required timescale (30 September each year)	100%	100%	100%	100%
4.1.4	Percentage of complete PFMA Section 54(2), 52, 55 and 92 applications received from Schedule 2 and 3B SOCs, DFIs and WBs reviewed within stipulated timeframes	100%	100%	100%	100%
4.1.5	Percentage of funding applications received from Schedule 2 and 3B SOCs, DFIs and WBs reviewed within stipulated timeframes	0%	100%	100%	100%
4.1.6	Percentage of complete guarantee applications received from Schedule 2 and 3B SOCs, DFIs and WBs reviewed within stipulated timeframes	100%	100%	100%	100%
4.1.7	Percentage of MFMA submissions relating to tariff adjustments received from Schedule 2 and 3B SOCs and WBs reviewed within stipulated timeframes	100%	100%	100%	100%
4.1.8	Percentage of reviews requested of legislation, policies and strategies impacting on Schedule 2 and 3B SOCs, DFIs and WBs conducted within stipulated timeframes	100%	100%	100%	100%
4.1.9	Report on the review of Schedule 2 and 3B SOCs' DFIs' and WBs' remuneration	1	0	1	1
4.1.10	Report on the review of Schedule 2 board composition	1	0	0	1
4.1.11	Percentage completion of the NT Best Practice guidelines	100%	100%	100%	100%
4.1.12	Percentage completion of reviews of borrowing limit applications relating to Schedule 2 and 3B SOCs, DFIs and WBs received with complete information and within stipulated timeframes	100%	100%	100%	100%
Strategic Objective 4.2: Optimal debt management and funding of government borrowing requirement					
4.2.1	Percentage of government's annual gross borrowing requirement met	100%	100%	100%	100%
4.2.2	Percentage of interest and redemptions met accurately and in a timely manner	100%	100%	100%	100%
4.2.3	Number of roadshows to retain current, and attract new, investors	4	1	3	4

PROGRAMME 4: ASSET AND LIABILITY MANAGEMENT - cont

QUARTERLY TARGETS FOR 2016/17 - CONTINUED

Indicator	2016/17 Annual targets	Quarter 1	Quarter 2	Quarter 3	Quarter 4
Strategic Objective 4.3 : Ensure sound management of government's cash resources					
4.3.1	Percentage of reporting requirements met on national government debt in terms of the PFMA and international reporting requirements	100%	100%	100%	100%
4.3.2	Percentage of government's liquidity requirements met	100%	100%	100%	100%
Strategic Objective 4.4: Minimise and mitigate risks emanating from government's fiscal obligations (Strategy and Risk Management)					
4.4.1	Percentage compliance with market and refinancing risks benchmarks	100%	100%	100%	100%
4.4.2	Number of interactions to manage and ensure effective relations with the credit rating agencies	6	3	5	6
4.4.3	Number of reports on the management of government's contingent liabilities and counterparty risk	6	3	5	6

PROGRAMME 4: ASSET AND LIABILITY MANAGEMENT - cont

EXPENDITURE TRENDS AND ESTIMATES

Sub-programme	Asset and Liability Management expenditure trends and estimates by sub-programme and economic classification											
	Audited outcome			Adjusted appropriation	2012/13 - 2015/16		2016/17 - 2018/19			Average growth rate (%)	Expenditure/total: Average (%)	
	2012/13	2013/14	2014/15		2015/16	Average growth rate (%)	Expenditure/total: Average (%)	2016/17	2017/18			2018/19
R thousand												
Programme Management for Asset and Liability Management	14 882	16 419	11 951	11 617	-7.9%	0.6%	21 916	14 245	13 694	5.6%	1.7%	
State Owned Entity Financial Management and Governance	23 691	26 320	29 171	30 149	8.4%	1.1%	33 435	33 124	33 617	3.7%	3.6%	
Government Debt Management	15 708	17 316	19 286	19 649	7.7%	0.7%	19 839	19 859	20 647	1.7%	2.2%	
Financial Operations	15 875	17 246	20 031	19 765	7.6%	0.8%	21 376	22 434	23 026	5.2%	2.4%	
Strategy and Risk Management	8 049	8 622	8 964	9 697	6.4%	0.4%	10 645	10 656	10 944	4.1%	1.2%	
Financial Investments	200 000	2 905 000	3 000 000	3 174 013	151.3%	96.4%	-	-	-	-100.0%	88.8%	
Total	278 205	2 990 923	3 089 403	3 264 890	127.2%	100.0%	107 211	100 318	101 928	-68.5%	100.0%	
Change to 2015 Budget estimate				147 960			9 136	(4 191)	(8 643)			

ECONOMIC CLASSIFICATION

	2012/13	2013/14	2014/15	2015/16	Average growth rate (%)	2016/17	2017/18	2018/19	Average growth rate (%)	Expenditure/total: Average (%)
Current payments	77 684	85 386	88 909	89 433	4.8%	106 569	99 644	101 220	4.2%	11.1%
Compensation of employees	58 183	62 791	69 334	71 385	7.1%	76 828	76 708	78 267	3.1%	8.5%
Goods and services	19 501	22 595	19 575	18 048	-2.5%	29 741	22 936	22 953	8.3%	2.6%
of which:										
Administrative fees	79	53	302	58	-9.8%	72	76	86	14.0%	-
Advertising	198	124	63	160	-6.9%	70	75	80	-20.6%	-
Minor assets	15	4	1	25	18.6%	30	33	31	7.4%	-
Audit costs: External	585	674	546	700	6.2%	617	662	691	-0.4%	0.1%
Bursaries: Employees	309	499	569	655	28.5%	894	912	964	13.7%	0.1%
Catering: Departmental activities	100	100	44	76	-8.7%	76	80	83	3.0%	-
Communication	280	250	217	301	2.4%	270	307	303	0.2%	-
Computer services	8 102	10 491	9 598	8 748	2.6%	9 342	9 734	10 017	4.6%	1.1%

PROGRAMME 4: ASSET AND LIABILITY MANAGEMENT - cont

EXPENDITURE TRENDS AND ESTIMATES - CONTINUED

Sub-programme	Audited outcome				Adjusted appropriation	Average growth rate (%)		Expenditure/total: Average (%)		Medium-term expenditure estimate			Average growth rate (%)		Expenditure/total: Average (%)
	2012/13	2013/14	2014/15	2015/16		2012/13 - 2015/16	2015/16	2016/17	2017/18	2018/19	2015/16 - 2018/19				
R thousand															
Consultants: Business and advisory services	6 463	6 022	4 922	2 919	-23.3%	0.2%	14 509	5 904	5 345	22.3%	0.8%				
Contractors	2	8	7	2	-	-	19	20	21	119.0%	-				
Entertainment	33	23	9	14	-24.9%	-	33	33	33	33.1%	-				
Fleet services (including government motor transport)	9	23	21	11	6.9%	-	18	19	18	17.8%	-				
Consumable supplies	3	23	8	10	49.4%	-	10	-	-	-100.0%	-				
Consumables: Stationery, printing and office supplies	462	449	468	537	5.1%	-	567	589	619	4.9%	0.1%				
Operating leases	267	326	299	361	10.6%	-	330	346	363	0.2%	-				
Travel and subsistence	1 800	2 766	1 684	2 535	12.1%	0.1%	2 016	3 155	3 263	8.8%	0.3%				
Training and development	463	426	424	642	11.5%	-	698	822	859	10.2%	0.1%				
Operating payments	4	16	28	40	115.4%	-	40	45	47	5.5%	-				
Venues and facilities	327	318	365	254	-8.1%	-	130	124	130	-20.0%	-				
Transfers and subsidies	44	102	227	834	166.6%	-	-	-	-	-100.0%	-				
Households	44	102	227	834	166.6%	-	-	-	-	-100.0%	-				
Payments for capital assets	474	430	263	610	8.8%	-	642	674	708	5.1%	0.1%				
Machinery and equipment	474	430	263	610	8.8%	-	642	674	708	5.1%	0.1%				
Payments for financial assets	200 003	2 905 005	3 000 004	3 174 013	151.3%	96.4%	-	-	-	-100.0%	88.8%				
Total	278 205	2 990 923	3 089 403	3 264 890	127.2%	100.0%	107 211	100 318	101 928	-68.5%	100.0%				
Proportion of total programme expenditure to vote expenditure	1.3%	11.9%	11.8%	11.4%	-	-	0.4%	0.3%	0.3%	-	-				

PROGRAMME 4: ASSET AND LIABILITY MANAGEMENT - cont

EXPENDITURE TRENDS AND ESTIMATES - CONTINUED

Asset and Liability Management expenditure trends and estimates by sub-programme and economic classification												
Sub-programme	Audited outcome			Adjusted appropriation	Average growth rate (%)		Medium-term expenditure estimate			Average growth rate (%)		Expenditure/total: Average (%)
	2012/13	2013/14	2014/15		2015/16	2012/13 - 2015/16	2016/17	2017/18	2018/19	2015/16 - 2018/19		
R thousand												
DETAILS OF TRANSFERS AND SUBSIDIES												
Households												
Social benefits												
Current	44	102	227	834	166.6%	-	-	-	-	-100.0%	-	-
Employee social benefits	44	102	227	834	166.6%	-	-	-	-	-100.0%	-	-

PROGRAMME 4: ASSET AND LIABILITY MANAGEMENT - cont

PERSONNEL INFORMATION

Number of posts estimated for 31 March 2016		Number and cost ³ of personnel posts filled/planned for on the funded establishment															Number	
		Number of posts additional to the establishment		Actual		Revised estimate			Medium-term expenditure estimate						Average growth rate (%)	Salary level/total: Average (%)		
				2014/15		2015/16			2016/17		2017/18		2018/19				2015/16 - 2018/19	
Number of funded posts	Asset and Liability Management	No.	Cost	Unit Cost	No.	Cost	Unit Cost	No.	Cost	Unit Cost	No.	Cost	Unit Cost	No.	Cost	Unit Cost	Average growth rate (%)	Salary level/total: Average (%)
115	-	113	69.3	0.6	115	71.5	0.6	119	76.8	0.6	119	82.8	0.7	119	88.3	0.7	1.1%	100.0%
1-6	-	4	0.9	0.2	4	0.9	0.2	4	1.0	0.2	4	1.0	0.2	4	1.0	0.3	-	3.4%
7-10	-	50	19.7	0.4	50	20.9	0.4	51	21.3	0.4	51	23.0	0.5	51	24.5	0.5	0.7%	43.0%
11-12	-	37	26.0	0.7	37	26.1	0.7	40	30.1	0.8	40	32.4	0.8	40	34.6	0.9	2.6%	33.3%
13-16	-	24	22.7	1.0	24	23.5	1.0	24	24.6	1.0	24	26.5	1.1	24	28.2	1.2	-	20.3%
Reduction	-	-	-	-	-	-	-	-	-	-	-	(6.1)	-	-	(10.1)	-	-	-
Total	115	113	69.3	0.6	115	71.5	0.6	119	76.8	0.6	119	82.8	0.7	119	88.3	0.7	-	-

1. Data has been provided by the department and may not necessarily reconcile with official government personnel data.
2. The department's compensation of employees budget has been reduced by R194.3 million for 2017/18 and 2018/19. After consultation with the DPSA and the National Treasury, the department will finalise, develop and implement a plan to manage its personnel expenditure within this reduced expenditure ceiling.
3. Rand million.

PROGRAMME 5: FINANCIAL ACCOUNTING AND SUPPLY CHAIN MANAGEMENT SYSTEMS

PURPOSE

Facilitate governance and accountability by promoting and enforcing the transparent, economic and effective management of revenue, expenditure, assets, liabilities and supply chain processes in the public sector.

STRATEGIC OBJECTIVES

STRATEGIC OBJECTIVE	OBJECTIVE STATEMENT	SUB-PROGRAMMES
SO 5.1 Improve financial management governance and compliance across all spheres and entities in government, giving effect to the PFMA and MFMA	<p>Governance and compliance are continuously improved across all spheres of government by:</p> <ul style="list-style-type: none"> • Maintaining and enhancing the legislative framework • Enforcing compliance with public-sector financial management legislation in each sphere of government • Providing technical support services to address implementation challenges in financial management, IA and risk management • Issuing frameworks, guidelines, circulars, treasury instructions and other tools to enable proper implementation of the legislation • Monitoring and evaluating financial management, IA and risk management across government • Facilitating and undertaking special investigations and performance audits to improve financial governance and compliance 	Financial Management Policy and Compliance Improvement
SO 5.2 Support and facilitate capacity development across all spheres of government in order to improve financial management execution	Research, develop and implement interventions that contribute to improved public finance management (PFM) capacity, capability and performance in all three spheres of government, through institutional, organisational, individual and stakeholder development. This includes providing capacity and support on policies relating to accounting and reporting and IA on	<ul style="list-style-type: none"> • Financial Reporting for National Accounts and Financial Management • Policy and Compliance Improvement • Capacity Building • Specialised Audit Services
SO 5.3 Manage existing financial systems and renew these as required to exercise comprehensive financial management	<p>Maintain existing financial systems at a level of 98 per cent availability including the provision of reliable, efficient and effective support and user training over the medium term</p> <p>Develop and implement the IFMS to replace ageing and fragmented financial, supply chain and HR management systems across national and provincial departments</p>	Financial Systems
SO 5.4 Develop SCM capacity	Research, develop and implement interventions that will contribute to improved SCM capacity, capability and performance in all three spheres of government through institutional, organisational, individual and stakeholder development	Office of the Accountant-General
SO 5.5 Modernise SCM policies and procedures	Comprehensive review of SCM policies to ensure a simplified and modernised SCM environment in government, including the amendment of processes and procedures in line with the revised policies	Office of the Chief Procurement Officer
SO 5.6 Monitor and evaluate SCM performance	<p>Exercise oversight over SCM policies, procedures, norms and standards. This will entail oversight of:</p> <ul style="list-style-type: none"> • Published procurement plans • Published deviations and contract expansions • Bid specifications and procurement plans against SCM policies and procedures • Bid evaluation and adjudication to ensure compliance with evaluation criteria/scoring • Implementation of projects against contract specifications and conditions of tender 	Office of the Chief Procurement Officer

PROGRAMME 5: FINANCIAL ACCOUNTING AND SUPPLY CHAIN MANAGEMENT SYSTEMS - cont

STRATEGIC OBJECTIVE	OBJECTIVE STATEMENT	SUB-PROGRAMMES
SO 5.7 Develop and implement strategic procurement	Conduct a collaborative and structured process of critically analysing government's spend and utilise this information to make better business decisions about acquiring goods and services effectively and efficiently. Strategic procurement will help government to: <ul style="list-style-type: none"> • Optimise performance • Minimise costs • Improve access to business opportunities in line with B-BEEE policy • Increase value per rand spent These objectives will be achieved through the publication and implementation of a strategic procurement framework, guidelines and tools. <ul style="list-style-type: none"> • Contribute to efficient and effective procurement by expanding centre--led contracting for common goods and services 	Office of the Chief Procurement Officer
SO 5.8 Build and strengthen stakeholder relations	Provide an environment for SCM engagements and for support to stakeholders/clients	Office of the Chief Procurement Officer
SO 5.9 Modernise and automate SCM processes	Modernise ICT to improve SCM performance and reduce the amount of paper used in processing transactions	Office of the Chief Procurement Officer

**Strategic objective 'Develop SCM capacity' has been moved to Office of the Accountant-General.*

SUB-PROGRAMMES

Programme Management for Financial Accounting and Supply Chain Systems

This sub-programme supports planning, monitoring and coordinating deliverables of the programme plan.

Office of the Chief Procurement Officer

The purpose of this sub-programme is to improve procurement systems in government, reduce wasteful expenditure and bring about efficient and cost-effective procurement across government. The office aims to enable the efficient, economic, effective and transparent use of financial and other resources, including state assets, for improved service delivery; and to promote, support and enforce transparent and effective management of state procurement and sound stewardship of government assets and resources.

Financial Systems

The purpose of this sub-programme is to maintain and improve existing financial management systems and to develop and implement the new IFMS. This will replace ageing and fragmented financial, supply chain and HR management systems within national and provincial departments.

Financial Reporting for National Accounts

The sub-programme provides support to all spheres of government in implementing financial reporting frameworks and preparing consolidated financial statements. Responsibilities include monthly monitoring of state budgets and expenditure reports in line with the PFMA.

Financial Management Policy and Compliance Improvement

This sub-programme promotes financial management compliance with the PFMA and MFMA through the development of supporting guides and frameworks, instructions and regulations, and provides implementation support in the three spheres of government. It also regulates financial management and accounting policies, and sets the risk and IA frameworks in the three spheres of government. It provides technical and other support for institutional capacity building relating to financial management, and provides assistance with specialised performance audits and investigations of malpractice across all spheres of government.

PROGRAMME 5: FINANCIAL ACCOUNTING AND SUPPLY CHAIN MANAGEMENT SYSTEMS - cont

ANNUAL TARGETS

Indicator	Audited/actual performance				Current year 2016/17	MTEF		
	2012/13	2013/14	2014/15	2017/18		2018/19	2019/20	
Strategic Objective 5.1: Improve financial management governance and compliance across all spheres and entities in government to give effect to the PFMA and MFMA								
5.1.1	N/A	N/A	N/A	20 national institutions	20 national institutions	0	0	0
5.1.2	N/A	N/A	N/A	5 provincial treasuries	4 provincial treasuries	0	0	0
5.1.3	16	8	6	12	24	36	48	48
5.1.4	N/A	N/A	N/A	10 institutions	15 institutions	20 institutions	20 institutions	20 institutions
5.1.5	N/A	N/A	N/A	6 forums	6 forums	6 forums	6 forums	6 forums
5.1.6	N/A	N/A	N/A	6 institutions	12 institutions	18 institutions	24 institutions	24 institutions
5.1.7	N/A	N/A	N/A	400	400	400	400	400
5.1.8	N/A	N/A	N/A	4	4	4	4	4
5.1.9	N/A	N/A	N/A	1 review and update of e-learning module	Maintenance and improvement of the e-learning module	Maintenance and improvement of the e-learning module	Maintenance and improvement of the e-learning module	Maintenance and improvement of the e-learning module

PROGRAMME 5: FINANCIAL ACCOUNTING AND SUPPLY CHAIN MANAGEMENT SYSTEMS - cont

ANNUAL TARGETS - CONTINUED

Indicator	Audited/actual performance			Current year 2016/17	MTEF		
	2012/13	2013/14	2014/15		2017/18	2018/19	2019/20
5.1.10.1	#	#	#	1 FMCMM improvement progress report submitted to Parliament by 30 November	1 FMCMM improvement progress report submitted to Parliament by 30 November	1 FMCMM improvement progress report submitted to Parliament by 30 November	1 FMCMM improvement progress report submitted to Parliament by 30 November
5.1.10.2	#	#	#	1 Cabinet memorandum on audit outcomes submitted by 31 October	1 Cabinet memorandum on audit outcomes submitted by 31 October	1 Cabinet memorandum on audit outcomes submitted by 31 October	1 Cabinet memorandum on audit outcomes submitted by 31 October
5.1.10.3	#	#	#	4 quarterly Forum of South African Directors-General (FOSAD) reports on payments to suppliers within 30 days	4 quarterly FOSAD reports on payments to suppliers within 30 days	4 quarterly FOSAD reports on payments to suppliers within 30 days	4 quarterly FOSAD reports on payments to suppliers within 30 days
5.1.11	#	#	#	4	4	4	4
5.1.12	N/A	N/A	N/A	8	8	8	8
5.1.13.1	#	#	#	Develop a web-based FMCMM model	On-going maintenance of the FMCMM model	On-going maintenance of the FMCMM model	On-going maintenance of the FMCMM model
5.1.13.2	#	#	#	Conduct one FMCMM assessment	Conduct one FMCMM assessment	Conduct one FMCMM assessment	Conduct one FMCMM assessment
5.1.14	38	22	27	25	30	30	30
5.1.15	54	26	48	25	25	25	25

PROGRAMME 5: FINANCIAL ACCOUNTING AND SUPPLY CHAIN MANAGEMENT SYSTEMS - cont

ANNUAL TARGETS - CONTINUED

Indicator	Audited/actual performance				Current year 2016/17	MTEF		
	2012/13	2013/14	2014/15	2017/18		2018/19	2019/20	
Strategic Objective 5.2: Support and facilitate capacity development across all spheres of government in order to improve financial management execution								
5.2.1	834	133	173	250 trainees in provincial treasuries, municipalities and public entities	250 trainees in provincial treasuries, municipalities and public entities	200 trainees in provincial treasuries, municipalities and public entities	200 trainees in provincial treasuries, municipalities and public entities	200 trainees in provincial treasuries, municipalities and public entities
5.2.2	#	#	#	12 reports published, each on the last working day of every month	12 reports published, each on the last working day of every month	12 reports published, each on the last working day of every month	12 reports published, each on the last working day of every month	12 reports published, each on the last working day of every month
5.2.3	#	#	#	100%	100%	100%	100%	100%
5.2.4	#	#	#	1 tabling of consolidated financial statements	1 tabling of consolidated financial statements	1 tabling of consolidated financial statements	1 tabling of consolidated financial statements	1 tabling of consolidated financial statements
5.2.5	#	#	173	250	250	250	250	250
5.2.6	#	#	1 034	1 000	1 000	1 000	1 000	1 000
5.2.7	#	#	N/A	100% of the planned initiatives completed	100% of the planned initiatives completed	100% of the planned initiatives completed	100% of the planned initiatives completed	100% of the planned initiatives completed
5.2.8	21	#	7	15	15	15	15	15

PROGRAMME 5: FINANCIAL ACCOUNTING AND SUPPLY CHAIN MANAGEMENT SYSTEMS - cont

ANNUAL TARGETS - CONTINUED

Indicator	Audited/actual performance			Current year 2016/17	MTEF		
	2012/13	2013/14	2014/15		2017/18	2018/19	2019/20
Strategic Objective 5.3: Manage existing financial systems and renew these as required to exercise comprehensive financial management							
5.3.1	99%	99%	#	98%	98%	98%	98%
5.3.2	N/A	N/A	#	1	0	0	0
5.3.3	#	#	#	1	0	0	0
Strategic Objective 5.4: Modernise SCM policies and procedures							
5.4.1	N/A	#	#	12	9	6	3
5.4.2	N/A	N/A	N/A	1	0	0	0
Strategic Objective 5.5: Monitor and evaluate SCM performance							
5.5.1	N/A	#	#	100%	100%	100%	100%
5.5.2	N/A	N/A	N/A	100%	100%	100%	100%
5.5.3	N/A	N/A	#	100%	100%	100%	100%
5.5.4	N/A	N/A	#	100%	100%	100%	100%
5.5.5	N/A	N/A	#	100%	100%	100%	100%
5.5.6	N/A	N/A	#	100%	100%	100%	100%
Strategic Objective 5.6: Develop and implement strategic procurement							
5.6.1	N/A	N/A	#	1	0	0	0
5.6.2	N/A	N/A	N/A	1	0	0	0
5.6.3	N/A	N/A	N/A	3	3	3	3

PROGRAMME 5: FINANCIAL ACCOUNTING AND SUPPLY CHAIN MANAGEMENT SYSTEMS - cont

ANNUAL TARGETS - CONTINUED

Indicator	Audited/actual performance				Current year 2016/17	MTEF		
	2012/13	2013/14	2014/15	2017/18		2018/19	2019/20	
5.6.4	N/A	#	#	4	4	3	3	
5.6.5	N/A	N/A	N/A	4	5	3	3	
5.6.6	N/A	N/A	N/A	3	7	7	8	
5.6.7	N/A	#	#	1	0	0	0	
5.6.8	#	18	16	17	17	11	15	
Strategic Objective 5.7 Build and strengthen stakeholder relations								
5.7.1	N/A	N/A	N/A	95%	95%	95%	95%	
Strategic Objective 5.8: Modernise and automate SCM processes								
5.8.1	N/A	N/A	N/A	1	0	0	0	
5.8.2	N/A	N/A	N/A	1	0	0	0	

PROGRAMME 5: FINANCIAL ACCOUNTING AND SUPPLY CHAIN MANAGEMENT SYSTEMS - cont

QUARTERLY TARGETS FOR 2016/17

	Indicator	2016/17 Annual targets	Quarter 1	Quarter 2	Quarter 3	Quarter 4
Strategic Objective 5.1: Improve financial management governance and compliance across all spheres and entities in government giving effect to the PFMA and MFMA						
5.1.1	Number of national institutions workshopped on IA and risk management guidelines	20	0	0	10	20
5.1.2	Number of provincial institutions workshopped on IA and risk management guidelines	5 provincial treasuries	0	0	2	5
5.1.3	Number of assessments conducted of IA and state of readiness for quality assurance reviews and adoption of best practice to assess compliance with PFMA, MFMA and international professional practice standards	12	4	10	12	12
5.1.4	Number of institutions whose audit committees have been provided with support	10	2	5	8	10
5.1.5	Number of knowledge sharing forums on IA and risk management facilitated through formal platforms	6	0	3	3	6
5.1.6	Number of strategic support plans for government entities struggling at the lower levels of IA and risk management implementation, in line with the FMCMM	6	2	5	5	6
5.1.7	Number of public sector officials supported or trained on risk management	400	100	200	300	400
5.1.8	Number of universities workshopped on the risk management curriculum	4	1	2	3	4
5.1.9	Review and updating of e-learning module	1 review and update of e-learning	0	0	1	1
5.1.10.1		1 FMCMM improvement progress report submitted to Parliament by 30 November	0	0	1	1
5.1.10.2	Monitor improvement of financial management in national and provincial institutions	1 Cabinet memorandum on audit outcomes submitted by 31 October	0	0	1	1
5.1.10.3		4 Quarterly FOSAD reports on payments to suppliers within 30 days	1	2	3	4

PROGRAMME 5: FINANCIAL ACCOUNTING AND SUPPLY CHAIN MANAGEMENT SYSTEMS - cont

QUARTERLY TARGETS FOR 2016/17 - CONTINUED

	Indicator	2016/17 Annual targets	Quarter 1	Quarter 2	Quarter 3	Quarter 4
5.1.11	Number of guidelines to assist with the implementation of the new or revised Treasury Regulations, policies and Treasury Instructions developed	4	0	0	0	4
5.1.12	Number of information sessions provided to support PFMA institutions on the implementation of the revised Treasury Regulations and new Treasury Instructions and guidelines	8	3	3	5	8
5.1.13.1	Develop a web-based FMCMM model	Develop a web-based FMCMM model	0	0	Develop a web-based FMCMM model	Develop a web-based FMCMM model
5.1.13.2	Improved FMCMM	Conduct one FMCMM assessment	0	0	0	Conduct one FMCMM assessment
5.1.14	Number of forensic investigation and special performance audit reports	25	5	10	17	25
5.1.15	Number of cases referred and supported to law enforcement agencies/Anti-corruption Task Team for criminal investigation	25	5	10	17	25
Strategic Objective 5.2: Support and facilitate capacity development across all spheres of government in order to improve financial management execution						
5.2.1	Number of officials from provincial treasuries supported through training in preparing provincial consolidated financial statements; provincial revenue fund statements and implementation of GRAP standards	250 trainees in provincial treasuries, municipalities and public entities	60 officials trained	120 officials trained	185 officials trained	250 officials trained
5.2.2	Number of timely and accurate monthly statements reports of actual revenue and actual expenditure for the NRF published	12 reports published, each on the last working day of every month	3 monthly reports	6 monthly reports	9 monthly reports	12 monthly reports
5.2.3	Percentage compliance with the banking services for national government: <ul style="list-style-type: none"> Daily bank reconciliation of NRF Electronic verification of supplier banking details within four working days 	100%	100%	100%	100%	100%
5.2.4	Number of consolidated annual financial statements for national departments, public entities and the RDP Fund tabled on 31 October 2015	1 tabling of consolidated financial statements	N/A	N/A	1 tabling of consolidated financial statements	1 tabling of consolidated financial statements
5.2.5	Number of officials in the national and provincial spheres of government trained in building public financial management competencies	250	75	150	200	250

PROGRAMME 5: FINANCIAL ACCOUNTING AND SUPPLY CHAIN MANAGEMENT SYSTEMS - cont

QUARTERLY TARGETS FOR 2016/17 - CONTINUED

Indicator	2016/17 Annual targets	Quarter 1	Quarter 2	Quarter 3	Quarter 4
5.2.6	Number of municipal officials trained on financial management competencies	250	500	750	1000
5.2.7	Percentage implementation of financial management CDS	25% of the planned initiatives completed	50% of the planned initiatives completed	75% of the planned initiatives completed	100% of the planned initiatives completed
5.2.8	Number of participants in the academic support programme for prospective chartered accountants	15	15	15	15
Strategic Objective 5.3: Manage existing financial systems and renew these as required to exercise comprehensive financial management					
5.3.1	Percentage availability of current transversal systems	98%	98%	98%	98%
5.3.2	Number of generic solution configuration templates completed	1	1	1	1
5.3.3	Number of IFMS comprehensive implementation strategies published	1	0	0	1
Strategic Objective 5.4: Modernise SCM policies and procedures					
5.4.1	Number of Instructions issued in line with policy interventions and proposed designated products or categories to enhance SCM policy	12	3	6	9
5.4.2	Number of procurement bills drafted and published for comment	1	0	0	1
Strategic Objective 5.5: Monitor and evaluate SCM performance					
5.5.1	Percentage of departments/entities' quarterly performance information reports reviewed	100%	100%	100%	100%
5.5.2	Percentage of procurement plans published on the e-tender portal	100%	100%	100%	100%
5.5.3	Percentage of bid specifications reviewed for alignment with policy and other applicable procurement instructions	100%	100%	100%	100%
5.5.4	Percentage of bid evaluations and adjudications reviewed to ensure compliance with the criteria/scoring specified in bidding documents	100%	100%	100%	100%
5.5.5	Percentage of contracts awarded reviewed to verify if contract delivery is in line with the specifications.	100%	100%	100%	100%
5.5.6	Percentage of projects visited to verify if delivery of the awarded contracts is aligned with the conditions of contract	100%	100%	100%	100%

PROGRAMME 5: FINANCIAL ACCOUNTING AND SUPPLY CHAIN MANAGEMENT SYSTEMS - cont

QUARTERLY TARGETS FOR 2016/17 - CONTINUED

Indicator	2016/17 Annual targets	Quarter 1	Quarter 2	Quarter 3	Quarter 4
Strategic Objective 5.6: Develop and implement strategic procurement					
5.6.1	Number of SPFs, tailored for different forms of procurement, revised	1	0	0	1
5.6.2	Number of systems for publishing procurement spend data developed	1	0	0	1
5.6.3	Number of proposals for strategic sourcing opportunities	3	0	0	3
5.6.4	Number of sourcing strategies for identified commodities/procurement categories developed	4	0	0	4
5.6.5	Number of sourcing strategies for identified commodities/procurement categories implemented	4	0	0	4
5.6.6	Number of on-boarding, monitoring and benefits tracking on sourcing strategies	3	0	0	3
5.6.7	Number of reviews of current PRS model conducted	1	0	0	1
5.6.8	Number of transversal term contracts renewed per year for National Procurement	17	12	13	17
Strategic Objective 5.7: Build and strengthen stakeholder relations					
5.7.1	Percentage of external stakeholder engagements held	95%	95%	95%	95%
Strategic Objective 5.8: Modernise and automate SCM processes					
5.8.1	Develop e-commerce centre	1	0	0	1
5.8.2	Number of e-SCM performance management modules established	1	0	0	1

PROGRAMME 5: FINANCIAL ACCOUNTING AND SUPPLY CHAIN MANAGEMENT SYSTEMS - cont

EXPENDITURE TRENDS AND ESTIMATES

Financial Accounting and Supply Chain Management Systems expenditure trends and estimates by sub-programme and economic classification												
Sub-programme	Audited outcome				Adjusted appropriation	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/total: Average (%)
	2012/13	2013/14	2014/15	2015/16				2016/17	2017/18	2018/19		
R thousand												
Programme Management for Financial Accounting and Supply Chain Management Systems	7 262	18 366	15 158	48 722	88.6%	3.1%	39 301	43 281	46 320	-1.7%	5.1%	
Office of the Chief Procurement Officer	34 082	33 342	38 635	51 789	15.0%	5.5%	72 016	70 368	69 989	10.6%	7.5%	
Financial Systems	369 593	424 111	412 147	445 472	6.4%	57.2%	480 817	512 589	534 769	6.3%	56.2%	
Financial Reporting for National Accounts	79 393	85 443	86 385	85 070	2.3%	11.7%	88 399	100 195	104 385	7.1%	10.8%	
Financial Management Policy and Compliance Improvement	118 553	105 611	117 811	133 938	4.2%	16.5%	124 988	137 011	141 077	1.7%	15.3%	
Audit Statutory Bodies	30 308	40 812	61 257	41 856	11.4%	6.0%	44 075	46 278	48 962	5.4%	5.2%	
Service Charges: Commercial Banks	155	87	102	243	16.2%	-	258	273	289	5.9%	-	
Total	639 346	707 772	731 495	807 090	8.1%	100.0%	849 854	909 995	945 791	5.4%	100.0%	
Change to 2015 Budget estimate				55 728			24 482	26 960	11 538			

ECONOMIC CLASSIFICATION

Current payments	563 627	621 054	619 792	713 886	8.2%	87.3%	759 205	805 240	835 050	5.4%	88.6%
Compensation of employees	135 606	149 541	158 331	177 170	9.3%	21.5%	204 165	200 095	199 968	4.1%	22.2%
Goods and services	428 021	471 513	461 461	536 716	7.8%	65.8%	555 040	605 145	635 082	5.8%	66.4%
of which:											
Administrative fees	998	640	674	876	-4.3%	0.1%	1 276	1 387	1 327	14.8%	0.1%
Advertising	400	514	511	750	23.3%	0.1%	721	771	747	-0.1%	0.1%
Minor assets	165	69	80	363	30.1%	-	263	257	273	-9.1%	-
Audit costs: External	4 064	3 657	6 523	6 567	17.3%	0.7%	7 856	8 297	8 704	9.8%	0.9%
Bursaries: Employees	1 644	1 411	1 292	2 037	7.4%	0.2%	2 379	2 197	2 285	3.9%	0.3%
Catering: Departmental activities	363	352	289	473	9.2%	0.1%	581	621	658	11.6%	0.1%
Communication	1 046	963	944	1 184	4.2%	0.1%	1 289	1 338	1 398	5.7%	0.1%

PROGRAMME 5: FINANCIAL ACCOUNTING AND SUPPLY CHAIN MANAGEMENT SYSTEMS - cont

EXPENDITURE TRENDS AND ESTIMATES - CONTINUED

Financial Accounting and Supply Chain Management Systems expenditure trends and estimates by sub-programme and economic classification											
Sub-programme	Audited outcome			Adjusted appropriation	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/total: Average (%)
	2012/13	2013/14	2014/15				2015/16	2016/17	2017/18		
R thousand											
Computer services	348 466	402 948	384 567	324 224	-2.4%	50.6%	430 270	465 953	500 136	15.5%	49.0%
Consultants: Business and advisory services	50 560	41 896	49 883	176 803	51.8%	11.1%	86 955	99 921	93 680	-19.1%	13.0%
Legal services	-	-	354	-	-	-	-	-	-	-	-
Contractors	6	190	30	234	239.1%	-	48	57	67	-34.1%	-
Entertainment	41	62	12	88	29.0%	-	108	108	110	7.7%	-
Fleet services (including government motor transport)	-	11	5	20	-	-	6	6	6	-33.1%	-
Consumable supplies	10	75	36	157	150.4%	-	145	166	188	6.2%	-
Consumables: Stationery, printing and office supplies	1 142	744	1 001	2 881	36.1%	0.2%	1 597	1 674	1 811	-14.3%	0.2%
Operating leases	422	580	573	762	21.8%	0.1%	816	863	909	6.1%	0.1%
Travel and subsistence	6 803	6 984	7 221	10 653	16.1%	1.1%	11 097	11 738	12 440	5.3%	1.3%
Training and development	6 099	2 408	2 091	3 027	-20.8%	0.5%	3 485	3 431	3 659	6.5%	0.4%
Operating payments	376	905	656	829	30.2%	0.1%	833	740	773	-2.3%	0.1%
Venues and facilities	5 416	7 104	4 719	4 788	-4.0%	0.8%	5 315	5 620	5 911	7.3%	0.6%
Transfers and subsidies	72 881	84 453	106 495	83 323	4.6%	12.0%	85 570	99 365	105 298	8.1%	10.6%
Departmental agencies and accounts	71 985	83 806	106 084	83 129	4.9%	12.0%	85 570	99 365	105 298	8.2%	10.6%
Households	896	647	411	194	-40.0%	0.1%	-	-	-	-100.0%	-
Payments for capital assets	2 833	2 067	3 893	9 881	51.7%	0.6%	5 079	5 390	5 443	-18.0%	0.7%
Buildings and other fixed structures	-	-	356	440	-	-	-	-	-	-100.0%	-
Machinery and equipment	2 833	2 067	3 537	9 441	49.4%	0.6%	5 049	5 390	5 443	-16.8%	0.7%
Software and other intangible assets	-	-	-	-	-	-	30	-	-	-	-
Payments for financial assets	5	198	1 315	-	-100.0%	0.1%	-	-	-	-	-
Total	639 346	707 772	731 495	807 090	8.1%	100.0%	849 854	909 995	945 791	5.4%	100.0%
Proportion of total programme expenditure to vote expenditure	3.0%	2.8%	2.8%	2.8%	-	-	3.0%	2.9%	2.9%	-	-

PROGRAMME 5: FINANCIAL ACCOUNTING AND SUPPLY CHAIN MANAGEMENT SYSTEMS - cont

EXPENDITURE TRENDS AND ESTIMATES - CONTINUED

Financial Accounting and Supply Chain Management Systems expenditure trends and estimates by sub-programme and economic classification											
Sub-programme	Audited outcome			Adjusted appropriation	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/total: Average (%)
	2012/13	2013/14	2014/15				2015/16	2016/17	2017/18		
R thousand	2012/13	2013/14	2014/15	2015/16	2012/13 - 2015/16	2016/17	2017/18	2018/19	2015/16 - 2018/19	2015/16 - 2018/19	
DETAILS OF TRANSFERS AND SUBSIDIES											
Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current	71 985	83 806	106 084	83 129	4.9%	85 570	99 365	105 298	8.2%	10.6%	
Accounting Standards Board	9 469	10 061	10 250	11 274	6.0%	12 517	13 463	14 414	8.5%	1.5%	
Independent Regulatory Board for Auditors	32 208	32 933	34 577	29 999	-2.3%	28 978	39 624	41 922	11.8%	4.0%	
Auditor-General of South Africa	30 308	40 812	61 257	41 856	11.4%	44 075	46 278	48 962	5.4%	5.2%	
Households											
Social benefits											
Current	896	647	411	194	-40.0%	-	-	-	-100.0%	-	
Employee Social Benefits	896	647	411	194	-40.4%	-	-	-	-100.0%	-	

PROGRAMME 5: FINANCIAL ACCOUNTING AND SUPPLY CHAIN MANAGEMENT SYSTEMS - cont

PERSONNEL INFORMATION

Financial Accounting and Supply Chain Management Systems personnel numbers and cost by salary level ¹ prior to Cabinet-approved reduction, effective from 2017/18 ² ; budget reductions and aggregate baseline total																		
Number of posts estimated for 31 March 2016		Number and cost ³ of personnel posts filled/planned for on the funded establishment										Number						
Number of funded posts	Number of posts additional to the establishment	Actual			Revised estimate			Medium-term expenditure estimate						Average growth rate (%)	Salary level/total: Average (%)			
		2014/15		2015/16		2016/17		2017/18		2018/19		2015/16 - 2018/19						
Financial Accounting and Supply Chain Management Systems		No.	Cost	Unit Cost	No.	Cost	Unit Cost	No.	Cost	Unit Cost	No.	Cost	Unit Cost	No.	Cost	Unit Cost		
292	10	274	158.3	0.6	302	182.4	0.6	319	204.2	0.6	319	220.2	0.7	319	232.9	0.7	1.8%	100.0%
1-6	3	12	2.3	0.2	11	2.2	0.2	11	2.3	0.2	11	2.5	0.2	11	2.6	0.2	-	3.5%
7-10	4	115	42.2	0.4	123	47.2	0.4	125	50.2	0.4	125	54.1	0.4	125	57.8	0.5	0.5%	39.6%
11-12	1	71	44.9	0.6	81	52.9	0.7	90	60.7	0.7	90	65.5	0.7	90	69.9	0.8	3.6%	27.9%
13-16	2	76	68.9	0.9	87	80.1	0.9	93	90.9	1.0	93	98.1	1.1	93	102.5	1.1	2.2%	29.1%
Reduction	-	-	-	-	-	-	-	-	-	-	-	(20.1)	-	-	(32.9)	-	-	-
Total	292	10	274	158.3	0.6	302	182.4	0.6	319	204.2	0.6	319	200.1	0.6	200.0	0.7	-	-

1. Data has been provided by the department and may not necessarily reconcile with official government personnel data.
2. The department's compensation of employees budget has been reduced by R194.3 million for 2017/18 and 2018/19. After consultation with the DPSA and the National Treasury, the department will finalise, develop and implement a plan to manage its personnel expenditure within this reduced expenditure ceiling.
3. Rand million.

PROGRAMME 6: : INTERNATIONAL FINANCIAL RELATIONS

PURPOSE

Manage South Africa's interests in shaping regional and global policies that advance the economic, financial and development objectives of the country and Africa.

STRATEGIC OBJECTIVES

STRATEGIC OBJECTIVE	OBJECTIVE STATEMENT	SUB-PROGRAMMES
SO 6.1 Advance South Africa's interests specifically, and those of Africa more generally, through regular strategic analysis, engagements and negotiations at regional and global financial and economic forums	Advance South Africa's national economic interests specifically, and those of Africa generally by: <ul style="list-style-type: none"> Assessing the content and context of current policy debates and expanding awareness of them Managing the relationship between South Africa and selected public finance and development institutions, with particular focus on implementation of agreements 	<ul style="list-style-type: none"> International Economic Cooperation African Integration and Support
SO 6.2 Increase Africa's voice and South Africa's influence in international institutions and forums	<ul style="list-style-type: none"> Strengthen and expand South Africa's engagement in key institutions and with partners at selected policy for a Increase capital participation (as appropriate) to more firmly anchor South Africa's role Advancing governance reform and pressing for improved effectiveness in the delivery of institutional / organisational mandates 	<ul style="list-style-type: none"> African Integration and Support International Development Funding Institutions International Projects
SO 6.3 E Support an enabling environment for increased economic activity within Africa	Promote regional economic integration and strengthen economic links within Africa by: <ul style="list-style-type: none"> Encouraging increased cooperation and investment that support improved interconnectedness in the region Expanding bilateral engagements on issues of mutual interest 	<ul style="list-style-type: none"> African Integration and Support International Projects International Economic Cooperation

SUB-PROGRAMMES

Programme Management for International Financial Relations

This sub-programme supports the planning, monitoring and delivering of the programme's activities. The unit oversees South Africa's representation in international and regional financial institutions; manages bilateral and multilateral relationships on behalf of the National Treasury; and plans, implements and monitors programmes and activities within the divisional mandate.

International Economic Cooperation

This sub-programme focuses on improving South Africa's participation in international and regional economic institutions. This entails working through key economic institutions and forums such as the African Development Bank, the United Nations Economic Commission for Africa, the New Partnership for Africa's Development, the G20 and the Brazil-India-China-South Africa group of countries.

African Integration and Support

This sub-programme serves mainly as a vehicle to enable the National Treasury to transfer resources abroad in the context of the country's involvement in various African interventions and agreements, thereby supporting integration between African states and institutions. It facilitates the transfer of funds to Lesotho, Namibia and Swaziland for common monetary area compensation. In terms of this agreement, South Africa compensates member countries for using South African currency within their borders.

PROGRAMME 6: INTERNATIONAL FINANCIAL RELATIONS - cont

International Development Funding Institutions

This sub-programme provides for subscriptions and contributions to international development funding institutions and banks. It transfers funds to the African Development Bank and African Development Fund for buying shares and subscriptions, and for accelerated encashment schedules to support African development; and to the World Bank (WB) group for providing concessional loans and grants to low income countries and for contributing to general and selective increases in the authorised capital of the WB.

International Projects

This sub-programme transfers funds to international projects and interventions. It supports causes such as building capacity and providing medical support to disaster-hit and impoverished areas. To this end, the National Treasury contributes to the Commonwealth Fund for Technical Cooperation and the International Finance Facility for Immunization. The facility transfers funds to the Global Alliance for Vaccines and Immunization, a public-private global health partnership aimed at supporting health care and providing vaccines to reduce the number of vaccine-preventable deaths among children in low income countries.

PROGRAMME 6: INTERNATIONAL FINANCIAL RELATIONS - cont

ANNUAL TARGETS

Indicator	Audited/actual performance				Current year	MTEF		
	2012/13	2013/14	2014/15	2016/17		2017/18	2018/19	2019/20
Strategic Objective 6.1: Advance South Africa's interests specifically, and those of Africa more generally, through regular strategic analysis, engagements and negotiations at regional and global financial and economic forums								
6.1.1	#	#	#	33	33	33	33	33
6.1.2	#	#	#	100%	100%	100%	100%	100%
Strategic Objective 6.2: Increase Africa's voice and South Africa's influence in international institutions and forums								
6.2.1	#	#	#	9	5	6	5	5
6.2.2	#	#	#	3	3	3	3	3
Strategic Objective 6.3: Support an enabling environment for increased economic activity within Africa								
6.3.1	#	#	#	3	3	3	3	3
6.3.2	#	#	#	100%	100%	100%	100%	100%

PROGRAMME 6: INTERNATIONAL FINANCIAL RELATIONS - cont

QUARTERLY TARGETS FOR 2016/17

Performance Indicator	2016/17 Annual Targets	Quarter 1	Quarter 2	Quarter 3	Quarter 4
Strategic Objective 6.1: Advance South Africa's interests specifically, and those of Africa more generally, through regular strategic analysis, engagements and negotiations at regional and global financial and economic forums					
6.1.1	Number of analyses and briefs on current issues and recommendations compiled	9	17	21	33
6.1.2	Percentage of obligations towards international agreements met	100%	100%	100%	100%
Strategic Objective 6.2: Increase Africa's voice and South Africa's influence in international institutions and forums					
6.2.1	Number of interventions in pursuit of institutional reform implemented	4	6	7	9
6.2.2	Number of interventions to increase South Africa's presence within institutions of particular strategic value	1	3	3	3
Strategic Objective 6.3: Support an enabling environment for increased economic activity within Africa					
6.3.1	Number of initiatives to expand relations with key strategic partners	0	2	3	3
6.3.2	Percentage implementation of assessments of initial conditions and projects and plans to accelerate regional integration	25%	50%	75%	100%

PROGRAMME 6: INTERNATIONAL FINANCIAL RELATIONS - cont

EXPENDITURE TRENDS AND ESTIMATES

Sub-programme	Audited outcome				Adjusted appropriation	Average growth rate (%)		Expenditure/total: Average (%)		Medium-term expenditure estimate			Average growth rate (%)	Expenditure/total: Average (%)
	2012/13	2013/14	2014/15	2015/16		2012/13 - 2015/16	2016/17	2017/18	2018/19	2015/16 - 2018/19				
R thousand														
Programme Management for International Financial Relations	9 007	19 109	8 317	13 855	13 855	15.4%	0.8%	11 693	12 292	12 445	12 445	-3.5%	0.3%	
International Economic Cooperation	20 961	23 812	27 265	32 134	32 134	15.3%	1.6%	39 693	38 546	38 630	38 630	6.3%	0.7%	
African Integration and Support	492 340	558 783	588 292	666 877	666 877	10.6%	35.3%	726 351	765 623	816 818	816 818	7.0%	14.8%	
International Development Funding Institutions	467 516	450 034	557 583	2 524 027	2 524 027	75.4%	61.3%	4 242 830	4 999 249	5 022 389	5 022 389	25.8%	83.8%	
International Projects	13 227	16 002	17 195	18 033	18 033	10.9%	1.0%	18 501	19 117	19 790	19 790	3.1%	0.4%	
Total	1 003 051	1 067 740	1 198 652	3 254 926	3 254 926	48.0%	100.0%	5 039 068	5 834 827	5 910 072	5 910 072	22.0%	100.0%	
Change to 2015 Budget estimate				2 007 484	2 007 484			3 724 716	4 454 583	4 449 774	4 449 774			

ECONOMIC CLASSIFICATION

Current payments	29 771	42 551	35 393	45 742	15.4%	2.4%	51 106	50 579	50 774	3.5%	1.0%
Compensation of employees	20 824	21 753	26 085	29 242	12.0%	1.5%	34 970	33 802	33 289	4.4%	0.7%
Goods and services	8 947	20 798	9 308	16 500	22.6%	0.9%	16 136	16 777	17 485	2.0%	0.3%
of which:											
Administrative fees	141	107	100	141	-	-	135	141	149	1.9%	-
Advertising	71	146	76	73	0.9%	-	116	122	127	20.3%	-
Minor assets	13	15	5	19	13.5%	-	33	26	40	28.2%	-
Bursaries: Employees	129	117	87	163	8.1%	-	584	596	607	55.0%	-
Catering: Departmental activities	60	61	14	35	-16.4%	-	49	51	54	15.6%	-
Communication	567	467	401	457	-6.9%	-	477	509	539	5.7%	-
Computer services	4	-	265	156	239.1%	-	-	-	-	-100.0%	-
Consultants: Business and advisory services	334	1 933	643	-	-100.0%	-	1 383	937	957	-	-
Contractors	-	87	-	3	-	-	6	6	6	26.0%	-
Agency and support/outourced services	-	5 233	-	30	-	0.1%	-	-	-	-100.0%	-

PROGRAMME 6: INTERNATIONAL FINANCIAL RELATIONS - cont

EXPENDITURE TRENDS AND ESTIMATES - CONTINUED

Sub-programme	International Financial Relations expenditure trends and estimates by sub-programme and economic classification													
	Audited outcome		Adjusted appropriation		Average growth rate (%)		Expenditure/total: Average (%)		Medium-term expenditure estimate		Average growth rate (%)		Expenditure/total: Average (%)	
R thousand	2012/13	2013/14	2014/15	2015/16	2012/13 - 2015/16	2016/17	2017/18	2018/19	2015/16 - 2018/19	2012/13 - 2015/16	2016/17	2017/18	2018/19	2015/16 - 2018/19
Entertainment	8	4	5	15	23.3%	20	20	20	10.1%	-	20	20	20	-
Fleet services (including government motor transport)	1	-	1	-	-100.0%	-	-	-	-	-	-	-	-	-
Consumable supplies	1	7	18	30	210.7%	38	40	42	11.9%	-	38	40	42	-
Consumables: Stationery, printing and office supplies	60	98	37	118	25.3%	175	183	194	18.0%	-	175	183	194	-
Operating leases	36	39	97	100	40.6%	110	117	123	7.1%	-	110	117	123	-
Travel and subsistence	6 770	7 590	6 941	8 184	6.5%	10 052	9 525	10 467	8.5%	0.5%	10 052	9 525	10 467	0.2%
Training and development	63	45	160	250	58.3%	330	357	384	15.4%	-	330	357	384	-
Operating payments	321	343	192	1 501	67.2%	608	627	633	-25.0%	-	608	627	633	-
Venues and facilities	368	4 506	266	5 225	142.1%	2 020	3 520	3 143	-15.6%	0.2%	2 020	3 520	3 143	0.1%
Transfers and subsidies	626 704	710 304	788 309	775 570	7.4%	835 532	914 872	972 728	7.8%	44.5%	835 532	914 872	972 728	17.5%
Foreign governments and international organisations	626 636	710 193	788 263	775 570	7.4%	835 532	914 872	972 728	7.8%	44.5%	835 532	914 872	972 728	17.5%
Households	68	111	46	-	-100.0%	-	-	-	-	-	-	-	-	-
Payments for capital assets	129	259	126	247	24.2%	280	259	301	6.8%	-	280	259	301	-
Machinery and equipment	129	259	126	247	24.2%	280	259	301	6.8%	-	280	259	301	-
Payments for financial assets	346 447	314 626	374 824	2 433 367	91.5%	4 152 150	4 869 117	4 886 269	26.2%	53.2%	4 152 150	4 869 117	4 886 269	81.5%
Total	1 003 051	1 067 740	1 198 652	3 254 926	48.0%	5 039 068	5 834 827	5 910 072	22.0%	100.0%	5 039 068	5 834 827	5 910 072	100.0%
Proportion of total programme expenditure to vote expenditure	4.8%	4.3%	4.6%	11.3%	-	17.7%	18.7%	18.3%	-	-	17.7%	18.7%	18.3%	-

PROGRAMME 6: INTERNATIONAL FINANCIAL RELATIONS - cont

EXPENDITURE TRENDS AND ESTIMATES - CONTINUED

International Financial Relations expenditure trends and estimates by sub-programme and economic classification											
Sub-programme	Audited outcome			Adjusted appropriation	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/total: Average (%)
	2012/13	2013/14	2014/15				2015/16	2016/17	2017/18		
R thousand	2012/13	2013/14	2014/15	2015/16	2012/13 - 2015/16	2015/16	2016/17	2017/18	2018/19	2015/16 - 2018/19	2015/16 - 2018/19
DETAILS OF TRANSFERS AND SUBSIDIES											
Households											
Social benefits											
Current	68	111	46	-	-100.0%	-	-	-	-	-	-
Employee Social Benefits	68	111	46	-	-100.0%	-	-	-	-	-	-
Foreign governments and international organisations											
Current	505 567		605 487	684 910	10.7%	684 910	744 852	784 740	836 608	6.9%	15.2%
Common Monetary Area Compensation	490 719		581 616	653 444	10.0%	653 444	716 421	754 924	804 866	7.2%	14.6%
Collaborative Africa Budget Reform Initiative	1 260		4 409	1 474	5.4%	1 474	1 552	1 630	1 712	5.1%	-
Commonwealth Fund for Technical Cooperation	4 469		5 714	5 533	7.4%	5 533	5 826	6 117	6 423	5.1%	0.1%
International Finance Facility for Immunisation	8 758		11 481	12 500	12.6%	12 500	12 675	13 000	13 367	2.3%	0.3%
African Institute for Economic Development and Planning	-		917	1 000	-	1 000	1 269	1 309	1 351	10.5%	-
Africa Regional Technical Assistance Centre for Southern Africa	361		350	959	38.5%	959	1 000	1 125	1 213	8.1%	-
Infrastructure Consortium for Africa	-		1 000	-	-	-	-	-	-	-	-
African Risk Capacity	-		-	10 000	-	10 000	6 109	6 635	7 676	-8.4%	0.2%
Capital	121 069		182 776	90 660	-9.2%	90 660	90 680	130 132	136 120	14.5%	2.2%
African Development Bank and African Development Fund	40 169		92 116	-	-100.0%	-	-	33 465	35 406	-	0.3%
World Bank Group	80 900		90 660	90 660	3.9%	90 660	90 680	96 667	100 714	3.6%	1.9%

PROGRAMME 6: INTERNATIONAL FINANCIAL RELATIONS - cont

PERSONNEL INFORMATION

International Financial Relations personnel numbers and cost by salary level ¹ prior to Cabinet-approved reduction, effective from 2017/18 ² ; budget reductions and aggregate baseline total																		
Number of posts estimated for 31 March 2016		Number and cost ³ of personnel posts filled/planned for on the funded establishment												Number				
Number of funded posts	Number of posts additional to the establishment	Actual			Revised estimate			Medium-term expenditure estimate						Average growth rate (%)	Salary level/total: Average (%)			
		2014/15			2015/16			2016/17		2017/18		2018/19				2015/16 - 2018/19		
International Financial Relations		No.	Cost	Unit Cost	No.	Cost	Unit Cost	No.	Cost	Unit Cost	No.	Cost	Unit Cost	No.	Cost	Unit Cost		
Salary level	38	36	26.1	0.7	38	27.2	0.7	45	35.0	0.8	45	37.7	0.8	45	40.2	0.9	5.8%	100.0%
1 – 6	–	1	0.2	0.2	–	–	–	–	–	–	–	–	–	–	–	–	–	–
7 – 10	13	12	4.7	0.4	13	5.2	0.4	15	6.5	0.4	15	7.0	0.5	15	7.5	0.5	4.9%	33.5%
11 – 12	10	10	7.1	0.7	10	5.7	0.6	12	8.7	0.7	12	9.4	0.8	12	10.0	0.8	6.3%	26.6%
13 – 16	15	13	14.1	1.1	15	16.2	1.1	18	19.8	1.1	18	21.3	1.2	18	22.7	1.3	6.3%	39.9%
Reduction	–	–	–	–	–	–	–	–	–	–	–	(3.9)	–	–	(7.0)	–	–	–
Total	38	36	26.1	0.7	38	27.2	0.7	45	35.0	0.8	45	33.8	0.8	45	33.3	0.9	–	–

1. Data has been provided by the department and may not necessarily reconcile with official government personnel data.
2. The department's compensation of employees budget has been reduced by R194.3 million for 2017/18 and 2018/19. After consultation with the DPSA and the National Treasury, the department will finalise, develop and implement a plan to manage its personnel expenditure within this reduced expenditure ceiling.
3. Rand million.

PROGRAMME 7: : CIVIL AND MILITARY PENSIONS, CONTRIBUTIONS TO FUNDS AND OTHER BENEFITS

PURPOSE

Provide for government’s pension and post-retirement medical benefit obligations to former employees of state departments and bodies. Provide for similar benefits to retired members of the military.

STRATEGIC OBJECTIVES

STRATEGIC OBJECTIVE	OBJECTIVE STATEMENT	SUB-PROGRAMMES
SO 7.1 Ensure good governance and a robust control environment for fund administration	Ensure effective administration of funds where funds paid to eligible applicants and recipients are accurate, punctual and cost effective as required by the applicable legislation	<ul style="list-style-type: none"> • Civil Pensions and Contributions to Funds • Military Pensions • Other Benefits
SO 7.2 Provide an improved and integrated customer service experience	Improve customer service by ensuring that customer complaints are resolved within agreed timelines; build relationships with employer departments through good communication	<ul style="list-style-type: none"> • Civil Pensions and Contributions to Funds • Military Pensions • Other Benefits

SUB-PROGRAMME OVERVIEW

Civil Pensions and Contributions to Funds

This sub-programme, consisting of post-retirement medical benefits, injury on duty and special pensions, provides for medical subsidies to retired civil servants and pension payments to injured, disabled and deceased civil servants and to former struggle veterans.

Military Pensions

This sub-programme provides for the payment of military pension benefits and medical claims arising from injuries sustained during various wars including the liberation wars. The payment includes pension payments and medical assistance including devices and other related expenses in terms of the Military Pensions Act.

Other Benefits

This sub-programme processes the payment of benefits to former members of legislative assemblies. These include payments to former members of the legislative assemblies of the former Venda, Transkei, Ciskei and Bophuthatswana governments; judges or their widows in terms of the Judges’ Remuneration and Conditions of Employment Act 1989; and former state presidents.

PROGRAMME 7: CIVIL AND MILITARY PENSIONS, CONTRIBUTIONS TO FUNDS AND OTHER BENEFITS - cont

ANNUAL TARGETS

Indicator	Audited/actual performance				Current year		MTEF	
	2012/13	2013/14	2014/15	2016/17	2017/18	2018/19	2019/20	
Strategic Objective 7.1: Ensure good governance and robust control environment for fund administration								
7.1.1	95.4%	99%	92%	100%	100%	100%	100%	100%
7.1.2	95%	99%	96%	100%	100%	100%	100%	100%
7.1.3	N/A	N/A	N/A	55%	65%	75%	85%	85%
Strategic Objective 7.2: Provide an improved and integrated customer service experience								
7.2.1	83.2%	88%	100%	100%	100%	100%	100%	100%

QUARTERLY TARGETS FOR 2016/17

Performance Indicator	2016/17 Annual Targets	2016/17 Quarterly Targets			
		Quarter 1	Quarter 2	Quarter 3	Quarter 4
Strategic Objective 7.1: Ensure good governance and robust control environment for fund administration					
7.1.1	100%	85%	90%	95%	100%
7.1.2	100%	95%	95%	100%	100%
7.1.3	55%	55%	55%	55%	55%
Strategic Objective 7.2: Provide an improved and integrated customer service experience					
7.2.1	100%	100%	100%	100%	100%

PROGRAMME 7: CIVIL AND MILITARY PENSIONS, CONTRIBUTIONS TO FUNDS AND OTHER BENEFITS - cont

EXPENDITURE TRENDS AND ESTIMATES

Sub-programme	Audited outcome				Adjusted appropriation	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/total: Average (%)
	2012/13	2013/14	2014/15	2015/16				2016/17	2017/18	2018/19		
R thousand												
Government Pensions Administration Agency	1 74 836	57 507	54 395	61 181	-29.5%	2.4%	61 426	65 196	68 856	4.0%	1.5%	
Civil Pensions and Contributions to Funds	2 621 679	2 673 495	2 613 931	2 929 389	3.8%	74.4%	3 146 372	3 338 311	3 575 519	6.9%	75.7%	
Military Pensions and Other Benefits	547 088	792 096	1 062 609	972 371	21.1%	23.2%	965 444	978 397	991 678	0.7%	22.8%	
Total	3 343 603	3 523 098	3 730 935	3 962 941	5.8%	100.0%	4 173 242	4 381 904	4 636 053	5.4%	100.0%	
Change to 2015 Budget estimate							-	-	-			

ECONOMIC CLASSIFICATION

Current payments	49 741	57 507	54 395	61 181	7.1%	1.5%	61 426	65 196	68 856	4.0%	1.5%
Goods and services	49 741	57 507	54 395	61 181	7.1%	1.5%	61 426	65 196	68 856	4.0%	1.5%
<i>of which:</i>											
<i>Consultants: Business and advisory services</i>	49 741	57 507	54 395	61 181	7.1%	1.5%	61 426	65 196	68 856	4.0%	1.5%
Transfers and subsidies	3 168 767	3 465 577	3 676 531	3 901 760	7.2%	97.6%	4 111 816	4 316 708	4 567 197	5.4%	98.5%
Foreign governments and international organisations	1 543	2 109	2 286	2 322	14.6%	0.1%	2 445	2 567	2 695	5.1%	0.1%
Households	3 167 224	3 463 468	3 674 245	3 899 438	7.2%	97.6%	4 109 371	4 314 141	4 564 502	5.4%	98.4%
Payments for financial assets	125 095	14	9	-	-100.0%	0.9%	-	-	-	-	-
Total	3 343 603	3 523 098	3 730 935	3 962 941	5.8%	100.0%	4 173 242	4 381 904	4 636 053	5.4%	100.0%
Proportion of total programme expenditure to vote expenditure	15.9%	14.0%	14.2%	13.8%	-	-	14.7%	14.1%	14.3%	-	-

PROGRAMME 7: CIVIL AND MILITARY PENSIONS, CONTRIBUTIONS TO FUNDS AND OTHER BENEFITS - cont

EXPENDITURE TRENDS AND ESTIMATES - CONTINUED

Civil and Military Pensions, Contributions to Funds and Other Benefits expenditure trends and estimates by sub-programme and economic classification													
Sub-programme	Audited outcome			Adjusted appropriation	Average growth rate (%)		Expenditure/total: Average (%)		Medium-term expenditure estimate		Average growth rate (%)		Expenditure/total: Average (%)
	2012/13	2013/14	2014/15		2015/16	2012/13 - 2015/16	2016/17	2017/18	2018/19	2015/16 - 2018/19			
R thousand	2012/13	2013/14	2014/15	2015/16	2012/13 - 2015/16	2016/17	2017/18	2018/19	2015/16 - 2018/19				
DETAILS OF TRANSFERS AND SUBSIDIES													
Households													
Social benefits													
Current	3 167 224	3 463 468	3 674 245	3 899 438	7.2%	4 109 371	4 314 141	4 564 502	5.4%	98.4%			
Contribution to provident funds for associated institutions	425	422	321	323	-8.7%	357	374	390	6.5%	-			
Parliamentary Awards	18	20	21	23	8.5%	23	23	24	1.4%	-			
Other benefits	74 999	77 775	70 416	89 070	5.9%	88 070	93 070	98 524	3.4%	2.1%			2.1%
Injury on duty	478 650	500 677	526 387	550 172	4.8%	591 664	621 247	652 309	5.8%	14.1%			14.1%
Post-Retirement Medical Scheme	1 412 987	1 441 406	1 511 127	1 805 689	8.5%	1 975 060	1 811 550	1 966 273	2.9%	42.4%			44.1%
Special pensions	434 834	435 433	423 483	472 325	2.8%	479 763	508 751	539 189	4.5%	12.1%			11.7%
Political Office Bearers Pension Fund	211 105	208 162	71 997	-	-100.0%	-	291 222	306 083	-	3.4%			3.5%
Pension benefits: President of South Africa	7 118	7 477	7 884	9 465	10.0%	8 990	9 507	10 032	2.0%	0.2%			0.2%
Military pensions: Ex-servicemen	28 563	26 542	11 694	28 255	-0.4%	30 870	32 420	34 041	6.4%	0.7%			0.7%
South African citizen force	126 754	138 958	155 941	175 697	11.5%	174 554	183 858	193 627	3.3%	4.1%			4.2%
Civil protection	19	19	19	19	-	19	19	20	1.7%	-			-
Other benefits: Ex-servicemen	21 752	26 577	20 155	31 100	12.7%	22 810	24 800	26 690	-5.0%	0.7%			0.6%
Non-statutory forces	370 000	600 000	874 800	737 300	25.8%	737 191	737 300	737 300	-	17.7%			17.2%
Foreign governments and international organisations													
Current	1 543	2 109	2 286	2 322	14.6%	2 445	2 567	2 695	5.1%	0.1%			0.1%
United Kingdom tax	1 543	2 109	2 286	2 322	14.6%	2 445	2 567	2 695	5.1%	0.1%			0.1%

PROGRAMME 8: TECHNICAL AND MANAGEMENT SUPPORT AND DEVELOPMENT FINANCE

PURPOSE

This programme provides advisory services, programme management and development finance support to improve public finance management, support high-impact government initiatives, facilitate employment creation and strengthen infrastructure planning and delivery.

STRATEGIC OBJECTIVES

STRATEGIC OBJECTIVE	OBJECTIVE STATEMENT	SUB-PROGRAMMES
SO 8.1 Establish the GTAC as a centre of excellence in public sector advisory services, transaction support, project management and public finance management	Build public sector capacity through diagnostic and advisory services and support for organisational development, specialised procurement, improved public finance management and programme and project implementation	<ul style="list-style-type: none"> • GTAC • Technical Advisory Services • Specialised Procurement Support • Fiscal and Economic Analysis • Employment Facilitation • Independent Power Producer Procurement Programme Account
SO 8.2 Local government financial management improvement	Strengthen public finance management capacity in municipalities and support provincial treasury oversight of local government financial management	<ul style="list-style-type: none"> • Local Government Financial Management Support • Financial Management Grant • Municipal Finance Improvement Programme
SO 8.3 Promotion of urban integration and neighbourhood development	Promote public and private investment in city development, integrated urban networks and neighbourhood development initiatives	<ul style="list-style-type: none"> • Urban Development and Support • Neighbourhood Development Partnership Grant • Integrated City Development Grant
SO 8.4 Facilitation of employment creation and inclusive growth	Promote innovative and partnership-based approaches to employment creation, work-seeker support and enterprise development	<ul style="list-style-type: none"> • Employment Creation Facilitation • Jobs Fund • REDi3x3 research programme
SO 8.5 Improved infrastructure planning, management and skills development	Support infrastructure planning, implementation and skills development in provinces and municipalities	<ul style="list-style-type: none"> • Infrastructure Development Support • Infrastructure Skills Development Grant • Infrastructure Delivery Improvement Programme

SUB-PROGRAMMES

Government Technical Advisory Centre (GTAC)

GTAC is an agency of the National Treasury established to provide advisory and project management support to the department and to other centre-of-government departments and organs of state. It is a government component in terms of the Public Service Act, with a central mandate to assist organs of state to build their capacity for efficient, effective and transparent financial management.

GTAC's scheduled functions are:

- To render technical consulting services to centre-of-government departments and organs of state
- To provide specialised procurement support for high-impact government initiatives
- To provide advice on the feasibility of infrastructure projects
- To provide knowledge management for projects undertaken
- Anything ancillary to the functions listed.

The Minister of Finance has transferred to GTAC the functions of the former Technical Assistance Unit, the National Capital Projects Unit, the Jobs Fund Project Management Unit and the advisory functions of the Public-Private Partnership Unit. In undertaking its advisory and

PROGRAMME 8: TECHNICAL AND MANAGEMENT SUPPORT AND DEVELOPMENT FINANCE – cont

project management support activities, GTAC draws on core funding provided by the National Treasury and co-funding by international donor partners, while also partially recovering professional service costs from client departments or entities. Over the MTEF period, regional offices will be established to consolidate GTAC's activities in the Eastern Cape, Western Cape and KwaZulu-Natal.

GTAC also coordinates and provides management support for Programme 8, and operates a project development facility through which potential public-private partnership (PPP) projects, neighbourhood development partnership projects and employment facilitation projects are supported.

In support of the National Treasury and its functions as set out in the PFMA, GTAC's responsibilities include the following:

- Advising on the feasibility and financing of major capital projects and the investment requirements of state-owned companies
- Supporting PPP transactions, in keeping with provisions of the PFMA and Treasury Regulations
- Undertaking expenditure and performance reviews for the National Treasury and the DPMA
- Providing support for budgetary and public finance management reform, enhancing accountability, transparency and effective service delivery
- Advising on organisational development, strategic planning and operational improvements in public service delivery
- Providing support for infrastructure investment, economic development and social service delivery improvements, in line with the NDP and the MTSF.

GTAC's long-term strategic intent is to provide a centre of excellence in policy advice and public finance management, in partnership with academic and research centres focused on public-sector management and training. In partnership with the Southern African Labour and Development Research Unit at the University of Cape Town, GTAC supports a research programme on employment, income distribution and inclusive growth and seeks to promote public discourse and understanding of public policy, social and economic development and public finance management through publications, consultative forums and dialogue.

On behalf of the National Treasury, GTAC administers the employment creation facilitation programme and the municipal finance improvement programme, and contributes to the city support and infrastructure delivery improvement programmes of the Intergovernmental Relations Division.

Within the context of the NDP and the MTSF, GTAC seeks to contribute to building a capable and development-oriented state while also strengthening capacity to work with the private sector in promoting growth, employment, infrastructure investment and public service delivery.

For the medium-term period ahead, GTAC's activities are organised as follows:

- Administration: Management, strategy and planning, finance and HR management, knowledge management and communications
- Technical advisory services: Public policy and finance advice, organisational development, planning and project management services, administration of the Municipal Finance Improvement Programme (MFIP)
- Specialised procurement services: Advice and support to departments, municipalities and public entities on PPPs and high-impact procurement projects; transaction and contract management support for large or complex procurement processes
- Fiscal and economic analysis: Advice and support for infrastructure and development finance, analysis of public expenditure and performance, environmental economics, state actuarial advice and capital project appraisal
- Employment facilitation: Planning and administration of the Jobs Fund, monitoring and evaluation of projects and support for employment-related research
- MFIP: Planning, administration and monitoring of the MFIP II programme.

PROGRAMME 8: TECHNICAL AND MANAGEMENT SUPPORT AND DEVELOPMENT FINANCE – cont

GTAC also maintains the Independent Power Producer (IPP) Procurement Programme account on behalf of the National Treasury and the Department of Energy. Revenue to the account derives from fees payable by participants in the programme and covers the administration and contract management expenses of the IPP office.

Over the period ahead, GTAC seeks to develop public policy and public finance professional training and research programmes on behalf of the National Treasury, in partnership with academic and research institutions.

Local Government Financial Management Support

The Local Government Financial Management Support sub-programme has two components:

- The Financial Management Grant (FMG), which is a Division of Revenue Act Schedule 5(b) conditional grant to municipalities, to promote and support reforms in financial management and capacity building to improve implementation of the MFMA
- The MFIP, which provides technical assistance and support to the National Treasury, provincial treasuries and municipalities by placing financial advisors with experience and expertise in municipal financial management to facilitate key reforms and skills transfer.

The FMG is administered by the MFMA Implementation Unit in the Office of the Accountant-General. It is available to all 278 municipalities. In order to receive the grant, municipalities must submit FMG support plans which identify weaknesses in financial management to be addressed through the grant allocations. FMG funds can be used towards establishing municipal budget and treasury offices, improving supply chain and audit capacity, appointing financial management interns and investing in financial management systems, training, and implementation of reforms, amongst others. Progress is monitored through regular reports to the National Treasury.

Beginning in 2014/15, the MFIP entered a second phase (MFIP II) which draws on the experience and lessons of the first three-year phase. The MFIP is supervised by the Chief Directorate: Capacity Building in the Office of the Accountant-General and is administered by a project management unit in GTAC. Its responsibilities include assigning municipal finance specialists to assist national and provincial treasuries to improve their ability to oversee municipalities; and placing financial advisors at municipalities, based on requests for assistance and identified needs.

The main intended outcomes of the FMG grant and MFIP II are improved financial management capacity, qualified financial officers, improved budget and financial management practices and improved audit outcomes. The programmes are overseen by a steering committee chaired by the Accountant-General.

Urban Development and Support

Urban Development and Support consists of two programmes:

The *Neighbourhood Development Partnership Programme*, which supports municipal planning and investment in targeted locations, aimed at attracting and sustaining third-party capital investment and business development to improve the quality of life and access to opportunities in under-served townships or settlements

The *Integrated City Development Grant*, which helps metropolitan municipalities to improve spatial targeting and sequencing of infrastructure investment, with a special focus on identified integration zones.

The *Neighbourhood Development Partnership Grant (NDPG)* was introduced in 2006 with an initial commitment of R10 billion to invest in under-served residential neighbourhoods and to leverage private sector development in these areas. The first request for proposals led to 35 project approvals, with implementation beginning in 2007. Since its inception, the NDPG has registered 315 projects of

PROGRAMME 8: TECHNICAL AND MANAGEMENT SUPPORT AND DEVELOPMENT FINANCE - cont

which 241, with a value of over R2.5 billion, have been completed. In October 2015, 42 Neighbourhood Development Partnership (NDP) projects to the value of R1.7 billion were under construction, of which 22 are in urban hub precincts.

The NDP's Urban Network Strategy targets urban hub precincts with secondary linkages to under-served residential areas, and built environment upgrade projects in urban or rural townships. The NDPG consists of two complementary components: a technical assistance grant for municipal planning of potential capital projects within urban hubs across sectors and spheres, and a capital grant for funding selected catalytic projects within urban hubs. The programme aims to encourage complementary public and private investment in these targeted locations and in this way to contribute to the broader goal of liveable, sustainable, resilient, efficient and integrated towns and cities. The Urban Network Strategy aims to optimise the spatial impact of public infrastructure investment, fiscal and regulatory measures and coordinated urban management in identified transit-oriented urban hubs. NDP projects in rural municipalities are supported in collaboration with the Department of Rural Development and Land Reform.

The *Integrated City Development Grant (ICDG)* was introduced in 2013/14 and is a component of the National Treasury's broader City Support Programme (CSP) which aims to promote accelerated and more inclusive development in major urban areas through better governance and built environment planning, improved human settlements and public transport management, local economic development and environmental sustainability and climate resilience. The CSP includes technical assistance, peer learning, collaborative reviews and development finance support and is implemented in partnership with the Development Bank of Southern Africa.

The ICDG is intended as an incentive to metropolitan municipalities to strengthen planning and delivery capacity and to target infrastructure spending to transform inefficient urban landscapes into more inclusive, productive and sustainable spatial forms. Eligibility is restricted to municipalities with sound financial management and acceptable levels of capital expenditure performance. To receive the first 2015/16 transfer of the ICDG, municipalities must approve and submit a Built Environment Performance Plan (BEPP) that identifies catalytic projects and associated outcome targets for identified integration zones. Subsequent transfers will be linked to progress reports on these projects.

The NDPG and the CSP are administered by the Neighbourhood Development Programme and the Provincial and Local Government Infrastructure units of the Intergovernmental Relations Division.

Employment Creation Facilitation

The Employment Creation Facilitation sub-programme was introduced in 2011 to contribute to employment and inclusive growth by supporting innovative approaches to job creation and enterprise development. The main component of the programme is the Jobs Fund, a multi-year R9 billion investment which leverages complementary funding from public and private sector project partners. The Jobs Fund was initially established in partnership with the Development Bank of Southern Africa. It operates as a "challenge fund" and allocates matching grants following a competitive, open and transparent application process. Project allocations are made by an independent investment committee.

As of February 2015, the Jobs Fund had made four calls for proposals and had approved 89 projects with a total grant value of R4.7 billion. Commitments by project partners amounted to a further R6.8 billion. The approved projects target the creation of 132 725 new permanent jobs, 84 500 placements in existing vacant jobs and approximately 200 000 training opportunities. Enterprise development and work-seeker support projects account for the bulk of project allocations and employment commitments.

In November 2014, administration of the Jobs Fund was transferred from the DBSA to GTAC. In 2015/16, a round of allocations to agriculture development projects was concluded. Further calls for proposals may focus on innovation in specific sectors or categories of enterprise development.

PROGRAMME 8: TECHNICAL AND MANAGEMENT SUPPORT AND DEVELOPMENT FINANCE – cont

The Employment Facilitation sub-programme also supports a research project (REDI3x3), based at the Southern African Labour and Development Research Unit at the University of Cape Town, and the www.econ3x3.org web forum which publishes accessible policy-relevant research on employment, income distribution and inclusive growth.

Infrastructure Development Support

The Infrastructure Development Support sub-programme consists of two elements:

The *Infrastructure Skills Development Grant (ISDG)*, which assists municipalities to provide built environment graduates with training and support leading to professional registration.

The *Infrastructure Delivery Improvement Programme (IDIP)*, which provides advisory and technical support to provincial departments of health, education and public works, and to selected municipalities, to improve infrastructure planning, procurement and contract management.

Municipalities apply for funding from the ISDG through a business plan which demonstrates that they have suitable projects, and training and mentoring capacity, to support identified graduates in engineering, town planning, architecture, quantity surveying, geographic information systems and project management on the “road-to-registration” with the relevant statutory councils. The business plan must include an absorption strategy for successful candidates in the applicant municipality or in another municipality. The key intended outcomes of the grant are to develop technical capacity in local government and increase the number of qualified and professionally registered graduates in built environment disciplines. The grant is administered by the Provincial and Local Government Infrastructure Unit of the Intergovernmental Relations Division and its requirements are set out in the *ISDG Guidelines* published by the unit.

The Provincial and Local Government Infrastructure Unit is also responsible for the IDIP, through which experienced professional advisors are assigned to provincial departments or municipalities to assist with developing infrastructure planning and project management capacity. Currently in its third phase, the IDIP programme includes implementation support for the Infrastructure Delivery Management System (IDMS) developed in partnership with the Construction Industry Development Board. The programme is implemented in cooperation with the national departments of Basic Education, Health and Public Works.

Gautrain Loan

Programme 8 includes provision for the repayment of the R4.2 billion loan to Gauteng Province, provided in 2009/10 to contribute to the investment requirements of the Gautrain project. The final payment is due in 2017.

Administration of the loan agreement is carried out by the Asset and Liability Management Division.

PROGRAMME 8: TECHNICAL AND MANAGEMENT SUPPORT AND DEVELOPMENT FINANCE - cont

ANNUAL TARGETS

Indicator	Audited/Actual Performance		Current year		Medium Term Indicative Targets		
	2013/14	2013/14	2014/15	2016/17 Targets	2017/18	2018/19	2019/20
Strategic Objective 8.1: Establishment of GTAC as a centre of excellence in public sector advisory services, transaction support, project management and public finance management							
8.1.1	N/A	#	#	4	4	4	4
8.1.2	N/A	110	93	100	120	140	160
8.1.3	N/A	N/A	N/A	12	15	17	19
8.1.4	N/A	N/A	#	5	5	5	5
8.1.5	N/A	N/A	N/A	>10 per year	>10 per year	>10 per year	>10 per year
Strategic Objective 8.2: Local government financial management improvement							
8.2.1	All municipalities	N/A	N/A	All municipalities	All municipalities	All municipalities	All municipalities
8.2.2	N/A	N/A	#	49	49	49	49
Strategic Objective 8.3: Promotion of urban integration and neighbourhood development							
8.3.1	N/A	N/A	N/A	4	8	12	18
8.3.2	N/A	N/A	317	360	380	400	420
8.3.3	R1 458bn	R 1 868m	R 2 494m	R4 000m	R4 300m	R4 500m	R4 800m
8.3.4	N/A	12	14	12	12	14	14
8.3.5	N/A	3	3	8	10	12	12
Strategic Objective 8.4: Facilitation of employment creation and inclusive growth							
8.4.1	66	90	89	130	150	150	150
8.4.2	N/A	R4 960m	R4 661m	R6 500m	R9 000m	R9 000m	R9 000m
8.4.3	N/A	R6 105m	R6 823m	R9 000m	R10 000m	R10 000m	R10 000m
8.4.4	N/A	17 346	132 725	150 000	150 000	150 000	150 000
8.4.5	N/A	11 328	84 513	70 000	70 000	70 000	70 000
8.4.6	N/A	51 743	204 566	160 000	160 000	160 000	160 000
8.4.7	N/A	R802 269	R1 504m	R4 462m	R5 637m	R6 917m	R7 780m
8.4.8	N/A	3	2	<ul style="list-style-type: none"> Mid-term evaluation report 1 learning event 	<ul style="list-style-type: none"> Portfolio of evaluations 1 learning event 	<ul style="list-style-type: none"> Portfolio of evaluations 1 learning event 	<ul style="list-style-type: none"> Concluding Jobs Fund programme evaluation
8.4.9	N/A	N/A	#	Completion of 80+ research papers	Publication of synthesis report(s)	(Project complete)	(Project complete)

PROGRAMME 8: TECHNICAL AND MANAGEMENT SUPPORT AND DEVELOPMENT FINANCE - cont

ANNUAL TARGETS - CONTINUED

Indicator	Audited/Actual Performance		Current year 2016/17 Targets	Medium Term Indicative Targets		
	2013/14	2013/14		2017/18	2018/19	2019/20
Strategic Objective 8.5: Improved infrastructure planning, management and skills development						
8.5.1	36	36	34	34	34	36
8.5.2	120	120	160	160	160	160
8.5.3	273	419	400	400	400	400

PROGRAMME 8: TECHNICAL AND MANAGEMENT SUPPORT AND DEVELOPMENT FINANCE - cont

QUARTERLY TARGETS 2016/17

Performance Indicator		2016/17 Annual Targets				
		Quarter 1	Quarter 2	Quarter 3	Quarter 4	
Strategic Objective 8.1: Establishment of GTAC as a centre of excellence in public sector advisory services, transaction support, project management and public finance management						
8.1.1	Progress reported in GTAC quarterly monitoring reports	4 quarterly reports	1 quarterly report to the Minister	2 quarterly reports to the Minister	3 quarterly reports to the Minister	4 quarterly reports to the Minister
8.1.2	Number of technical advisory projects supported	100	100	100	100	100
8.1.3	Number of transaction advisory projects registered	12	4	6	9	12
8.1.4	Number of capital project advisory work	5	1	2	4	5
8.1.5	Number of performance and expenditure reviews	>10 per year	2	5	8	10
Strategic Objective 8.2: Local government financial management improvement						
8.2.1	Transfer of FMG funds to all municipalities	All municipalities				All municipalities
8.2.2	Number of municipalities and provincial treasuries assisted through MFPP II	49				49
Strategic Objective 8.3: Promotion of urban integration and neighbourhood development						
8.3.1	Number of precinct plans completed	4	0	1	2	4
8.3.2	Number of catalytic projects approved (cumulative)	360	353	355	358	360
8.3.3	Third-party investment leveraged (cumulative)	R4 000m				R4 000m
8.3.4	Number of projects confirmed within integration/spatial transformation zones	12				12
8.3.5	Number of integrated city development projects under implementation	8				8
Strategic Objective 8.4: Facilitation of employment creation and inclusive growth						
8.4.1	Number of Jobs Fund projects approved (cumulative)	130				130
8.4.2	Grant funding approved (cumulative)	R6 500m				R6 500m
8.4.3	Matched funding committed (cumulative)	R9 000m				R9 000m
8.4.4	New jobs contracted (cumulative)	150 000				150 000
8.4.5	Number of placements contracted (cumulative)	70 000				70 000
8.4.6	Number of training opportunities contracted (cumulative)	160 000				160 000
8.4.7	Value of grant funding disbursed (cumulative)	R4 462m				R4 462m
8.4.8	Jobs Fund evaluation report and dissemination of learning	<ul style="list-style-type: none"> Mid-term evaluation report 1 learning event 				<ul style="list-style-type: none"> Mid-term evaluation report 1 learning event
8.4.9	Number of employment, income distribution and inclusive growth research papers completed	Completion of 80+ research papers				Completion of 80+ research papers

PROGRAMME 8: TECHNICAL AND MANAGEMENT SUPPORT AND DEVELOPMENT FINANCE - cont

QUARTERLY TARGETS 2016/17 - CONTINUED

Performance Indicator		2016/17 Annual Targets	Quarter 1	Quarter 2	Quarter 3	Quarter 4
Strategic Objective 8.5: Improved infrastructure planning, management and skills development						
8.5.1	Number of TAs deployed to provide capacity for infrastructure development	34	0	0	0	34
8.5.2	Number of officials trained on the IDM toolkit	160	0	0	0	160
8.5.3	Number of graduates in training for professional registration in engineering, town planning, geographic information systems and project management	400	0	0	0	400

PROGRAMME 8: TECHNICAL AND MANAGEMENT SUPPORT AND DEVELOPMENT FINANCE - cont

EXPENDITURE TRENDS AND ESTIMATES

Sub-programme	Technical Support and Development Finance expenditure trends and estimates by sub-programme and economic classification										
	Audited outcome		Adjusted appropriation		Average growth rate (%)		Expenditure/total: Average (%)		Medium-term expenditure estimate		Average growth rate (%)
R thousand	2012/13	2013/14	2014/15	2015/16	2012/13 - 2015/16	2016/17	2017/18	2018/19	2015/16 - 2018/19		
Local Government Financial Management Support	512 715	546 296	547 926	573 946	3.8%	591 935	636 544	671 963	5.4%	21.6%	21.1%
Urban Development and Support	658 132	680 935	875 390	884 195	10.3%	913 014	983 253	1 040 282	5.6%	30.7%	32.5%
Employment Creation Facilitation	589 868	952 883	1 213 162	1 003 487	19.4%	782 883	912 255	1 338 366	10.1%	37.3%	34.4%
Government Technical Advisory Centre	61 410	69 738	79 752	83 609	10.8%	88 006	89 878	95 091	4.4%	2.9%	3.0%
Infrastructure Development Support	160 460	187 465	177 118	229 356	12.6%	258 880	275 090	288 821	8.0%	7.5%	9.0%
Total	1 982 585	2 437 317	2 893 348	2 774 593	11.9%	2 634 718	2 897 020	3 434 523	7.4%	100.0%	100.0%
Change to 2015 Budget estimate				(369 270)		(643 506)	(434 674)	(90 410)			

ECONOMIC CLASSIFICATION

	2012/13	2013/14	2014/15	2015/16	2012/13 - 2015/16	2016/17	2017/18	2018/19	2015/16 - 2018/19
Current payments	283 290	275 241	91 659	337 497	6.0%	377 300	398 973	418 389	7.4%
Compensation of employees	-	-	5 444	-	-	-	-	-	-
Goods and services	283 290	275 241	86 215	337 497	6.0%	377 300	398 973	418 389	7.4%
of which:									
Administrative fees	-	-	496	-	-	-	-	-	-
Advertising	-	-	64	-	-	-	-	-	-
Minor assets	-	-	568	-	-	-	-	-	-
Catering; Departmental activities	-	-	19	-	-	-	-	-	-
Communication	-	-	52	-	-	-	-	-	-
Computer services	-	-	147	-	-	-	-	-	-
Consultants; Business and advisory services	283 290	275 241	83 049	337 497	6.0%	377 300	398 973	418 389	7.4%
Contractors	-	-	83	-	-	-	-	-	-
Entertainment	-	-	2	-	-	-	-	-	-
Consumable supplies	-	-	60	-	-	-	-	-	-

PROGRAMME 8: TECHNICAL AND MANAGEMENT SUPPORT AND DEVELOPMENT FINANCE - cont

EXPENDITURE TRENDS AND ESTIMATES - CONTINUED

Sub-programme	Technical Support and Development Finance expenditure trends and estimates by sub-programme and economic classification											
	Audited outcome			Adjusted appropriation		Average growth rate (%)		Expenditure/total: Average (%)		Medium-term expenditure estimate		Average growth rate (%)
R thousand	2012/13	2013/14	2014/15	2015/16	2012/13 - 2015/16	2016/17	2017/18	2018/19	2015/16 - 2018/19	2015/16 - 2018/19		
<i>Consumables: Stationery, printing and office supplies</i>	-	-	24	-	-	-	-	-	-	-	-	-
<i>Operating leases</i>	-	-	89	-	-	-	-	-	-	-	-	-
<i>Travel and subsistence</i>	-	-	773	-	-	-	-	-	-	-	-	-
<i>Training and development</i>	-	-	18	-	-	-	-	-	-	-	-	-
<i>Operating payments</i>	-	-	42	-	-	-	-	-	-	-	-	-
<i>Venues and facilities</i>	-	-	729	-	-	-	-	-	-	-	-	-
Transfers and subsidies	1 699 295	2 162 076	2 800 681	2 437 096	12.8%	2 257 418	2 498 047	3 016 134	7.4%	87.0%		
Provinces and municipalities	1 056 345	1 149 233	1 398 953	1 435 256	10.8%	1 486 540	1 598 289	1 690 990	5.6%	52.9%		
Departmental agencies and accounts	98 410	109 638	138 052	1 001 840	116.7%	770 878	899 758	1 325 144	9.8%	34.0%		
Higher education institutions	9 000	10 000	-	-	-100.0%	-	-	-	-	-	-	-
Public corporations and private enterprises	535 540	893 205	1 263 676	-	-100.0%	-	-	-	-	-	-	-
Payments for capital assets	-	-	1 008	-	-	-	-	-	-	-	-	-
Buildings and other fixed structures	-	-	7	-	-	-	-	-	-	-	-	-
Machinery and equipment	-	-	1 001	-	-	-	-	-	-	-	-	-
Total	1 982 585	2 437 317	2 893 348	2 774 593	11.9%	2 634 718	2 897 020	3 434 523	7.4%	100.0%		
Proportion of total programme expenditure to vote expenditure	9.4%	9.7%	11.1%	9.7%	-	9.3%	9.3%	10.6%	-	-		

PROGRAMME 8: TECHNICAL AND MANAGEMENT SUPPORT AND DEVELOPMENT FINANCE - cont

EXPENDITURE TRENDS AND ESTIMATES - CONTINUED

Technical Support and Development Finance expenditure trends and estimates by sub-programme and economic classification											
Sub-programme	Audited outcome			Adjusted appropriation	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/total: Average (%)
	2012/13	2013/14	2014/15				2015/16	2016/17	2017/18		
R thousand	2012/13	2013/14	2014/15	2015/16	2012/13 - 2015/16	2016/17	2017/18	2018/19	2015/16 - 2018/19	2015/16 - 2018/19	
DETAILS OF TRANSFERS AND SUBSIDIES											
Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current	98 222	109 310	137 677	1 001 293	116.8%	770 171	899 016	1 324 359	9.8%	34.0%	
Government Technical Advisory Centre	98 222	109 310	107 677	1 001 293	116.8%	770 171	899 016	1 324 359	9.8%	34.0%	
Neighbourhood development partnership grant - Indirect	-	-	30 000	-	-	-	-	-	-	-	
Capital	188	328	375	547	42.8%	707	742	785	12.8%	-	
Government Technical Advisory Centre	188	328	375	547	42.8%	707	742	785	12.8%	-	
Provinces and municipalities											
Municipalities											
Municipal bank accounts											
Current	478 213	523 298	553 563	576 956	6.5%	595 735	642 780	680 061	5.6%	21.3%	
Local government financial management grant	402 753	424 798	449 138	452 491	4.0%	465 264	502 006	531 122	5.5%	16.6%	
Infrastructure skills development grant	75 460	98 500	104 425	124 465	18.2%	130 471	140 774	148 939	6.2%	4.6%	
Capital	578 132	625 935	845 390	858 300	14.1%	890 805	955 509	1 010 929	5.6%	31.6%	
Integrated city development grant	-	40 000	255 000	251 300	-	266 805	292 119	309 062	7.1%	9.5%	
Neighbourhood development partnership grant	578 132	585 935	590 390	607 000	1.6%	624 000	663 390	701 867	5.0%	22.1%	

PROGRAMME 8: TECHNICAL AND MANAGEMENT SUPPORT AND DEVELOPMENT FINANCE - cont

EXPENDITURE TRENDS AND ESTIMATES - CONTINUED

Technical Support and Development Finance expenditure trends and estimates by sub-programme and economic classification											
Sub-programme	Audited outcome			Adjusted appropriation	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/total: Average (%)
	2012/13	2013/14	2014/15				2015/16	2016/17	2017/18		
R thousand											
Public corporations and private enterprises											
Public corporations											
Other transfers to public corporations											
Current	535 540	893 205	1 263 676	-	-100.0%	26.7%	-	-	-	-	-
Development Bank of Southern Africa	535 540	893 205	1 164 888	-	-100.0%	25.7%	-	-	-	-	-
Municipal Finance Improvement Programme	-	-	98 788	-	-	1.0%	-	-	-	-	-
Higher education institutions											
Current	9 000	10 000	-	-	-100.0%	0.2%	-	-	-	-	-
University of Cape Town	9 000	10 000	-	-	-100.0%	0.2%	-	-	-	-	-

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PART C
*LINKS TO
OTHER PLANS*



national treasury

Department:
National Treasury
REPUBLIC OF SOUTH AFRICA

LINKS TO OTHER PLANS

1. LINKS TO LONG-TERM INFRASTRUCTURE AND OTHER CAPITAL PLANS

The department does not have any long-term infrastructure or capital projects or plans.

2. CONDITIONAL GRANTS

The department does not administer any conditional grants.

3. PUBLIC-PRIVATE PARTNERSHIPS

The department does not have any public-private partnerships.

4. PUBLIC ENTITIES REPORTING TO THE MINISTER

There are no significant changes to the status quo relating to the public entities overseen by the National Treasury. Seventeen entities report to the Minister of Finance through governance arrangements that give them autonomy but also enable them to align their strategies with government policy. Seven of these entities - the South African Revenue Service (SARS), the Office of the Tax Ombud (OTO), the Financial Intelligence Centre (FIC), the Accounting Standards Board (ASB), the Co-operative Banks Development Agency (CBDA), the Financial and Fiscal Commission (FFC) and the Independent Regulatory Board for Auditors (IRBA) – receive transfers from the National Treasury.

The remaining ten are self-funded and generate their own revenue. These are the Financial Services Board (FSB), the Financial Advisory and Intermediary Services Ombud (FAIS Ombud), the Office of the Pension Fund Adjudicator (OPFA), the Government Pensions Administration Agency (GPAA), the Government Employees Pension Fund (GEPF), the Development Bank of Southern Africa (DBSA), the Public Investment Corporation (PIC), the Land and Agricultural Development Bank of South Africa (Land Bank), South African Airways (SAA) and the South African Special Risks Insurance Association (SASRIA). Each entity develops and reports on its own strategic and corporate plan.

LINKS TO OTHER PLANS - cont

5. ANNEXURES

The programmes' aim or purpose as per the Strategic Plan 2015/19 have been refined in the Annual Performance Plan 2016/17 to reflect the mandates of the programmes correctly and to align with the budget documents. Below are the changes.

Programme	Aim/purpose per the Strategic Plan	Aim/purpose per the Estimates of National Expenditure	Revised aim/purpose in the Annual Performance Plan
Programme 1: Administration	The programme ensures effective leadership, strategic management and administrative support to the National Treasury through continuous refinement of organisational strategy and structure in line with appropriate legislation and best practice.	Provide strategic leadership, management and support services to the department, and capacity building.	Provide strategic leadership, management and support services to the department, and capacity building.
Programme 2: Economic Policy, Tax, Financial Regulation and Research	This programme aims to improve South Africa's macroeconomic and microeconomic framework through on-going analysis, research and policy advisory services. The programme supports economic growth, employment and macroeconomic stability and retirement reform by: <ul style="list-style-type: none"> developing tax policy proposals and supporting tax legislation for the annual budget monitoring the collection of revenue through ongoing consultation with relevant stakeholders and analysing the factors determining tax collection. 	Provide specialist policy research, analysis and advisory services in the areas of macroeconomics, microeconomics, taxation, the financial sector and regulatory reform.	Provide specialist policy research, analysis and advisory services in the areas of macroeconomics, microeconomics, taxation, the financial sector and regulatory reform.
Programme 5: Financial Accounting and Supply Chain Management Systems	The purpose of this programme is to facilitate accountability, governance and oversight by promoting effective, efficient, economic and transparent management of revenue, expenditure, assets and liabilities across all spheres of government and public entities.	Facilitate governance and accountability by promoting and enforcing the transparent, economic and effective management of revenue, expenditure, assets, liabilities and supply chain processes in the public sector.	Facilitate governance and accountability by promoting and enforcing the transparent, economic and effective management of revenue, expenditure, assets, liabilities and supply chain processes in the public sector.
Programme 6: International Financial Relations	Manage South Africa's interests in shaping regional and global policies which advance the economic, financial and development objectives of the country and those of Africa as a whole.	Manage South Africa's interests in shaping regional and global policies that advance the economic, financial and development objectives of the country and Africa.	Manage South Africa's interests in shaping regional and global policies that advance the economic, financial and development objectives of the country and Africa.
Programme 7: Administration Civil and Military Pensions, Contributions to Funds and Other Benefits	This programme provides for the processing and payment of pensions to members and their dependants in terms of various statutes, collective bargaining agreements and other commitments.	Provide for government's pension and post-retirement medical benefit obligations to former employees of state departments and bodies. Provide for similar benefits to retired members of the military.	Provide for government's pension and post-retirement medical benefit obligations to former employees of state departments and bodies. Provide for similar benefits to retired members of the military.

Refer to the department's website at www.treasury.gov.za for detailed descriptions of all programme measures contained in the Annual Performance Plan

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ANNEXURE

ACRONYMS AND ABBREVIATIONS



national treasury

Department:
National Treasury
REPUBLIC OF SOUTH AFRICA

ACRONYMS AND ABBREVIATIONS

AENE	Adjusted Estimates of National Expenditure
ALM	Asset and liability management
ASB	Accounting Standards Board
BAS	Basic accounting system
B-BBEE	Broad-based black economic empowerment
BEPP	Built environment performance plan
bn	Billion
BRICS	Brazil-Russia-India-China-South Africa
CBDA	Co-operative Banks Development Agency
CDS	Capacity development strategy
CMA	Common Monetary Area
COLA	Cost-of-living adjustment
CSD	Central Supplier Database
CSP	City Support Programme
DBSA	Development Bank of Southern Africa
DEA	Department of Environmental Affairs
DFI	Development finance institution
DoE	Department of Energy
DoRA	Division of Revenue Act
DPSA	Department of Public Service and Administration
DSBD	Department of Small Business Development
ENE	Estimates of National Expenditure
ERM	Enterprise risk management
ERP	Enterprise resource planning
FAIS Ombud	Financial Advisory and Intermediary Services Ombud
FFC	Financial and Fiscal Commission
FIC	Financial Intelligence Centre
FMCMM	Financial management capability maturity model
FMG	Financial Management Grant
FOSAD	Forum of South African Directors-General
FSB	Financial Services Board
G20	The Group of Twenty Finance Ministers and Central Bank Governors
GDP	Gross domestic product
GEPF	Government Employees Pension Fund
GHG	Greenhouse gas
GPAA	Government Pensions Administration Agency
GRAP	Generally recognised accounting practices
GTAC	Government Technical Advisory Centre
HR	Human resources

ACRONYMS AND ABBREVIATIONS - cont

IA	Internal audit
ICDG	Integrated City Development Grant
ICT	Information and communications technology
IDIP	Infrastructure Delivery Improvement Programme
IDM	Infrastructure delivery management
IDMS	Infrastructure delivery management system
IFMS	Integrated financial management system
IMF	International Monetary Fund
IPP	Independent power producer
IRBA	Independent Regulatory Board for Auditors
IREP	International and regional economic policy
ISDG	Infrastructure Skills Development Grant
KM	Knowledge management
Land Bank	Land and Agricultural Development Bank of South Africa
m	Million
MFIP	Municipal Finance Improvement Programme
MFMA	Municipal Finance Management Act
MINCOMBUD	Ministers' Committee on the Budget
MPAT	Management performance assessment tool
MTBPS	Medium Term Budget Policy Statement
MTEC	Medium Term Expenditure Committee
MTEF	Medium Term Expenditure Framework
MTSF	Medium Term Strategic Framework
MW	Mega-watt
NCOP	National Council of Provinces
NDP	National Development Plan
NDP	Neighbourhood development partnership
NDPG	Neighbourhood Development Partnership Grant
NRF	National Revenue Fund
NT	National Treasury
OCPO	Office of the Chief Procurement Officer
ODA	Official development assistance
OPFA	Office of the Pension Fund Adjudicator
OSM	Original software manufacturer
OTO	Office of the Tax Ombud
PFM	Public finance management
PFMA	Public Finance Management Act
PIC	Public Investment Corporation
PPP	Public-private partnership

ACRONYMS AND ABBREVIATIONS - cont

PRS	Price referencing system
RDP	Reconstruction and Development Programme
SAA	South African Airways
SACU	Southern African Customs Union
SARB	South African Reserve Bank
SARS	South African Revenue Service
SASRIA	South African Special Risks Insurance Association
SCM	Supply chain management
SCOA	Standard chart of accounts
SCOF	Standing Committee on Finance
SITA	State Information Technology Agency
SLA	Service level agreement
SMME	Small, medium or micro-enterprise
SO	Strategic objective
SOC	State-owned company
SOE	State-owned entity
SPF	Strategic procurement framework
SSA	State Security Agency
TA	Technical assistant
TLAB	Taxation Laws Amendment Bill
tr	Trillion
USA	United States of America
WB	Water board
WB	World Bank

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40 Church Square, Pretoria, 0002 | Private Bag X115, Pretoria, 0001 | T (012) 315 5944, F (012) 406 9055



national treasury

Department:
National Treasury
REPUBLIC OF SOUTH AFRICA