

UPDATED

ANNUAL PERFORMANCE
PLAN

.....
NATIONAL TREASURY

2020/21



national treasury

Department:
National Treasury
REPUBLIC OF SOUTH AFRICA



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NATIONAL TREASURY
2020/21

The 2020/21 National Treasury Annual Performance Plan is compiled with the latest available information from departmental and other resources.

Some of this information is unaudited or subject to revision.

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This publication is available at www.treasury.gov.za
ISBN 978-0-621-48270-6 | **RP** 105/2020



national treasury
Department:
National Treasury
REPUBLIC OF SOUTH AFRICA





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EXECUTIVE AUTHORITY STATEMENT

The volatility and unevenness of growth observed during 2019 will likely continue in 2020. In developing this Annual Performance Plan, the National Treasury is enhancing its focus on the fundamental elements of achieving inclusive growth and restoring fiscal strength. While global growth may be marginally higher, there is a worsened growth outlook for 2020 and beyond for South Africa. In this respect, there are three critical turnaround developments that must take place, namely: Government's reform agenda must gather momentum, policy certainty needs to be secured, and investment needs to recover at a fast pace.

A key element will be to address the major supply shocks that continue to plague the economy, chiefly the impact of load-shedding. We will continue to provide medium term support to Eskom to secure energy supply and to honour the state's contractual obligations. We remain committed to the separation of Eskom into three functions (generation, transmission, distribution) in conjunction with necessary organisational reforms to achieve operational efficiency. In the meantime, the priority is to stabilize Eskom's cash-flow management, while undertaking the separation. Government has thus made provisional support of R49 billion available in 2019/20, R56 billion in 2020/21 and R33 billion in 2021/22.

Moreover, the National Treasury, in partnership with the Department of Public Enterprises, has instituted a series of measures to bring discipline to the utility's finances, and to step up the timeline for restructuring. Underlying all this work is greater policy certainty and, in this regard, Cabinet has approved a revised Integrated Resources Plan for energy, which provides certainty around government's preferred energy mix.

Government remains committed to implementing much needed economic reforms in order to revive economic growth. Furthermore, government reiterates that the growth in the public-sector wage bill needs to be addressed in order to reduce the debt burden. Government, labour, business and civil society need to work hand-in-hand as difficult decisions that imply short-term costs for the economy and fiscus need to be made in order to turn the tide around.

The discussion document titled Economic Transformation, Inclusive Growth, and Competitiveness: Towards an Economic Strategy for South Africa, first released in August 2019 by the National Treasury, presents an approach to boost potential growth. It focuses on areas which address our largest microeconomic binding constraints:

- Network industries, such as road, rail and telecommunications, need to be modernised and reformed so that lower costs and increased efficiency can improve business competitiveness.
- Export-focused reforms are needed to boost exports, employment and innovation, and enhance regional growth. Focused and flexible industrial and trade policy can support such reforms, alongside promoting labour-intensive sectors such as tourism and agriculture.
- Raising competition in the economy will make it easier for businesses – particularly small firms – to compete against large, dominant players.

Ideally, these structural reforms would have been implemented during a period of strong cyclical growth, and with ample fiscal space. The country, however, cannot wait any longer.

There are other reforms that the Treasury is closely engaged with. The period for written public comments to the Parliamentary Committee on the Land Expropriation draft Bill concluded on 31 January 2020. The outcomes of the

committee's analysis and processes will inform the way forward. As reiterated by President Ramaphosa, this reform will be pursued in line with the Constitution and in a manner that will not negatively impact on food security. Finally, the telecoms sector offers significant investment opportunities and the finalisation of the licensing process is underway. We expect these reforms to alleviate any policy concerns on these areas among all investors, including South Africans.

Our fiscal policy will remain focused on prudent management of resources and restoring debt stability. Over the medium-term, consolidated government spending totals R6.3 trillion, but this may change due if any further adjustments in the current financial year are required to respond to the COVID pandemic, and as fiscal consolidation is implemented over the medium-term. Our priorities will remain Education, Social Development and Health. Approximately half of non-interest spending goes to national government, and the other half to provinces and municipalities.

However, on our current trajectory, by the end of the three-year framework, debt services costs will be bigger than spending on health and basic education. Therefore, while the CoVid-19 pandemic requires a substantial increase in government spending and borrowings in the 2020/21 financial year, fiscal consolidation will be implemented from 2021/22 in order to stabilise debt. We will target a primary surplus in 2023/24.

During the 2020/21 financial year senior government officials and political office bearers must lead by example. The President has agreed to guidelines which will apply to members of the Cabinet and members of provincial executives. These include:

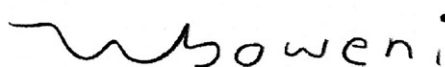
- Freezing the salaries of Cabinet members, Premiers and MECs' at current levels for the foreseeable future;
- Capping the cost of official vehicles;
- A new cell phone dispensation will cap the amount claimable from the State;

- All domestic travel will be on economy class tickets;
- The minister of finance will make a determination on the appropriate use of subsistence and travel for all arms of the state.

To meet our fiscal goals, we also need a well-functioning and efficient revenue collection agency. The South African Revenue Service (SARS) is in a period of rebuilding and recovery. I wish to thank all South Africans who continue to honor their obligations by paying their taxes.

Beyond this, we will enhance or focus on restoring the strength of government's balance sheet. Radical restructuring of state-owned companies (SOCs) will be coupled with tighter controls of government guarantees. Active management of government's debt portfolio will mitigate external and domestic risks.

Finally, South Africa's financial sector is one of our greatest strengths, with high liquidity, solid balance sheets and sophisticated technology. In recent years we have stepped up our financial regulation, while also focusing more on financial inclusion. Our prime objective is to maintain the strength of our banking and non-banking systems, while improve competitiveness and lowering barriers to entry for both consumers and small market players



TT MBOWENI, MP
MINISTER OF FINANCE



FOREWORD BY DEPUTY MINISTER OF FINANCE

Restoring fiscal strength is necessary in order to continue providing needed services in our society and create conditions for inclusive growth. In this regard, the mechanics of government, through strong intergovernmental relations, need to be revived for us to succeed.

The annual gross borrowing requirement of government exceeded R300 billion in 2019/20 and this is projected to now exceed R400 billion in 2020/21. For this reason, though we are working hard to restore the SOCs which are major cause of this slippage, we must pay closer attention to improving the effectiveness of every rand that we spend and ensuring that government and state institution receive the revenue that is due to them.

Among the 16 institutions that the National Treasury is responsible for is the South African Revenue Service (SARS). Despite its recent challenges, SARS remains one of our state institutions that demonstrates the features of a developmental state in the democratic era. SARS has new leadership at the helm, and they are managing a turnaround

to restore integrity to the institution. Over the next year SARS will adopt a strategic focus on making it easier for citizens to fulfil their tax obligations, while strengthening its enforcement capabilities to pursue all violations of our tax system and laws. The immediate focus will be on closing the tax gap and recovering lost revenue. SARS management is also implementing the findings of the Nugent Commission, and more proactively stamping out activities in the illicit economy.

With respect to other entities, the National Treasury will take an active role in ensuring the highest standards of corporate governance and implementation effectiveness. During the upcoming financial year, the governance structures of several entities will be formalized, including the Public Investment Corporation (PIC), the South African Special Risk Insurance Association (SASRIA), the Financial Sector Conduct Authority (FSCA) and the OMBUD Council. Meanwhile, the Development Bank of Southern Africa (DBSA) has been making progress on a blended finance Infrastructure Fund. A pipeline of possible projects to be implemented over a decade and amounting to over R500 billion, has been identified. For 2020/21 pilot projects will be allocated over R500 million and we look forward to progress in this regard.

Effective intergovernmental relations (IGR) play a central role

in ensuring government services are delivered. Since the largest core functions of government (such as education, health and water) are provided at the sub-national level, more than half (around 52 percent) of nationally-budgeted expenditure is undertaken by provinces and municipalities. In addition, most public servants are provincial employees. For this reason, it is critical that we strengthen intergovernmental relations. Provinces face significant risks, especially in the Health sector, which need to be mitigated and addressed. IGR sub-forums/ peer learning platforms will be created for various areas such as financial Management, personnel, SCM (already exists) and medico-legal within the sector in order to ensure effective implementation. Best practices will also be replicated across the sector. At the same time, the National Treasury will work closely with stakeholders to ensure the enactment of the State Liability Amendment Bill, to drastically reduce the liquidity pressures created by medical-legal claims, without violating the rights of citizens to be compensated for proven instances of wrongful treatment by government officials.

At the municipal levels, there are growing crises that need urgent and decisive intervention. Challenges include poor audit outcomes due to non-compliance with the Municipal Finance Management Act (MFMA), the phenomenon

of unfunded budgets, political dysfunction, and, most importantly, a breakdown in basic service delivery. National government and some provincial administrations have taken steps to intervene in several municipalities, including a few metros. The National Treasury provides the main support on financial management matters in all these interventions and we will continue to do so, with the aim of rectifying financial management breakdowns and restoring these municipalities back to health.

Within the context of strengthening performance, the National Treasury and the Ministry of Finance is undertaking roadshows to provinces and municipalities. During 2020/21 we will complete the process begun in 2019/20 to have direct interactions with all nine provinces, as well as all metropolitan municipalities.



DAVID MASONDO, MP
DEPUTY MINISTER OF FINANCE



ACCOUNTING OFFICER STATEMENT

This is an auspicious year for the country, government and the National Treasury. It is a year of remembrance and action. Together we are reflecting on and celebrating thirty years since our late icon, founding father and first democratic President, Nelson Rolihlahla Mandela was released from prison. It is also the first full year of the 6th administration under democratic rule and for National Treasury this year will introduce an organisational structure that will best support the strategic plan 2020-2025.

The National Treasury APP 2020-2021 sets an ambitious programme that is cognisant of the challenging economic times South Africa has been experiencing over an extended period and the urgency of responsive action required. This plan is born out of a collective understanding of the role, responsibilities and obligations placed on National Treasury to fund public services, to ensure sustainable public finances and contribute to the realisation of the vision and goals articulated in the National Development Plan.

The National Treasury APP 2020-2021 will be implemented in a difficult environment with economic growth outlook weak and with the long-term growth estimates fallen, real GDP growth is expected at -7.2% in 2020, 2.6% in 2021 and 1.5% in 2022. This has resulted in increased spending pressures lead primarily by the ongoing crisis in State Owned Companies and the public wage bill. The combination of depressed revenue, increased public consumption spending

and elevated borrowing costs will continue to challenge government to meet the dual challenges of improving and expanding service delivery with ever-decreasing resources. Difficult times demand of government to tighten budgets, which is an opportunity for departments to eliminate waste; improve efficiency; and change the way business is done. National Treasury has inculcated these priorities in the planned outputs thereby better aligning performance planning to budgeting and strengthening evidence based decision-making within a culture of transparency and accountability.

The National Treasury APP 2020/21 focuses the work of the department to:

- Coordination of the national budgeting process. This entails the overseeing of expenditure planning, leading the budget reform programme and the compilation of public finance statistics.
- Monitoring and analysing public expenditure as well as managing future spending growth and fiscal risk.
- Coordination of fiscal relations between the three spheres of government - national, provincial and local. A key aspect of this is to ensure sound budgetary planning at provincial and local levels of government.
- Providing advice and input into tax policy, frameworks and legislation and strengthening financial sector regulation.
- Conducting research into key areas of the economy to better inform the implementation of economic policy.
- Managing government's annual funding programme by way of optimally managing public debt; ensuring that government's liquidity requirements are met through effective cash management; and overseeing state owned companies to enable their achievement of government's

policy objectives in a manner that is financially and fiscally sustainable.

- Strengthening public sector financial management as well as Improving financial management governance and compliance across all spheres of government and in government entities, thereby giving effect to the Public Finance Management Act (PFMA) and Municipal Finance Management Act (MFMA).
- Managing government's financial systems.
- Overseeing and improving government's supply chain management systems and making government procurement more efficient, effective and economical.
- Advancing South Africa's national economic interests, within the context of reputable international institutions dealing with economic development and facilitating regional and international cooperation.
- Supporting infrastructure development and economically integrated cities and communities.

However, this work cannot be done by the National Treasury alone, concerted action from government and non-government stakeholders is critical to actually effect change. Together we need to stabilise public institutions; ensure fiscal sustainability; support growth and development; and ensure economic inclusion and transformation. We stand ready to work diligently with all partners to bring about the necessary changes.

National Treasury employees are the bedrock of the department's success which in turn is underpinned by a conducive working environment. An Optimisation of the Organisation programme has been established to strengthen the support service made available into the department and support provided by the department to

its employees. The Department has commenced with an institutional review as part of the Optimisation of the Organisation programme, which includes an assessment and alignment of both workflow placement and structure. The organisational review along with the other optimising components will further build the institution to be more nimble, effective and fit for purpose.

National Treasury has established a special purpose programme to mainstream gender matters in the department. The committee is tasked to coordinate organisational self-reflection, to review values, norms, policies, practices and support services to ensure that they are free from discrimination and responsive to the specific needs of our women employees and where gaps are identified propose concrete change steps for the organisation to transform.

Through the commitment made in the APP 2020/21, the actual impacts and public benefits of the departments actions will be discerned allowing citizens to hold us to greater accountability. The National Treasury team and myself are resolute to deliver with the commitment and determination that we have shown in the past and will continue to be dedicated into the future.



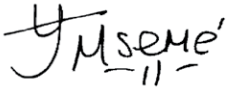
DONDO MOGAJANE
DIRECTOR-GENERAL
NATIONAL TREASURY

OFFICIAL SIGN-OFF


It is hereby certified that this Annual Performance Plan:

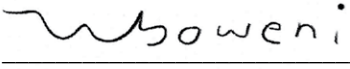
- Was developed by the management of the National Treasury under the guidance of the Honorable Minister of Finance, Mr TT Mboweni
- Takes into account all the relevant policies, legislation and other mandates for which the National Treasury is responsible
- Accurately reflects the outcomes and outputs which the National Treasury will endeavour to achieve over the period 2020/2021

Signature: 
Beerson Baboojee
Acting Chief Financial Officer

Signature: 
Laura Mseme
Chief Director: Strategic Planning, Monitoring and Evaluation

Signature: 
Stadi Mngomezulu
Deputy Director-General: Corporate Services

Signature: 
Dondo Mogajane
Accounting Officer: National Treasury

Approved by:
Signature: 
TT Mboweni, MP
Minister of Finance

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NATIONAL TREASURY

2020/21

PART A:
OUR MANDATE

PART A: OUR MANDATE

1. UPDATES TO THE RELEVANT LEGISLATIVE AND POLICY MANDATES

Constitutional mandate

The National Treasury's legislative mandate is based on Chapter 13, Section 216(1) of the Constitution, which calls for the establishment of a national treasury to ensure transparency, accountability and sound financial controls in the management of the country's public finances.

Legislative and policy mandate

National Treasury's legislative mandate is based on Chapter 13, Section 216(1) of the Constitution, which calls for the establishment of a national treasury to ensure transparency, accountability and sound financial controls in the management of the country's public finances. This role is further elaborated in the Public Finance Management Act (1999). The department is mandated to promote the national government's fiscal policy and the coordination of macroeconomic policy; ensure the stability and soundness of the financial system and financial services; coordinate intergovernmental financial and fiscal relations; manage the budget preparation process; and enforce transparency and effective management in respect of revenue and expenditure, assets and liabilities, public entities and constitutional institutions. Accordingly, for the period under review the National Treasury's legislative and other mandates remain applicable.

2. UPDATES TO INSTITUTIONAL POLICIES AND STRATEGIES

Institutional policies and Strategies over the five-year planning period

- Reviewing tax policy and strengthening financial sector regulation;
- Managing future spending growth and fiscal risk;
- Managing government's assets and liabilities;
- Making government procurement more efficient;
- Strengthening government financial management;
- Facilitating regional and international cooperation;
- Supporting sustainable employment;
- Supporting infrastructure development and economically integrated cities and communities;

Draft legislation that will be processed during 2019/20:

- Public Procurement Bill;
- Financial Matters Laws Amendment Bill;
- Financial Services Laws General Amendment Bill;
- Municipal and Fiscal Powers and Functions Amendment Bill;
- Conduct of Financial Institutions Bill;
- Appropriation and Adjustments Appropriation Bills, 2019;
- Division of Revenue and Divisions of Revenue Amendment Bills, 2019;
- Rates and Monetary Amounts and Amendments of Revenue Laws Amendment Bill, 2019;
- Tax Administration Laws Amendment Bill, 2019;
- Taxation Laws Amendment Bill, 2019;
- Revised Treasury regulations;

3. UPDATES TO RELEVANT COURT RULINGS

No court rulings affecting the department.

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ANNUAL PERFORMANCE

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NATIONAL TREASURY

2020/21

**PART B:
OUR STRATEGIC
FOCUS**

PART B: OUR STRATEGIC FOCUS

4. SITUATIONAL ANALYSIS

4.1. External Environment Analysis

South Africa's economic growth is now projected at 0.5 per cent for 2019, as long-term growth estimates have fallen. As a result, revenue projections have been sharply reduced. Spending pressures continue to mount, led by the public service wage bill and state-owned companies in crisis.

The combination of lower revenue and increased spending widens the budget deficit to an average of 6.2 per cent over the next three years. Debt and debt-service costs will continue to increase. Globally, a synchronised economic slowdown has caused downward revisions to growth in both developed and developing countries.

PART B: OUR STRATEGIC FOCUS

Trend economic growth has been slowing steadily

The condition of chronically low growth with falling per capita income can be explained as a convergence of three factors namely structural faults in the South African economy, low swings in commodity prices and a depressed consumer and business confidence leading to contractions in private investment and consumption demand. Structural faults in the economy include poor educational outcomes that perpetuate inherited disadvantage, low levels of labour intensive growth, severe skills constraints, fragmented spatial urban landscape, highly concentrated industrial structures, limited competition and high barriers to entry as well as inefficient public monopolies imposing high cost structures for network infrastructure. The current conjuncture is formed by the interactions between these three elements which can create a vicious cycle reinforcing the structural faults in the SA economy that includes employment, household consumption and investments continuing to perform poorly, GDP per capita will fall further exacerbating social pressures and rising debt and risks leading to higher cost of growth associated with slower growth.

PART B: OUR STRATEGIC FOCUS

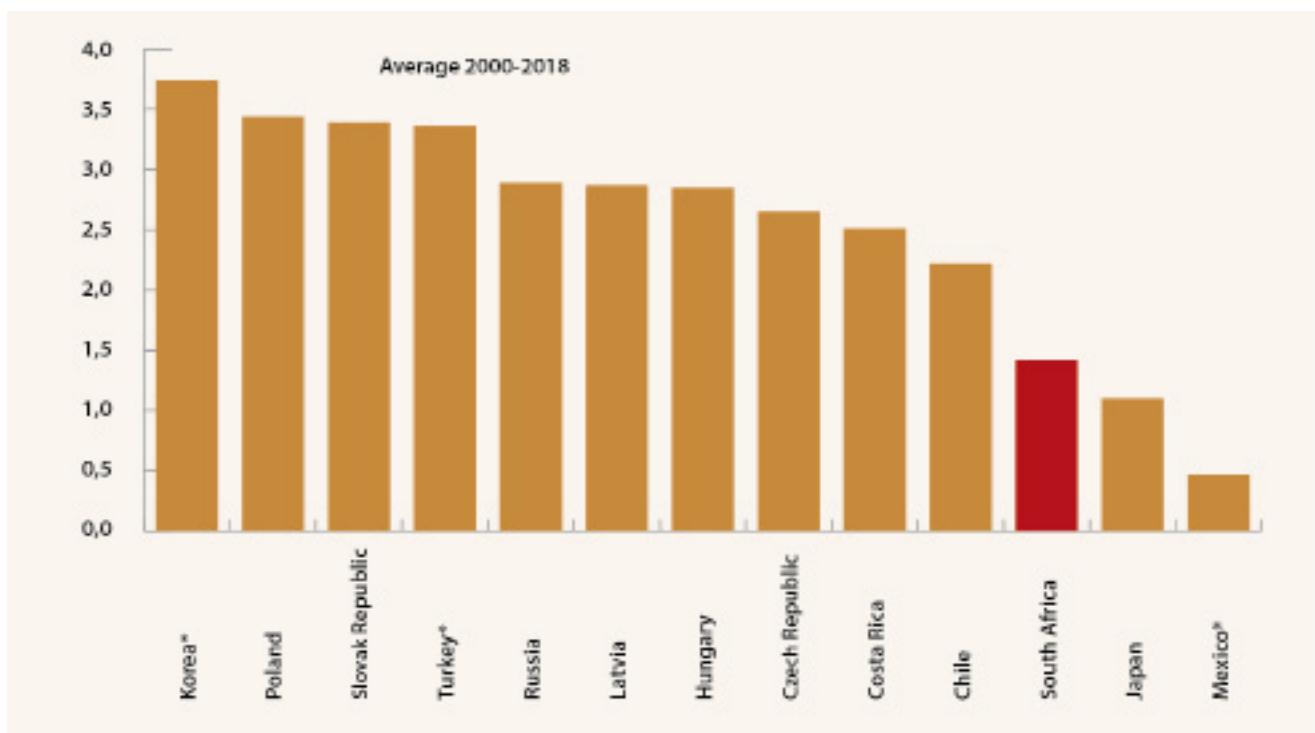
Table 2.2 Macroeconomic performance and projections

Calendar year	2017	2018	2019	2020	2021	2022
Percentage change	Actual		Estimate		Forecast	
Final household consumption	2,1	1,8	1,3	1,3	1,5	1,7
Final government consumption	0,2	1,9	1,8	1,8	1,1	0,6
Gross fixed-capital formation	1,0	-1,4	-0,8	0,8	1,3	1,8
Gross domestic expenditure	1,9	1,0	1,4	1,1	1,5	1,7
Export	-0,7	2,6	-1,7	2,5	2,8	3,1
Imports	1,0	3,3	1,1	1,9	2,6	3,0
Real GDP growth	1,4	0,8	0,5	1,2	1,6	1,7
GDP inflation	5,3	3,9	4,8	4,9	4,9	4,8
GDP at current prices (R billion)	4 654	4 874	5 132	5 449	5 804	6 187
CPI inflation	5,3	4,7	4,3	4,9	4,8	4,8
Current account balance (% of GDP)	-2,5	-3,5	-3,4	-3,5	-3,5	-3,5

Source: National Treasury, Reserve Bank and Statistics South Africa

Growth is expected to rise to just 1.7 per cent in 2022. Given the fiscal deficit, borrowing costs are expected to remain elevated. A gradual recovery in confidence together with replacement investment in key sectors will support modest employment, wage and investment gains over the medium term alongside household consumption. The current account deficit is expected to remain at 3.5 per cent of GDP over the next three years, given low investment and import growth.

SA Productivity relative to selected countries

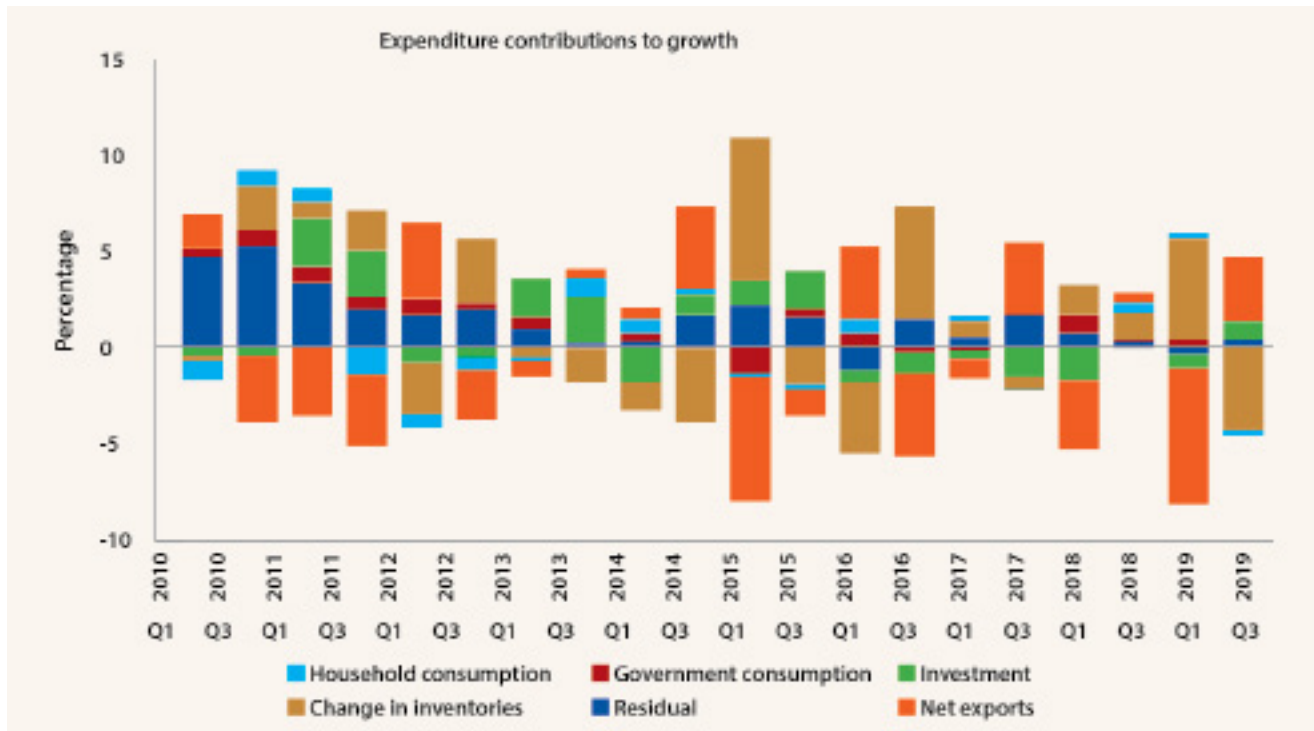


Source: OECD, NT calculations

PART B: OUR STRATEGIC FOCUS

Productivity relative to the rest of the world has been poor. Weak productivity underlies declining potential growth and as a result South Africa is anticipated to dip below the emerging markets and developing economies per capita income over the next five years.

Domestic expenditure engines have driven growth



Source: SARB Quarterly Bulletin; National Treasury

PART B: OUR STRATEGIC FOCUS

South Africa's macroeconomic framework remains broadly supportive of investment and growth. The flexible exchange rate acts as a shock absorber and monetary policy has kept inflation contained within the 3 to 6 per cent target band. But this framework cannot substitute for necessary economic reforms. Persistent growth in the wage bill has worsened the composition of spending, while spending outcomes continue to disappoint. As a result, fiscal deficits have not raised long-run growth, and have begun to undermine confidence, push up interest rates and reduce the space for new priorities.

Debt-to-GDP outlook

Within this difficult environment, the task ahead of National Treasury alongside all of government remains large. We need to implement urgent growth reforms, we must improve the effectiveness and efficiency of government spending and reduce waste, and we need to ensure that state owned companies are on a sustainable economic path.

PART B: OUR STRATEGIC FOCUS

The cost of borrowing in SA has risen relative to peers



Source: Bloomberg

Government's economic policy priority is to enact reforms that will enable South Africa to break from the spiral of anaemic growth, promoting investment and job creation. Policy certainty and a conducive business environment are critical to support the confidence of businesses and households. A robust monetary policy framework has provided certainty but needs to be complemented with a range of reforms that are within government's control and do not require significant funding. These would help to raise long-term growth. Government continues to work with the private sector to strengthen infrastructure investment. Efforts are focused on raising the efficiency of spending and crowding in private-sector investment.

PART B: OUR STRATEGIC FOCUS

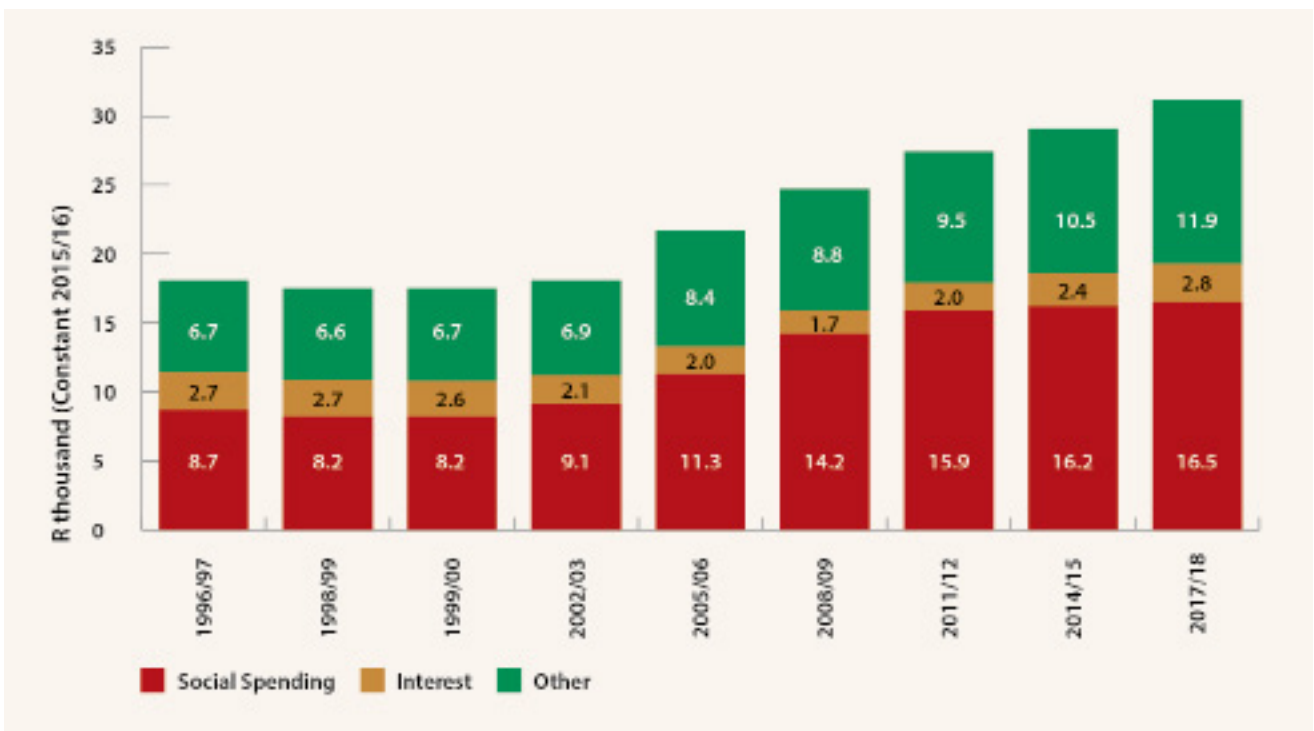
Government playing too large a role in the economy



Source: SARB Quarterly Bulleting; National Treasury

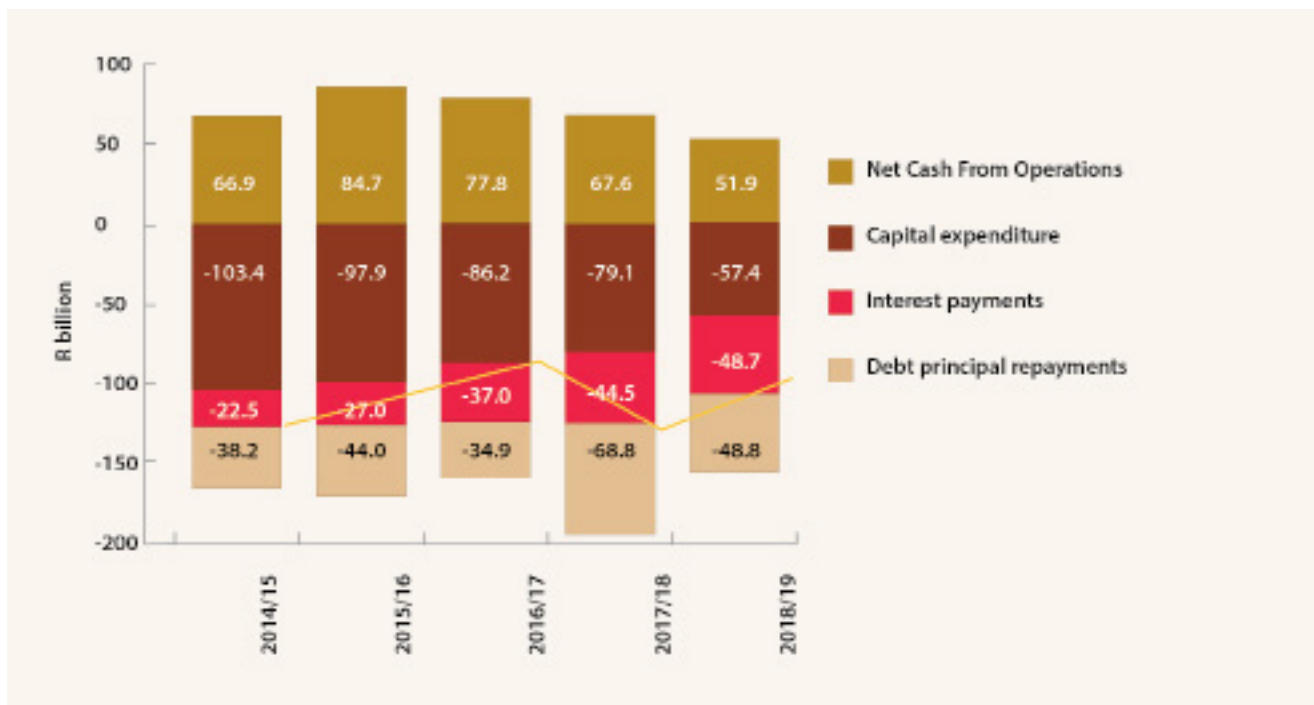
Several large state-owned companies are in crisis as a result of governance failures, poor operational performance and resultant unsustainable debt burdens. Government has increased spending to meet its obligations for guaranteed debt, but decisions are required to manage the ongoing impact of these entities on the fiscus. A programme of reforms is being enacted to strengthen governance and operations at these entities, and to stabilise those in financial distress, in particular Eskom.

Per capita social development spend



PART B: OUR STRATEGIC FOCUS

SOE performance



R billion	2014/15	2015/16	2016/17	2017/18	2018/19
Net Cash From Operations	66.9	84.7	77.8	67.6	51.9
Capital expenditure	-103.4	-97.9	-86.2	-79.1	-57.4
Interest payments	-22.5	-27.0	-37.0	-44.5	-48.7
Debt principal repayments	-38.2	-44.0	-34.9	-68.8	-48.8
Net cash flow after interest, debt service and CAPEX	-102.4	-91.4	-86.3	-127.2	-93.3

PART B: OUR STRATEGIC FOCUS

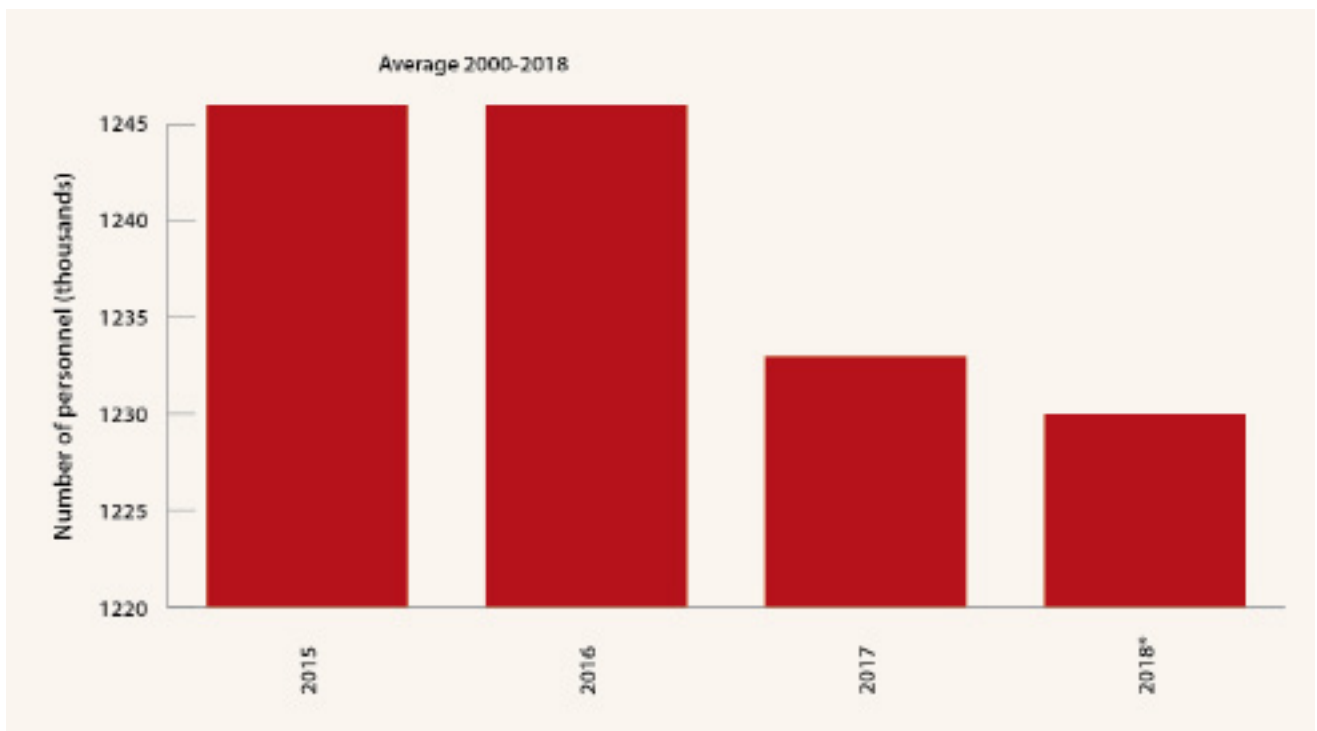
Table 8.1 Combined balance sheets of state-owned companies¹

R billion	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19
Total assets	708	798	911	1 038	1 179	1 224	1 263	1 269
Total liabilities	469	542	636	739	818	870	901	927
Net asset value	238	256	275	298	360	354	362	342

R billion	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19
Total assets	708	798	911	1 038	1 179	1 224	1 263	1 269
		12,7%	14,1%	13,9%	13,6%	3,9%	3,2%	0,5%
Total liabilities	469	542	636	739	818	870	901	927
		15,6%	17,3%	16,2%	10,7%	6,4%	3,5%	2,9%
Net asset value	238	256	275	298	360	354	362	342
		7,2%	7,4%	8,6%	20,8%	-1,8%	2,3%	-5,5%
Return on equity (average)		6,9%	5,3%	-4,0%	2,4%	0,7%	-0,8%	-8,2%

Where possible given budgetary constraints, government is shifting resources to areas that urgently need to strengthen capacity. A range of measures are underway to improve efficiency and reduce wasteful expenditure. Proposals to reduce expenditure growth in order to achieve the fiscal target were outlined in the Medium-Term Budget Policy Statement 2019.

Number of personnel (excluding SANDF)



PART B: OUR STRATEGIC FOCUS

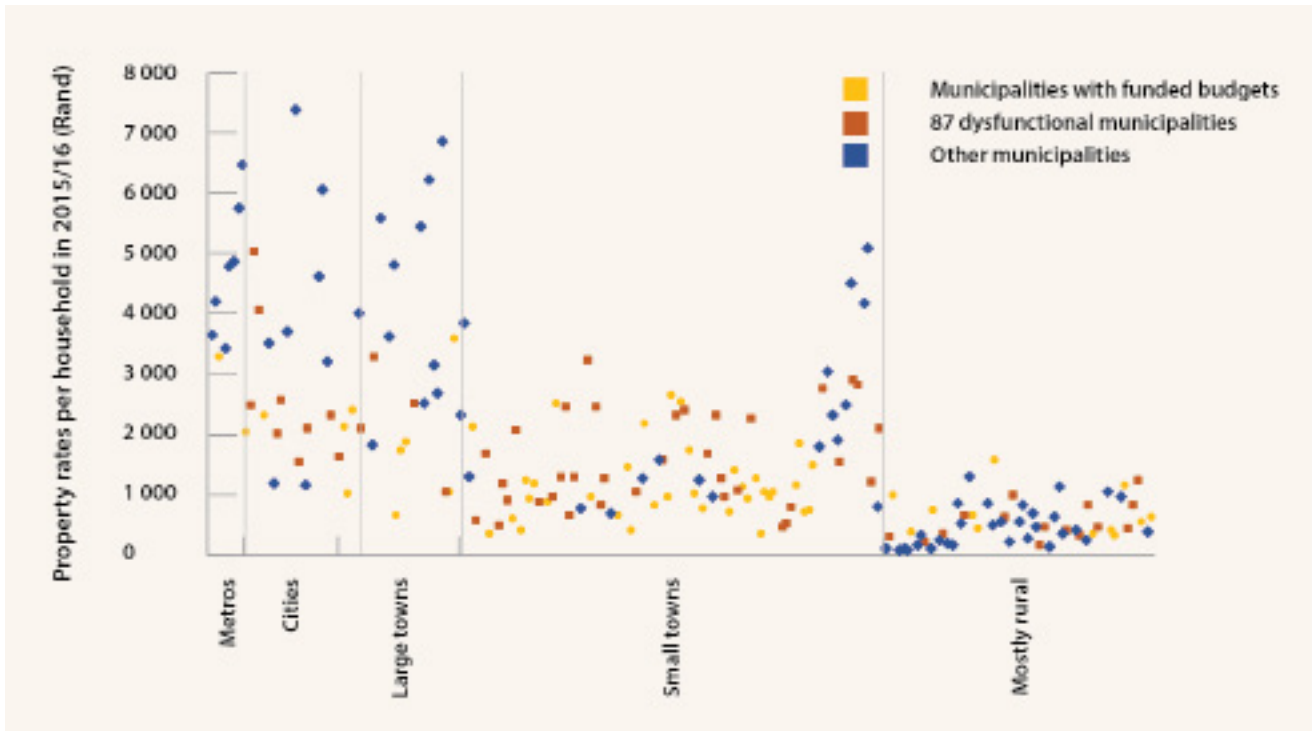
Figure 5.1 Average nominal growth in spending, 2019/20 — 2021/22

Peace and security	4.6
General public services	5.8
Economic development	7.0
Health	7.0
Social development	7.3
Learning and culture	7.6
Community development	9.3
Debt-service costs	10.7

*Figures are for 2018/19

**Identified by the Department of Cooperative Governance (2018)

Municipalities differ in terms of context and performance

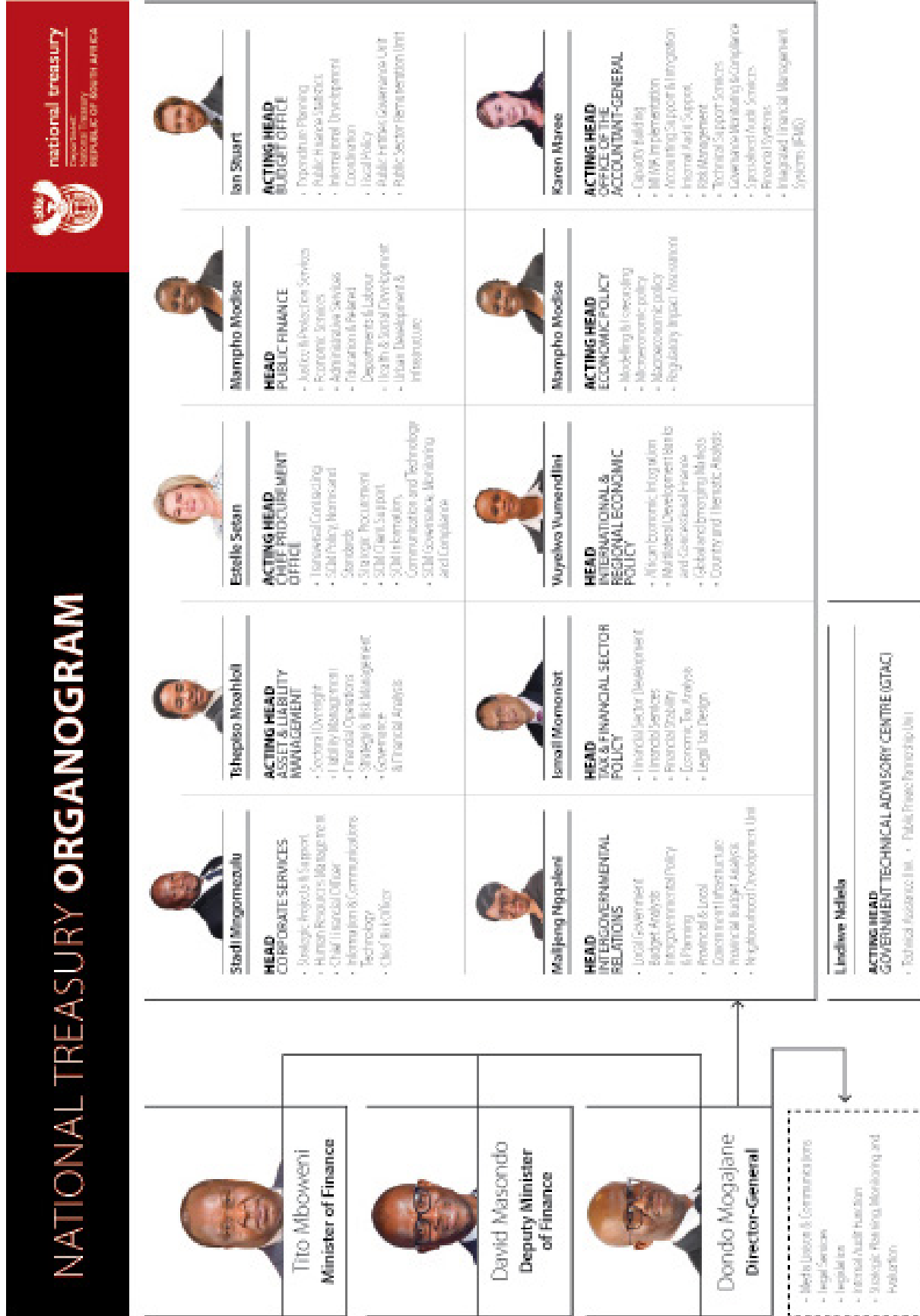


Achieving these targets requires large additional fiscal multiple planning tools, each best fit applied to the various planning process phases, were utilised including PESTLE, SWOT, internal focus group consultations, key external stakeholder surveying, theory of change in respect of impact and purpose clarification and project management. The outcome of which is forms the underlying girdle of this strategy document which highlights the critical role that National Treasury plays in ensuring a stable macroeconomic framework, and sustainable fiscal policy. Our financial, tax, debt management, state procurement and public finance operations are critical to ensure the effective implementation of government’s strategy.

Furthermore the analysis of the outcomes of the multi-faceted planning process utilised informed the National Treasury focus, over the next five years which includes reviewing tax policy and strengthening financial sector regulation, managing future spending growth and fiscal risk, managing government’s assets and liabilities, strengthening government financial management, coordinating fiscal relations between the three tiers of government, making government procurement more efficient, facilitating regional and international cooperation and supporting infrastructure development and economically integrated cities and communities. This work cannot be done by National Treasury alone, however. Concerted action from sister departments is critical to actually effect change. Together, we need to unwind the insidious impact of state capture and re-capacitate the state from within. Together, we must engage with all South Africans in order to make the difficult choices that stand before us. We stand ready to work diligently to bring about the necessary changes.

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4.2. Internal Environment Analysis



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National Treasury remains measured and consistent in its approach to improving the organisational environment rising to the significant challenges that the organisation is tested by externally and the stressors of delivery excellence internally. National Treasury has made concerted efforts to strengthen the organisation and enhance the working environment through a culture of self-awareness and performance excellence.

Creating a conducive, effective and efficient working environment is critical for further strengthening and advancing service delivery by NT. To this end National Treasury, informed by internal stakeholder surveying and consultations has developed an organisational optimisation plan that is built on 4 pillars namely:

- Reviewing and resetting the organisational foundation which includes priorities such as enhancing and embedding planning, strengthening budgeting, increasing effectiveness of communication, strengthening M&E and enhancing risk management. Critically the coordination between these priorities will be improved.
- Building and reinforcing organisational leadership which includes amongst others the advancement of the leadership support programme and strengthening collaboration protocols internally amongst divisions.
- Developing and Strengthening organisational structures - Supporting services: which includes matters of upskilling and training, continuous trust building, better communication and enhance Information and Communication Technology (ICT) services.
- Establishing and promoting partnerships: Addresses matters relating to the critical importance of establishing, maintaining and delivering on partnerships both internally and externally.

A key enabler to this optimisation is the organisations ability to deliver on its obligations and this is reliant on a nimble, fit for purpose structure. The National Treasury is conducting an organisational review that aims to align the departmental functional structure to deliver on the mandate, purpose and strategic objectives of the National Treasury as articulated in the Strategy 2020-2024. Over the past years, there has been several micro amendments to the organisational structure, without conducting a holistic organisational review. This uncoordinated evolution and expansion of the NT organisational structure has led to potential and unintended consequences such as:

- Duplication of functions and processes.
- Overlaps in the work performed by different units.
- Incoherent performance of functions.
- Gaps resulting from functions that have emerged but have not been formally and structurally allocated to specific units, and
- Under-utilisation and over-utilisation of human resources in certain areas within the NT.

While the process of an organisational structure review, to address the consequences listed above, including optimising processes to ensure a high-performance culture, has started, the focus in the 2020/25 period will be to ensure that the NT fully migrates to the new operating model and that continuous value is realised. This optimisation of NT processes and structure will ensure a high-performance culture across the organisation as well as ensuring efficiencies in the compensation of employees, as it will be no duplicate roles and that jobs are enriched to do more with less resources. Where needed the capacity to support NT requirements will be provided.

In respect of ICT: ICT has been steadily building up its ICT resources, systems and solutions to better support the department. It has not yet arrived at the level required and are steadily progressing towards it.

In respect of women, youth and people with disabilities: The NT currently boasts a total of 594 women employed permanently on the establishment with 140 as senior managers (SMS) at 54%. The intention is to maintain this target which is above the national target of 50%. The staff compliment comprises of 339 employees who are below the age of 35. Overall, 8 employees declared their status and therefore, the NT has 0.78% employees living with a disability. Strides will be made to ensure that a national target of 1% is reached during the period ahead.

The DG has established a special committee that is tasked with mainstreaming of gender matters in NT. The committee that reports to the DG The objectives of this Committee will be to coordinate organisational self-introspection on gender issues, review the departmental norms, values, policies and practices and support services to ensure that they are free from discrimination and responsive to the specific needs of women employees. This Committee will hold NT accountable for actions and omissions, and also identify areas that needs to be addressed, including proposing concrete change steps for the organisation to transform.

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The statutes of the department regarding compliance with the BBBEE Act: In respect of BEE: The department is fully compliant with the requirements for enterprise and supplier development. The department also fulfils its BBEEE obligations and has commenced with the process to register the department for BBBEE.

On Financial and Budget matters: Management is acutely aware of the need to innovatively match the available resources to priorities that maximise outputs. Thus, under normal operating conditions where the department does not inherit unfunded mandates, the department is adequately funded to fulfil its core mandate.

The department is aiming to consistently achieve an unqualified audit with no findings. Measures have been implemented to this end including improved management oversight, increased policy and procedure clarity, investments in training and development as well as a focus on adequate staffing are receiving attention will. Timely and effective consequence management will be enforced.

The department is a pilot site for the implementation of the IFMS. The automation of mundane tasks and integration of key activities will create substantial efficiencies and liberate valuable time that could be redirected to high end value-added activities.

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ANNUAL PERFORMANCE

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NATIONAL TREASURY

2020/21

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5. PROGRAMME 1: ADMINISTRATION

Purpose: Provide strategic leadership, management and support services to the department.

5.1 Sub-Programmes:

Office of the Minister and Deputy Minister

The Minister of Finance provides strategic direction and leadership to the National Treasury. With the support of the Deputy Minister, the Minister of Finance is also responsible for policy matters and departmental outcomes.

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

Office of the Director-General

The Director-General supports the Minister of Finance in providing strategic direction and leadership to the National Treasury. The Director-General is also responsible for departmental outputs and implementation as well as all responsibilities conferred by being the department's accounting officer.

Management

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

Internal Audit contributes to the strengthening of National Treasury's accountability and enhancing public stewardship by evaluating and improving the adequacy and effectiveness of governance, risk management and control processes. The unit provides robust and practical strategic advice and recommendations founded on aligning the business with best practice. By acting as a frame of reference, the unit also supports the OAG in providing guidance and support to internal audit functions in government.

Enterprise Risk Management improves organisational risk communication and knowledge sharing, developing a common risk language that ensures that a risk management culture is embedded in National Treasury. The unit supports evidence-based decision-making by reducing uncertainty. This is realised by providing a holistic view of risk and the application of a robust risk management system. Fraud prevention is an integral part of the strategy, operations and administration function. The unit ensures that National Treasury has a strategic risk profile register that enables coordination and alignment of strategic initiatives across the department.

Strategic Planning, Monitoring and Evaluation is tasked with embedding planning into National Treasury including facilitating the department's short, medium and long-term strategic planning processes and ensuring that plans are aligned to legislative mandates and broader government imperatives. The unit develops and administers systems and processes that entrench proper monitoring, evaluation and reporting on departmental performance delivery and facilitates the development and implementation of service delivery improvement.

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

Legislation Services provides legislative services which include managing the National Treasury's legislative programme, drafting or checking draft fiscal and intergovernmental and financial sector regulation legislation, and commenting on other legislation as well as advising on the interpretation of legislation.

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Communication furthers National Treasury transparency imperatives by ensuring effective communication between National Treasury and its stakeholders.

Corporate Services

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

Human Resources Management ensures transactional and transformational human resources support so that National Treasury can attract, develop and retain the skills needed to deliver on the department's mandate and objectives.

Financial Management administers 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 achieving service excellence and maintaining administrative controls.

Information and Communication Technology improves National Treasury's operational efficiency, optimises costs, drives innovation and accelerates the delivery of services. The unit 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 National Treasury's institutional memory and tangible knowledge and providing management support to internal projects. Knowledge management deals with the conservation and pollination of organisational information created within and in-partnership with the National Treasury. Records management focuses on the preservation of tangible knowledge so that it can be accessed easily and be in compliance with the National Archives Act, 2003 (Act No. 629 of 2003).

The *Public Entities Oversight* unit ensures that entities reporting to the Minister of Finance are compliant with relevant governance and reporting requirements and reports progress made in this regard to the Minister of Finance.

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

5.2 Outcomes, Outputs, Performance Indicators and Targets

No.	Outcomes	Outputs	Output Indicators	Annual Targets						MTEF Period	
				Audited / Actual Performance			Estimated Performance	Planned Performance Current Year	MTEF Period		
				2016/17	2017/18	2018/19			2019/20		2020/21
1.1.1	Sound financial controls and management of public finances	ICT service delivery reports	Percentage of ICT service delivery standards met	#	#	#	#	90%	93%	94%	95%
1.1.2		Audit Outcome	Audit Opinion obtained	#	#	#	#	Unqualified audit opinion with 25% fewer findings than 2019/20 on financial performance information	Unqualified audit opinion with 25% fewer findings than 2020/21 on financial performance information	Unqualified audit opinion with 25% fewer findings than 2021/22 on financial performance information	Unqualified audit opinion with no audit findings on financial performance information
1.1.3		Risk Management Maturity report	Risk Management Maturity Assessment level achieved	#	#	#	#	3	4	4	5
1.1.4		Annual Training report	Percentage spend of training and development budget	#	#	#	#	25%	73%	75%	77%

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5.3 Indicators, Annual and Quarterly Targets

No.	Output Indicators	Annual Target	Quarter 1	Quarter 2	Quarter 3	Quarter 4
1.1.1	Percentage of ICT service delivery standards met	90%	90%	90%	90%	90%
1.1.2	Audit Opinion obtained	Unqualified audit opinion with 25% fewer findings than 2019/20 on financial performance information	NA	NA	Unqualified audit opinion with 25% fewer findings than 2019/20 on financial performance information	NA
		Unqualified audit opinion with 25% fewer findings than 2019/20 on non-financial performance information	N/A	N/A	Unqualified audit opinion with 25% fewer findings than 2019/20 on non-financial performance information	N/A
1.1.3	Risk Management Maturity Assessment level achieved	3	NA	NA	NA	3
1.1.4	Percentage spend of training and development budget	25%	70%	25%	25%	25%

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Explanation of planned performance over the medium-term period

A new cycle of strategic planning commenced, with a focus on building the organisation and positioning it for the future. Arising out of the five-year strategic direction, an organisational optimisation plan has been developed which will principally be delivered by Corporate Services. The optimisation delivery areas will be incorporated into the recently introduced operational plans for all units. A key component of the optimisation plan is giving effect to the organisational review process is underway to ensure that the organisation is geared to deliver on the department's 2020/2025 strategic priorities and focus areas.

Focus over the medium-term will be placed on strengthening governance and accountability with specific focus on further maturing institutional risk management, ensuring professional development as well as meeting ICT service delivery standards in order to improve the departments' operational efficiency and service delivery. The planned performance over the medium-term will directly contribute to the institutional outcome of attaining sustainable public finances and sound financial control and management of public finances.

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5.4 Programme Resource Considerations

5.4.1 Expenditure trends and estimates

Table 8.6 Administration expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome				Adjusted appropriation	Average growth rate (%)	Average Expenditure/Total (%)	Medium-term expenditure estimate				Average growth rate (%)	Average Expenditure/Total (%)
	2016/17	2017/18	2018/19	2019/20				2020/21	2021/22	2022/23	2019/20 - 2022/23		
R million													
Ministry	3.6	3.8	3.7	4.4	4.4	6.9%	0.9%	4.7	5.0	5.2	5.2%	0.9%	
Departmental Management	50.5	70.1	51.1	55.8	55.8	3.4%	12.6%	64.3	67.3	77.7	11.7%	11.9%	
Corporate Services	154.9	117.5	126.4	153.0	153.0	-0.4%	30.5%	172.3	184.1	187.9	7.1%	31.2%	
Enterprise-Wide Risk Management	26.3	28.3	29.3	34.6	34.6	9.6%	6.5%	35.8	37.0	39.4	4.5%	6.6%	
Financial Administration	37.9	41.5	43.4	47.9	47.9	8.2%	9.4%	48.9	59.2	62.3	9.1%	9.8%	
Legal Services	22.9	22.0	22.3	22.9	22.9	-	5.0%	24.3	25.6	26.5	5.0%	4.4%	
Internal Audit	21.8	24.1	32.2	30.2	30.2	11.5%	6.0%	36.6	38.5	38.5	8.4%	6.4%	
Communications	8.6	12.5	9.7	11.3	11.3	9.7%	2.3%	11.9	12.6	13.1	4.8%	2.2%	
Office Accommodation	109.9	118.1	106.2	151.1	151.1	11.2%	26.8%	138.1	149.5	158.6	1.6%	26.7%	
Total	436.3	437.9	424.3	511.4	511.4	5.4%	100.0%	536.9	578.7	609.1	6.0%	100.0%	
Change to 2019 Budget estimate				(44.4)	(44.4)			(62.4)	(58.1)	(51.8)			

Table 8.6 Administration expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome				Adjusted appropriation	Average growth rate (%)	Average: Expenditure/Total (%)	Medium-term expenditure estimate	Average growth rate (%)	Average: Expenditure/Total (%)	
	2016/17	2017/18	2018/19	2019/20							
R million	392.6	421.1	402.4	481.9	7.1%	93.8%	513.7	548.2	587.2	6.8%	2019/20 - 2022/23
Current payments	392.6	421.1	402.4	481.9	7.1%	93.8%	513.7	548.2	587.2	6.8%	95.3%
Compensation of employees	195.4	203.0	190.8	211.5	2.7%	44.2%	226.0	246.1	267.4	8.1%	42.5%
Goods and services ¹	197.2	218.1	211.6	270.4	11.1%	49.6%	287.7	302.1	319.8	5.8%	52.8%
<i>of which:</i>											
Computer services	34.9	27.9	28.2	43.7	7.8%	7.4%	59.6	56.7	62.6	12.7%	10.0%
Consultants: Business and advisory services	4.5	7.8	12.3	13.6	44.4%	2.1%	17.9	18.4	17.6	9.0%	3.0%
Legal services	14.8	14.3	13.5	15.1	0.6%	3.2%	15.8	16.7	17.3	4.7%	2.9%
Operating leases	66.0	63.7	57.7	88.6	10.3%	15.3%	82.9	90.5	96.7	2.9%	16.0%
Property payments	25.3	24.0	19.7	23.7	-2.1%	5.1%	24.3	26.7	28.2	6.0%	4.6%
Travel and subsistence	14.1	28.6	23.6	19.1	10.7%	4.7%	24.3	25.4	26.7	11.7%	4.3%
Transfers and subsidies ¹	4.8	7.3	7.3	5.2	3.3%	1.4%	4.3	4.5	4.6	-4.0%	0.8%
Departmental agencies and accounts	2.1	2.0	2.1	2.2	1.1%	0.5%	2.2	2.3	2.4	4.0%	0.4%
Households	2.7	5.3	5.2	3.1	5.0%	0.9%	2.1	2.1	2.2	-10.5%	0.4%
Payments for capital assets	38.9	9.3	13.9	24.3	-14.5%	4.8%	19.0	26.1	17.3	-10.7%	3.9%
Machinery and equipment	38.9	9.3	11.5	21.7	-17.7%	4.5%	19.0	26.1	17.3	-7.2%	3.8%
Software and other intangible assets	-	0.0	2.4	2.6	-	0.3%	-	-	-	-100.0%	0.1%

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Table 8.6 Administration expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome				Adjusted appropriation	Average growth rate (%)	Average: Expenditure/Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/Total (%)
	2016/17	2017/18	2018/19	2019/20				2020/21	2021/22	2022/23		
R million												
Payments for financial assets	0.1	0.1	0.7	-	-	-100.0%	-	-	-	-	-	-
Total	436.3	437.9	424.3	511.4	511.4	5.4%	100.0%	536.9	578.7	609.1	6.0%	100.0%
Proportion of total programme expenditure to vote expenditure	1.6%	1.1%	1.5%	1.7%	1.7%	-	-	1.6%	1.6%	1.9%	-	-

Details of transfers and subsidies

Households												
Social benefits												
Current	1.6	3.9	3.6	1.1	1.1	-10.5%	0.6%	-	-	-	-100.0%	0.1%
Employee social benefits	1.6	3.9	3.6	1.1	1.1	-10.5%	0.6%	-	-	-	-100.0%	0.1%
Departmental agencies and accounts												
Departmental agencies (non-business entities)												
Current	2.1	2.0	2.1	2.1	2.1	0.9%	0.5%	2.2	2.3	2.4	4.3%	0.4%
Finance and Accounting Services Sector Education and Training Authority	2.1	2.0	2.1	2.1	2.1	0.9%	0.5%	2.2	2.3	2.4	4.3%	0.4%
Households												
Other transfers to households												
Current	1.1	1.4	1.6	1.9	1.9	21.6%	0.3%	2.1	2.1	2.2	4.3%	0.4%
Bursaries for non-employees	1.1	1.4	1.6	1.9	1.9	21.6%	0.3%	2.1	2.1	2.2	4.3%	0.4%

5.4.2 Personnel information

Table 8.7 Administration personnel numbers and cost by salary level¹

Number of posts estimated for 31 March 2020	Number and cost ² of personnel posts filled/planned for on funded establishment														Number						
	Number of funded posts	Number of posts additional to the establishment	Actual			Revised estimate			Medium-term expenditure estimate						Average growth rate (%)	Average Salary level/ Total (%)					
			2018/19	2019/20		2020/21		2021/22		2022/23		2019/20 - 2022/23									
Administration	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost				
Salary level	72	329	190.8	0.6	322	203.8	0.6	333	226.0	0.7	340	246.1	0.7	347	267.4	0.8	347	267.4	0.8	2.5%	100.0%
1 – 6	63	101	22.4	0.2	99	18.7	0.2	101	20.7	0.2	103	22.7	0.2	105	25.1	0.2	105	25.1	0.2	2.0%	30.4%
7 – 10	2	128	67.1	0.5	127	76.1	0.6	131	83.7	0.6	133	90.6	0.7	136	98.8	0.7	136	98.8	0.7	2.3%	39.3%
11 – 12	5	55	47.2	0.9	52	50.6	1.0	55	57.0	1.0	57	62.9	1.1	59	69.3	1.2	59	69.3	1.2	4.3%	16.6%
13 – 16	2	43	54.2	1.3	42	53.9	1.3	44	59.8	1.4	45	64.9	1.4	45	68.9	1.5	45	68.9	1.5	2.3%	13.1%
Other	2	2	–	–	2	4.4	2.2	2	4.7	2.4	2	5.0	2.5	2	5.3	2.7	2	5.3	2.7	–	0.6%

1. Data has been provided by the department and may not necessarily reconcile with official government personnel data.

2. Rand million.

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

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

6.1 Sub-Programmes:

Research

This sub-programme promotes economic research institutions by funding economic research in the public interest and dedicated economic research on behalf of National Treasury. This includes research into the promotion of macroeconomic stability, poverty alleviation, social security and retirement reform and financial sector policy development. Most funding is assigned towards long-term agreements with institutions 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.

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, reduction of inequality, and raising of revenue.

Economic Policy

This sub-programme provides macroeconomic and microeconomic policy analysis, economic forecasts that inform the budget and Medium-Term Budget Policy Statement (MTBPS) and scenario modelling. The sound policy advice on the economic environment assists in promoting economic policy coherence in relation to the objectives of growth and job creation, 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.

6.2 Outcomes, Outputs, Performance Indicators and Targets

No.	Outcomes	Outputs	Output Indicators	Annual Targets								
				Audited / Actual Performance		Estimated Performance	Planned Performance Current Year	MTEF Period				
				2016/17	2017/18			2018/19	2019/20	2020/21	2021/22	2022/23
2.1.1	Coherent economic policy advocated	Published papers	Number of papers published through the SA-TIED programme	80	80	50	50	50	N/A	N/A	N/A	N/A
2.1.2		Financial sector legislation	Financial sector legislation drafted	#	#	#	#	Financial sector legislation submitted for tabling in Parliament	Financial sector legislation submitted for tabling in Parliament	Financial sector legislation submitted for tabling in Parliament	Financial sector legislation submitted for tabling in Parliament	Financial sector legislation submitted for tabling in Parliament
2.1.3		Tax legislation	Legislation to give effect to tax proposals from the Budget drafted	#	Prepare, publish and table tax legislation in Parliament	Prepare, publish and table tax legislation in Parliament	Submit tax legislation for tabling in Parliament	Tax legislation submitted for tabling in Parliament	Tax legislation submitted for tabling in Parliament	Tax legislation submitted for tabling in Parliament	Tax legislation submitted for tabling in Parliament	Tax legislation submitted for tabling in Parliament
2.1.4	Sustainable public finances	Economic forecasts	Number of economic forecasts developed	25	4	4	4	4	4	4	4	4
2.1.5	Coherent economic policy advocated	Reviewed macroeconomic policy framework to support growth	Percentage completion of macroeconomic framework review according to approved project plan	#	#	#	#	100%	100%	100%	100%	100%

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6.3 Indicators, Annual and Quarterly Targets

No.	Output Indicators	Annual Target	Quarter 1	Quarter 2	Quarter 3	Quarter 4
2.1.1	Number of papers published through the SA-TIED programme	50	N/A	N/A	N/A	50
2.1.2	Financial sector legislation drafted	Financial sector legislation submitted for tabling in Parliament	N/A	N/A	N/A	Financial sector legislation submitted for tabling in Parliament
2.1.3	Legislation to give effect to tax proposals from the Budget drafted	Tax legislation submitted for tabling in Parliament	N/A	Publish draft tax legislation	Submit tax legislation for tabling in Parliament	N/A
2.1.4	Number of economic forecasts developed	4	1	1	1	1
2.1.5	Percentage completion of macroeconomic framework review according to approved project plan	100%	100%	100%	100%	100%

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Explanation of planned performance over the medium-term period

Over the medium-term, the department aims to introduce proposals for additional tax policy amendments to meet government's revenue requirements and eliminate tax loopholes to improve fairness in the tax system. The department will conduct research and modelling of the most appropriate tax design of any proposed amendment, the preparation of discussion documents, hold stakeholder consultation through workshops and meetings with affected parties and preparing draft tax legislation, prior to legislation being introduced in Parliament. The department will also advise the Minister of Finance on amendments to tax rates and thresholds, which are announced each year in the annual budget. Recent policy measures in relation to proposals for additional tax policy amendments have included the implementation of the carbon tax, from 1 June 2019, to reduce greenhouse gas emissions and personal income tax and excise duty adjustments to raise additional revenue. These activities will be carried out under Tax Policy subprogramme within Economic Policy, Tax, Financial Regulation and Research programme which is allocated a projected R104.9 million over the medium-term.

Through the Economic Policy subprogramme within Economic Policy, Tax, Financial Regulation and Research, the programme will continue to produce quarterly economic and revenue forecasts accompanied by scenarios highlighting the main risks to the baseline forecast. The Research subprogramme will publish papers through the Southern Africa-Towards Inclusive Economic Development (SA-TIED) programme which looks at ways to support policy-making for inclusive growth and economic transformation in the Southern Africa region, through original research conceived and produced in collaboration between United Nations University World Institute for Development Economics Research (UNU-WIDER), National Treasury, International Food Policy Research Institute (IFPRI), and many other governmental and research organisations in South Africa and the sub-region.

PART C: MEASURING OUR PERFORMANCE

6.4 Programme Resource Considerations

6.4.1 Expenditure trends and estimates

Table 8.8 Economic Policy, Tax, Financial Regulation and Research expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome					Adjusted appropriation	Average growth rate (%)	Average Expenditure/Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average Expenditure/Total (%)	
	2016/17	2017/18	2018/19	2019/20	2020/21				2021/22	2022/23	2019/20 - 2022/23			
R million														
Programme for Management for Economic Policy, Tax, Financial Regulation and Research	45.0	43.6	44.4	40.5	48.9	40.5	-3.5%	29.6%	51.3	53.1	53.1	9.5%	29.6%	
Research	7.3	10.8	-	-	-	-	-100.0%	3.1%	-	-	-	-	-	-
Financial Sector Policy	24.3	24.9	21.6	23.2	26.7	23.2	-1.6%	16.1%	28.2	29.2	29.2	8.0%	16.4%	
Tax Policy	30.3	28.6	30.9	32.5	35.1	32.5	2.4%	20.9%	36.5	36.3	36.3	3.7%	21.4%	
Economic Policy	27.5	24.7	21.9	26.2	30.3	26.2	-1.6%	17.2%	35.2	33.9	33.9	9.0%	19.2%	
Cooperative Banks Development Agency	16.9	19.3	19.9	20.8	21.5	20.8	7.2%	13.1%	22.7	23.5	23.5	4.2%	13.5%	
Total	151.2	151.9	138.8	143.1	162.4	143.1	-1.8%	100.0%	173.8	176.0	176.0	7.1%	100.0%	
Change to 2019 Budget estimate				(6.6)	2.8	(6.6)			4.8	0.6	0.6			

Table 8.8 Economic Policy, Tax, Financial Regulation and Research expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome					Adjusted appropriation	Average growth rate (%)	Average: Expenditure/Total (%)	Medium-term expenditure estimate			Average: Expenditure/Total (%)	
	2016/17	2017/18	2018/19	2019/20	2020/21				2021/22	2022/23	2019/20 - 2022/23		
R million													
Economic classification													
Current payments	133.3	131.5	118.0	121.2	140.0	150.2	151.4	7.7%	86.2%	150.2	151.4	7.7%	85.9%
Compensation of employees	79.7	77.0	73.0	80.5	91.7	99.5	98.8	7.1%	53.0%	99.5	98.8	7.1%	56.5%
Goods and services ¹	53.7	54.5	45.0	40.7	48.3	50.7	52.6	8.9%	33.2%	50.7	52.6	8.9%	29.4%
<i>of which:</i>													
Bursaries: Employees	0.3	0.3	0.4	0.3	0.4	0.4	0.4	20.6%	0.2%	0.4	0.4	20.6%	0.2%
Consultants: Business and advisory services	40.2	41.7	31.2	28.7	34.9	36.0	37.4	9.2%	24.3%	36.0	37.4	9.2%	20.9%
Consumables: Stationery, printing and office supplies	1.4	3.0	2.1	2.1	1.5	1.6	1.6	-8.2%	1.5%	1.5	1.6	-8.2%	1.0%
Travel and subsistence	6.6	5.0	7.1	5.5	6.5	7.0	7.2	8.9%	4.1%	7.0	7.2	8.9%	4.0%
Training and development	0.5	0.4	0.6	0.8	1.4	1.5	1.1	10.5%	0.4%	1.5	1.1	10.5%	0.7%
Operating payments	3.3	1.9	2.0	2.0	2.3	2.7	3.3	18.5%	1.6%	2.7	3.3	18.5%	1.6%
Transfers and subsidies ¹	17.2	19.7	20.3	21.0	21.5	22.7	23.5	3.8%	13.4%	22.7	23.5	3.8%	13.5%

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Table 8.8 Economic Policy, Tax, Financial Regulation and Research expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome		Adjusted appropriation	Average growth rate (%)	Average: Expenditure/Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/Total (%)	
	2016/17	2017/18				2018/19	2019/20	2020/21			2021/22
R million											
Departmental agencies and accounts	16.9	19.3	19.9	20.8	7.2%	13.1%	21.5	22.7	23.5	4.2%	13.5%
Households	0.3	0.4	0.4	0.2	-9.8%	0.2%	-	-	-	-100.0%	-
Payments for capital assets	0.7	0.7	0.5	0.9	9.2%	0.5%	0.9	1.0	1.0	5.4%	0.6%
Machinery and equipment	0.7	0.7	0.5	0.9	9.2%	0.5%	0.9	1.0	1.0	5.4%	0.6%
Payments for financial assets	0.0	-	0.0	-	-100.0%	-	-	-	-	-	-
Total	151.2	151.9	138.8	143.1	-1.8%	100.0%	162.4	173.8	176.0	7.1%	100.0%
Proportion of total programme expenditure to vote expenditure	0.5%	0.4%	0.5%	0.5%	-	-	0.5%	0.5%	0.5%	-	-

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6.4.2 Personnel Information

Table 8.9 Economic Policy, Tax, Financial Regulation and Research personnel numbers and cost by salary level¹

Number of posts estimated for 31 March 2020		Number and cost ² of personnel posts filled/planned for on funded establishment												Number					
		Actual			Revised estimate			Medium-term expenditure estimate						Average growth rate (%)	Average Salary level/ Total (%)				
Number of funded posts	Number of posts of additional posts to the establishment	2018/19			2019/20			2020/21			2021/22			2022/23		2019/20 - 2022/23			
		Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost			
Economic Policy, Tax, Financial Regulation and Research																			
Salary level	77	1	78	73.0	0.9	79	83.5	1.1	82	91.7	1.1	84	99.5	1.2	78	98.8	1.3	-0.4%	100.0%
1 – 6	1	–	1	0.3	0.3	1	0.3	0.3	1	0.4	0.4	1	0.4	0.4	1	0.4	0.4	–	1.2%
7 – 10	17	–	18	10.3	0.6	19	13.0	0.7	21	15.4	0.7	22	17.1	0.8	20	16.3	0.8	1.7%	25.4%
11 – 12	21	–	20	19.2	1.0	20	18.5	0.9	21	20.9	1.0	22	23.4	1.1	20	22.8	1.1	–	25.7%
13 – 16	38	1	39	43.2	1.1	39	51.7	1.3	39	55.0	1.4	39	58.5	1.5	37	59.2	1.6	-1.7%	47.7%

1. Data has been provided by the department and may not necessarily reconcile with official government personnel data.

2. Rand million.

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7. 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. Facilitate high-impact government initiatives, employment creation and strengthen infrastructure planning and delivery.

7.1 Sub-Programmes:

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.

Public Finance

Public Finance provides financial and budgetary analysis, advises on policy and service delivery trends, and manages 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).

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.

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7.2 Outcomes, Outputs, Performance Indicators and Targets

No.	Outcomes	Outputs	Output Indicators	Audited / Actual Performance					Annual Targets			
				2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	MTEF Period
				Estimated Performance	Planned Performance Current Year	Planned Performance Current Year	Planned Performance Current Year	Planned Performance Current Year	Planned Performance Current Year	Planned Performance Current Year		
3.1.1	Sustainable Public Finance	Published budget legislation and documentation	Published budget legislation and documentation	#	#	#	#	Appropriation Bill, ENE and Budget Review published in February	Appropriation Bill, ENE and Budget Review published in February	Appropriation Bill, ENE and Budget Review published in February	Appropriation Bill, ENE and Budget Review published in February	Appropriation Bill, ENE and Budget Review published in February
3.1.2		DoR Bill DoR Amendment Bill	Number of Division of Revenue and Division of Revenue Amendment Bills published annually	3	2	2	2	Adjustments Appropriation Bill, AENE and MTBPS published in October	Adjustments Appropriation Bill, AENE and MTBPS published in October	Adjustments Appropriation Bill, AENE and MTBPS published in October	Adjustments Appropriation Bill, AENE and MTBPS published in October	Adjustments Appropriation Bill, AENE and MTBPS published in October

7.2 Outcomes, Outputs, Performance Indicators and Targets - *continued*

No.	Outcomes	Outputs	Output Indicators	Annual Targets							
				Audited / Actual Performance		Estimated Performance	Planned Performance Current Year	MTEF Period			
				2016/17	2017/18			2018/19	2019/20	2021/22	2022/23
3.1.3	Sustainable Public Finance	Provincial and local government fiscal policy reforms	Number of reforms introduced to enhance provincial and local government fiscal frameworks	4	2	2	2	3	3	3	3
3.1.4		Capital investment framework (BEPP) assessment reports	Number of capital investment framework (BEPP) assessment reports produced	8	8	8	8	6	6	6	6
3.1.5		Infrastructure plans assessment reports	Number of Infrastructure plans assessment reports produced	18	36	36	36	36	36	36	36
3.1.6	Coherent economic policy advocated	Approved catalytic projects	Number of catalytic projects approved in spatially targeted areas within metropolitan cities, secondary cities and rural towns	#	#	#	#	20	20	20	20

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7.2 Outcomes, Outputs, Performance Indicators and Targets - continued

No.	Outcomes	Outputs	Output Indicators	Annual Targets									
				Audited / Actual Performance				Estimated Performance	Planned Performance Current Year	MTEF Period			
				2016/17	2017/18	2018/19	2019/20			2021/22	2022/23	2023/24	
3.1.7	Sustainable Public Finance	Quarterly financial status reports Financial recovery plans	Number of quarterly financial reports published Percentage of requests to draft financial recovery plans responded to within 90 days of receipt	4	4	4	8	8	8	8	8	8	8
3.1.8				#	#	#	#	100%	100%	100%	100%	100%	100%

7.2 Outcomes, Outputs, Performance Indicators and Targets - continued

No.	Outcomes	Outputs	Output Indicators	Audited / Actual Performance					Annual Targets			
				Performance					Planned Performance Current Year	MTEF Period		
				2016/17	2017/18	2018/19	2019/20	2020/21		2021/22	2022/23	2023/24
3.1.9	Sustainable Public Finance	Cabinet memos comments	Percentage of Cabinet memos received commented on	#		100%	100%	100%	100%	100%	100%	100%
3.1.10		SCOA reports	Number of quarterly expenditure reports submitted to the Standing Committee on Appropriations	160	160	4	4	4	4	4	4	4
3.1.11		Technical advisors in place	Number of technical advisors placed at National Treasury, provincial treasuries and municipalities through the Municipal Finance Improvement Programme (MFIP)	36	50	60	60	70	70	70	70	70
3.1.12		Approved projects	Number of Jobs Fund projects approved (cumulative across the term of the project)	125	127	127	150	150	150	N/A	N/A	N/A

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No.	Outcomes	Outputs	Output Indicators	Annual Targets									
				Audited / Actual Performance				Estimated Performance	Planned Performance Current Year	MTEF Period			
				2016/17	2017/18	2018/19	2019/20			2020/21	2021/22	2022/23	2023/24
3.1.13	Sustainable Public Finance	Approved Grant funding	Grant funding approved (cumulative across the term of the project)	R6 508m	R6 802m	R6 684m	R7 880m	R7 880m	N/A	N/A	N/A	N/A	N/A
3.1.14		Matched funding committed	Matched funding committed (cumulative across the term of project)	R9 099m	R9 702m	R9 473m	R7 880m	R7 880m	N/A	N/A	N/A	N/A	N/A
3.1.15		New jobs contracted	New jobs contracted (cumulative across the term of project)	136 069	149 043	150 627	150 000	150 000	N/A	N/A	N/A	N/A	N/A
3.1.16		Placements contracted	Number of placements contracted (cumulative across the term of project)	90 087	70 744	75 718	80 000	80 000	N/A	N/A	N/A	N/A	N/A
3.1.17		Training opportunities contracted	Number of training opportunities contracted (cumulative across the term of project)	224 089	241 356	249 615	250 000	250 000	N/A	N/A	N/A	N/A	N/A
3.1.18		Grant funding disbursed	Value of grant funding disbursed (cumulative across the term of project)	R3 734	R4 361m	R4 624m	R 5 825m	R5 778m	R6 547m	R7 340m	R7 880m		

7.3 Indicators, Annual and Quarterly Targets

No.	Output Indicators	Annual Target	Quarter 1	Quarter 2	Quarter 3	Quarter 4
3.1.1	Published budget legislation and documentation	Appropriation Bill, ENE and Budget Review published in February	N/A	N/A	N/A	Appropriation Bill, ENE and Budget Review published in February
		Adjustments Appropriation Bill, AENE and MTBPS published in October			Adjustments Appropriation Bill, AENE and MTBPS published in October	N/A
3.1.2	Number of Division of Revenue and Division of Revenue Amendment Bills published annually	2	N/A	N/A	1	1
3.1.3	Number of reforms introduced to enhance provincial and local government fiscal frameworks	3	N/A	N/A	N/A	3
3.1.4	Number of capital investment framework (BEPP) assessment reports produced	6	N/A	6	N/A	N/A
3.1.5	Number of Infrastructure plans assessment reports produced	36	N/A	N/A	36	N/A
3.1.6	Number of catalytic projects approved in spatially targeted areas within metropolitan cities, secondary cities and rural towns	20	5	N/A	N/A	15
3.1.7	Number of quarterly financial reports published	8	2	2	2	2
3.1.8	Percentage of requests to draft financial recovery plans responded to within 90 days of receipt	100%	100%	100%	100%	100%
3.1.9	Percentage of Cabinet memos received commented on	100%	100%	100%	100%	100%
3.1.10	Number of quarterly expenditure reports submitted to the Standing Committee on Appropriations	4	1	1	1	1

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7.3 Indicators, Annual and Quarterly Targets

No.	Output Indicators	Annual Target	Quarter 1	Quarter 2	Quarter 3	Quarter 4
3.1.11	Number of technical advisors placed at National Treasury, provincial treasuries and municipalities through the Municipal Finance Improvement Programme (MFIP)	70	N/A	N/A	N/A	70
3.1.12	Number of Jobs Fund projects approved (cumulative across the term of the project)	150	150	N/A	N/A	N/A
3.1.13	Grant funding approved (cumulative across the term of the project)	R7 880m	R7 880m	N/A	N/A	N/A
3.1.14	Matched funding committed (cumulative across the term of project)	R7 880m	R7 880m	N/A	N/A	N/A
3.1.15	New jobs contracted (cumulative across the term of project)	150 000	N/A	150 000	N/A	N/A
3.1.16	Number of placements contracted (cumulative across the term of project)	80 000	N/A	80 000	N/A	N/A
3.1.17	Number of training opportunities contracted (cumulative across the term of project)	250 000	N/A	250 000	N/A	N/A
3.1.18	Value of grant funding disbursed (cumulative across the term of project)	R5 778m	N/A	N/A	N/A	R5 778m

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Explanation of planned performance over the medium-term period

Over the medium-term, the department plans to continue ensuring that all government departments remain within spending limits approved by Cabinet. This will be achieved through in-year monitoring of expenditure of all votes by Public Finance subprogramme. Spending for this subprogramme will increase from R65.4 million in 2020/21 to R71.2 million in 2022/23 while the number of quarterly expenditure report submitted to the Standing Committee on Appropriation will remain constant at 4 for each year of the MTEF in line with the Money Bill and Related Matters Act (2009).

Intergovernmental Relations coordinates inputs to the division of nationally raised revenue between the three spheres of government, the annual Division of Revenue Bill and Division of Revenue Amendment Bill, and the development of the framework for managing conditional grants over the medium. A number reforms will be introduced to enhance provincial and local government fiscal frameworks over the medium term.

To support the development of infrastructure and economically integrated cities and communities, the National Treasury facilitates conditional grants and provides financial incentives for infrastructure planning and development. This support is provided to municipalities through the local government financial management grant, the neighbourhood development partnership grant, the integrated city development grant, the municipal turnaround programme, and the infrastructure skills development grant. Transfer to the grants amount to a projected R6.2 billion over the medium term in the Facilitation of Conditional Grants subprogramme within Public Finance and Budget Management programme.

PART C: MEASURING OUR PERFORMANCE

7.4 Programme Resource Considerations

7.4.1 Expenditure trends and estimates

Table 8.10 Public Finance and Budget Management expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome		Adjusted appropriation	Average growth rate (%)	Average Expenditure/Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average Expenditure/Total (%)			
	2016/17	2017/18				2018/19	2019/20	2020/21			2021/22	2022/23	
R million													
Programme for Management for Public Finance and Budget Management	21.4	20.8	19.1	34.5	17.2%	0.9%	32.8	34.6	37.1	2.5%	1.0%		
Public Finance	56.6	61.7	64.0	61.3	2.7%	2.2%	69.5	73.0	75.8	7.4%	2.0%		
Budget Office and Coordination	57.0	57.7	59.7	62.9	3.4%	2.1%	71.2	75.5	78.4	7.6%	2.0%		
Intergovernmental Relations	102.0	97.8	100.8	115.6	4.3%	3.7%	442.5	552.2	577.6	71.0%	11.8%		
Financial and Fiscal Commission	44.8	50.6	51.8	54.3	6.6%	1.8%	66.4	69.5	71.7	9.7%	1.8%		
Facilitation of Conditional Grants	1,454.4	1,592.7	1,508.8	1,594.0	3.1%	55.3%	1,575.0	1,644.4	1,717.5	2.5%	45.6%		
Catalytic Infrastructure and Development Support Programme	237.8	259.7	323.8	381.8	17.1%	10.8%	363.4	522.4	470.0	7.2%	12.1%		
Government Technical Advisory Centre	786.2	673.9	402.5	704.6	-3.6%	23.1%	773.6	946.5	974.6	11.4%	23.7%		
Total	2,760.2	2,815.0	2,530.4	3,008.9	2.9%	100.0%	3,394.4	3,918.0	4,002.7	10.0%	100.0%		
Change to 2019 Budget estimate				(48.7)			103.6	397.5	330.5				

Table 8.10 Public Finance and Budget Management expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome				Adjusted appropriation	Average growth rate (%)	Average Expenditure/Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average Expenditure/Total (%)
	2016/17	2017/18	2018/19	2019/20				2016/17 - 2019/20	2020/21	2021/22		
R million	545.4	564.3	636.0	656.5	6.4%	21.6%	1,192.5	1,029.7	1,237.3	23.5%	28.7%	
Current payments	201.9	211.7	213.9	219.2	2.8%	7.6%	264.1	250.8	275.5	7.9%	7.0%	
Compensation of employees	343.5	352.6	422.1	437.3	8.4%	14.0%	928.4	778.9	961.8	30.0%	21.7%	
Goods and services ¹												
of which:												
Bursaries: Employees	0.6	1.0	1.0	1.5	37.8%	-	1.4	1.2	1.5	-0.8%	-	
Consultants: Business and advisory services	324.6	332.9	400.4	413.3	8.4%	13.2%	901.9	754.0	934.2	31.2%	21.0%	
Consumables: Stationery, printing and office supplies	2.1	6.7	1.0	1.4	-13.6%	0.1%	1.8	1.8	1.9	12.3%	-	
Operating leases	0.9	0.7	0.8	1.1	5.9%	-	1.1	1.1	1.2	3.9%	-	
Travel and subsistence	8.3	8.5	10.6	10.0	6.1%	0.3%	11.4	10.6	11.9	6.1%	0.3%	
Operating payments	4.4	0.0	5.8	6.2	11.5%	0.1%	6.6	6.2	6.8	3.5%	0.2%	
Transfers and subsidies¹	2,213.2	2,249.6	1,892.6	2,350.0	2.0%	78.3%	2,722.7	2,362.0	2,762.5	5.5%	71.2%	
Provinces and municipalities	1,454.4	1,592.7	1,508.8	1,594.0	3.1%	55.3%	1,644.4	1,575.0	1,717.5	2.5%	45.6%	
Departmental agencies and accounts	758.4	656.4	381.9	755.9	-0.1%	23.0%	1,078.3	787.0	1,045.0	11.4%	25.6%	
Households	0.4	0.4	1.9	0.2	-22.0%	-	-	-	-	-100.0%	-	

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Table 8.10 Public Finance and Budget Management expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)	Average: Expenditure/Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/Total (%)
	2016/17	2017/18	2018/19				2019/20	2020/21	2021/22		
R million											
Payments for capital assets	1.5	1.1	1.9	2.4	15.5%	0.1%	2.6	2.7	2.9	7.2%	0.1%
Machinery and equipment	1.5	1.1	1.9	2.4	15.5%	0.1%	2.6	2.7	2.9	7.2%	0.1%
Payments for financial assets	0.0	0.1	0.0	-	-100.0%	-	-	-	-	-	-
Total	2,760.2	2,815.0	2,530.4	3,008.9	2.9%	100.0%	3,394.4	3,918.0	4,002.7	10.0%	100.0%
Proportion of total programme expenditure to vote expenditure	9.8%	7.1%	8.9%	9.8%	-	-	10.2%	10.9%	12.2%	-	-

Details of transfers and subsidies

Households											
Social benefits											
Current	0.4	0.4	1.9	0.2	-22.0%	-	-	-	-	-100.0%	-
Employee social benefits	0.4	0.4	1.9	0.2	-22.0%	-	-	-	-	-100.0%	-
Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current	758.4	655.7	381.1	755.1	-0.1%	22.9%	786.1	1,077.4	1,044.0	11.4%	25.6%
Financial and Fiscal Commission	44.8	50.6	51.8	54.3	6.6%	1.8%	66.4	69.5	71.7	9.7%	1.8%
Government Technical Advisory Centre	713.6	605.0	329.3	600.8	-5.6%	20.2%	679.7	847.9	872.3	13.2%	20.9%

Table 8.10 Public Finance and Budget Management expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)	Average Expenditure/Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average Expenditure/Total (%)
	2016/17	2017/18	2018/19				2019/20	2020/21	2021/22		
R million											
Development Bank of Southern Africa	-	-	-	100.0	-	0.9%	40.0	160.0	100.0	2019/20 - 2022/23	2.8%
Capital	-	0.7	0.8	0.8	-	-	0.9	0.9	1.0	4.9%	-
Government Technical Advisory Centre	-	0.7	0.8	0.8	-	-	0.9	0.9	1.0	4.9%	-
Provinces and municipalities											
Municipalities											
Municipal bank accounts											
Current	595.7	642.8	646.1	682.2	4.6%	23.1%	698.1	736.4	763.6	3.8%	20.1%
Local government financial management grant	465.3	502.0	504.6	532.8	4.6%	18.0%	544.9	574.8	596.0	3.8%	15.7%
Infrastructure skills development grant	130.5	140.8	141.5	149.4	4.6%	5.1%	153.2	161.6	167.6	3.9%	4.4%
Capital	858.7	950.0	862.7	911.7	2.0%	32.2%	876.9	907.9	954.0	1.5%	25.5%
Integrated city development grant	266.8	292.1	293.6	310.1	5.1%	10.5%	317.5	341.3	360.9	5.2%	9.3%
Neighbourhood development partnership grant	591.9	657.8	569.1	601.7	0.5%	21.8%	559.4	566.6	593.1	-0.5%	16.2%

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7.4.2 Personnel information

Table 8.11 Public Finance and Budget Management personnel numbers and cost by salary level¹

Number of posts estimated for 31 March 2020		Number and cost ² of personnel posts filled/planned for on funded establishment												Number				
		Actual		Revised estimate			Medium-term expenditure estimate						Average growth rate (%)	Average Salary level/ Total (%)				
Number of funded posts	Number of posts of additional to the establishment	2018/19		2019/20			2020/21			2021/22			2022/23		2019/20 - 2022/23			
		Number	Cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	
248	2	248	213.9	0.9	251	228.3	0.9	260	250.8	1.0	257	264.1	1.0	252	275.5	1.1	0.1%	100.0%
1-6	2	2	1.5	0.7	2	0.3	0.1	2	0.3	0.2	2	0.3	0.2	2	0.4	0.2	-	0.8%
7-10	1	75	37.0	0.5	77	41.8	0.5	81	47.0	0.6	80	49.7	0.6	79	52.5	0.7	0.9%	31.1%
11-12	-	97	86.5	0.9	97	90.5	0.9	100	99.2	1.0	99	104.5	1.1	96	107.6	1.1	-0.3%	38.4%
13-16	1	74	88.9	1.2	75	95.7	1.3	77	104.3	1.4	76	109.6	1.4	75	115.0	1.5	-	29.7%

1. Data has been provided by the department and may not necessarily reconcile with official government personnel data.

2. Rand million.

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8. PROGRAMME 4: ASSET AND LIABILITY MANAGEMENT

Purpose: To prudently manage government's financial assets and liabilities.

8.1 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, delivery implementation, monitoring and associated activities that include the management of government debt, financial assets and investments.

State-Owned Companies Financial Management and Governance

This sub-programme is responsible for overseeing SOEs 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.

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 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 that the risk of an adverse sovereign credit rating is mitigated.

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8.2 Outcomes, Outputs, Performance Indicators and Targets

No.	Outcomes	Outputs	Output Indicators	Annual Targets					MTEF Period		
				Audited / Actual Performance		Estimated Performance	Planned Performance Current Year	MTEF Period			
				2016/17	2017/18			2018/19		2019/20	2020/21
4.1.1	Sound financial controls and management of public finances	Reviewed planning and performance documents	Percentage of complete corporate plans received from Schedule 2 and 3B public entities reviewed	32%	96.9%	100%	100%	100%	100%	100%	2022/23
4.1.2			Percentage of annual reports received from Schedule 2 and 3B public entities reviewed	53%	91.5%	100%	100%	100%	100%	100%	
4.1.3		Reviewed complete applications	Percentage of complete PFMA Section 51(g), 52, 54(2), 55, and 92 applications received from Schedule 2 and 3B public entities reviewed	100%	81.25%	100%	100%	100%	100%	100%	
4.1.4			Percentage of complete review requests of borrowing limit applications relating to Schedule 2 and 3B public entities reviewed	100%	100%	100%	100%	100%	100%	100%	
4.1.5			Percentage of complete guarantee applications received from Schedule 2 and 3B public entities reviewed	100%	87.5%	100%	100%	100%	100%	100%	
4.1.6			Percentage of complete remuneration review requests of executive and non-executive directors received from Schedule 2 and 3B public entities reporting to the Minister of Finance reviewed	#	100%	100%	100%	100%	100%	100%	

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No.	Outcomes	Outputs	Output Indicators	Annual Targets						MTEF Period
				Audited / Actual Performance		Estimated Performance	Planned Performance Current Year	MTEF Period		
				2016/17	2017/18			2018/19	2019/20	
4.1.9	Sustainable public finances	Annual gross borrowing requirement met reports	Percentage of government's annual gross borrowing requirement met	100%	100%	100%	100%	100%	100%	100%
4.1.10		Interest and redemptions met reports	Percentage of interest and redemptions met	100%	100%	100%	100%	100%	100%	100%
4.1.11		Liquidity requirements met reports	Percentage of government's liquidity requirements met	100%	100%	100%	100%	100%	100%	100%
4.1.12		Compliance with market and refinancing risks benchmarks reports	Percentage compliance with market and refinancing risks benchmarks	100%	100%	100%	100%	100%	100%	100%
4.1.13		Government's contingent liabilities reports	Number of reports on the management of government's contingent liabilities	5	#	6	6	4	4	4

8.3 Indicators, Annual and Quarterly Targets

No.	Output Indicators	Annual Target	Quarter 1	Quarter 2	Quarter 3	Quarter 4
4.1.1	Percentage of complete corporate plans received from Schedule 2 and 3B public entities reviewed	100%	100%	100%	100%	100%
4.1.2	Percentage of annual reports received from Schedule 2 and 3B public entities reviewed	100%	100%	100%	100%	100%
4.1.3	Percentage of complete PFMA Section 51(g), 52, 54(2), 55, and 92 applications received from Schedule 2 and 3B public entities reviewed	100%	100%	100%	100%	100%
4.1.4	Percentage of complete review requests of borrowing limit applications relating to Schedule 2 and 3B public entities reviewed	100%	100%	100%	100%	100%
4.1.5	Percentage of complete guarantee applications received from Schedule 2 and 3B public entities reviewed	100%	100%	100%	100%	100%
4.1.6	Percentage of complete remuneration review requests of executive and non-executive directors received from Schedule 2 and 3B public entities reporting to the Minister of Finance reviewed	100%	100%	100%	100%	100%
4.1.7	Percentage of complete board appointments recommendations received from Schedule 2 and 3B public entities reporting to the Minister of Finance reviewed	100%	100%	100%	100%	100%
4.1.8	Percentage of received MFMA submissions relating to tariff adjustments received from Schedule 2 and 3B public entities reviewed	100%	100%	100%	100%	100%
4.1.9	Percentage of government's annual gross borrowing requirement met	100%	100%	100%	100%	100%
4.1.10	Percentage of interest and redemptions met	100%	100%	100%	100%	100%
4.1.11	Percentage of government's liquidity requirements met	100%	100%	100%	100%	100%
4.1.12	Percentage compliance with market and refinancing risks benchmarks	100%	100%	100%	100%	100%
4.1.13	Number of reports on the management of government's contingent liabilities	4	1	1	1	1

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Explanation of planned performance over the medium-term period

Over the medium-term, the programme will continue to review and compile submissions on applications for funding, guarantees and borrowing limits as well as other PFMA applications from SOCs. Where such applications are approved, the programme will monitor financial performance and adherence to all stipulated conditions if any. It will also continue to review SOE's corporate plans and annual reports as they are received annually. To strengthen regulatory compliance, the unit will report on compliance by major state-owned companies with the PFMA, the Companies Act, 2008 (Act No. 71 of 2008), Treasury Regulations and the King III and IV Code on Corporate Governance. The programme will also continue to finance government's gross borrowing requirement – consisting of the budget balance plus maturing debt – in the domestic and international capital markets. Government's financing strategy is informed by strategic portfolio risk benchmarks for interest, inflation, currency and refinancing. The programme will also continue to manage its cash resource to ensure that government remains liquid and surplus cash is invested optimally. Spending on these activities will amount to R133.3 million over the medium-term.

8.4 Programme Resource Considerations

8.4.1 Expenditure trends and estimates

Table 8.12 Asset and Liability Management expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome				Adjusted appropriation	Average growth rate (%)	Average Expenditure/Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average Expenditure/Total (%)
	2016/17	2017/18	2018/19	2019/20				2020/21	2021/22	2022/23		
R million												
Programme Management for Asset and Liability Management	24.4	6.1	6.9	8.0		-31.0%	0.4%	11.6	11.5	11.1	11.7%	8.6%
State - Owned Entity Financial Management and Governance	33.5	5,241.6	31.5	36.4		2.8%	51.4%	38.6	41.1	41.4	4.4%	32.2%
Government Debt Management	18.8	4,810.0	19.5	20.6		3.1%	46.9%	22.3	23.5	23.6	4.7%	18.4%
Financial Operations	22.5	22.0	24.2	25.2		3.9%	0.9%	38.8	41.1	42.7	19.2%	30.2%
Strategy and Risk Management	10.9	10.1	9.0	11.2		0.8%	0.4%	13.0	13.7	14.3	8.7%	10.7%
Total	110.1	10,089.8	91.2	101.4		-2.7%	100.0%	124.2	130.9	133.3	9.5%	100.0%
Change to 2019 Budget estimate				(7.0)				8.1	9.0	6.7		

Economic classification

Current payments	108.9	88.9	88.4	99.3		-3.0%	3.7%	123.4	130.1	132.4	10.1%	99.1%
Compensation of employees	77.0	75.2	73.8	83.6		2.8%	3.0%	92.4	97.3	98.0	5.4%	75.8%
Goods and services ¹	31.9	13.6	14.6	15.7		-21.0%	0.7%	31.0	32.8	34.5	29.9%	23.3%
<i>of which:</i>												
<i>Audit costs: External</i>	0.6	0.7	1.0	0.7		7.0%	-	1.0	1.0	0.8	2.8%	0.7%
<i>Bursaries: Employees</i>	0.6	0.7	0.4	0.8		10.0%	-	0.7	0.8	1.0	8.9%	0.7%

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Table 8.12 Asset and Liability Management expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome				Adjusted appropriation	Average growth rate (%)	Average: Expenditure/Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/Total (%)
	2016/17	2017/18	2018/19	2019/20				2020/21	2021/22	2022/23		
R million												
<i>Computer services</i>	13.1	8.0	8.5	7.4	-17.2%	0.4%	20.9	22.3	23.6	46.8%	15.2%	
<i>Consultants: Business and advisory services</i>	14.1	0.1	1.0	1.6	-51.5%	0.2%	3.1	3.1	3.2	26.4%	2.3%	
<i>Travel and subsistence</i>	2.1	2.6	2.4	3.0	12.7%	0.1%	3.3	3.4	3.7	7.2%	2.7%	
<i>Training and development</i>	0.4	0.2	0.1	0.8	31.9%	-	0.6	0.6	0.6	-8.6%	0.5%	
Transfers and subsidies¹	0.5	0.4	2.1	1.4	38.4%	-	-	-	-	-100.0%	0.3%	
Households	0.5	0.4	2.1	1.4	38.4%	-	-	-	-	-100.0%	0.3%	
Payments for capital assets	0.7	0.6	0.7	0.7	1.2%	-	0.8	0.8	0.9	5.6%	0.7%	
Machinery and equipment	0.7	0.6	0.7	0.7	1.2%	-	0.8	0.8	0.9	5.6%	0.7%	
Payments for financial assets	-	10,000.0	0.0	-	-	96.2%	-	-	-	-	-	
Total	110.1	10,089.8	91.2	101.4	-2.7%	100.0%	124.2	130.9	133.3	9.5%	100.0%	
Proportion of total programme expenditure to vote expenditure	0.4%	25.5%	0.3%	0.3%	-	-	0.4%	0.4%	0.4%	-	-	

Details of transfers and subsidies

Households											
Social benefits											
Current	0.5	0.4	2.1	1.4	38.4%	-	-	-	-	-100.0%	0.3%
Employee social benefits	0.5	0.4	2.1	1.4	38.4%	-	-	-	-	-100.0%	0.3%

8.4.2 Personnel information

Table 8.13 Asset and Liability Management personnel numbers and cost by salary level¹

Number of posts estimated for 31 March 2020	Number and cost ² of personnel posts filled/planned for on funded establishment												Number				
	Number of funded posts	Number of posts additional to the establishment	Actual			Revised estimate			Medium-term expenditure estimate						Average growth rate (%)	Average Salary level/ Total (%)	
2018/19			2019/20	2020/21	2021/22	2022/23	2019/20 - 2022/23										
Asset and Liability Management	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost		
Salary level	90	73.8	0.8	96	84.5	0.9	98	92.4	0.9	97	97.3	1.0	92	98.0	1.1	-1.4%	100.0%
1 – 6	3	0.8	0.3	3	0.7	0.2	3	0.8	0.3	3	0.9	0.3	3	0.9	0.3	-	3.1%
7 – 10	36	21.2	0.5	41	25.9	0.6	40	26.9	0.7	40	28.8	0.7	38	28.9	0.8	-2.5%	41.5%
11 – 12	27	29.6	1.0	30	29.9	1.0	33	35.0	1.1	32	36.1	1.1	30	35.9	1.2	-	32.6%
13 – 16	24	22.3	1.0	22	27.9	1.3	22	29.7	1.3	22	31.6	1.4	21	32.2	1.5	-1.5%	22.7%

1. Data has been provided by the department and may not necessarily reconcile with official government personnel data.

2. Rand million.

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9. 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.

9.1 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 Accountant-General

The purpose of this sub-programme is to facilitate accountability, governance and oversight by promoting transparent, economic, efficient and effective management in respect of revenue, expenditure, assets and liabilities in the South African public sector through:

- **Financial Systems:** Maintains and improves existing financial management systems and develops and implements IFMS. This will replace ageing and fragmented financial, supply chain and HR management systems within national and provincial departments.
- **Financial Reporting for National Accounts:** 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:** 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 regulates financial management and accounting policies and sets the risk and IA frameworks in the three spheres of government. It also 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.

Office of the Chief Procurement Officer

The purpose of this sub-programme is to manage policy and legislative formulation for 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; that supports and enforces transparent and effective management of state procurement and sound stewardship of government assets and resources.

9.2 Outcomes, Outputs, Performance Indicators and Targets

No.	Outcomes	Outputs	Output Indicators	Audited / Actual Performance					Annual Targets			MTEF Period		
				2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2020/21	2021/22	2022/23
				Estimated Performance	Planned Performance Current Year	Estimated Performance	Planned Performance Current Year	Estimated Performance	Planned Performance Current Year	Estimated Performance	Planned Performance Current Year	Estimated Performance	Planned Performance Current Year	Estimated Performance
5.1.1	Sound financial controls and management of public finances	Public Finance Norms and Standards	Number of norms and standards developed	#	#	#	#	9	10	10	10	10	10	
5.1.2		Public Finance Governance Reports	Number of governance reports produced	#	#	#	#	95	95	95	95	95	95	
5.1.3		Public Finance Management Capacity Development Programmes reports	Number of Public Finance Management Capacity Development Programmes progress reports produced	#	#	#	#	28	28	28	28	28	28	
5.1.4		Transversal systems available	Percentage availability of transversal systems	#	#	#	#	98%	98%	98%	98%	98%	98%	
5.1.5		Statutory reports	Number of statutory reports produced	#	#	#	#	18	18	18	18	18	18	
5.1.6		IFMS II plan implementation reports	Implementation of the IFMS II plan	#	#	Planning and design completed	Functional and technical specifications of IFMS system developed	Execution of Common Design and procurement of supporting services	Functional and technical specifications of IFMS system developed and roll out of the generic template	Execution of Common Design and procurement of supporting services	Functional and technical specifications of IFMS system developed and roll out of the generic template	IFMS Solution templates rolled out	National roll-out of the IFMS Solution templates	

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9.2 Outcomes, Outputs, Performance Indicators and Targets - continued

No.	Outcomes	Outputs	Output Indicators	Annual Targets								
				Audited / Actual Performance				Planned Performance Current Year	MTEF Period			
				2016/17	2017/18	2018/19	2019/20		2020/21	2021/22	2022/23	2023/24
5.1.7	Sound financial controls and management of public finances	SCM compliance report	Number of quarterly compliance reports produced	#	#	#	#	4	4	4		
5.1.8		Approved SCM directives	Percentage of approved SCM directives	#	#	#	#	100%	100%	100%		
5.1.9		Development of the support implementation plan reports	Percentage of support implementation plan on identified or prioritised institutions in order to improve SCM performance	#	#	#	#	100%	100%	100%		
5.1.10		Transversal term contracts	Number of transversal term contracts implemented	#	#	#	#	28	21	25		
5.1.11		Strategic sourcing opportunities plan reports	Percentage implementation of the strategic sourcing opportunities plan	#	#	#	#	100%	100%	100%		

9.3 Indicators, Annual and Quarterly Targets

No.	Output Indicators	Annual Target	Quarter 1	Quarter 2	Quarter 3	Quarter 4
5.1.1	Number of norms and standards developed	9	2	2	2	3
5.1.2	Number of governance reports produced	95	8	9	8	70
5.1.3	Number of public finance management capacity development programmes progress reports produced	28	7	7	7	7
5.1.4	Percentage availability of transversal systems	98%	N/A	N/A	N/A	98%
5.1.5	Number of statutory reports produced	18	4	4	4	6
5.1.6	Implementation of the IFMS II plan	Execution of Common Design and procurement of supporting services	Approved Common Design business case Contracting of Common Design	Professional services terms of reference approved and published	Project initiation and on-boarding of Common Design resources	Common Design Project inception and execution
5.1.7	Number of quarterly compliance reports produced	4	1	1	1	1
5.1.8	Percentage of approved SCM directives	100%	100%	100%	100%	100%
5.1.9	Percentage of support implementation plan on identified or prioritised institutions in order to improve SCM performance	100%	100%	100%	100%	100%
5.1.10	Number of transversal term contracts implemented	28	4	7	7	10
5.1.11	Percentage implementation of the strategic sourcing opportunities plan	100%	100%	100%	100%	100%

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Explanation of planned performance over the medium-term period

The Integrated Financial Management System (IFMS) is designed to enhance the effectiveness of back end public service functions by improving access to information, raising the quality of data, eliminating duplication of systems and resources, and curtailing manual processes by modernising and streamlining processes. Following the finalisation of Phase 2A which saw the successful completion and approval of the Architecture Planning artefacts where an IFMS Blueprint was finalised, the programme is gearing for phase 2B. This phase includes the designing of a common template for the IFMS solution and implementation at National Treasury and Department of Public Service and Administration which is expected to be completed by 2020/21. Key stakeholders at pilot and lead sites have been taken through pre-common design training to prepare them to effectively participate in the design process. Spending on these activities amount to R807.3 million over the medium-term period within Financial Accounting and Supply Chain Management Systems programme.

9.4 Programme Resource Considerations

9.4.1 Expenditure trends and estimates

Table 8.14 Financial Accounting and Supply Chain Management Systems expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome				Adjusted appropriation	Average growth rate (%)	Average Expenditure/Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average Expenditure/Total (%)
	2016/17	2017/18	2018/19	2019/20				2020/21	2021/22	2022/23		
R million												
Programme Management for Financial Accounting and Supply Chain Management Systems	60.2	25.5	50.2	100.0		18.4%	6.6%	93.4	106.5	126.1	8.0%	10.0%
Office of the Chief Procurement Officer	67.5	71.8	69.0	73.0		2.6%	7.9%	73.2	77.9	82.4	4.1%	7.2%
Financial Systems	797.4	374.3	419.6	542.0		-12.1%	59.7%	580.6	608.3	633.6	5.3%	55.4%
Financial Reporting for National Accounts	85.1	97.3	102.0	108.2		8.3%	11.0%	113.3	119.3	123.7	4.6%	10.9%
Financial Management Policy and Compliance Improvement	120.3	120.5	130.3	157.8		9.5%	14.8%	173.0	185.3	192.8	6.9%	16.6%
Service Charges: Commercial Banks	0.3	0.2	0.3	0.3		6.1%	-	0.3	0.3	0.4	4.9%	-
Total	1,130.8	689.6	771.4	981.3		-4.6%	100.0%	1,033.8	1,097.6	1,159.0	5.7%	100.0%

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Table 8.14 Financial Accounting and Supply Chain Management Systems expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome		Adjusted appropriation	Average growth rate (%)	Average: Expenditure/Total (%)	Medium-term expenditure estimate		Average growth rate (%)	Average: Expenditure/Total (%)		
	2016/17	2017/18				2018/19	2019/20			2020/21	2021/22
R million											
Change to 2019 Budget estimate			(112.2)				(125.4)		(109.1)		
	668.8	619.1	706.5	906.5	10.7%	81.2%	961.7	1,027.4	1,083.5	6.1%	93.1%
Economic classification											
Current payments	668.8	619.1	706.5	906.5	10.7%	81.2%	961.7	1,027.4	1,083.5	6.1%	93.1%
Compensation of employees	200.5	206.1	206.9	217.0	2.7%	23.2%	235.6	249.0	259.9	6.2%	22.5%
Goods and services ¹	468.2	413.0	499.5	689.5	13.8%	57.9%	726.1	778.3	823.6	6.1%	70.6%
of which:											
Audit costs: External	3.8	5.7	6.2	7.3	24.9%	0.6%	8.1	7.6	7.7	2.0%	0.7%
Bursaries: Employees	2.9	2.3	1.1	1.8	-15.3%	0.2%	2.4	2.4	2.3	9.2%	0.2%
Computer services	353.2	344.2	353.3	462.5	9.4%	42.3%	500.9	531.0	551.0	6.0%	47.9%
Consultants: Business and advisory services	88.7	41.8	119.5	191.8	29.3%	12.4%	186.3	208.0	231.7	6.5%	19.1%
Travel and subsistence	7.6	8.3	10.0	10.9	12.9%	1.0%	12.8	13.6	14.5	9.9%	1.2%
Venues and facilities	4.3	4.3	4.4	4.6	2.7%	0.5%	5.3	5.6	5.8	8.0%	0.5%
Transfers and subsidies ¹	42.5	54.9	58.6	61.0	12.8%	6.1%	61.3	64.7	67.1	3.2%	5.9%

Table 8.14 Financial Accounting and Supply Chain Management Systems expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome					Adjusted appropriation	Average growth rate (%)	Average Expenditure/Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average Expenditure/Total (%)	
	2016/17	2017/18	2018/19	2019/20	2020/21				2021/22	2022/23	2019/20 - 2022/23			
R million														
Departmental agencies and accounts	41.5	53.1	54.9	57.5	57.5	11.5%	5.8%	59.7	62.9	65.3	65.3	4.3%	5.7%	
Households	1.0	1.8	3.6	3.5	3.5	52.3%	0.3%	1.7	1.8	1.8	1.8	-19.1%	0.2%	
Payments for capital assets	419.5	15.2	6.3	13.9	13.9	-67.9%	12.7%	10.8	5.6	8.3	8.3	-15.7%	0.9%	
Machinery and equipment	3.4	15.2	5.7	9.0	9.0	37.7%	0.9%	6.7	4.7	7.2	7.2	-7.1%	0.6%	
Software and other intangible assets	416.1	0.0	0.6	4.9	4.9	-77.3%	11.8%	4.1	0.9	1.1	1.1	-38.8%	0.3%	
Payments for financial assets	0.0	0.3	0.0	-	-	-100.0%	-	-	-	-	-	-	-	
Total	1,130.8	689.6	771.4	981.3	981.3	-4.6%	100.0%	1,033.8	1,097.6	1,159.0	1,159.0	5.7%	100.0%	
Proportion of total programme expenditure to vote expenditure	4.0%	1.7%	2.7%	3.2%	3.2%	-	-	3.1%	3.1%	3.5%	3.5%	-	-	
Details of transfers and subsidies														
Households														
Social benefits														
Current	1.0	1.8	2.3	3.5	3.5	52.3%	0.2%	1.7	1.8	1.8	1.8	-19.1%	0.2%	
Employee social benefits	1.0	1.8	2.3	3.5	3.5	52.3%	0.2%	1.7	1.8	1.8	1.8	-19.1%	0.2%	

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Table 8.14 Financial Accounting and Supply Chain Management Systems expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome	2017/18	2018/19	2019/20	Adjusted appropriation	Average growth rate (%)	Average: Expenditure/Total (%)	Medium-term expenditure estimate	2020/21	2021/22	2022/23	Average growth rate (%)	Average: Expenditure/Total (%)
R million	2016/17	2017/18	2018/19	2019/20	2019/20	2016/17 - 2019/20	2019/20	2020/21	2021/22	2022/23	2022/23	2019/20 - 2022/23	2019/20 - 2022/23
Departmental agencies and accounts													
Departmental agencies (non-business entities)													
Current	41.5	53.1	54.9	57.5	57.5	11.5%	5.8%	59.7	62.9	65.3	65.3	4.3%	5.7%
Accounting Standards Board	12.5	13.5	14.1	14.3	14.3	4.6%	1.5%	15.0	15.9	16.4	16.4	4.7%	1.4%
Independent Regulatory Board for Auditors	29.0	39.6	40.9	43.2	43.2	14.2%	4.3%	44.6	47.1	48.8	48.8	4.2%	4.3%
Households													
Other transfers to households													
Current	-	-	1.3	-	-	-	-	-	-	-	-	-	-
Employee social benefits	-	-	1.3	-	-	-	-	-	-	-	-	-	-

9.4.2 Personnel information

Table 8.15 Financial Accounting and Supply Chain Management Systems personnel numbers and cost by salary level¹

Number of posts estimated for 31 March 2020		Number and cost ² of personnel posts filled/planned for on funded establishment												Number				
		Actual			Revised estimate			Medium-term expenditure estimate			2021/22			2022/23			Average growth rate (%)	Average Salary level/ Total (%)
Number of funded posts	Number of posts of additional to the establishment	2018/19			2019/20			2020/21			2021/22			2022/23			2019/20 - 2022/23	
		Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost		
Financial Accounting and Supply Chain Management Systems																		
259	28	266	206.9	0.8	264	217.5	0.8	270	235.6	0.9	268	249.0	0.9	262	259.9	1.0	-0.3%	100.0%
8	-	8	2.3	0.3	8	2.7	0.3	8	2.9	0.4	8	3.1	0.4	8	3.4	0.4	-	3.0%
111	28	117	56.0	0.5	117	70.6	0.6	120	77.3	0.6	119	82.0	0.7	117	86.3	0.7	-	44.5%
72	-	72	64.3	0.9	72	58.3	0.8	76	65.4	0.9	76	69.6	0.9	72	70.0	1.0	-	27.8%
68	-	69	84.3	1.2	67	85.9	1.3	66	90.0	1.4	65	94.3	1.5	65	100.2	1.5	-1.0%	24.7%

1. Data has been provided by the department and may not necessarily reconcile with official government personnel data.

2. Rand million.

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10. PROGRAMME 6: INTERNATIONAL FINANCIAL RELATIONS

Purpose: Advocate for South Africa's financial, economic and developmental interests in forums regionally and globally.

10.1 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 fora such as the African Development Bank, the United Nations Economic Commission for Africa, the New Partnership for Africa's Development, the G20, the Brazil-Russia-India-China-South Africa (BRICS) group of countries and the International Monetary Fund.

African Integration and Support

This sub-programme provides for subscriptions and contributions to international development institutions and multilateral 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 Group (WBG) 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 WBG.

International Development Funding Institutions

This sub-programme provides for subscriptions and contributions to international development institutions and multilateral 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 Group (WBG) 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 WBG.

International Projects

This sub-programme transfers funds to international projects and interventions. It supports priorities 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 Immunisation. The facility transfers funds to the Global Alliance for Vaccines and Immunization (GAVI), 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.

10.3 Indicators, Annual and Quarterly Targets

No.	Output Indicators	Annual Targets	Quarter 1	Quarter 2	Quarter 3	Quarter 4
6.1.1	Percentage of economic surveillance reports responded to	100%	N/A	100%	100%	N/A
6.1.2	Number of advocacy forums hosted for the uptake of development finance	1	N/A	N/A	N/A	1
6.1.3	Number of country partnership framework progress reports produced	3	N/A	N/A	N/A	3
6.1.4	Number of engagement strategies and priorities developed	2	N/A	1	N/A	1
6.1.5	Number of analysis reports on the outcomes of South Africa's engagements in regional and global forums produced	1	N/A	N/A	1	N/A
6.1.6	Percentage of policy positions developed.	100%	100%	100%	100%	100%

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Explanation of planned performance over the medium-term period

Over the medium-term period, key outputs in the International Financial Relations programme will contribute to Priority 7 A better Africa and World. This includes responses to the economic reports issued by the International Monetary Fund which informs investor sentiment, hosting advocacy forums for the uptake of development finance from the African Development Bank Group (AfDB), the World Bank Group (WBG) and the New Development Bank (NDB) which will contribute to economic growth and development. The country partnership framework reports assess the progress made on the implementation of the country partnership frameworks for the World Bank, the African Development Bank, New Development Bank and the Joint Work Programme for the Organisation for Economic Cooperation and Development.

The International Financial Relations programme will also develop engagement strategies and priorities, producing analysis on the outcomes of South Africa's engagements in regional and global forums and developing policy positions. Policy positions relating to the agenda of meetings to be attended and any other policy issues, this includes South Africa's engagement in the African Union (AU), South African Customs Union (SACU), Southern African Development Community (SADC), G20, G24, Brazil, Russia, India, China and South Africa (BRICS), International Monetary Fund (IMF), IIF (Institute of International Finance), Paris Club, but is not limited to these.

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10.4 Programme Resource Considerations

10.4.1 Expenditure trends and estimates

Table 8.16 International Financial Relations expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome				Adjusted appropriation	Average growth rate (%)	Average Expenditure/Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average Expenditure/Total (%)
	2016/17	2017/18	2018/19	2019/20				2020/21	2021/22	2022/23		
R million												
Programme Management for International Financial Relations	100	7.5	9.0	10.5		1.6%	0.2%	12.4	12.6	14.0	10.1%	0.2%
International Economic Cooperation	383	36.2	46.7	62.7		17.9%	0.8%	56.8	58.8	59.3	-1.9%	1.1%
African Integration and Support	796.7	896.3	1,002.6	854.9		2.4%	16.1%	1,241.9	1,341.3	1,476.3	20.0%	23.0%
International Development Funding Institutions	4,091.8	4,512.0	4,730.0	4,879.2		6.0%	82.6%	5,065.3	5,343.9	812.6	-45.0%	75.3%
International Projects	190	17.8	19.4	20.8		3.1%	0.3%	22.2	23.4	24.2	5.2%	0.4%
Total	4,955.8	5,469.8	5,807.7	5,828.1		5.6%	100.0%	6,398.6	6,780.0	2,386.4	-25.7%	100.0%
Change to 2019 Budget estimate				76.6				339.2	383.4	(4,247.9)		

Table 8.16 International Financial Relations expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome					Adjusted appropriation	Average growth rate (%)	Average Expenditure/Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average Expenditure/Total (%)
	2016/17	2017/18	2018/19	2019/20	2020/21				2021/22	2022/23	2019/20 - 2022/23		
R million	47.2	43.1	55.6	72.4	15.3%	1.0%	68.9	71.2	72.3	–	–	1.3%	

Economic classification

Current payments	47.2	43.1	55.6	72.4	15.3%	1.0%	68.9	71.2	72.3	–	–	1.3%
Compensation of employees	32.0	30.7	31.9	35.5	3.5%	0.6%	32.5	33.4	32.8	–2.6%	–	0.6%
Goods and services ¹	15.2	12.4	23.7	36.9	34.5%	0.4%	36.4	37.8	39.6	2.4%	–	0.7%
of which:												
Administrative fees	0.1	0.5	1.5	0.4	47.7%	–	0.6	0.6	0.6	12.7%	–	–
Bursaries: Employees	0.2	0.2	0.0	0.2	4.1%	–	0.6	0.7	0.7	40.8%	–	–
Consultants: Business and advisory services	0.8	0.7	–	1.5	24.7%	–	1.2	0.8	0.8	–18.6%	–	–
Travel and subsistence	9.3	7.0	16.0	12.9	11.5%	0.2%	14.4	13.8	14.5	4.0%	–	0.3%
Operating payments	0.4	0.6	0.4	0.6	19.0%	–	0.8	0.6	1.4	28.0%	–	–
Venues and facilities	0.8	2.7	4.7	19.9	189.5%	0.1%	17.5	20.4	20.6	1.1%	–	0.4%
Transfers and subsidies¹	906.4	1,041.2	1,158.0	1,008.1	3.6%	18.6%	1,415.7	1,524.6	1,666.4	18.2%	18.2%	26.2%
Foreign governments and international organisations	906.4	1,040.9	1,158.0	1,008.0	3.6%	18.6%	1,415.7	1,524.6	1,666.4	18.2%	–	26.2%

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Table 8.16 International Financial Relations expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome		Adjusted appropriation	Average growth rate (%)	Average: Expenditure/Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/Total (%)
	2016/17	2017/18				2018/19	2019/20	2020/21		
R million	2016/17	2017/18	2018/19	2019/20	2016/17 - 2019/20	2020/21	2021/22	2022/23	2019/20 - 2022/23	
Households	0.0	0.4	0.0	0.1	54.7%	-	-	-	-100.0%	-
Payments for capital assets	1.1	0.2	0.2	0.7	-13.1%	-	0.3	0.9	8.0%	-
Machinery and equipment	1.1	0.2	0.2	0.7	-13.1%	-	0.3	0.9	8.0%	-
Payments for financial assets	4,001.1	4,385.3	4,594.0	4,746.9	5.9%	80.4%	5,183.9	6,46.7	-48.5%	72.4%
Total	4,955.8	5,469.8	5,807.7	5,828.1	5.6%	100.0%	6,780.0	2,386.4	-25.7%	100.0%
Proportion of total programme expenditure to vote expenditure	17.6%	13.8%	20.3%	19.0%	-	-	19.3%	7.3%	-	-
Details of transfers and subsidies										
Households										
Social benefits										
Current	0.0	0.0	0.0	0.1	54.7%	-	-	-	####	-
Employee social benefits	0.0	0.0	0.0	0.1	54.7%	-	-	-	-100.0%	-
Foreign governments and international organisations										
Current	815.7	914.1	1,022.0	875.7	2.4%	16.4%	1,364.6	1,500.5	19.7%	23.4%
Common Monetary Area compensation	792.3	891.7	997.8	849.9	2.4%	16.0%	1,336.0	1,471.0	20.1%	22.9%

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Table 8.16 International Financial Relations expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome				Adjusted appropriation	Average growth rate (%)	Average Expenditure/Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average Expenditure/Total (%)
	2016/17	2017/18	2018/19	2019/20				2020/21	2021/22	2022/23		
R million												
Collaborative Africa Budget Reform Initiative	2.4	2.4	2.6	2.3	-2.5%	-	2.7	2.7	2.6	5.1%	-	
Commonwealth Fund for Technical Cooperation	5.8	6.1	5.8	5.8	-	0.1%	7.2	7.6	7.8	10.4%	0.1%	
International Finance Facility for Immunisation	13.2	11.7	13.6	15.0	4.4%	0.2%	15.0	15.8	16.4	3.0%	0.3%	
African Institute for Economic Development and Planning	1.0	1.0	1.1	1.4	12.3%	-	1.2	1.2	1.2	-6.4%	-	
Regional Technical Assistance Centre for Southern Africa	1.0	1.2	1.1	1.3	9.0%	-	1.4	1.4	1.5	4.9%	-	
Capital	90.7	126.8	136.0	132.3	13.4%	2.2%	151.7	160.0	165.9	7.8%	2.9%	
African Development Fund	-	73.2	82.4	78.7	-	1.1%	95.3	100.3	104.8	10.0%	1.8%	
World Bank Group	90.7	53.6	53.6	53.6	-16.1%	1.1%	56.3	59.7	61.2	4.5%	1.1%	

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Table 8.16 International Financial Relations expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome	Adjusted appropriation	Average growth rate (%)	Average Expenditure/Total (%)	Medium-term expenditure estimate	Average growth rate (%)	Average Expenditure/Total (%)		
R million	2016/17	2017/18	2018/19	2019/20	2016/17 - 2019/20	2020/21	2021/22	2022/23	2019/20 - 2022/23
Households									
Other transfers to households									
Current	-	0.3	-	-	-	-	-	-	-
Employee social benefits	-	0.3	-	-	-	-	-	-	-

10.4.2 Personnel information

Table 8.17 International Financial Relations personnel numbers and cost by salary level¹

Number of funded posts	Number and cost ² of personnel posts filled/planned for on funded establishment										Number						
	Actual			Revised estimate			Medium-term expenditure estimate					Average growth rate (%)	Average: Salary level/Total (%)				
International Financial Relations	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	2019/20 - 2022/23	2019/20 - 2022/23			
Salary level	31	-	-	29	29.4	1.0	31	32.5	1.0	30	33.4	1.1	28	32.8	1.2	-1.2%	100.0%
7 - 10	10	-	-	10	5.3	0.5	11	6.3	0.6	11	6.7	0.6	10	6.5	0.6	-	35.6%
11 - 12	7	-	-	5	7.8	1.6	6	8.8	1.5	5	8.1	1.6	4	6.6	1.7	-7.2%	16.9%
13 - 16	14	-	-	14	16.4	1.2	14	17.4	1.2	14	18.5	1.3	14	19.7	1.4	-	47.5%

1. Data has been provided by the department and may not necessarily reconcile with official government personnel data.

2. Rand million.

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11. 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.

11.1 Sub-Programmes:

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 and disabled civil servants, to the beneficiaries of deceased civil servants and to former struggle veterans.

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 (Act No. 88 of 1989); and former state presidents.

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11.2 Outcomes, Outputs, Performance Indicators and Targets

No.	Outcomes	Outputs	Output Indicators	Annual Targets								
				Audited / Actual Performance			Estimated Performance	Planned Performance Current Year	MTEF Period			
				2016/17	2017/18	2018/19			2019/20	2020/21	2021/22	2022/23
7.1.1	Sound financial control and management of public finances	Validated benefits payment reports	Percentage of benefits validated paid within liable dates	95%	99%	99%	96%	100%	100%	100%	100%	100%
7.1.2		Fraudulent claims reports	Percentage reduction of fraudulent claims	#	#	#	#	90% fewer fraudulent claims than 2019/20	90% fewer fraudulent claims than 2020/21	90% fewer fraudulent claims than 2021/22	90% fewer fraudulent claims than 2022/23	90% fewer fraudulent claims than 2023/24
7.1.3		Exceptions report	Percentage integrity of client data	100%	95%	100%	85%	90%	95%	98%	100%	100%

11.3 Indicators, Annual and Quarterly Targets

No.	Output Indicators	Annual Target	Quarter 1	Quarter 2	Quarter 3	Quarter 4
			Quarter 1	Quarter 2	Quarter 3	Quarter 4
7.1.1	Percentage of benefits validated paid within liable dates	100%	100%	100%	100%	100%
7.1.2	Percentage reduction of fraudulent claims	90% fewer fraudulent claims than 2019/20	N/A	N/A	N/A	90% fewer fraudulent claims than 2019/20
7.1.3	Percentage integrity of client data	90%	90%	90%	90%	90%

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Explanation of planned performance over the medium-term period

Over the medium-term, key outputs from the programme will deliver on the objectives of ensuring effective administration of pensions and ensure good service to eligible applicants. This includes ensuring information integrity and validation of pension data to ensure on time payments to the rightful beneficiaries and reduce fraud and corruption.

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11.4 Programme Resource Considerations

11.4.1 Expenditure trends and estimates

Table 8.18 Civil and Military Pensions, Contributions to Funds and Other Benefits expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)	Average Expenditure/Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average Expenditure/Total (%)
	2016/17	2017/18	2018/19				2019/20	2020/21	2021/22		
R million											
Government Pensions Administration Agency	61.3	62.1	64.5	72.7	5.9%	1.3%	76.7	80.9	83.9	4.9%	1.2%
Civil Pensions and Contributions to Funds	3,249.2	3,614.4	4,017.1	4,511.4	11.6%	78.5%	5,336.3	6,340.1	7,029.8	15.9%	91.5%
Military Pensions and Other Benefits	1,089.7	941.6	938.5	990.4	-3.1%	20.2%	342.1	252.8	264.9	-35.6%	7.3%
Total	4,400.2	4,618.1	5,020.1	5,574.5	8.2%	100.0%	5,755.1	6,673.9	7,378.6	9.8%	100.0%
Change to 2019 Budget estimate				-			164.9	778.5	1,200.1		
Economic classification											
Current payments	61.3	62.1	64.5	72.7	5.9%	1.3%	76.7	80.9	83.9	4.9%	1.2%
Goods and services ¹	61.3	62.1	64.5	72.7	5.9%	1.3%	76.7	80.9	83.9	4.9%	1.2%
of which:											
Consultants: Business and advisory services	61.3	62.1	64.5	72.7	5.9%	1.3%	76.7	80.9	83.9	4.9%	1.2%
Transfers and subsidiaries ¹	4,338.9	4,556.0	4,955.6	5,501.8	8.2%	98.7%	5,678.4	6,592.9	7,294.7	9.9%	98.8%
Foreign governments and international organisations	1.2	1.3	1.2	1.2	-2.1%	-	3.0	3.2	3.3	41.5%	-
Households	4,337.6	4,554.8	4,954.5	5,500.6	8.2%	98.6%	5,675.4	6,589.8	7,291.4	9.8%	98.7%
Payments for financial assets	-	0.0	-	-	-	-	-	-	-	-	-
Total	4,400.2	4,618.1	5,020.1	5,574.5	8.2%	100.0%	5,755.1	6,673.9	7,378.6	9.8%	100.0%

Table 8.18 Civil and Military Pensions, Contributions to Funds and Other Benefits expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome				Adjusted appropriation	Average growth rate (%)	Average: Expenditure/Total (%)	Medium-term expenditure estimate			Average: Expenditure/Total (%)	
	2016/17	2017/18	2018/19	2019/20				2020/21	2021/22	2022/23		2019/20 - 2022/23
R million	4,337.6	4,554.7	4,954.4	5,500.6	18.2%	8.2%	98.6%	5,675.3	6,589.7	7,291.4	9.8%	98.7%
Proportion of total programme expenditure to vote expenditure	15.6%	11.7%	17.6%	18.2%		4.7%	–	0.4	0.4	0.4	5.3%	–
Details of transfers and subsidies												
Households												
Social benefits												
Current	4,337.6	4,554.7	4,954.4	5,500.6	18.2%	8.2%	98.6%	5,675.3	6,589.7	7,291.4	9.8%	98.7%
Contribution to provident funds for associated institutions	0.3	0.2	0.2	0.4		4.7%	–	0.4	0.4	0.4	5.3%	–
Other benefits	92.8	87.8	96.9	104.1		3.9%	1.9%	109.8	115.9	121.4	5.3%	1.8%
Injury on duty	563.5	599.0	640.5	688.8		6.9%	12.7%	726.7	766.7	803.2	5.3%	11.8%
Post-retirement medical scheme	2,133.5	2,458.8	2,796.1	3,171.6		14.1%	53.8%	3,868.6	4,798.4	5,418.6	19.5%	68.0%
Special pensions	447.8	460.0	468.6	478.2		2.2%	9.5%	480.0	506.4	530.5	3.5%	7.9%
Political Office Bearers Pension Fund	–	–	–	53.2		–	0.3%	50.0	50.4	52.8	-0.3%	0.8%
Pension benefits: President of South Africa	7.7	7.4	10.8	10.8		11.7%	0.2%	14.3	15.1	15.8	13.6%	0.2%
Military pensions: Ex-servicemen	2.3	1.8	1.4	1.1		-21.5%	–	2.6	2.7	2.9	37.5%	–
South African citizen force	175.5	191.0	191.1	199.3		4.3%	3.9%	217.1	229.1	240.0	6.4%	3.5%
Other benefits: Ex-servicemen	12.3	11.5	8.7	11.3		-2.7%	0.2%	19.9	21.0	22.0	24.8%	0.3%
Non-statutory forces	899.6	737.3	737.3	778.6		-4.7%	16.1%	102.4	–	–	-100.0%	3.5%
Early retirement costs: Government Pensions Administration Agency	–	–	–	–		–	–	80.0	80.0	80.0	–	0.9%
Post-retirement medical scheme: Parliamentary staff	2.4	–	2.9	3.2		10.0%	–	3.5	3.7	3.9	6.7%	0.1%

PART C: MEASURING OUR PERFORMANCE

Table 8.18 Civil and Military Pensions, Contributions to Funds and Other Benefits expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)	Average: Expenditure/Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/Total (%)
	2016/17	2017/18	2018/19				2019/20	2020/21	2021/22		
R million											
Foreign governments and international organisations											
Current	1.2	1.3	1.2	1.2	-2.1%	-	3.0	3.2	3.3	41.5%	-
United Kingdom tax	1.2	1.3	1.2	1.2	-2.1%	-	3.0	3.2	3.3	41.5%	-

PART C: MEASURING OUR PERFORMANCE

12. KEY RISKS

OUTCOME	KEY RISKS	RISK MITIGATION
Sustainable public finances	Inability to raise funds as per Funding Strategy	<ul style="list-style-type: none"> Fixed rate bond auctions are to be raised on a semi-contractual basis; as such a relatively big portion of the funding is certain: <ul style="list-style-type: none"> Ensure a conducive borrowing environment through a transparent budget system Holding cash buffers Regular communication with key various stakeholder such as rating agencies Regular communication with SOCs Strong sentiment towards emerging market debt from developed market investors. Strengthen robust coordination with SOCs on their borrowing Utilisation of temporary recovery site at 40 Church square and Centurion during power interruptions. Engagement with investors through road shows to better understand of investors requirements and behavior.
	Increase in cost of borrowing	<ul style="list-style-type: none"> Issuance across the fixed rate bond yield curve. Flexibility to alter the funding split and issue an increasing proportion of inflation linked bonds subject to demand considerations.
	Sovereign rating risk	<ul style="list-style-type: none"> Frequent and strategic engagements with the rating agencies Monitor the risk exposures and timely advise stakeholders.
	Non credible government budgets	<ul style="list-style-type: none"> Uniform budget and reporting formats prescribed Benchmark exercises conducted. Capacity building interventions conducted Enhancing staff capacitation on providing advice and clarify scope of advice to be provided telephonically, by email and in writing Annual budget verification of adopted budget figures based on a 7 year window period for local government. Budgeting guidelines issued to provinces and local government. Compliance checklist. Continuous interactions with municipalities to assist in budget preparation and implementation through the benchmark exercise and the mid-year review processes.
	Municipalities not budgeting, transacting or reporting in/or from core financial system and therefore municipal data is not a single version of the truth	<ul style="list-style-type: none"> Vendor engagements (live demos) to determine if modules on core financial system are functional Develop tools to assess the use of the mSCOA chart by municipalities Roll-out training on budgeting and transacting in mSCOA and change management Conduct independent systems audit on all municipal core systems
	Inequity in allocation of resources	<ul style="list-style-type: none"> Analysis and improvement of formulas as and when the need arises Regular interaction with relevant stakeholders to understand service delivery needs of provinces and local government outside Intergovernmental Forums Annotated Agenda to inform the Minister of key issues to be raised at forums Strengthen participation in national budget process particularly through the Division of Revenue submission Evidence based analysis Utilisation of data verification tools. Use of official data (as defined by Stats SA) as far as possible to inform allocations Restricted use of official data Introduced sign off rules in Division of Revenue Act Linking other databases with NT database for additional cross checks Local Government Infrastructure Framework Use of central DORA email point to ensure version control." "Internal skilling through training and sourcing external expertise Regular interaction with stakeholders to upskill them on the Local and Provincial Government Fiscal Frameworks.

PART C: MEASURING OUR PERFORMANCE

OUTCOME	KEY RISKS	RISK MITIGATION
Sustainable public finances	Lack of common urban economic development	<ul style="list-style-type: none"> Formulate Urban Networks Strategy and provide as a tool to do spatial targeting that will improve the integration across spheres of government and sectors <ul style="list-style-type: none"> Built environment performance plans as a tool to integrate investment programmes in metros Engagements with stakeholders.
Coherent economic policy advocated	No regional and international cooperation with protectionist and/or nationalistic policies followed by regional and global partners	<ul style="list-style-type: none"> Frequent strategic engagement with regional and global stakeholders conducted Frequent and strategic engagement with inter-governmental partners
Sound financial controls and management of public finances	Development of policies and regulatory frameworks	<ul style="list-style-type: none"> Consult with various forums including but not limited to CFO, Cabinet, NEDLAC, inter-ministerial, TCF to ensure participation to and buy-in into the development of policies and operational standards Facilitate SCM training through NSG
	Inability to develop and implement SCM reform	<ul style="list-style-type: none"> Conduct Gap Analysis on IFMS and G-Commerce
	Improper approval of deviation	<ul style="list-style-type: none"> Ensure PFMA, MFMA and Treasury Regulation compliance by issuing Instruction Notes dealing with variations of contract and departures from open competitive bidding processes
	SCM fraud and corruption	<ul style="list-style-type: none"> Exercise due diligence and conduct regular audits <ul style="list-style-type: none"> Specification Policy Committee, Evaluation Committee and Bid adjudication Committee in place Vetting of officials and contractors Declaration of interest signed by employees and members of the Committees System enhanced to electronic bidding process" Enforce adherence to terms and conditions of bidding by; <ul style="list-style-type: none"> Training of Suppliers Bid Briefing Sessions Online Assistance to bidders Telephonic Assistance to bidders Electronic Bidding System in place
	NT Organisation not optimised for effective, efficient and economical service delivery	<ul style="list-style-type: none"> Optimise the organisational plan implemented Corporate services strengthened Financial controls enforced Planning and monitoring strengthened Increase risk management maturity level Enhanced ICT support services Ensure governance and compliance Resources made available for Capacity Building and fully utilised for building

PART C: MEASURING OUR PERFORMANCE

13. PUBLIC ENTITIES

Name of Public Entity	Mandate	Outcomes	Current Annual Budget
Accounting Standards Board (ASB)	To develop uniform standards of Generally Recognised Accounting Practice (GRAP) for all spheres of government in terms of Section 216(1)(a) of the Constitution and the Public Finance Management Act, 1999 (Act No. 1 of 1999), as amended.	<ul style="list-style-type: none"> • Education, skills and health • A capable, ethical and developmental State • A better Africa and world 	R14.690 million
Co-operative Banks Development Agency (CBDA)	To create a strong and vibrant cooperative banking sector.	<ul style="list-style-type: none"> • Economic transformation and job creation • A capable, ethical and developmental State • A better Africa and world 	R22.795 million
Development Bank of Southern Africa (DBSA)	Promote economic development and growth, human resource development and institutional capacity building in South Africa and the wider African continent.	<ul style="list-style-type: none"> • Economic transformation and job creation • Education, skills and health • A better Africa and world 	R6.550 billion
Financial and Fiscal Commission (FFC)	To make recommendations to Parliament, provincial legislatures, organized local government and other organs of state on financial and fiscal matters as envisaged in the Constitution and other national legislation. Financial and Fiscal Commission Act No. 99 of 1997 as amended	<ul style="list-style-type: none"> • Economic transformation and job creation • A better Africa and world • Building a capable, ethical and developmental state • Education, skills and health 	R54.426 million
Financial Intelligence Centre (FIC)	To identify the proceeds of crime, combat money laundering and terror financing.	<ul style="list-style-type: none"> • Social cohesion and safe communities • A better Africa and world • Building a capable, ethical and developmental State 	R311.497 million
Financial Sector Conduct Authority (FSCA)	To enhance the efficiency and integrity of financial markets; promote fair customer treatment by financial institutions; provide financial education and promote financial literacy; and assist in maintaining financial stability	<ul style="list-style-type: none"> • Economic transformation and job creation • Building a capable, ethical and developmental State 	R829.284 million

PART C: MEASURING OUR PERFORMANCE

Name of Public Entity	Mandate	Outcomes	Current Annual Budget
Government Pensions Administration Agency (GPAA)	Responsible for administering pensions on behalf of GEPF in terms of the Government Employees Pension (GEP) Law of 1996 on behalf of GEPF's Board of Trustees.	<ul style="list-style-type: none"> Building a capable, ethical and developmental state 	R1.036 billion
Government Technical Advisory Centre (GTAC)	To assist organs of state build their capacity for efficient, effective and transparent financial management.	<ul style="list-style-type: none"> Economic transformation and job creation, Education, skills and health A better Africa and world Spatial integration, human settlements and local government Building a capable, ethical and developmental State 	R381.366 million
Independent Regulatory Board for Auditors (IRBA)	To protect the sections of the public that rely on the services of registered auditors, and to provide support to registered auditors. It is required to ensure that only suitably qualified individuals are admitted to the auditing profession, and that registered auditors deliver services of the highest quality and adhere to the highest ethical standards.	<ul style="list-style-type: none"> Building a capable, ethical and developmental State Economic transformation and job creation Education, skills and health 	R142.157 million

PART C: MEASURING OUR PERFORMANCE

Name of Public Entity	Mandate	Outcomes	Current Annual Budget
Land and Agricultural Development Bank of South Africa (Land Bank)	Provide finance for emerging farmers in pursuit of the equitable ownership of land, agrarian reform and land distribution. Remove the legacy of past racial and gender discrimination. Promote food security and support commercial agriculture.	<ul style="list-style-type: none"> Economic transformation and job creation. Education, skills and health. Building a capable, ethical and developmental State. 	R4.811 billion
Office of the Ombud for Financial Services Providers (FAIS Ombud)	To resolve complaints in an economical, informal and expeditious manner flows from Section 20 of the FAIS Act. A further mandate is derived from the Financial Services Ombud Schemes Act, 2004 (Act No. 37 of 2004).	<ul style="list-style-type: none"> Economic transformation and job creation. A better Africa and world. Building a capable, ethical and developmental state. Education, skills and health. 	R58.127 million
Office of the Pension Funds Adjudicator (OPFA)	To ensure a procedurally fair, economical and expeditious resolution of complaints in terms of the Act by: ensuring that its services are accessible to all; investigating complaints in a procedurally fair manner; reaching a just and expeditious resolution of complaints in accordance with the law; being innovative and proactive in thought and in action; and supporting, encouraging and providing opportunities for individual growth.	<ul style="list-style-type: none"> Economic transformation and job creation. Education, Skills and health. A better Africa and world. 	R70.351 million
Office of the Tax Ombud (OTO)	To review and address any complaint by a taxpayer regarding a service matter, or a procedural or administrative matter arising from the application of the provisions of a Tax Act by SARS; and review, at the request of the Minister or at the initiative of the Tax Ombud with the approval of the Minister, any systematic and emerging issues related to a service matter or the application of the provisions of this Act or procedural or administrative provisions of a tax Act.	<ul style="list-style-type: none"> Building a capable, ethical and developmental State. A better Africa and world. Economic transformation and job creation. 	R40.308 million

PART C: MEASURING OUR PERFORMANCE

Name of Public Entity	Mandate	Outcomes	Current Annual Budget
Public Investment Corporation (PIC)	South African state-owned asset management company that manages assets for clients, all of which are public sector entities.	<ul style="list-style-type: none"> Economic transformation and job creation. Education, skills and health. A better Africa and world. 	R1.322 billion
South African Revenue Service (SARS)	To collect all revenue due to the state and to support government in meeting its key growth and developmental objectives by facilitating legitimate trade, protecting South African ports of entry and eliminating illegal trade and tax evasion.	<ul style="list-style-type: none"> Building a capable, ethical and developmental State. A better Africa and world. Economic transformation and job creation. 	R11.201 billion
South African Special Risks Insurance Association (SASRIA)	To offer insurance to all individuals and businesses that own assets in South Africa, as well as government entities, against special risks that may lead to the loss of, or damage to, their assets caused by events related to, or following, civil commotion, public disorder, strikes, riots and terrorism, all of which have the potential for catastrophic financial loss. We are also mandated to research and investigate coverage for any special threat considered to be of national interest.	<ul style="list-style-type: none"> Economic transformation and job creation. Building a capable, ethical and developmental State. Spatial integration, human settlements and local government. 	R2.464 billion

PART C: MEASURING OUR PERFORMANCE

14. INFRASTRUCTURE PROJECTS

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

15. PUBLIC PRIVATE PARTNERSHIPS

The department provides advisory services to municipal, provincial and national departments in terms of public private partnerships. The department does not have any public private partnerships.

16. ENDNOTES

APPLICABLE TO ALL PROGRAMMES

The department has developed new indicators or revised its indicators and/or targets to ensure compliance with the revised framework for Strategic Plans and Annual Performance Plan. Please refer to these endnotes for information.

- No historical information.

N/A – No target set for the period.

UPDATED

ANNUAL PERFORMANCE

PLAN

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NATIONAL TREASURY

2020/21

**PART D:
TECHNICAL
INDICATOR
DESCRIPTIONS**

PART D: TECHNICAL INDICATOR DESCRIPTIONS

PROGRAMME 1

Output Indicator no 1.1.1	
Indicator Title	Percentage of ICT service delivery standards met
Definition	This indicator measures the delivery against the service level agreements
Source of data	Service Level Agreement reports
Method of Calculation / Assessment	$\frac{\text{Number of ICT Service Level Agreement standards met} + \text{ICT Environment Infrastructure standards met}}{\text{Total number of ICT standards}} \times 100$
Means of verification	Progress report that records actual performance against planned performance.
Assumptions	Service level agreements finalised with the divisions
Disaggregation of Beneficiaries (where applicable)	Target for Women: N/A Target for Youth: N/A Target for People with Disabilities: N/A
Spatial Transformation (where applicable)	Reflect on contribution to spatial transformation priorities: N/A Reflect on the spatial impact area: N/A
Calculation Type	Non-cumulative
Reporting Cycle	Quarterly
Desired performance	90% of ICT service delivery standards met.
Indicator responsibility	Chief Director: Information & Communication Technology

Output Indicator no 1.1.2	
Indicator Title	Audit Opinion obtained
Definition	This an opinion expressed by the external auditors on the financial statements of the departments at financial year-end and the reported performance information that financial year.
Source of data	Audited Annual Report
Method of Calculation / Assessment	<ol style="list-style-type: none"> The opinion expressed by the external auditors on the financial statements and the reported performance information is unqualified. Calculate the percentage reduction: $\frac{\text{No.of findings in the previous financial year} - \text{No.of findings in current financial year}}{\text{No.of findings in the previous financial year}} \times 100$
Means of verification	Audited Annual Report
Assumptions	The department's financial statements and non-financial performance will be audited
Disaggregation of Beneficiaries (where applicable)	Target for Women: N/A Target for Youth: N/A Target for People with Disabilities: N/A
Spatial Transformation (where applicable)	Reflect on contribution to spatial transformation priorities: N/A Reflect on the spatial impact area: N/A
Calculation Type	Non-cumulative
Reporting Cycle	Annual
Desired performance	Unqualified with 25% fewer findings than 2019/20
Indicator responsibility	Chief Director: Financial Management (Chief Financial Officer) Chief Director: Strategic Planning, Monitoring & Evaluation

PART D: TECHNICAL INDICATOR DESCRIPTION

Output Indicator no 1.1.3	
Indicator Title	Risk Management Maturity Assessment level achieved
Definition	This indicator refers to a risk management maturity assessment monitored by Strategic Planning, Monitoring & Evaluation and audited by Internal Audit unit
Source of data	Risk Management Maturity Assessment level report
Method of Calculation / Assessment	Check Risk Management Maturity Assessment report that records actual performance against planned performance
Means of verification	Risk Management Maturity Assessment report that records actual performance against planned performance
Assumptions	That the Risk Management Maturity Assessment will be conducted by the department
Disaggregation of Beneficiaries (where applicable)	Target for Women: N/A Target for Youth: N/A Target for People with Disabilities: N/A
Spatial Transformation (where applicable)	Reflect on contribution to spatial transformation priorities: N/A Reflect on the spatial impact area: N/A
Calculation Type	Non-cumulative
Reporting Cycle	Annual
Desired performance	Achieve level 3 in Risk Management Maturity Assessment
Indicator responsibility	Chief Risk Officer

Output Indicator no 1.1.4	
Indicator Title	Percentage spend of training and development budget
Definition	This indicator measures the expenditure on training and development against the budgeted amount in a financial year
Source of data	Audited Financial Statements
Method of Calculation / Assessment	$\frac{\text{Training and development spend}}{\text{Training and development budget}} \times 100$
Means of verification	Audited Financial Statements
Assumptions	The department will budget for training and development
Disaggregation of Beneficiaries (where applicable)	Target for Women: N/A Target for Youth: N/A Target for People with Disabilities: N/A
Spatial Transformation (where applicable)	Reflect on contribution to spatial transformation priorities: N/A Reflect on the spatial impact area: N/A
Calculation Type	Non-cumulative
Reporting Cycle	Quarterly
Desired performance	25% of the budgeted amount on training and development spent
Indicator responsibility	Chief Director: Human Resource Management

PART D: TECHNICAL INDICATOR DESCRIPTION

PROGRAMME 2

Output Indicator no 2.1.1	
Indicator Title	Number of papers published through the SA-TIED programme
Definition	Research papers published through original research conceived and produced in collaboration between United Nations University World Institute for Development Economics Research (UNU-WIDER), National Treasury and the International Food Policy Research Institute (IFPRI)
Source of data	Research in the six thematic work streams that have been identified under SA-TIED: enterprise development for job creation and growth; public revenue mobilization for inclusive development; macroeconomic modelling for policy formulation; turning the tide on inequality; climate change and energy transition as drivers of change; and regional growth for Southern Africa's prosperity.
Method of Calculation / Assessment	Simple count of papers published through the SA-TIED programme.
Means of verification	Research papers published on the SA-TIED website.
Assumptions	That the partnership between NT and SA-TIED is maintained.
Disaggregation of Beneficiaries (where applicable)	Target for Women: N/A Target for Youth: N/A Target for People with Disabilities: N/A
Spatial Transformation (where applicable)	Reflect on contribution to spatial transformation priorities: N/A Reflect on the spatial impact area: N/A
Calculation Type	Non-cumulative.
Reporting Cycle	Quarterly.
Desired performance	Publish 50 papers through the (SA-TIED) programme.
Indicator responsibility	DDG: Economic Policy.

Output Indicator no 2.1.2	
Indicator Title	Financial sector legislation drafted
Definition	Draft financial sector legislation, regulation and standards in relation to the regulatory framework and supporting legislation. The objective is to make the financial sector safer and to treat customers more fairly and better, and to be more inclusive and have integrity. Legislation includes: Financial Sector Regulation Act Financial Markets Act Banks Act Mutual Banks Act Cooperative Banks Act Pension Funds Act Insurance Act Conduct of Financial Institutions Bill Currency and Exchange Act South African Reserve Bank Act Financial Advisory and Intermediary Services Act Collective Investment Schemes Control Act Other relevant legislation that may affect the financial sector, e.g. the Insolvency Act or the Companies Act. Regulations and standards are issued in terms of these and other Acts.

PART D: TECHNICAL INDICATOR DESCRIPTION

Source of data	Financial sector legislation submitted to Executive for approval.
Method of Calculation / Assessment	Check Financial Legislation memo submitted to Executive for approval.
Means of verification	Financial legislation memo submitted to Executive for approval
Assumptions	That the public comment process is completed as planned That the Executive approves the legislation for submission to Parliament
Disaggregation of Beneficiaries (where applicable)	Target for Women: N/A Target for Youth: N/A Target for People with Disabilities: N/A
Spatial Transformation (where applicable)	Reflect on contribution to spatial transformation priorities: N/A Reflect on the spatial impact area: N/A
Calculation Type	Non-cumulative
Reporting Cycle	Annually
Desired performance	Financial sector legislation drafted.
Indicator responsibility	DDG: Tax and Financial Sector Policy

Output Indicator no 2.1.3

Indicator Title	Legislation to give effect to tax proposals from the Budget drafted
Definition	Tax legislation refers to Rates and Monetary Amounts Amendment Bill and Taxation Laws Amendment Bill to enable proposals from the budget review and speech to be implemented by the State.
Source of data	Legislation approved by Executive. Parliamentary papers, Announcement, Tablings and Committees (ATC) documents
Method of Calculation / Assessment	Check Parliamentary papers, Announcement, Tablings and Committees (ATC) documents if legislation was drafted
Means of verification	Parliamentary papers, Announcement, Tablings and Committees (ATC) documents
Assumptions	That the Standing Committees place the legislation on the agenda That the executive approves the legislation
Disaggregation of Beneficiaries (where applicable)	Target for Women: N/A Target for Youth: N/A Target for People with Disabilities: N/A
Spatial Transformation (where applicable)	Reflect on contribution to spatial transformation priorities: N/A Reflect on the spatial impact area: N/A
Calculation Type	Non-cumulative.
Reporting Cycle	Quarterly.
Desired performance	Tax legislation submitted for tabling in Parliament.
Indicator responsibility	DDG: Tax and Financial Sector Policy

PART D: TECHNICAL INDICATOR DESCRIPTION

Output Indicator no 2.1.4	
Indicator Title	Number of economic forecasts developed
Definition	Build high quality macroeconomic forecasts
Source of data	Developed quarterly economic forecasts.
Method of Calculation / Assessment	Simple count of economic forecasts developed.
Means of verification	Quarterly economic forecasts approved by DDG: Economic Policy.
Assumptions	Sufficient resources skilled in using scenario modelling tools.
Disaggregation of Beneficiaries (where applicable)	Target for Women: N/A Target for Youth: N/A Target for People with Disabilities: N/A
Spatial Transformation (where applicable)	Reflect on contribution to spatial transformation priorities: N/A Reflect on the spatial impact area: N/A
Calculation Type	Cumulative (year-end)
Reporting Cycle	Quarterly.
Desired performance	4 economic forecasts developed.
Indicator responsibility	DDG: Economic Policy.

Output Indicator no 2.1.5	
Indicator Title	Percentage completion of macroeconomic framework review according to approved project plan
Definition	Macroeconomic policy framework reviewed to according to approved project plan
Source of data	Reports on the completion of the project plan
Method of Calculation / Assessment	$\frac{\text{deliverables completed}}{\text{deliverables planned as per the approved project plan}} \times 100$
Means of verification	Reports on the completion of the project plan
Assumptions	That the project plan is approved That there are sufficient resources available to conduct the review
Disaggregation of Beneficiaries (where applicable)	Target for Women: N/A Target for Youth: N/A Target for People with Disabilities: N/A
Spatial Transformation (where applicable)	Reflect on contribution to spatial transformation priorities: N/A Reflect on the spatial impact area: N/A
Calculation Type	Non-cumulative
Reporting Cycle	Quarterly
Desired performance	100% completion of macroeconomic framework review project plan
Indicator responsibility	DDG: Economic Policy

PART D: TECHNICAL INDICATOR DESCRIPTION

PROGRAMME 3

Output Indicator no 3.1.1	
Indicator title	Published budget legislation and documentation
Short definition	This is the tabling of budget legislation and accompanying explanatory memoranda in Parliament, and availing them as publications.
Source/collection of data	Parliamentary administrative records and National Treasury internet postings.
Method of calculation / Assessment	Check - Appropriation Bill published on the National Treasury's website in February. Check - Budget Review document published on the National Treasury's website in February. Check - Estimates of National Expenditure document published on the National Treasury's website in February. Check - Adjustments Appropriation Bill published on the National Treasury's website in October. Check- Medium Term Budget Policy Statement document published on the National Treasury's website in October. Check - Adjusted Estimates of National Expenditure document published on the National Treasury's website in October.
Means of verification	Documents published on the National Treasury website
Assumptions	National Treasury website is available.
Disaggregation of Beneficiaries (where applicable)	Target for Women: N/A Target for Youth: N/A Target for People with Disabilities: N/A
Spatial Transformation (where applicable)	Reflect on contribution to spatial transformation priorities: N/A Reflect on the spatial impact area: N/A
Calculation type	Non-cumulative.
Reporting cycle	Bi-Annually.
Desired performance	Publication of Appropriation Bill, ENE and Budget Review in February, and Adjustments Appropriation Bill, AENE and MTBPS in October.
Indicator responsibility	National Treasury: Budget Office: Deputy Director-General.

Output Indicator no 3.1.2	
Indicator Title	Number of Division of Revenue and Division of Revenue Amendment Bills published annually
Definition	The Division of Revenue Bill and Division of Revenue Amendment Bill are bills tabled in Parliament by the Minister of Finance to determine and adjust budget allocations to provinces and municipalities.
Source of data	Parliament's Announcements Tablings Committees (ATC) document records all bills tabled.
Method of Calculation / Assessment	Simple count of Division of Revenue Bill and Division of Revenue Amendment Bill reflected in the ATC as being tabled each financial year.
Means of verification	Published Division of Revenue Bill and Division of Revenue Amendment Bill
Assumptions	Bills tabled by Minister in Parliament
Disaggregation of Beneficiaries (where applicable)	Target for Women: N/A Target for Youth: N/A Target for People with Disabilities: N/A
Spatial Transformation (where applicable)	Reflect on contribution to spatial transformation priorities: N/A Reflect on the spatial impact area: N/A
Calculation Type	Cumulative (year-end).
Reporting Cycle	Bi-Annually.
Desired performance	1 Division of Revenue Bill and 1 Division of Revenue Amendment Bill published annually.
Indicator responsibility	Chief Director: Intergovernmental Policy and Planning.

PART D: TECHNICAL INDICATOR DESCRIPTION

Output Indicator no 3.1.3	
Indicator Title	Number of reforms introduced to enhance provincial and local government fiscal frameworks
Definition	Changes to the structure of the financing of provinces and local government. This can include changes to the way equitable share allocations are calculated or changes to conditional grant allocation mechanisms or rules or the introduction of new grants or dissolution of grants. It can also include changes to existing instruments/sources or the introduction of additional own revenue instruments/sources to provinces or local government.
Source of data	Explanatory Memorandum to the Division of Revenue Bill (published on the National Treasury website as Annexure W1 to the Budget Review).
Method of Calculation / Assessment	Simple count of reforms approved for implementation each financial year.
Means of verification	Reforms reflected in the Division of Revenue Bill and Municipal Fiscal Powers and Functions Amendment Bill.
Assumptions	This indicator requires interpretation of changes to provincial or local government grants to be described in the Explanatory Memorandum to the Division of Revenue Bill and changes to existing instruments/sources or the introduction of additional municipal own revenue instruments to be legislated through the Municipal Fiscal Powers and Functions Act
Disaggregation of Beneficiaries (where applicable)	Target for Women: N/A Target for Youth: N/A Target for People with Disabilities: N/A
Spatial Transformation (where applicable)	Reflect on contribution to spatial transformation priorities: N/A Reflect on the spatial impact area: N/A
Calculation Type	Non-cumulative.
Reporting Cycle	Annually.
Desired performance	3 reforms introduced to enhance provincial and local government fiscal frameworks.
Indicator responsibility	Chief Director: Intergovernmental Policy and Planning.

Output Indicator no 3.1.4	
Indicator Title	Number of capital investment framework (BEPP) assessment reports produced
Definition	This indicator measures the Capital investment framework (BEPPs) formulated and approved by the metros and submitted to National Treasury as per the DoRA requirements. National Treasury undertakes an assessment and produces an assessment report.
Source of data	Assessment reports of capital investment framework (BEPPs) assessed.
Method of Calculation / Assessment	Simple count of assessment reports of BEPPs assessed part of the mid-year budget and BEPP process
Means of verification	6 Assessment reports.
Assumptions	6 metropolitan municipalities submit their capital investment frameworks (BEPPs) as per DORA requirements
Disaggregation of Beneficiaries (where applicable)	Target for Women: N/A Target for Youth: N/A Target for People with Disabilities: N/A
Spatial Transformation (where applicable)	Reflect on contribution to spatial transformation priorities: N/A Reflect on the spatial impact area: N/A
Calculation Type	Non-cumulative.
Reporting Cycle	Annually.
Desired performance	6 capital investment framework (BEPP) assessment reports produced.

PART D: TECHNICAL INDICATOR DESCRIPTION

Indicator responsibility	Chief Director: Provincial and Local Government Infrastructure.
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Output Indicator no 3.1.5

Indicator Title	Number of Infrastructure plans assessment reports produced
Definition	The indicator measures the ability of provincial departments to improve their infrastructure planning and the institutionalisation of the infrastructure delivery management system (IDMS).
Source of data	Assessment documents of the user asset management plans and infrastructure programme management plans.
Method of Calculation / Assessment	Simple count of Infrastructure plans assessment reports produced.
Means of verification	Infrastructure plans assessment reports produced.
Assumptions	Timeous submission by provincial departments
Disaggregation of Beneficiaries (where applicable)	Target for Women: N/A Target for Youth: N/A Target for People with Disabilities: N/A
Spatial Transformation (where applicable)	Reflect on contribution to spatial transformation priorities: N/A Reflect on the spatial impact area: N/A
Calculation Type	Non-cumulative.
Reporting Cycle	Annually.
Desired performance	A total of 36 Infrastructure plans assessed (18 user asset management plans and 18 infrastructure programme management plans) to ensure that there is an improvement in planning by provincial departments (health and education) implementing infrastructure programmes and projects.
Indicator responsibility	Chief Director: Provincial and Local Government Infrastructure.

Output Indicator no 3.1.6

Indicator Title	Number of catalytic projects approved in spatially targeted areas within metropolitan cities, secondary cities and rural towns
Definition	<p>Catalytic projects are identified within spatially targeted areas as part of the investment planning and preparation resulting with a list of projects ready for implementation. A catalytic project can be a single municipal project or a component thereof identified by having a name, scope, completion date, and cost estimates. Projects from the list are given “permission to proceed with implementation planning” as a result are regarded as approved.</p> <p>The purpose of approving catalytic projects are to:</p> <ul style="list-style-type: none"> Link a municipality’s development objectives and strategic planning processes to physical projects on the ground. Target investment and development within strategically well-located areas to ensure value for money and to optimise impact. Sequence the delivery and budgeting of identified and prioritised projects at the precinct level. Ensure that the projects contribute as a catalytic investment to achieve a return of investment at third party leverage at the precinct level. Improve the quality of life and the levels of access to opportunity for residents in South Africa’s under-served neighbourhoods.
Source of data	Permission to Proceed with Planning (Project Approval Correspondence to municipalities)
Method of Calculation / Assessment	Simple count of the approved catalytic projects.
Means of verification	Catalytic Projects approved.

PART D: TECHNICAL INDICATOR DESCRIPTION

Output Indicator no 3.1.6	
Assumptions	Municipalities to drive implementation of the Investment plan and the associated intergovernmental project pipeline. Municipalities organise themselves to better engage with the private sector and to improve public sector investment coordination to better attract private sector investments
Disaggregation of Beneficiaries (where applicable)	Target for Women: N/A Target for Youth: N/A Target for People with Disabilities: N/A
Spatial Transformation (where applicable)	Diverse land uses introduced into spatially targeted areas.
Calculation Type	Cumulative (year-end).
Reporting Cycle	Quarterly.
Desired performance	20 catalytic projects approved.
Indicator responsibility	Chief Director: Neighbourhood Development Programme

Output Indicator no 3.1.7	
Indicator Title	Number of quarterly financial reports published
Definition	Quarterly financial reports are published on the National Treasury website to comply with section 32 of the PFMA and Section 71 of the MFMA and Section 10 of DoRA. Summary of financial and conditional grant performance for all provinces.
Source of data	PFMA: Nine electronic submissions in Excel format (IYM Model) from provincial treasuries to CD: PBA. Currently submitted via email, validated and stored on network drive (K drive) at NT. MFMA & DORA: Expenditure reports submitted by Transferring Officers in terms of municipal grant transfers and section 71 monthly and quarterly expenditure reports submitted by municipalities via the Local Government Database and Reporting System (LGDRS), validated and stored on network drive (K drive) at NT.
Method of Calculation / Assessment	Simple count of quarterly financial reports published.
Means of verification	Quarterly financial reports published.
Assumptions	Timeous submission and accuracy of information submitted by municipalities and TNOs.
Disaggregation of Beneficiaries (where applicable)	Target for Women: N/A Target for Youth: N/A Target for People with Disabilities: N/A
Spatial Transformation (where applicable)	Reflect on contribution to spatial transformation priorities: N/A Reflect on the spatial impact area: N/A
Calculation Type	Cumulative (year-end).
Reporting Cycle	Quarterly.
Desired performance	8 quarterly financial reports published.
Indicator responsibility	Chief Director: Provincial Budget Analysis. Chief Director: Local Government Budget Analysis.

PART D: TECHNICAL INDICATOR DESCRIPTION

Output Indicator no 3.1.8	
Indicator Title	Percentage of requests to draft financial recovery plans responded to within 90 days of receipt
Definition	Assist with the preparation of a financial recovery plan when a complete request is received.
Source of data	Tracking register of municipalities submitting a complete request and municipalities assisted with the preparation of the financial recovery plans.
Method of Calculation / Assessment	$\frac{\text{Number of complete requests responded to within 90 days of receipt}}{\text{Total number of complete requests received}} \times 100$
Means of verification	Financial recovery plans produced
Assumptions	Timely submission of relevant information by municipalities to commence with the preparation of the financial recovery plans.
Disaggregation of Beneficiaries (where applicable)	Target for Women: N/A Target for Youth: N/A Target for People with Disabilities: N/A
Spatial Transformation (where applicable)	Reflect on contribution to spatial transformation priorities: N/A Reflect on the spatial impact area: N/A
Calculation Type	Non-cumulative.
Reporting Cycle	Quarterly.
Desired performance	100% of complete requests to draft financial recovery plans responded to within 90 days of receipt.
Indicator responsibility	Chief Directorate: Local Government Budget Analysis

Output Indicator no 3.1.9	
Indicator title	Percentage of Cabinet memos commented on
Short definition	Analysis of the implementation of financial management and policy developments, challenges and trends in sectors and how these affect expenditure.
Source/collection of data	Comments made on Cabinet memos.
Method of calculation / Assessment	$\frac{\text{Number of Cabinet memo comments sent at least one day prior to the cabinet meeting}}{\text{Total number of Cabinet memos received}} \times 100$
Means of verification	Comments on cabinet memos.
Assumptions	Cabinet memos received on the day of cabinet will be measured as part of the next cabinet cycle.
Disaggregation of Beneficiaries (where applicable)	Target for Women: N/A Target for Youth: N/A Target for People with Disabilities: N/A
Spatial Transformation (where applicable)	Reflect on contribution to spatial transformation priorities: N/A Reflect on the spatial impact area: N/A
Calculation type	Non-cumulative.
Reporting cycle	Quarterly.
Desired performance	100% Cabinet memos commented on.
Indicator responsibility	Chief Directors: Public Finance.

PART D: TECHNICAL INDICATOR DESCRIPTION

Output Indicator no 3.1.10	
Indicator title	Number of quarterly expenditure reports submitted to the Standing Committee on Appropriations
Short definition	Provide the Standing Committee on Appropriation with high level summary of quarterly expenditure for all departments.
Source/collection of data	Quarterly expenditure reports with financial data extracted from Vulindlela.
Method of calculation	Simple count of reports submitted to the Standing Committee on Appropriations.
Means of verification	Reports submitted to the Standing Committee on Appropriations.
Assumptions	Information on Vulindlela is updated in line with departments' expenditure reports.
Disaggregation of Beneficiaries (where applicable)	Target for Women: N/A Target for Youth: N/A Target for People with Disabilities: N/A
Spatial Transformation (where applicable)	Reflect on contribution to spatial transformation priorities: N/A Reflect on the spatial impact area: N/A
Calculation type	Cumulative (year-end).
Reporting cycle	Quarterly.
Desired performance	4 quarterly expenditure reports submitted to the Standing Committee on Appropriations.
Indicator responsibility	Budget Analysts: Public Finance

Output Indicator no 3.1.11	
Indicator Title	Number of technical advisors placed at National Treasury, provincial treasuries and municipalities through the Municipal Finance Improvement Programme (MFIP)
Definition	The MFIP aims to assist and support all three spheres of government to effectively perform their responsibilities regarding local government financial management compliance, support, monitoring and oversight.
Source of data	Appointment letters of technical advisors. Advisor Bi-annual Performance Reports.
Method of Calculation / Assessment	Simple count of MFIP technical advisors placed or maintained at National Treasury, provincial treasuries and municipalities. This is a number of technical advisors placed/maintained in a financial year.
Means of verification	Appointment letters of technical advisors.
Assumptions	<ul style="list-style-type: none"> Minimal data limitation as this is compiled using adopted and agreed-upon provincial and municipal support plans which contain targets of achievement against identified outcomes. Timeous information submitted by provinces and municipalities
Disaggregation of Beneficiaries (where applicable)	Target for Women: N/A Target for Youth: N/A Target for People with Disabilities: N/A
Spatial Transformation (where applicable)	Reflect on contribution to spatial transformation priorities: N/A Reflect on the spatial impact area: N/A
Calculation Type	Non-cumulative.
Reporting Cycle	Annually.
Desired performance	70 technical advisors placed and maintained at National Treasury, provincial treasuries and municipalities through the Municipal Finance Improvement Programme (MFIP)
Indicator responsibility	Chief Director: MFIP III Programme Management Unit.

PART D: TECHNICAL INDICATOR DESCRIPTION

Output Indicator no 3.1.12	
Indicator title	Number of Jobs Fund projects approved (cumulative across the term of project)
Definition	Denotes the number of project applications approved by the Investment Committee per funding round from inception of the Fund to date.
Purpose/importance	To track the number of applications that have successfully met the Jobs Fund's competitive requirements and the extent to which the Jobs Fund is progressively meeting its strategic imperatives.
Source/collection of data	A list of the approved jobs fund projects or Investment Committee Minutes and decision records.
Method of calculation/ Assessment	Simple count of all the applications that have been approved at a sitting of the Investment Committee meeting.
Means of verification	Investment Committee Minutes and decision records.
Assumptions	<ul style="list-style-type: none"> • That sufficient quality applications are received. • That the Investment Committee sits. • That Investment Committee approves projects. • That matched funding is available
Disaggregation of Beneficiaries (where applicable)	Target for Women: N/A Target for Youth: N/A Target for People with Disabilities: N/A
Spatial Transformation (where applicable)	Reflect on contribution to spatial transformation priorities: N/A Reflect on the spatial impact area: N/A
Calculation type	Cumulative (from project inception to date).
Reporting cycle	Annually.
Desired performance	150 Jobs Fund projects approved (cumulative across the term of project).
Indicator responsibility	DDG: Employment Facilitation.

Output Indicator no 3.1.13	
Indicator title	Grant funding approved (cumulative across the term of project)
Short definition	Denotes the quantum (in Rand value terms) of: Grant funds that has been allocated (committed) for the implementation of approved portfolio projects.
Purpose/importance	Represents the amount of grant funds committed to approved projects relative to the total MTEF allocations for grant awarding by the Jobs Fund.
Source of data	Data is collected from Investment Committee Decision Records and meeting Minutes
Method of calculation/ Assessment	Simple count of the total approved grant amount to be used for the implementation of approved projects.
Means of verification	Investment Committee Minutes and decision records.
Assumptions	<ul style="list-style-type: none"> • That sufficient quality projects are submitted • That projects are approved. • That funding is available. • That matched funding is available.
Disaggregation of Beneficiaries (where applicable)	Target for Women: N/A Target for Youth: N/A Target for People with Disabilities: N/A
Spatial Transformation (where applicable)	Reflect on contribution to spatial transformation priorities: N/A Reflect on the spatial impact area: N/A
Calculation type	Cumulative (project inception to date).
Reporting cycle	Annually.
Desired performance	R 7 880m grant funding approved.
Indicator responsibility	DDG: Employment Facilitation.

PART D: TECHNICAL INDICATOR DESCRIPTION

Output Indicator no 3.1.14	
Indicator title	Matched funding committed (cumulative across the term of project)
Short definition	Denotes the quantum (in Rand value terms) of: <ul style="list-style-type: none"> Matched funding committed by Jobs Fund Partners.
Purpose/importance	Represents the matched funding committed to approved projects by the Jobs Fund Partners.
Source of data	Data is collected from Investment Committee Decision Records and meeting Minutes.
Method of calculation/ Assessment	Simple count of the: <ul style="list-style-type: none"> Total committed matched funding as reflected in Investment Committee Meeting Minutes and decision record.
Means of verification	Investment Committee Minutes and decision records.
Assumptions	<ul style="list-style-type: none"> That sufficient quality projects are submitted. That projects are approved. That matched funding is available.
Disaggregation of Beneficiaries (where applicable)	Target for Women: N/A Target for Youth: N/A Target for People with Disabilities: N/A
Spatial Transformation (where applicable)	Reflect on contribution to spatial transformation priorities: N/A Reflect on the spatial impact area: N/A
Calculation type	Cumulative (from project inception to date).
Reporting cycle	Annually.
Desired performance	R 7 880m matched funding committed (cumulative across the term of project).
Indicator responsibility	DDG: Employment Facilitation.

Output Indicator no 3.1.15	
Indicator title	New jobs contracted (cumulative across the term of project)
Short definition	Denotes the number of projected new permanent jobs that Jobs Fund Partners endeavour to facilitate over their contracted implementation lifecycle. "New" – A job that does not currently exist in an organisation which Jobs Fund Partners endeavour to realise as per their applications approved by the Investment Committee. "Permanent" – A permanent job refers to a job with an employment tenure of 12 months or more.
Purpose/importance	The facilitation of employment creation and inclusive growth. The Jobs Fund intends to catalyse innovative and new approaches to the creation of sustainable jobs. This indicator highlights the anticipated jobs which the Jobs Fund Partners endeavour to create over the projects' contracted life cycle, in terms of agreed-to activities and outputs.
Source of data	Signed grant agreements with Jobs Fund Partners.
Method of Calculation / Assessment	Simple count of new jobs contracted (Cumulative across the term of project).
Means of verification	Signed grant agreements with Jobs Fund Partners.
Assumptions	The data is accurate to the extent that projects have adequately projected the quantum of anticipated jobs to be created. These numbers can change post approval and in the course of implementation as the exact number of jobs to be realised cannot be predicted. These changes can be on account of several factors, which may include: Economic growth, sector challenges that hinder performance; availability of sufficient matched funding which may impact of the project size; exchange rate; project terminations; project withdrawals; lapsed approval offers; etc.
Disaggregation of Beneficiaries (where applicable)	Target for Women: N/A Target for Youth: N/A Target for People with Disabilities: N/A

PART D: TECHNICAL INDICATOR DESCRIPTION

Spatial Transformation (where applicable)	Reflect on contribution to spatial transformation priorities: N/A Reflect on the spatial impact area: N/A
Calculation type	Cumulative (from project inception to date).
Reporting cycle	Annually.
Desired performance	150,000 new jobs contracted (cumulative across the term of project).
Indicator responsibility	DDG: Employment Facilitation.

Output Indicator no 3.1.16

Indicator title	Number of placements contracted (cumulative across the term of project)
Short definition	Denotes the number of projected job placements (with and beyond project partners) that Jobs Fund Partners endeavour to facilitate over their contracted project life cycle.
Purpose/importance	The facilitation of employment creation and inclusive growth. The Jobs Fund intends to catalyse innovative and new approaches to the facilitation of sustainable jobs. This indicator highlights the anticipated placements which the Jobs Fund Partners endeavour to facilitate over the projects' contracted life cycle, in terms of agreed-to activities and outputs.
Source of data	As per signed grant agreements.
Method of Calculation / Assessment	Simple count of new placements contracted (Cumulative across the term of project).
Means of verification	Signed grant agreements with Jobs Fund Partners.
Assumptions	The data will be accurate to the extent that projects have adequately projected the quantum of anticipated job placements to be facilitated. These numbers can change post approval and in the course of implementation as the exact number of placements cannot be predicted. Changes to these numbers can be on account of several factors, which may include: Economic growth, sector challenges that hinder performance, availability of demand, project terminations, withdrawals, lapsed approval offers, etc.
Disaggregation of Beneficiaries (where applicable)	Target for Women: N/A Target for Youth: N/A Target for People with Disabilities: N/A
Spatial Transformation (where applicable)	Reflect on contribution to spatial transformation priorities: N/A Reflect on the spatial impact area: N/A
Calculation type	Cumulative (from project inception to date).
Reporting cycle	Annually.
Desired performance	80,000 placements contracted (cumulative across the term of project).
Indicator responsibility	DDG: Employment Facilitation.

Output Indicator no 3.1.17

Indicator title	Number of training opportunities contracted (cumulative across the term of project)
Short definition	Denotes the number of training opportunities that Jobs Fund Partners endeavour to offer project participants over the projects' contracted lifecycle.
Purpose/importance	As part of its holistic value proposition, the Jobs Fund seeks to, amongst other things; improve the employability of the beneficiaries that participate in Jobs Fund supported projects.
Source of data	Signed grant agreements with Jobs Fund Partners.
Method of Calculation / Assessment	Simple count of training opportunities contracted (cumulative across the term of project).
Means of verification	Signed grant agreements with Jobs Fund Partners.

PART D: TECHNICAL INDICATOR DESCRIPTION

Output Indicator no 3.1.17	
Assumptions	The data is accurate to the extent that projects have adequately projected the quantum of beneficiaries that will successfully complete training interventions. These numbers can change post approval and in the course of implementation, as the exact number of beneficiaries to successfully complete training cannot be predicted. Changes can be on account of several factors, which may include: sector challenges that hinder performance, demand from employers, project terminations, withdrawals, lapsed approval offers, etc.
Disaggregation of Beneficiaries (where applicable)	Target for Women: N/A Target for Youth: N/A Target for People with Disabilities: N/A
Spatial Transformation (where applicable)	Reflect on contribution to spatial transformation priorities: N/A Reflect on the spatial impact area: N/A
Calculation type	Cumulative (from project inception to date).
Reporting cycle	Annually.
New indicator	No.
Desired performance	250,000 training opportunities contracted.
Indicator responsibility	DDG: Employment Facilitation.

Output Indicator no 3.1.18	
Indicator title	Value of grant funding disbursed (cumulative across the term of project)
Short definition	Denotes the Rand-value of grant funding disbursed to contracted Jobs Fund projects.
Purpose/importance	The Jobs Fund operates on an advance disbursement principle in its dealings with its Partners on a quarterly basis. Disbursements enable the projects to undertake their implementation plan activities, which are converted to outputs and these in turn are converted to the desired outcomes. Tracking the flow of disbursement is important in ensuring that the Jobs Fund projects are on course to meet their quarterly and ultimately overall contracted results.
Source/collection of data	As per grants disbursement payment schedule and supported by proof of payments.
Method of Calculation / Assessment	Simple count of the sum of all payments made to eligible Jobs Fund projects.
Means of verification	Grants disbursement payment schedule and supported by proof of payments.
Assumptions	The data will be accurate to the extent that the projects request disbursements as per their disbursement schedule; however this may be impacted on by projects that have not accurately projected expenditure, external (environment and internal project challenges); change in project implementation model.
Disaggregation of Beneficiaries (where applicable)	Target for Women: N/A Target for Youth: N/A Target for People with Disabilities: N/A
Spatial Transformation (where applicable)	Reflect on contribution to spatial transformation priorities: N/A Reflect on the spatial impact area: N/A
Calculation type	Cumulative (from project inception to date).
Reporting cycle	Annually.
Desired performance	R 5 778m grant funding disbursed (cumulative across the term of project).
Indicator responsibility	DDG: Employment Facilitation.

PART D: TECHNICAL INDICATOR DESCRIPTION

PROGRAMME 4

Output Indicator no 4.1.1	
Indicator Title	Percentage of complete corporate plans received from Schedule 2 and 3B public entities reviewed
Definition	<p>Review the Water Boards' corporate plans within four months of 1st of June each year, following complete submissions by 31st May each year as stipulated in the legislation.</p> <p>Review the corporate plans within four months of 1st March each year, following complete submissions by 28 February each year as stipulated in the legislation, for all other operational and non-exempt Schedule 2 and 3 B public entities excluding Water Boards. Corporate plans are regarded as complete when they have been approved by the executive authority and there is no information requested from the entity that is outstanding.</p> <p>Late submissions/revised submissions will be reviewed within four months from the date of submission. Reports are compiled on the reviewed corporate plans.</p>
Source of data	Signed-off reports of Schedule 2 and 3B from Board and Executive Authority.
Method of Calculation / Assessment	<p>Number of corporate plans of schedule 2 and 3B SOCs, and water boards received and reviewed by the division within 4 months of receipt</p> $\frac{\text{Number of complete corporate plans submitted}}{\text{Number of corporate plans of schedule 2 and 3B SOCs, and water boards received and reviewed by the division within 4 months of receipt}} \times 100$ <p>Complete corporate plans submitted</p> <p>The four months for schedule 2 and 3B SOCs (excluding Water Boards) begins on 01 March of each year; and</p> <p>The four months for water boards on 01 June of each year.</p> <p>Late submissions/revised submissions will be reviewed within four months from the date of submission.</p>
Means of verification	Signed-off reports (Director-level) or memos (DDG-level) on review of corporate plans of Schedule 2 and 3B SOCs, DFIs and water boards received.
Assumptions	No late submission of Corporate Plans from SOCs. · No delays due to Executive Authorities' requests to amend Corporate Plans. · Entities are not required to submit final shareholder compacts to NT for review. · Incomplete submissions are not considered until all required information is received.
Disaggregation of Beneficiaries (where applicable)	<p>Target for Women: N/A</p> <p>Target for Youth: N/A</p> <p>Target for People with Disabilities: N/A</p>
Spatial Transformation (where applicable)	<p>Reflect on contribution to spatial transformation priorities: N/A</p> <p>Reflect on the spatial impact area: N/A</p>
Calculation Type	Non-cumulative.
Reporting Cycle	Quarterly
Desired performance	100% of complete corporate plans received from Schedule 2 and 3B public entities reviewed.
Indicator responsibility	Chief Directorate: Governance and Financial Analysis.

PART D: TECHNICAL INDICATOR DESCRIPTION

Output Indicator no 4.1.2	
Indicator Title	Percentage of annual reports received from Schedule 2 and 3B public entities reviewed
Definition	<p>Review the Water Boards' annual reports within four months of 1st of December each year, following complete submissions by the 30th of November each year as stipulated in the legislation.</p> <p>Review the annual reports for all other operational and non-exempt Schedule 2 and 3B public entities excluding Water Boards within four months of 1st September each year, following complete submissions by 31st August each year as stipulated in the legislation. Annual reports are regarded as complete when they have been signed off by the auditor general/external auditors and there is no information requested from the entity that is outstanding.</p> <p>Late submissions will be reviewed within four months from the date of submission, however, documents received later than 31 March each year for Water Boards and later than 31 December for all other Schedule 2 and 3B entities except Water Boards (as defined above) will not be reviewed after this cut-off date.</p> <p>Reports are compiled on the reviewed annual reports.</p>
Source of data	Signed-off annual reports of Schedule 2 and 3B of SOEs
Method of Calculation / Assessment	<p>Number of annual reports of schedule 2 and 3 B SOCs, DFIs and water boards received and reviewed by the division within 4 months of receipt and cut-off date</p> $\frac{\text{Number of annual reports received and reviewed}}{\text{Number of complete corporate plans submitted}} \times 100$ <p>The four months for schedule 2 and 3B entities (excluding Water Boards) begins on 01 September of each year; while the four months for Water Boards begins on 01 December of each year.</p> <p>Late submissions/revised submissions will be reviewed within four months from the date of submission; however, there will be a cut-off date on submissions valid for review of 31 March each year for Water Boards and 31 December for all other Schedule 2 and 3B entities (defined above). Any submissions made post this date will not be reviewed.</p>
Means of verification	Signed-off reports (Director-level) of Schedule 2 and 3 SOEs received.
Assumptions	<ul style="list-style-type: none"> • No late submission of annual reports SOCs, DFI & WBs. • No requests from Executive Authorities to for extensions or to make amendments to annual reports which may result in delays. • Entities are not required to submit final shareholder compacts to NT for review. • Incomplete submissions are not considered until all required information is received.
Disaggregation of Beneficiaries (where applicable)	<p>Target for Women: N/A</p> <p>Target for Youth: N/A</p> <p>Target for People with Disabilities: N/A</p>
Spatial Transformation (where applicable)	<p>Reflect on contribution to spatial transformation priorities: N/A</p> <p>Reflect on the spatial impact area: N/A</p>
Calculation Type	Non-cumulative.
Reporting Cycle	Quarterly
Desired performance	100% of annual reports received from Schedule 2 and 3B public entities reviewed within the stipulated timeframe.
Indicator responsibility	Chief Directorate: Governance and Financial Analysis.

PART D: TECHNICAL INDICATOR DESCRIPTION

Output Indicator no 4.1.3	
Indicator Title	Percentage of complete PFMA Section 51(g), 52, 54(2), 55, and 92 applications received from Schedule 2 and 3B public entities reviewed.
Definition	<p>Review all complete section 51(g), 52, 55 and 92 applications from Schedule 2 and 3B public entities within 4 months of receipt from Ministry of Finance.</p> <p>For public entities that have the Minister of Finance as the Executive Authority, section 54(2) must be reviewed within 30 calendar days of receipt from Ministry of Finance or within a longer period as may be agreed to between the public entity and the National Treasury.</p> <p>For public entities that do not have the Minister of Finance as the Executive Authority, section 54(2) applications are sent by the public entity to the National Treasury for information only.</p> <p>For public entities that do not have the Minister of Finance as the Executive Authority, but a section 54(2) application has to be reviewed and approved by the National Treasury in fulfilment of section 70 regarding guaranteed conditions, within 30 calendar days of receipt from Ministry of Finance or within a longer period as may be agreed to between the public entity and the National Treasury.</p>
Source of data	Signed-off submissions at DDG level, prepared in response to applications for PFMA applications.
Method of Calculation / Assessment	$\frac{\text{Number of complete applications reviewed by the division within stipulated timeframes}}{\text{Total number of complete applications received}} \times 100$
Means of verification	Signed-off submissions at DDG level, prepared in response to applications for PFMA applications.
Assumptions	<ul style="list-style-type: none"> • No Inter-temporal differences between the submissions received during the course of the year and those responded to, due to additional information being required to finalise the review of submissions and applications received. • Incomplete submissions are not considered until all required information is received.
Disaggregation of Beneficiaries (where applicable)	<p>Target for Women: N/A</p> <p>Target for Youth: N/A</p> <p>Target for People with Disabilities: N/A</p>
Spatial Transformation (where applicable)	<p>Reflect on contribution to spatial transformation priorities: N/A</p> <p>Reflect on the spatial impact area: N/A</p>
Calculation Type	Non-cumulative.
Reporting Cycle	Quarterly.
Desired performance	100% of complete PFMA Section 51(g), 52, 54(2), 55 and 92 applications received from Schedule 2 and 3B public entities.
Indicator responsibility	Chief Directorate: Sector Oversight and Chief Directorate: Governance and Financial Analysis.

PART D: TECHNICAL INDICATOR DESCRIPTION

Output Indicator no 4.1.4	
Indicator Title	Percentage of complete review requests of borrowing limit applications relating to Schedule 2 and 3B public entities reviewed
Definition	Review schedule 2, 3B, SOCs, DFIs and WBs borrowing limit applications.
Source of data	Signed-off reports at Director-level.
Method of Calculation / Assessment	$\frac{\text{Number of applications for borrowing limits reviewed by the division within 60 calendar days}}{\text{Number of applications for borrowing limits received by the division}} \times 100$
Means of verification	Signed-off reports at Director-level.
Assumptions	<ul style="list-style-type: none"> • Incomplete submissions are not considered until all required information is received. • Request for review of borrowing limit applications relating to Schedule 2 and 3B public entities received.
Disaggregation of Beneficiaries (where applicable)	Target for Women: N/A Target for Youth: N/A Target for People with Disabilities: N/A
Spatial Transformation (where applicable)	Reflect on contribution to spatial transformation priorities: N/A Reflect on the spatial impact area: N/A
Calculation Type	Non-cumulative.
Reporting Cycle	Quarterly.
Desired performance	100% of complete guarantee applications received from Schedule 2 and 3B public entities reviewed within the stipulated timeframes.
Indicator responsibility	Chief Directorate: Sector Oversight.

Output Indicator no 4.1.5	
Indicator Title	Percentage of complete guarantee applications received from Schedule 2 and 3B public entities reviewed
Definition	Review the completed guarantee applications. The applications must be reviewed within 30 calendar days of receipt from the Ministry of Finance and signed off by the Director.
Source of data	Signed-off reports at Director-level.
Method of Calculation / Assessment	$\frac{\text{Number of complete applications for guarantees reviewed within 30 calendar days of receipt by the division}}{\text{Number of complete applications for guarantees received}} \times 100$
Means of verification	Signed-off reports at Director-level.
Assumptions	<ul style="list-style-type: none"> • No delayed or not-received MFMA submissions relating to tariff adjustments from Schedule 2 and 3B SOCs and WBs. • Incomplete submissions are not considered until all required information is received.
Disaggregation of Beneficiaries (where applicable)	Target for Women: N/A Target for Youth: N/A Target for People with Disabilities: N/A
Spatial Transformation (where applicable)	Reflect on contribution to spatial transformation priorities: N/A Reflect on the spatial impact area: N/A
Calculation Type	Non-cumulative.
Reporting Cycle	Quarterly.
Desired performance	100% of complete guarantee applications received from Schedule 2 and 3B public entities reviewed within the stipulated timeframes.
Indicator responsibility	Chief Directorate: Sector Oversight.

PART D: TECHNICAL INDICATOR DESCRIPTION

Output Indicator no 4.1.6	
Indicator Title	Percentage of complete remuneration review requests of executive and non-executive directors received from Schedule 2 and 3B public entities reporting to the Minister of Finance reviewed
Definition	Review schedule 2 and 3B remuneration for public entities reporting to the Minister of Finance within 60 calendar days of receiving all the required documents.
Source of data	Signed-off reports (Director-level) or memos (DDG-level) on review of corporate plans of Schedule 2 and 3B SOCs, DFIs and water boards received.
Method of Calculation / Assessment	Number of complete submissions reviewed within 60 calendar days of receipt by the division $\frac{\text{Number of complete submissions reviewed within 60 calendar days of receipt by the division}}{\text{Total number of complete submissions received}} \times 100$
Means of verification	Signed-off reports (Director-level) or memos (DDG-level) on review of corporate plans of Schedule 2 and 3B SOCs, DFIs and water boards received.
Assumptions	No late or non-submission by entities. Incomplete submissions are not considered until all required information is received.
Disaggregation of Beneficiaries (where applicable)	Target for Women: N/A Target for Youth: N/A Target for People with Disabilities: N/A
Spatial Transformation (where applicable)	Reflect on contribution to spatial transformation priorities: N/A Reflect on the spatial impact area: N/A
Calculation Type	Non-cumulative.
Reporting Cycle	Quarterly.
Desired performance	100% of complete remuneration requests reviewed.
Indicator responsibility	Chief Director: Governance and Financial Analysis.

Output Indicator no 4.1.7	
Indicator Title	Percentage of complete board appointments recommendations received from Schedule 2 and 3B public entities reporting to the Minister of Finance reviewed
Definition	Review complete requests from schedule 2 and 3B public entities for board appointments and make recommendations to the Minister of Finance for entities reporting to the Minister in line with the Memorandum of Incorporation (MOI) or relevant founding legislation. Review should be completed within 60 calendar days of receiving nominations including supporting documents from the Minister or from the SOCs.
Source of data	Signed-off reports (Director-level) or memos (DDG-level) on review of corporate plans of Schedule 2 and 3B SOCs, DFIs and water boards received.
Method of Calculation / Assessment	Number of complete requests reviewed by the division $\frac{\text{Number of complete requests reviewed by the division}}{\text{Total number of complete requests received}} \times 100$
Means of verification	Signed-off reports (Director-level) or memos (DDG-level) on review of corporate plans of Schedule 2 and 3B SOCs, DFIs and water boards received.
Assumptions	That there will be requests for board appointments recommendations received from Schedule 2 and 3B public entities reporting to the Minister of Finance.
Disaggregation of Beneficiaries (where applicable)	Target for Women: N/A Target for Youth: N/A Target for People with Disabilities: N/A
Spatial Transformation (where applicable)	Reflect on contribution to spatial transformation priorities: N/A Reflect on the spatial impact area: N/A

PART D: TECHNICAL INDICATOR DESCRIPTION

Output Indicator no 4.1.7	
Calculation Type	Non-cumulative.
Reporting Cycle	Quarterly.
Desired performance	100% review of the complete submissions received from the entities reporting to the Minister of Finance (Scheduled 2 and 3B).
Indicator responsibility	Chief Director: Governance and Financial Analysis.

Output Indicator no 4.1.8	
Indicator Title	Percentage of received MFMA submissions relating to tariff adjustments received from Schedule 2 and 3B public entities reviewed
Definition	Complete submissions must be reviewed within 40 calendar days of receipt from Ministry of Finance.
Source of data	Signed-off reports at Director-level.
Method of Calculation / Assessment	$\frac{\text{Number of applications for borrowing limits reviewed by the division within 40 calendar days}}{\text{Number of applications for borrowing limits received by the division}} \times 100$
Means of verification	Signed-off reports at Director-level.
Assumptions	<ul style="list-style-type: none"> • Incomplete submissions are not considered until all required information is received. • The date count starts from when the application is sent from the Minister's Office to the ALM division. • The application is considered to be submitted once it is sent to the Secretariat of the FLC and Asset and Liability Review and Monitoring Committee (ALMRC)
Disaggregation of Beneficiaries (where applicable)	Target for Women: N/A Target for Youth: N/A Target for People with Disabilities: N/A
Spatial Transformation (where applicable)	Reflect on contribution to spatial transformation priorities: N/A Reflect on the spatial impact area: N/A
Calculation Type	Non-cumulative.
Reporting Cycle	Quarterly.
Desired performance	100% complete submissions reviewed within the stipulated timeframes.
Indicator responsibility	Chief Directorate: Sector Oversight.

PART D: TECHNICAL INDICATOR DESCRIPTION

Output Indicator no 4.1.9	
Indicator Title	Percentage of government's annual gross borrowing requirement met
Definition	Finance government's annual borrowing requirements through various debt instruments.
Source of data	Annual gross borrowing requirement is sourced from the Budget tabled annually by the Minister of Finance.
Method of Calculation / Assessment	Gross borrowing requirement is the sum of revenue, expenditure and debt due for repayment.
Means of verification	Annual gross borrowing requirement is sourced from the Budget tabled annually by the Minister of Finance.
Assumptions	Accurate revenue and expenditure forecasts. Favourable market conditions.
Disaggregation of Beneficiaries (where applicable)	Target for Women: N/A Target for Youth: N/A Target for People with Disabilities: N/A
Spatial Transformation (where applicable)	Reflect on contribution to spatial transformation priorities: N/A Reflect on the spatial impact area: N/A
Calculation Type	Non-cumulative.
Reporting Cycle	Quarterly.
Desired performance	100% of government's annual gross borrowing requirement met.
Indicator responsibility	Chief Directorate: Liability Management.

Output Indicator no 4.1.10	
Indicator Title	Percentage of interest and redemptions met
Definition	Payment of government debt obligations in a timely and accurate manner to avoid any credit defaults or additional costs due to inaccurate/delayed payment.
Source of data	Government debt-service costs are contained in the annual Budget as tabled by the Minister of Finance.
Method of Calculation / Assessment	$\frac{\text{Amount of interest and redemptions paid}}{\text{Amount of interest and redemptions due}} \times 100$
Means of verification	Government debt-service costs are contained in the annual Budget as tabled by the Minister of Finance.
Assumptions	Inability to access debt recording and payment systems due to internal and/or external factors.
Disaggregation of Beneficiaries (where applicable)	Target for Women: N/A Target for Youth: N/A Target for People with Disabilities: N/A
Spatial Transformation (where applicable)	Reflect on contribution to spatial transformation priorities: N/A Reflect on the spatial impact area: N/A
Calculation Type	Non-cumulative.
Reporting Cycle	Quarterly.
Desired performance	100% of government debt obligations met.
Indicator responsibility	Chief Directorate: Liability Management.

PART D: TECHNICAL INDICATOR DESCRIPTION

Output Indicator no 4.1.11	
Indicator Title	Percentage of government's liquidity requirements met
Definition	Forecasting and management of government's short- and medium-term cash flows.
Source of data	Cash flow data on receipts and payments is received from SARS, Reserve Bank and various units within NT and then consolidated.
Method of Calculation / Assessment	Government's net cash position is calculated, taking into account: Gross borrowing requirement, which is the sum of revenue, expenditure and debt due (interest and redemptions). Proceeds from short- and long-term loans issued in the domestic and international markets. Change in cash balances. A monthly net cash position is calculated for the MTEF period and thereafter maintained. Daily net cash positions are forecast for three months ahead Must maintain a positive actual closing balance.
Means of verification	Cash flow data on receipts and payments is received from SARS, Reserve Bank and various units within NT and then consolidated.
Assumptions	Access to debt recording and payment systems due to internal and/or external factors
Disaggregation of Beneficiaries (where applicable)	Target for Women: N/A Target for Youth: N/A Target for People with Disabilities: N/A
Spatial Transformation (where applicable)	Reflect on contribution to spatial transformation priorities: N/A Reflect on the spatial impact area: N/A
Calculation Type	Non-cumulative.
Reporting Cycle	Quarterly.
Desired performance	100% funded exchequer account (National Revenue account Fund).
Indicator responsibility	Chief Directorate: Financial Operations.

Output Indicator no 4.1.12	
Indicator Title	Percentage compliance with market and refinancing risks benchmarks
Definition	Management of debt portfolio within approved risk benchmarks so that it minimises the impact of interest rate, inflation and exchange rate risks on annual funding requirements and government's debt portfolio while balancing liquidity (cash) and cost objectives.
Source of data	Ratio-based on portfolio indicators and quantitative on underlying risk factors.
Method of Calculation / Assessment	All Risk Indicators should be below or within their limits or ranges as approved by Minister: <ul style="list-style-type: none"> Share of short-term debt maturing in 12 months (Treasury bills) as a percentage of total domestic debt. Share of long-term maturing in 5-years as a percentage of fixed rate bonds and inflation linked bonds. Share of inflation-linked bonds as a percentage of total domestic debt. Share of foreign debt as a percentage of total government debt. Weighted term-to-maturity (fixed rate bonds and Treasury bills in years). Weighted term-to-maturity (inflation-linked bonds in years). $\frac{\text{Number of risk indicators within their limits or ranges}}{\text{Total number of risk indicators}} \times 100$
Means of verification	Ratio-based on portfolio indicators and quantitative on underlying risk factors.
Assumptions	Executive approval of the risk benchmarks.

PART D: TECHNICAL INDICATOR DESCRIPTION

Output Indicator no 4.1.12	
Disaggregation of Beneficiaries (where applicable)	Target for Women: N/A Target for Youth: N/A Target for People with Disabilities: N/A
Spatial Transformation (where applicable)	Reflect on contribution to spatial transformation priorities: N/A Reflect on the spatial impact area: N/A
Calculation Type	Non-cumulative.
Reporting Cycle	Quarterly.
Desired performance	100% compliance with market and refinancing risks benchmarks.
Indicator responsibility	Chief Directorate: Strategy and Risk Management

Output Indicator no 4.1.13	
Indicator Title	Number of reports on the management of government's contingent liabilities.
Definition	Management of contingent liability and counterparty risk exposure to limit the impact on the fiscus.
Source of data	Annual Reports and interim reports of SOCs and banks. Quarterly reports outlining government contingent liabilities and counterparty risk; and BA 900 reports from the SARB.
Method of Calculation / Assessment	Simple count of reports on the management of government's contingent liabilities.
Means of verification	Reports on the management of government's contingent liabilities.
Assumptions	None That the data needed to compile the report is available.
Disaggregation of Beneficiaries (where applicable)	Target for Women: N/A Target for Youth: N/A Target for People with Disabilities: N/A
Spatial Transformation (where applicable)	Reflect on contribution to spatial transformation priorities: N/A Reflect on the spatial impact area: N/A
Calculation Type	Cumulative (year-end).
Reporting Cycle	Quarterly.
Desired performance	4 reports on the management of government's contingent liabilities and counterparty risk.
Indicator responsibility	Chief Directorate: Strategy and Risk Management.

PART D: TECHNICAL INDICATOR DESCRIPTION

PROGRAMME 5

Output Indicator no 5.1.1	
Indicator Title	Number of norms and standards developed
Definition	Develop and/or maintained (updated) the provisions of the PFMA and MFMA, Treasury Regulations and Treasury Instructions for PFMA and MFMA compliant institutions.
Source of data	Existing legislative framework, transversal matters raised by PFMA and MFMA compliant institutions, matters arising from Provincial Accountant-General forums and any other information related to financial management received from internal divisions within National Treasury.
Method of Calculation / Assessment	Simple count of norms and standards developed and/ or maintained (updated)
Means of verification	Norms and standards developed and/or maintained(updated)
Assumptions	<ul style="list-style-type: none"> Existing norms and standards updated New norms and standards identified for development
Disaggregation of Beneficiaries (where applicable)	Target for Women: N/A Target for Youth: N/A Target for People with Disabilities: N/A
Spatial Transformation (where applicable)	Reflect on contribution to spatial transformation priorities: N/A Reflect on the spatial impact area: N/A
Calculation Type	Cumulative (year-end)
Reporting Cycle	Quarterly
Desired performance	9 norms and standards developed and/or maintained (updated)
Indicator responsibility	Chief Directorate: Specialised Audit Services. Chief Directorate: Internal Audit Support Chief Directorate: Risk Management Chief Directorate: Governance Monitoring & Compliance Chief Directorate: Technical Support Services

Output Indicator no 5.1.2	
Indicator Title	Number of governance reports produced
Definition	Reports are produced to provide an update to oversight structures of government on the improvement of financial management governance and compliance across all spheres and entities in government, giving effect to the PFMA and MFMA.
Source of data	Existing legislative framework, transversal matters raised by PFMA and MFMA compliant institutions, matters arising from Provincial Accountant-General forums and any other information related to financial management received from internal and external stakeholders. Auditor-General of SA referrals under Public Audit Act (PAA) Members of public as whistle-blowers Law enforcement agencies
Method of Calculation / Assessment	Simple count of governance reports produced.
Means of verification	Governance reports produced.
Assumptions	Capacity and proficiency gaps in PFM in all spheres of government including entities. Enabling resources by co-sourcing of at least 10 forensic investigation firms.

PART D: TECHNICAL INDICATOR DESCRIPTION

Output Indicator no 5.1.2	
Disaggregation of Beneficiaries (where applicable)	Target for Women: N/A Target for Youth: N/A Target for People with Disabilities: N/A
Spatial Transformation (where applicable)	Reflect on contribution to spatial transformation priorities: N/A Reflect on the spatial impact area: N/A
Calculation Type	Cumulative (year-end)
Reporting Cycle	Quarterly
Desired performance	95 governance reports produced
Indicator responsibility	Chief Directorate: Specialised Audit Services. Chief Directorate: Internal Audit Support. Chief Directorate: Risk Management. Chief Directorate: Governance Monitoring & Compliance. Chief Directorate: Accounting Support and Reporting. Chief Directorate: MFMA Implementation.

Output Indicator no 5.1.3	
Indicator Title	Number of public finance management capacity development programmes progress reports produced
Definition	Provide Public Finance Management Capacity Development Programmes support to clients, i.e. local, provincial and national government to strengthen the implementation of both MFMA and PFMA reforms across government and development of law enforcement agencies for utilisation of PFMA and MFMA for case law on criminal convictions.
Source of data	A need from PFMA and MFMA compliant institutions as well as published norms and standards.
Method of Calculation / Assessment	Simple count of Public Finance Management Capacity Development Programmes completed progress reports produced.
Means of verification	Reports on the Public Finance Management Capacity Development Programmes completed progress reports produced.
Assumptions	Stakeholders are receptive to the training support provided by National Treasury.
Disaggregation of Beneficiaries (where applicable)	Target for Women: N/A Target for Youth: N/A Target for People with Disabilities: N/A
Spatial Transformation (where applicable)	Reflect on contribution to spatial transformation priorities: N/A Reflect on the spatial impact area: N/A
Calculation Type	Cumulative (year-end)
Reporting Cycle	Quarterly
Desired performance	28 Public Finance Management Capacity Development Programmes progress reports produced.
Indicator responsibility	Chief Directorate: Capacity Building Chief Directorate: Specialised Audit Services Chief Directorate: Governance Monitoring & Compliance. Chief Directorate: Accounting Support and Reporting. Chief Directorate: MFMA Implementation.

PART D: TECHNICAL INDICATOR DESCRIPTION

Output Indicator no 5.1.4	
Indicator Title	Percentage availability of transversal systems
Definition	Maintenance of current transversal systems: Basic Accounting System (BAS), Financial Management System (FMS), Logis, Persal and Vulindlela. Ensure that these systems are available to government users during working hours in line with SLA agreements.
Source of data	Call centre logs, mainframe audit trails and other formal user requests.
Method of Calculation / Assessment	$\frac{\text{Number of normal working days} - \text{Number of normal working days mainframe was unavailable}}{\text{Number of normal working days}} \times 100$
Means of verification	Report on the availability of transversal system
Assumptions	That the data is available for analysis and reporting
Disaggregation of Beneficiaries (where applicable)	Target for Women: N/A Target for Youth: N/A Target for People with Disabilities: N/A
Spatial Transformation (where applicable)	Reflect on contribution to spatial transformation priorities: N/A Reflect on the spatial impact area: N/A
Calculation Type	Non-cumulative.
Reporting Cycle	Annually
Desired performance	Maintain 98% availability of systems during working hours or in line with SLA with service provider.
Indicator responsibility	Chief Director: Financial Systems

Output Indicator no 5.1.5	
Indicator Title	Number of statutory reports produced
Definition	Reports are produced to improve financial management statutory compliance across all spheres and entities in government, giving effect to the PFMA and MFMA.
Source of data	Existing legislative framework, transversal matters raised by PFMA and MFMA compliant institutions, matters arising from Provincial Accountant-General forums and any other information related to financial management received from internal divisions within National Treasury.
Method of Calculation / Assessment	Simple count of statutory reports produced
Means of verification	Statutory reports produced
Assumptions	Reports are prescribed by legislation
Disaggregation of Beneficiaries (where applicable)	Target for Women: N/A Target for Youth: N/A Target for People with Disabilities: N/A
Spatial Transformation (where applicable)	Reflect on contribution to spatial transformation priorities: N/A Reflect on the spatial impact area: N/A
Calculation Type	Cumulative (year-end).
Reporting Cycle	Quarterly
Desired performance	18 statutory reports produced
Indicator responsibility	Chief Directorate: Governance Monitoring & Compliance. Chief Directorate: Technical Support Services. Chief Directorate: MFMA Implementation. Chief Directorate: Accounting Support and Reporting.

PART D: TECHNICAL INDICATOR DESCRIPTION

Output Indicator no 5.1.6	
Indicator Title	Implementation of the IFMS II plan
Definition	The IFMS Programme is a joint initiative between DPSA, National Treasury and SITA to replace the current legacy enterprise resource type systems such as BAS, LOGIS and PERSAL in the Public Service by implementing a single Enterprise Resource Planning (ERP) Commercial Off The Shelf (COTS) system.
Source of data	Signed memos/Reports/minutes of approval.
Method of Calculation / Assessment	Centralised IFMS Solution Templates developed
Means of verification	Signed memos/Reports/minutes of approval.
Assumptions	<ul style="list-style-type: none"> • IFMS continues throughout the reporting period • IFMS common designs is approved • Departments and Provinces co-operate with the roll-out programme
Disaggregation of Beneficiaries (where applicable)	Target for Women: N/A Target for Youth: N/A Target for People with Disabilities: N/A
Spatial Transformation (where applicable)	Reflect on contribution to spatial transformation priorities: N/A Reflect on the spatial impact area: N/A
Calculation Type	Non-cumulative.
Reporting Cycle	Quarterly
Desired performance	Centralised IFMS Solution Templates developed.
Indicator responsibility	Chief Directorate: IFMS.

Output Indicator no 5.1.7	
Indicator Title	Number of quarterly compliance reports produced
Definition	Quarterly supply chain compliance report (procurement plans, deviations, expansions, bid reviews, tender publications, contract awarded, projects visited and data analytics)
Source of data	Procurement plans, departmental deviation and expansions reports, bid reviews, contracts awarded and project visited to test compliance with policy, norms and standards, any SCM prescripts, list of tenders published online.
Method of Calculation / Assessment	Simple count of number of reports issued
Means of verification	Approved report by the CD: GMC by the 7th of the next quarter Requests received after the 15th of the last month of the quarter will be moved to the next quarter
Assumptions	All compliance reports produced within the quarter All requests received within the set reporting period All institutions submit their procurement plans and implementation reports on time
Disaggregation of Beneficiaries (where applicable)	Target for Women: N/A Target for Youth: N/A Target for People with Disabilities: N/A
Spatial Transformation (where applicable)	Reflect on contribution to spatial transformation priorities: N/A Reflect on the spatial impact area: N/A
Calculation Type	Non-Cumulative
Reporting Cycle	Quarterly
Desired performance	Approved compliance report
Indicator responsibility	CDs: SCM GMC and SCM ICT

PART D: TECHNICAL INDICATOR DESCRIPTION

Output Indicator no 5.1.8	
Indicator Title	Percentage of approved SCM directives
Definition	Developed SCM Directives (instruction notes, circulars, frameworks and guidelines) approved and issued for implementation
Source of data	DTIC with regards to designated products Requests from stakeholders Political directives Policy implementation challenges that requires policy review Changes or new policies that impact on the SCM Audit/ Compliance reports
Method of Calculation / Assessment	Number of directives approved ————— x100 Number of policy interventions identified
Means of verification	Approved SCM directives
Assumptions	Requests for policy directives are received. Policy interventions are identified
Disaggregation of Beneficiaries (where applicable)	Target for Women: N/A Target for Youth: N/A Target for People with Disabilities: N/A
Spatial Transformation (where applicable)	Reflect on contribution to spatial transformation priorities: N/A Reflect on the spatial impact area: N/A
Calculation Type	Non-Cumulative
Reporting Cycle	Quarterly
Desired performance	100% approved SCM Directives
Indicator responsibility	SCM Policy and Legal

Output Indicator no 5.1.9	
Indicator Title	Percentage of support implementation plan on identified or prioritised institutions in order to improve SCM performance
Definition	The programme refers to a plan of interventions and support to improve SCM performance
Source of data	Auditor-General reports and internal compliance reports
Method of Calculation / Assessment	Actual interventions implemented ————— x100 Planned interventions
Means of verification	Progress report that records actual performance against planned performance
Assumptions	None
Disaggregation of Beneficiaries (where applicable)	Target for Women: N/A Target for Youth: N/A Target for People with Disabilities: N/A
Spatial Transformation (where applicable)	Reflect on contribution to spatial transformation priorities: N/A Reflect on the spatial impact area: N/A
Calculation Type	Non-cumulative
Reporting Cycle	Quarterly
Desired performance	100% of support implementation plan on identified or prioritised institutions in order to improve SCM performance
Indicator responsibility	CD: SCM Stakeholder and Clients Management (Lead with the support of other OCPO CDs)

PART D: TECHNICAL INDICATOR DESCRIPTION

Output Indicator no 5.1.10	
Indicator Title	Number of transversal term contracts implemented
Definition	A transversal contract refers to a contract for common goods or services or ad hoc goods and services in which more than one government institution participates. A national procurement system refers to expansion of the present portfolio of transversal contracts to include various commodities purchased routinely by departments. Implementation refers to the contracts that are renewed, extended or effected for the first time.
Source of data	List of transversal term contracts implemented. An annual transversal term contract register is maintained by the Chief Directorate: Transversal Contracting.
Method of Calculation / Assessment	Simple count of the number of transversal term contracts implemented.
Means of verification	Bid Adjudication Committee reports
Assumptions	None
Disaggregation of Beneficiaries (where applicable)	Target for Women: N/A Target for Youth: N/A Target for People with Disabilities: N/A
Spatial Transformation (where applicable)	Reflect on contribution to spatial transformation priorities: N/A Reflect on the spatial impact area: N/A
Calculation Type	Cumulative (year-end).
Reporting Cycle	Quarterly.
Desired performance	28 transversal term contracts implemented.
Indicator responsibility	Chief Director: Transversal Contracts.

Output Indicator 5.1.11	
Indicator Title	Percentage implementation of the strategic sourcing opportunities plan
Definition	Strategic sourcing refers to the identification of sourcing opportunities, development of sourcing strategies and implementation (hand-over) of sourcing strategies.
Source of data	The Strategic Sourcing Opportunities Plan. Various ERP systems across government (BAS, LOGIS, Payment systems, Order systems).
Method of Calculation / Assessment	$\frac{\text{Actual strategic sourcing opportunities plan implemented}}{\text{Planned strategic sourcing opportunities plan to be implemented}} \times 100$
Means of verification	Progress report that records actual performance against planned performance.
Assumptions	Data is accessible
Disaggregation of Beneficiaries (where applicable)	Target for Women: N/A Target for Youth: N/A Target for People with Disabilities: N/A
Spatial Transformation (where applicable)	Reflect on contribution to spatial transformation priorities: N/A Reflect on the spatial impact area: N/A
Calculation Type	Cumulative (year-to-date).
Reporting Cycle	Quarterly.
Desired performance	100% implementation of Strategic Sourcing Opportunities Plan.
Indicator responsibility	Chief Director: Strategic Procurement.

PART D: TECHNICAL INDICATOR DESCRIPTION

PROGRAMME 6

Output indicator no. 6.1.1	
Indicator Title	Percentage of economic surveillance reports responded to
Definition	To measure the economic surveillance reports that is responded to by National Treasury (NT) as a percentage of the economic surveillance reports received from IMF. The IMF (International Monetary Fund) sends a team to South Africa twice a year, as part of their surveillance function to member countries, to meet with economic stakeholders. At the conclusion of their visit they produce a report on South Africa's economy, which is important for investor sentiment. However, before the reports are published, South Africa has the opportunity to respond/comment on these reports. IREP analyses these reports, provides comments and coordinates internally within National Treasury to receive comments and submit these responses to the IMF.
Source of data	Economic report by the International Monetary Fund (IMF)
Method of Calculation / Assessment	Number of reports responded to by NT $\frac{\text{Number of reports responded to by NT}}{\text{Number of reports received from IMF}} \times 100$
Means of verification	Report that records response to IMF by NT against reports received from IMF
Assumptions	Based on agreement between the Minister of Finance and the IMF Reports received from the relevant international organisation
Disaggregation of Beneficiaries (where applicable)	Target for Women: N/A Target for Youth: N/A Target for People with Disabilities: N/A
Spatial Transformation (where applicable)	Reflect on contribution to spatial transformation priorities: N/A Reflect on the spatial impact area: N/A
Calculation Type	Non-cumulative
Reporting Cycle	Bi-annually
Desired performance	100% response to economic surveillance reports.
Indicator Responsibility	Chief Directorate: Global Economic Markets

Output indicator no. 6.1.2	
Indicator Title	Number of advocacy forums hosted for uptake of development finance
Definition	To measure the number of advocacy forums (includes workshops and seminars but is not limited to those) that will be hosted to increase the uptake of development finance from the African Development Bank Group (AfDB); the World Bank Group (WBG) and the New Development Bank (NDB).
Source of data	Schedule of Meetings
Method of Calculation / Assessment	Simple count of Advocacy Forums / Workshops / Seminars hosted
Means of verification	Attendance Registers; back to office reports
Assumptions	Approval of representation by the relevant stakeholders (DG and Minister of Finance) Development finance is made available
Disaggregation of Beneficiaries (where applicable)	Target for Women: N/A Target for Youth: N/A Target for People with Disabilities: N/A
Spatial Transformation (where applicable)	Reflect on contribution to spatial transformation priorities: N/A Reflect on the spatial impact area: N/A
Calculation Type	Non-Cumulative

PART D: TECHNICAL INDICATOR DESCRIPTION

Output indicator no. 6.1.2	
Reporting Cycle	Annually
Desired performance	Good attendance and increase in uptake of development finance by South Africa
Indicator Responsibility	Chief Directorate: Global and Emerging Markets; Chief Directorate: Directorate Multilateral Development Banks and Concessional Finance

Output indicator no. 6.1.3	
Indicator Title	Number of country partnership framework progress reports produced
Definition	The country partnership framework is a medium term (3-5 years) strategy that aims to manage the relationship between the Government of South Africa and various Multilateral Development Banks that operate within the Republic of South Africa. The indicators measures the number of reports produced to assess progress made on the implementation of the Country Partnership Frameworks for, the World Bank, the African Development Bank, New Development Bank and the Joint Work Programme for the Organisation for Economic Cooperation and Development.
Source of data	Country Partnership Frameworks; Multilateral Development Banks' economic review, interviews, NDP, Departmental priorities, NT's budget and Departmental reports.
Method of Calculation / Assessment	Simple count of the reports produced
Means of verification	Reports from implementing agencies and the development institutions. Approved progress reports by DDG: IREP
Assumptions	Projects or Programmes are implemented as agreed. Reports received from the relevant international organisation
Disaggregation of Beneficiaries (where applicable)	Target for Women: N/A Target for Youth: N/A Target for People with Disabilities: N/A
Spatial Transformation (where applicable)	Reflect on contribution to spatial transformation priorities: N/A Reflect on the spatial impact area: N/A
Calculation Type	Cumulative (year-end)
Reporting Cycle	Annually
Desired performance	3 reports country partnership framework progress reports produced.
Indicator Responsibility	Chief Directorate: Multilateral Development Banks and Concessional Finance Chief Directorate: Global and Emerging Markets Chief Directorate: Africa Economic Integration
Source of data	Stakeholder consultations and workshops; official documents (Foreign policy, National Development Plan; Au Constitutive documents; SADC RISDP), National Treasury reports. National Development Plan, Institution's Strategies and Previous Country Partnership Strategies/ Frameworks, National Treasury reports. Budget document, National Development Plan, MTBPS, Five-year NDPs, Departmental priorities, Presidential proclamations, National Treasury reports.
Method of Calculation / Assessment	Simple Count of strategies and priorities developed
Means of verification	Approved engagement strategies and priorities by the Ministry of Finance and the Board of Directors of the relevant institutions
Assumptions	The stakeholders will contribute to the drafting of the engagement strategies and priorities. That the Ministry of Finance and the Board of Directors of the relevant institutions will approve the engagement strategies and priorities.

PART D: TECHNICAL INDICATOR DESCRIPTION

Output indicator no. 6.1.3	
Disaggregation of Beneficiaries (where applicable)	Target for Women: N/A Target for Youth: N/A Target for People with Disabilities: N/A
Spatial Transformation (where applicable)	Reflect on contribution to spatial transformation priorities: N/A Reflect on the spatial impact area: N/A
Calculation Type	Cumulative (year-end)
Reporting Cycle	Bi-Annually
Desired performance	2 engagement strategies and priorities developed
Indicator Responsibility	Chief Directorate: Multilateral Development Banks and Concessional Finance; Chief Directorate Global and Emerging Market Chief Directorate Africa Economic Integration

Output indicator no. 6.1.4	
Indicator Title	Number of engagement strategies and priorities developed
Definition	To measure the number of the Country Partnership Strategies/ Frameworks and identified priorities agreed to between South Africa and the World Bank and the African Development Bank. The Frameworks are for a period of 5 years and consulted between the institutions, the government and other relevant stakeholders To measure the number of G20 finance track engagement strategies produced To develop an Africa Engagement Strategy for the National Treasury. This will part of the Government-wide National Strategic document.
Source of data	Stakeholder consultations and workshops; official documents (Foreign policy, National Development Plan; Au Constitutive documents; SADC RISDP), National Treasury reports. National Development Plan, Institution's Strategies and Previous Country Partnership Strategies/ Frameworks, National Treasury reports Budget document, National Development Plan, MTBPS, Five-year NDPs, Departmental priorities, Presidential proclamations, National Treasury reports
Method of Calculation / Assessment	Simple Count of strategies and priorities developed
Means of verification	Approved engagement strategies and priorities by the Ministry of Finance and the Board of Directors of the relevant institutions
Assumptions	The stakeholders will contribute to the drafting of the engagement strategies and priorities. That the Ministry of Finance and the Board of Directors of the relevant institutions will approve the engagement strategies and priorities.
Disaggregation of Beneficiaries (where applicable)	Target for Women: N/A Target for Youth: N/A Target for People with Disabilities: N/A
Spatial Transformation (where applicable)	Reflect on contribution to spatial transformation priorities: N/A Reflect on the spatial impact area: N/A
Calculation Type	Cumulative (year-end)
Reporting Cycle	Bi-Annually
Desired performance	2 engagement strategies and priorities developed.
Indicator Responsibility	Chief Directorate: Multilateral Development Banks and Concessional Finance; Chief Directorate Global and Emerging Market Chief Directorate Africa Economic Integration

PART D: TECHNICAL INDICATOR DESCRIPTION

Output indicator no. 6.1.5	
Indicator Title	Number of analysis reports on the outcomes of South Africa's engagements in regional and global forums produced
Definition	To measure the total number of analysis reports which assess South Africa's engagement in global forums which includes the G20, BRICS, G24 and IMF, but is not limited to these
Source of data	National Development Plan, Budget report, MTBPS, National Treasury reports
Method of Calculation / Assessment	Simple Count of the number of analysis documents
Means of verification	Analysis reports on the outcomes of South Africa's engagements in regional and global forums produced
Assumptions	This assumes regional and global forums are held. This assumes South Africa participates in the regional and global forums held
Disaggregation of Beneficiaries (where applicable)	Target for Women: N/A Target for Youth: N/A Target for People with Disabilities: N/A
Spatial Transformation (where applicable)	Reflect on contribution to spatial transformation priorities: N/A Reflect on the spatial impact area: N/A
Calculation Type	Non-cumulative
Reporting Cycle	Annually
Desired performance	1 analysis report indicating whether South Africa has accomplished what it set out in its engagement strategies
Indicator Responsibility	Chief Directorate Global and Emerging Markets

Output indicator no. 6.1.6	
Indicator Title	Percentage of policy positions developed
Definition	To measure the development of policy positions in South Africa's engagement in the AU, SACU, SADC, G20, G24, BRICS, IMF, IIF (Institute of International Finance), Paris Club, New Development Bank but not limited to these institutions.
Source of data	Annotated agendas; research papers; global reports; records of meetings; documents sent by the IMF and New Development Bank., Economic Background Papers, Research Papers; regional organisations' auditors reports, PFMA, National Treasury documents.
Method of Calculation / Assessment	Number of policy positions developed —————x100 Total number of policy positions required
Means of verification	Reports, briefing notes and position papers developed.
Assumptions	That IREP will be requested develop positions on policy issues.
Disaggregation of Beneficiaries (where applicable)	Target for Women: N/A Target for Youth: N/A Target for People with Disabilities: N/A
Spatial Transformation (where applicable)	Reflect on contribution to spatial transformation priorities: N/A Reflect on the spatial impact area: N/A
Calculation Type	Non-Cumulative
Reporting Cycle	Quarterly
Desired performance	100% of required positions developed
Indicator Responsibility	Chief Directorate: Multilateral Development Banks and Concessional Finance Chief Directorate Global and Emerging Markets Chief Directorate: Africa Economic Integration

PART D: TECHNICAL INDICATOR DESCRIPTION

PROGRAMME 7

Performance Indicator no 7.1.1	
Indicator title	Percentage of benefits validated paid within liable dates
Definition	Complete benefits validated for payment on time: Post-retirement medical benefits validated and paid within 45 days Injury on duty benefits validated and paid within 45 days Special pension benefits validated and paid within 45 days Military pension benefits validated and paid within 45 days Other benefits validated and paid within 45 days
Source of data	Applications (CIVPEN System), Awards and Schedules of Members from medical schemes. Reports of all benefits applications received and paid in a particular period
Method of Calculation / Assessment	Number of complete benefits validated for payment paid within liability date during the reporting period ————— x100 Total number of complete benefits applications received
Means of verification	Review of total cases received for payment against payments made to members, pensioners and beneficiaries
Assumptions	100% system up time Benefits are validated for payments
Disaggregation of Beneficiaries (where applicable)	Target for Women N/A Target for Youth: N/A Target for People with Disabilities: N/A
Spatial Transformation (where applicable)	Reflect on contribution to spatial transformation priorities: N/A Reflect on the spatial impact area: N/A
Calculation Type	Non-cumulative
Reporting Cycle	Quarterly
Desired performance	100% of benefits validated for payments paid within liable dates
Indicator responsibility	General Manager: Programme 7 (GPAA)

Output Indicator no 7.1.2	
Indicator Title	Percentage reduction of fraudulent claims
Definition	Reduction of fraudulent claim to the Programme funds through improvement of internal controls
Source of data	Fraud register for all programme fraud cases that have materialised (occurred)
Method of Calculation / Assessment	Total No.of fraud cases from previous FY- Total No. of fraud cases for current FY ————— x100 Total No.of fraud from the previous FY
Means of verification	Total number identified, reported and materialised fraud cases reduced compared to baseline
Assumptions	Identified fraud was reported, investigated and confirmed by Fraud and Forensic as fraud
Disaggregation of Beneficiaries (where applicable)	Target for Women N/A Target for Youth: N/A Target for People with Disabilities: N/A
Spatial Transformation (where applicable)	Reflect on contribution to spatial transformation priorities: N/A Reflect on the spatial impact area: N/A
Calculation Type	Non-cumulative
Reporting Cycle	Annually
Desired performance	90% fewer fraudulent claims than 2019/20
Indicator responsibility	General Manager: Programme 7 (GPAA)

PART D: TECHNICAL INDICATOR DESCRIPTION

Performance Indicator no 7.1.3	
Indicator title	Percentage integrity of client data
Definition	To consistently improve client data integrity, to the extent that the quality of client information is accurate and reliable
Source of data	Data script up against CIVPEN system and exceptions reports provided to management.
Method of calculation	$\frac{\text{Total Membership data} - \text{Total exceptions}}{\text{Total Programme membership data}} \times 100$
Means of verification	Review of data report from EDMS Systems
Assumptions	100% system up time
Disaggregation of Beneficiaries (where applicable)	Target for Women N/A Target for Youth: N/A Target for People with Disabilities: N/A
Spatial Transformation (where applicable)	Reflect on contribution to spatial transformation priorities: N/A Reflect on the spatial impact area: N/A
Calculation Type	Non-cumulative
Reporting Cycle	Quarterly
Desired performance	90% integrity of client data achieved
Indicator responsibility	General Manager: Programme 7 (GPAA)

UPDATED

ANNUAL PERFORMANCE

PLAN

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NATIONAL TREASURY

2020/21

**ANNEXURE A:
AMENDMENTS TO THE
STRATEGIC PLAN**

PART D: TECHNICAL INDICATOR DESCRIPTION

ANNEXURE A: AMENDMENTS TO THE STRATEGIC PLAN

No revisions have been made to the 2020 – 2025 Strategic Plan by the department.

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ANNUAL PERFORMANCE

PLAN

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NATIONAL TREASURY

2020/21

ANNEXURE B:

CONDITIONAL

GRANTS

ANNEXURE B: CONDITIONAL GRANTS

Name of Grant	Purpose	Outputs	Current Annual Budget (R thousand)	Period of Grant
Integrated City Development Grant	To provide a financial incentive for metropolitan municipalities to achieve a more compact, liveable inclusive, productive and sustainable urban spatial form.	Metropolitan municipalities are to use the grant to conduct: Authorised studies/strategies. Infrastructure projects; acquire land and implement projects in identified integration zones. Implement planned catalytic/strategic projects within identified integration zones.	R317.499 million	Continues over the medium-term
Infrastructure Skills Development Grant	To recruit unemployed graduates into municipalities to be trained and professionally registered as per the requirements of the relevant statutory councils within the built environment.	Number of built environment graduates registered as candidates for training and professional development as per requirements of the relevant statutory councils. Number of graduates recognised as registered professionals by the relevant statutory councils. Number of graduates employed as registered professionals within the built environment in local government.	R153.192 million	Continues over the medium-term
Neighbourhood Development Partnership Grant	To provide spatially targeted capital funding of intergovernmental project pipelines, supporting and facilitating economic development opportunities in previously disadvantaged areas.	20 targeted infrastructure projects.	R559.442 million	Continues over the medium-term

ANNEXURE B: CONDITIONAL GRANTS

Name of Grant	Purpose	Outputs	Current Annual Budget (R thousand)	Period of Grant
Local Government Financial Management Grant	To promote and support reforms in financial management by building capacity in municipalities to implement the Municipal Finance Management Act (MFMA).	Implementation of reforms such as the internship programme, upgrading Information Technology systems to deliver reports, producing multi-year budgets, implementing new supply chain reforms, accounting standards, production of financial statements, preparation of recovery plans when needed, improving audits, etc.	R544.862 million	Continues over the medium-term

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ANNUAL PERFORMANCE

PLAN

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NATIONAL TREASURY

2020/21

ANNEXURE C:

CONSOLIDATED

INDICATORS

ANNEXURE B: CONDITIONAL GRANTS

ANNEXURE C: CONSOLIDATED INDICATORS

National Treasury does not have consolidated indicators.

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ANNUAL PERFORMANCE

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NATIONAL TREASURY

2020/21



national treasury

Department:
National Treasury
REPUBLIC OF SOUTH AFRICA

