



2023/24

**ANNUAL
PERFORMANCE
PLAN**



national treasury

Department:
National Treasury
REPUBLIC OF SOUTH AFRICA



2023/24

ANNUAL PERFORMANCE PLAN

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Department:
National Treasury
REPUBLIC OF SOUTH AFRICA

2023/24

ANNUAL PERFORMANCE PLAN

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EXECUTIVE AUTHORITY STATEMENT



Enoch Godongwane
Minister of Finance, MP

The supportive external environment and commodity price levels that contributed to a faster-than-expected recovery in 2021 and 2022 from COVID-19 lows are dissipating. After a positive start to 2022, the impact of flooding in KwaZulu-Natal, the domestic electricity crisis and persistent constraints in network industries such as transport have severely affected economic activity, while high inflation and unemployment have weighed on private consumption. In addition, some of the risks outlined in the 2022 Budget have materialised, including slower global growth from supply chain disruptions and stringent lockdown restrictions in China, surging inflation and tighter monetary policy stances.

South Africa's growth is limited by structural challenges related to the ability to combine capital and labour in a dynamic and integrated manner that would drive sustainable long-run growth. This is reflected by low and falling potential growth of the economy, led by a decline in the technological/productive factor (TFP). Potential growth has remained below 2 per cent since 2013 and has fallen below 1 per cent over the past 3 years. This suggests that it is unlikely that additional spending will stimulate growth without increasing inflation in the prevailing environment of low trend growth and high debt levels. The output gap is expected to narrow significantly over the medium term despite persistently low growth. As a result, there is an urgency to change the structure of the economy to address these mismatches and put the economy on a higher production frontier, through:

- A clear and stable macroeconomic framework
- Implementing economic reforms for growth
- Making progress on key enablers for growth and restoring the implementation capability of the state

Government's structural reforms are centred on increasing electricity production and removing associated regulatory constraints, building confidence to support increased private investment in infrastructure, and creating the conditions in which small and large businesses can flourish and create more jobs. In the 2023/24 financial year, the National Treasury will work with the rest of government to strengthen the capacity of the state, including funding investigative and prosecutorial agencies to root out corruption and bolster financial management in municipalities.

EXECUTIVE AUTHORITY STATEMENT

A critical priority must be to address the electricity shortage and restore the electricity supply industry to a sustainable footing. In this regard, the Department will continue playing a leading role in achieving the reform objectives of government and addressing the immediate supply emergency. Operation Vulindlela will thus continue to be prioritised. Besides the country's electricity challenges, this and other initiatives will continue to promote aggressive implementation of key reforms. Among these are reforms in transport and logistics, finalisation the deployment of high-value spectrum, and making it easier for skills-based migration to contribute to economic growth.

As a result of determined and disciplined budgeting, supported by high commodity prices, the budget deficit is narrowing. Fiscal consolidation will soon come to a close. The country's debt burden remains substantial, having increased sevenfold from R577 billion in 2007/08 to over R4 trillion in 2021/22. Yet by the end of 2023/24, revenue will exceed non-interest spending for the first time in 15 years. Net government debt will stabilise at 69 per cent of GDP in 2024/25.

These achievements will enable government to begin rebuilding fiscal space and renew real spending growth in key policy areas that support the economy. Medium-term spending increases are targeted to increase the number of teachers and police, retain health workers, and improve critical water, roads and rail infrastructure. These actions will help unblock some of the bottlenecks restricting economic activity, complemented by stable public finances that promote higher investment.

The National Treasury will continue to ensure a stable and growth-friendly taxation policy. Tax rates will be maintained at a level that ensures a balance between competitiveness and effective collection of revenue. The tax system will continue to be progressive, with lower-income households and individuals shouldering the smallest tax burden, while the bulk of the taxes will be paid by the highest earners. Against this background, new policy priorities continue to be discussed within government, including social protection. The existing fiscal policy stance – that new permanent funding proposals must be matched by new permanent revenues – will be maintained. Moreover, the effectiveness of the South African Revenue Services (SARS) is a key priority, to ensure that it collects all taxes due, addresses any fraudulent or evasion activities, and works closely with law enforcement agencies to combat illicit activities.

The recent enactment of key legislation to advance South Africa's anti-money laundering (AML) and combating of the financing of terrorism (CFT) framework is a major milestone. These laws will strengthen the fight against corruption, fraud and terrorism, and also assist South Africa in meeting the international standards on AML/CFT, and to reduce the prospect of grey listing by the Financial Action Task Force (FATF).

Finally, the strengthening of the National Treasury's capacity has proceeded with great success. Long-vacant executive management posts have been filled during the 2022/23 financial year. This includes Deputy Director-General posts in the Office of the Chief Procurement Officer, Economic Policy and the Office of the Accountant-General. The upcoming period will see a continuing effort to obtain and retain strong skills, thus allowing the department to significantly improve its performance.

EXECUTIVE AUTHORITY STATEMENT

I wish to thank the President and Deputy President for their excellent support in rebuilding and maintaining the strength of the Treasury. I am grateful to the Deputy Minister of Finance, Dr. David Masedo, for his support and advice in the achievement of the Treasury's mandate. I also extend my sincere thanks and appreciation to the staff of the National Treasury, who continue to execute their immense responsibilities with diligence and dedication.



ENOCH GODONGWANA, MP

Minister of Finance

DEPUTY MINISTER'S STATEMENT



David Masondo
Deputy Minister of Finance

One of the most topical and concerning issues affecting South Africa and its economic development prospects is the need to address governance shortcomings. To deal with this, we need strong and effective institutions, strong legislation and early warning systems.

The National Treasury is responsible for fiscal policy, financial sector and broader public policy management in South Africa. In this regard, it operates through 10 divisions, while the Ministry of Finance is directly responsible for 16 institutions, including the South African Revenue Service (SARS). Despite its previous challenges, SARS is one of the state institutions that demonstrate the features of a developmental state in the democratic era. The institutional recovery of SARS is well under-way, and management is working hard to close the tax gap and recover lost revenue, as well as illicit financial flows.

The Department has made progress in finalising the governance structures of several entities, including the Fiscal and Financial Commission (FFC), with the appointment of a new chairperson during 2022/23. The Financial Sector Conduct Authority (FSCA), the Financial Intelligence Centre (FIC) and others have significantly improved their performance. During 2023/24, government anticipates stronger performance in combating financial crimes following the enactment of landmark legislation in December 2022 which provides tools or legal instruments for the state to combat money laundering and the financing of terrorist activities. This will be bolstered by additional funding allocations to the Special Investigating Unit (SIU), the National Prosecuting Authority (NPA) and the FIC.

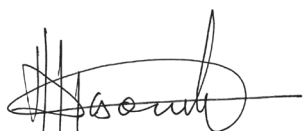
The work to strengthen intergovernmental fiscal relations continues, with a special focus on municipalities. Government has acted assertively at the municipal levels, to address growing crises in financial management and service delivery. The National Treasury is working with municipalities to improve their capacity, especially in respect of financial management and improving compliance with the Municipal Finance Management Act (MFMA). These efforts will help to address the phenomenon of unfunded budgets and the breakdown in basic service delivery, in addition to the work necessary to deal with political dysfunction. The National Treasury continues to provide the main support on financial management

DEPUTY MINISTER'S STATEMENT

matters in municipal interventions country-wide, with the aim of rectifying financial management breakdowns and restoring these municipalities back to efficiency.

The Zondo Commission on State Capture has revealed in great detail the disturbing and harmful effects of corruption in the broader public sector. During 2023/24, the National Treasury will be committed to the task of implementing recommendations that will address the scourge of corruption, while considering options for dealing with identified gaps and shortcomings. In this regard, the filling of critical posts in the Office of the Chief Procurement (O-CPO) and the Office of the Accountant-General (OAG) will, among other things, significantly improve the Treasury's fight against financial mismanagement and various types of corruption.

Various systems and processes are being implemented to ensure better and earlier detection systems. In addition to early warning systems to monitor expenditure, the O-CPO continues to improve the monitoring of supply-chain processes and is taking stronger action to black-list companies that were key players in state capture. Finally, replacement of government's antiquated financial IT systems will continue to be an overarching priority going forward.



DR. DAVID MASONDO, MP
DEPUTY MINISTER OF FINANCE

ACCOUNTING OFFICER'S STATEMENT



ISMAIL MOMONIAT
ACTING DIRECTOR-GENERAL

The Annual Performance Plan for the 2023/24 financial year constitutes of the Strategic Plan's fourth year of the implementation of government priorities set in the revised MTSF 2019-2024, which comes with an immense task to conclude on the commitments set for this five-year term whilst laying sufficient baseline for the next evaluation of MTSF. The revised MTSF 2019-2024 emphasised that improving the economic growth pattern is critical to improving employment levels, eradicating poverty, and reducing inequality. National Treasury will continue with tireless efforts, resoluteness, dedication, and proficiency, to deliver on the Departments constitutional mandate and legislative obligations. These endeavours include the primary responsibility of ensuring fiscal sustainability, monitoring efficient and effective use of scarce public resources by spending agencies and coordinating fiscal relations between the three spheres of government. Similar efforts will be dedicated towards stabilising state-owned companies (SOCs) to be financially and fiscally sustainable while delivering on the national growth and development objectives.

Over the medium term, National Treasury will continue with efforts to narrow the budget deficit, which is key to stabilising the debt-to-GDP ratio. This will be achieved in the main by controlling non-interest expenditure growth. The fiscal framework contains growth in compensation spending while increasing capital expenditure. Infrastructure projects will be financed through the Infrastructure Fund, using public-private partnerships and other funding arrangements to improve planning and speed up delivery. National Treasury has developed an implementation plan to realise the recommendations of the South African Public Private Partnership (PPP) regulatory framework review.

This Annual Performance Plan, guided by the Budget Prioritisation Framework 2023 that has adopted a strategy of stabilisation, recovery, and reconstruction, expresses National Treasury commitment to continue to implement high impact programmes such as the Cities Support Programme, Neighbourhood Development Partnership Programme (NDPP), Jobs Fund, and the Municipal Finance Improvement Programme to deliver on national imperatives and departmental priorities.

ACCOUNTING OFFICER'S STATEMENT

As fiscal and financial relations between the national, provincial, and local spheres of government remain key to government budgeting and expenditure monitoring, National Treasury will coordinate 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.

The department will facilitate accountability and transparency in the management of the country's financial resources and will monitor compliance with and issue quarterly reports on the requirement to pay suppliers within 30 days from receipt of an invoice.

In support of the MFMA UIF&W Expenditure Reduction Strategy, the National Treasury has embarked on a project to develop a consequence management and accountability framework (CMA) for implementation by municipalities and municipal entities. This framework is aimed at addressing a key component of the MFMA UIF&W Expenditure Reduction Strategy, which relates to the implementation of consequence management. During 2023/24, National Treasury will continue with the development of the Integrated Financial Management System and concerted effort will be put on ensuring the system is rolled out in National Departments and Provinces by 2024.

Work on the public procurement reforms will be accelerated with the revised draft Public Procurement Bill being taken through the Parliamentary process. In addition, oversight over compliance with SCM policies, procedures, norms and standards will continue. In this regard, the draft Preferential Procurement Regulations were published for public comment and the review of these is ongoing. Three PFMA instructions and one PPPFA Designated Sector Circular were issued and will continue to be part of the department's service delivery efforts.

National Treasury will continue to advance and protect South Africa's interests in shaping regional and global policies that advance the economic, financial and development objectives of the country and Africa. Of high priority, is the need to effectively represent South Africa in the finance track of the Brazil, Russia, India, China, South Africa (BRICS) group of countries, as well as in the BRICS public private partnership and infrastructure task force which is aimed at advancing collaboration on infrastructure investment and exchanging best practices.

The 2023/24 Annual Performance Plan commit the department to various initiatives undertaken in pursuit of the following National Treasury's focal areas of work:

- Coordination of the national budgeting process
- 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 with emphasise on ensuring 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 of research into strategic 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

ACCOUNTING OFFICER'S STATEMENT

- Strengthening public sector financial management as well as improving financial management governance and compliance across all spheres of government and in government entities
- Managing government's financial systems
- Overseeing and modernising government's supply chain management systems and making government procurement more transparent, 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

The National Treasury employees are the bedrock of the department's success in a conducive learning and working environment. The 2023/24 Annual Performance Plan sets an ambitious agenda in response to the challenges facing the country. The National Treasury team is resolutely committed to deliver on the mandate as we have shown during the most difficult times in the past and will continue to be dedicated into the future.



ISMAIL MOMONIAT

ACTING DIRECTOR-GENERAL

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 E Godongwana;
- 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 endeavor to achieve over the 2023/24 period.

Signature:  _____

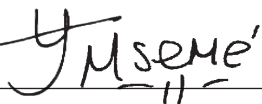
Sandile Malimela

Acting Chief Financial Officer

Signature:  _____

Stadi Mngomezulu

Deputy Director-General: Corporate Services

Signature:  _____

Laura Mseme

Acting Chief Operating Officer

Signature:  _____

Ismail Momoniat

Acting Accounting Officer: National Treasury

Approved by:

Signature:  _____

Enoch Godongwana, MP

Minister of Finance

2023/24 ANNUAL
PERFORMANCE PLAN

PART A:
OUR MANDATE



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Department:
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REPUBLIC OF SOUTH AFRICA

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 (PFMA) (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.

The National Treasury mandate is further elaborated in the Municipal Financial Management Act Section 5(2), monitoring of municipal budgets, promote good budgets and fiscal management by municipalities, accounting and reporting, monitor, support and assess compliance and investigate any system of financial management and internal control in municipalities and municipal entities. The mandate extends to issuance of regulations on all aspects of the Municipal Financial Management Act, which includes investments, borrowing, budgeting, accounting, assets, reporting, competencies, expenditure and cost containment, supply chain, public private partnerships, financial misconduct and criminal procedures, amongst others.

2. UPDATES TO INSTITUTIONAL POLICIES AND STRATEGIES

Institutional policies

Tax Administration Laws Amendment Act 2012 (Act 21 of 2012)

Taxation Laws Amendment Act 2012 (Act 22 of 2012)

The Adjustments Appropriation Act 2012 (Act 17 of 2012)

The Appropriation Act 2012 (Act 7 of 2012)

The Co-Operative Banks Act 2007 (Act 40 of 2007)

The Credit Rating Services Act 2012 (Act 24 of 2012)

The Development Bank of Southern Africa Act 1997 (Act 13 of 1997)

The Division of Revenue Act 2012 (Act 5 of 2012)

The Division of Revenue Amendment Act 2012 (Act 18 of 2012)

The Financial Intelligent Centre Act 2001 (Act 38 of 2001)

The Financial Advisory and Intermediaries (FAIS) Act 2002 (Act 37 of 2002)

The Financial Markets Act 2012 (Act 19 of 2012)

2. UPDATES TO INSTITUTIONAL POLICIES AND STRATEGIES

The Financial Sector Regulation Act 2017 (Act 9 of 2017)

The Land and Agricultural Development Bank Act 2002 (Act 15 of 2002)

The Lotteries Act 1997 (Act 57 of 1997)

The Lotteries Amendment Act 2013 (Act 32 of 2013)

The Municipal Finance Management Act 2003 (Act 56 of 2003)

The National Credit Act (NCA) 2005 (Act 34 of 2005)

The National Gambling Act 2004 (Act 7 of 2004)

The Public Investment Corporation Act 2004 (Act 23 of 2004)

The Public Finance Management Act 1999 (Act 1 of 1999)

The Rates and Monetary Amounts and Amendment of Revenue Laws Act 2012 (Act 13 of 2012)

The South African Revenue Service Act 1997 (Act 34 of 1997)

The South African Reserve Bank (SARB) Act 1989 (Act 90 of 1989)

The Tax Administration Act 2011 (Act 28 of 2011).

3. UPDATES TO RELEVANT COURT RULINGS

Constitutional Court Judgement regarding Preferential Procurement Regulations 2017,

The Supreme Court of Appeal (SCA) held that the Minister's promulgation of regulations 3(b), 4 and 9 of the 2017 Regulations was unlawful. Due to what the SCA held to be the interconnectedness of the regulations, the entirety of the 2017 Regulations was declared invalid.

Following the Constitutional Court ruling of February 2022, Preferential Procurement Regulations, 2022, were made by the Minister and published in Gazette in Nov 2022 and are to take effect on 16 January 2023. National Treasury must have a preferential procurement policy in place in compliance with these regulations.

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PERFORMANCE PLAN

PART B:
OUR STRATEGIC FOCUS



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4. SITUATIONAL ANALYSIS

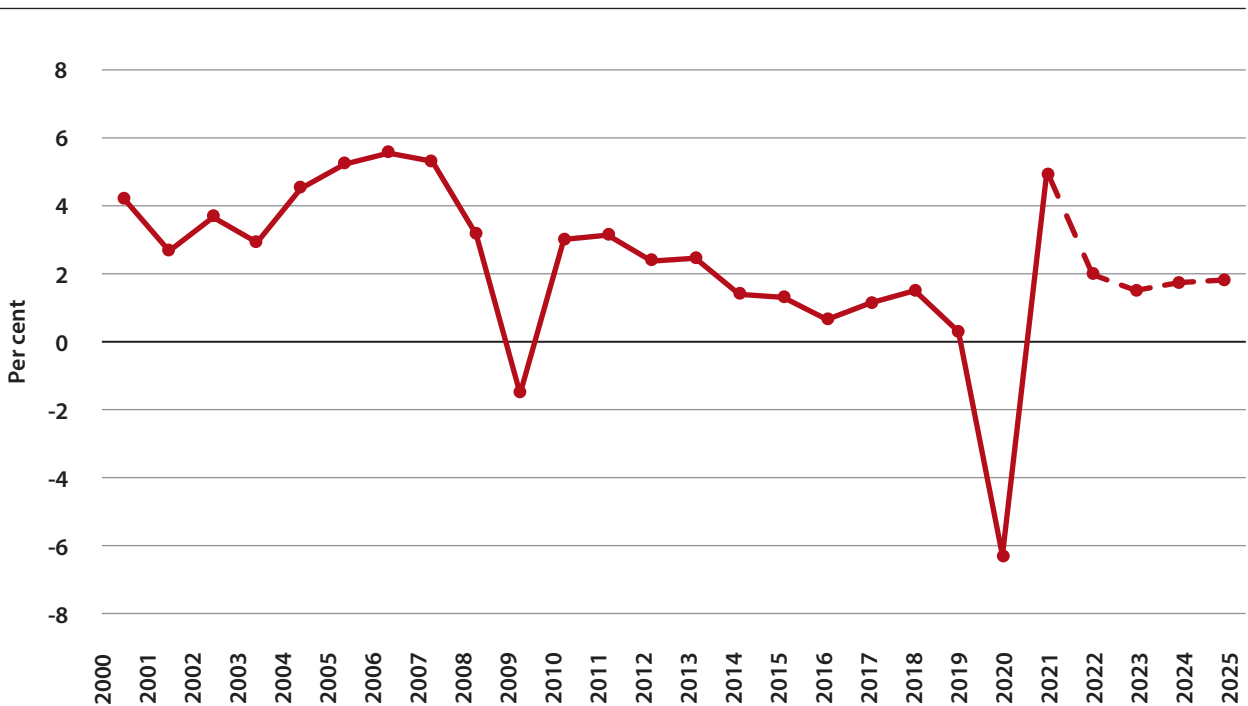
4.1 Updated External Environment Analysis

Despite an unexpectedly strong rebound in the immediate aftermath of the global COVID-19 pandemic, negative growth in the second quarter of 2022 has seen South African GDP slip below its pre-pandemic levels yet again. Following the pandemic, South Africa’s faster-than-expected recovery was bolstered by a supportive external environment and, in particular, high global commodity prices. However, this external support has already begun to dissipate. In addition, the impact of flooding in Kwa-Zulu- Natal, the ongoing energy crisis and persistent constraints in network industries have hampered economic activity, while high inflation and unemployment have continued to weigh on private consumption. This low growth is all the more concerning as even prior to the COVID-19 pandemic, as the South African economy was expanding at a rate that was significantly below what is required to address the triple challenges of poverty, inequality and unemployment.

The 2022 Medium Term Budget Policy Statement (MTBPS) forecast South Africa’s economic growth to slow down to 1.9 per cent in 2022 and then 1.4 per cent in 2023, after expanding by 4.9 per cent in 2021. This slowing growth comes as global risks, including slower global growth from disruptions in global supply chains and stringent lockdown restrictions in China, elevated production costs and pressured consumer inflation and domestic structural challenges, including unreliable electricity supply, high levels of market concentration, sub-standard outcomes in key network industries, low confidence, declining productivity and a high cost of doing business constrain output.

South Africa’s longstanding domestic impediments to faster growth have been aggravated by recent shocks, further emphasising the need to implement the economic recovery plan, including through Operation Vulindlela, to narrow the gap between South Africa’s poor economic outcomes and its aspirations.

Figure 1: Real GDP growth and projections



4. SITUATIONAL ANALYSIS

In addition to poor GDP growth, several other indicators are cause for concern. The labour market in particular is extremely weak, with employment remaining well below its pre-pandemic level. The combination of low growth and the high unemployment rate is not sustainable and is exacerbated by relatively high inflation eroding household incomes, while gross fixed capital formation remains well below the levels targeted by the National Development Plan.

Figure 2: Contribution to quarterly headline inflation

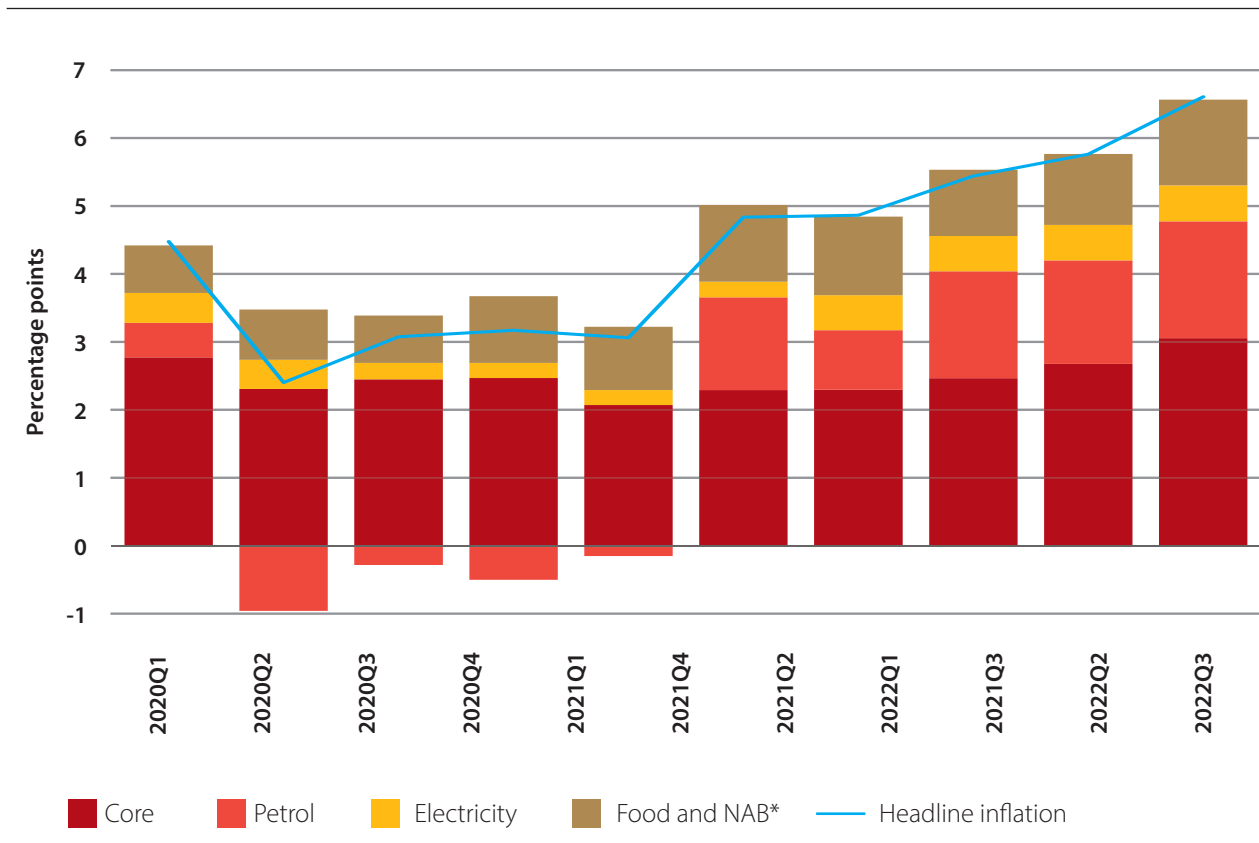


Table 1: Macroeconomic projections (2022 Medium Term Budget Policy Statement)

Calendar year	2021 Actual	2022 Estimate	2023 Forecast	2024	2025
<i>Percentage change unless otherwise indicated</i>					
Household consumption	5,6	2,9	1,6	1,7	1,8
Gross fixed-capital formation	0,2	4,0	1,9	3,6	3,8
Real GDP growth	4,9	1,9	1,4	1,7	1,8
GDP at current prices (R billion)	6 192	6 572	6 956	7 406	7 884
CPI inflation	4,5	6,7	5,1	4,6	4,6
Current account balance (% of GDP)	3,7	0,2	-0,9	-1,1	-1,2

4. SITUATIONAL ANALYSIS

Following the extreme pressure that the COVID-19 pandemic placed on already stressed public resources (resulting in an unprecedented widening of the budget deficit and a spike in debt stock), better than expected revenues, largely as a result of a commodities boom, will see South Africa return to a main budget primary surplus in 2023/24. Nevertheless, interest payments are forecast to grow from 4.6 per cent of GDP this fiscal year to 4.8 per cent by 2025/26.

Figure 3: Main budget primary balance*

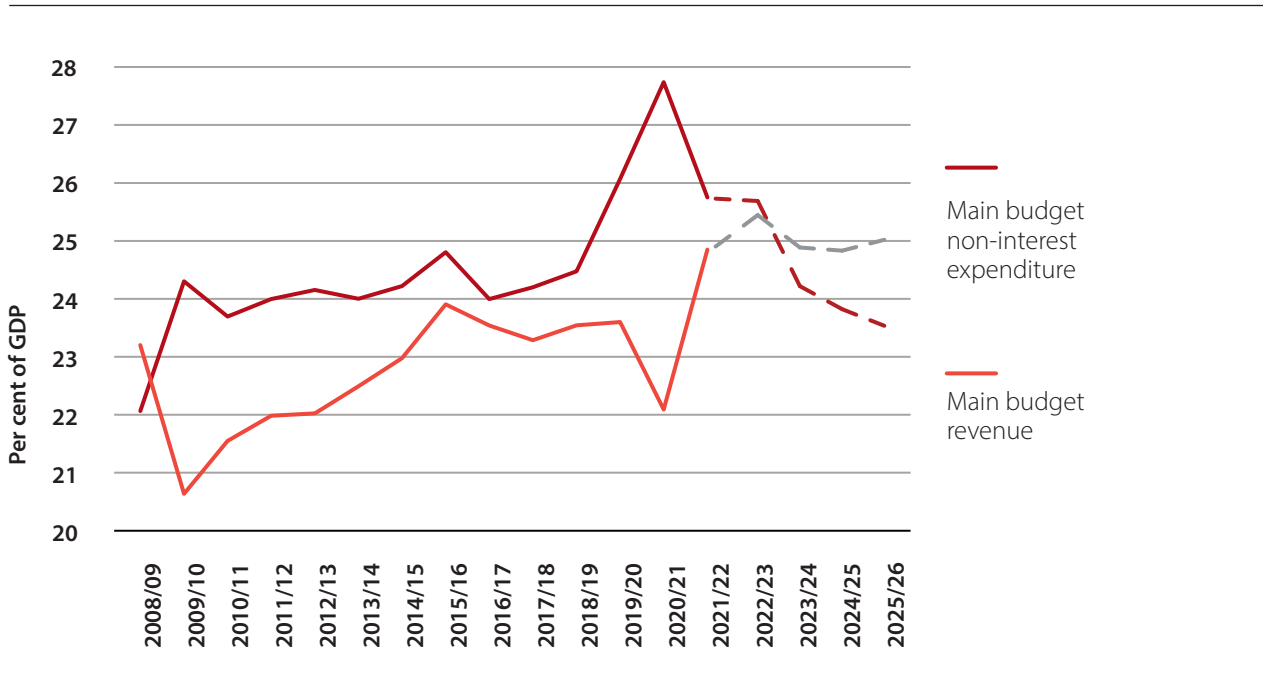
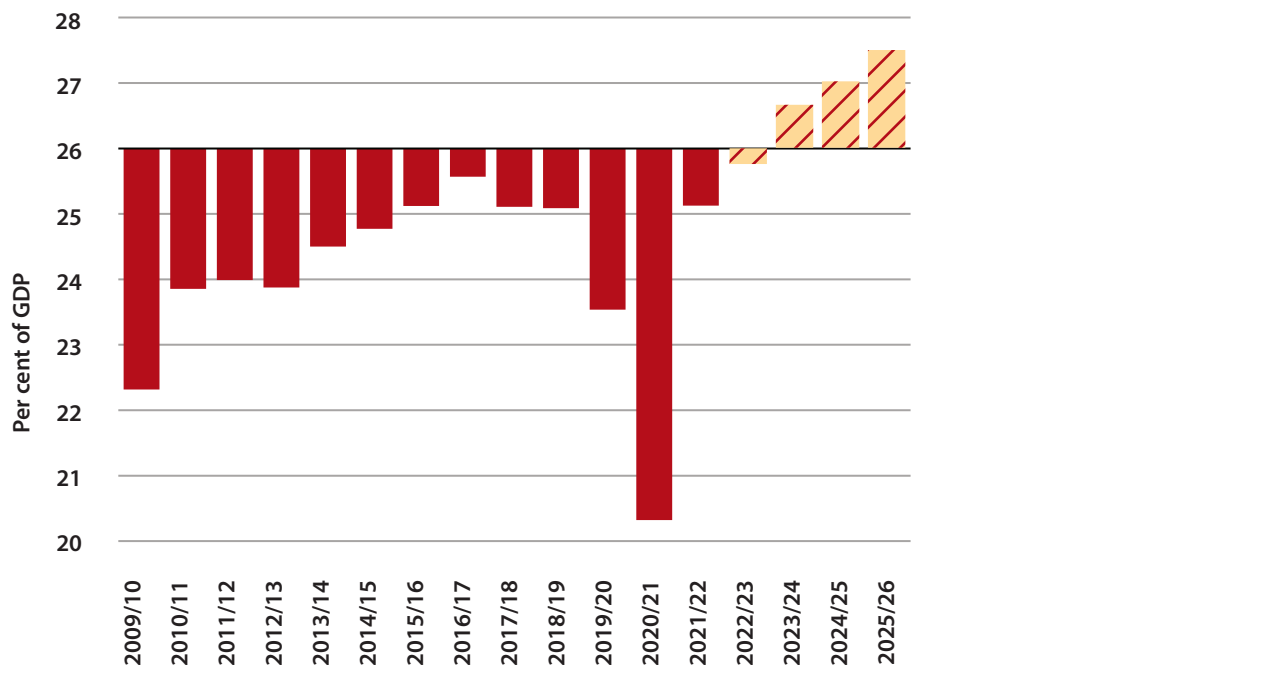


Figure 4: Main budget primary balance



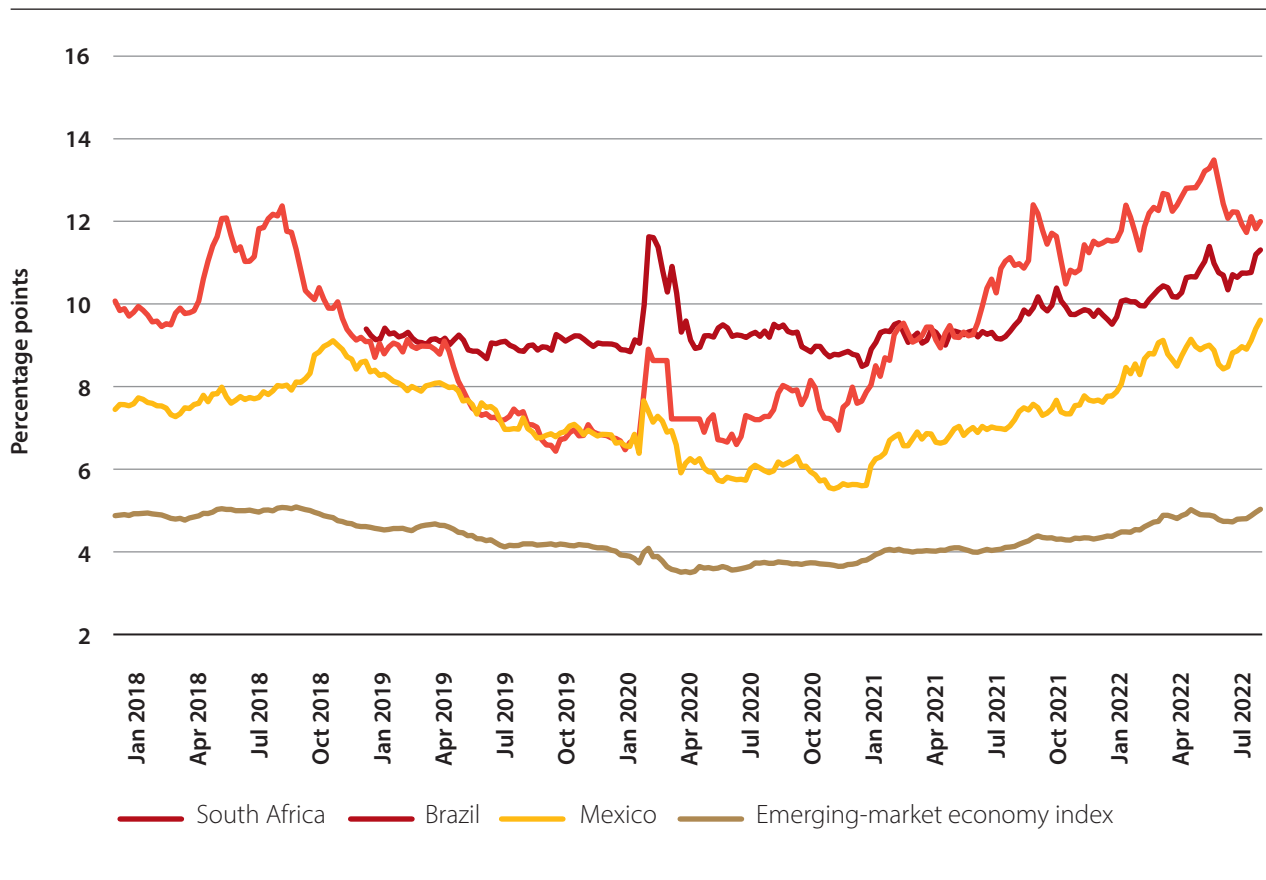
*Excludes Eskom financial support and transactions in financial assets and liabilities

4. SITUATIONAL ANALYSIS

Gross debt is forecast to decline from 71.4 per cent of GDP in 2022/23 to 70.0 per cent of GDP in 2025/26. In addition, government has committed to increasing the size of the contingency reserve to improve responsiveness to shocks such as natural disasters, but many additional pressures on the fiscus, such as state-owned companies, social security funds and municipalities – remain unresolved and continue to pose a downside risk to sustainable public finances.

The fiscal trajectory has improved relative to expectations at the time of the Budget 2022. However, the global cycle of monetary policy tightening has seen bond yields (i.e. the cost of borrowing) rise significantly.

Figure 5: 10-year sovereign bond yields



Looking forward, the 2022 MTBPS presented a strategy to continue stabilising the public finances while supporting economic growth in a highly volatile global economy. Fiscal consolidation is achieving the objectives of the strategy originally outlined in the 2020 MTBPS. Lifted by better-than-expected revenues, the fiscal position is stronger.

Over the MTEF period, spending will remain restrained. Over the next three years, spending increases will support economic growth and the delivery of health, education and local government free basic services. Main budget non-interest spending will grow slightly above Consumer Price Index (CPI) inflation in 2024/25 and 2025/26 as more resources are added to key baselines for delivery of services, infrastructure, and safety and security – and funds are set aside to reduce fiscal risks. Government will use a portion of revenue improvements to narrow the budget deficit and keep debt stabilisation on track.

4. SITUATIONAL ANALYSIS

National Treasury remains committed to the programme of structural reforms designed to lower the cost of doing business and create a more competitive economy. Operation Vulindlela, a joint initiative of the Presidency and the National Treasury, oversees the implementation of critical reforms, with the following reforms having already achieved key milestones:

- In transport, the Transnet National Ports Authority has been corporatised, an important first step in raising the competitiveness of South Africa's ports. Third-party access to the freight rail network is being pursued. Private-sector partnerships are being developed for the Durban Pier 2 and Ngqura container terminals. The White Paper on the National Rail Policy was gazetted in May 2022, with a focus on measures to raise competitiveness, lower logistics costs and encourage investment.
- In telecommunications, the auction of broadband high-value spectrum has been completed. Draft by-laws for the deployment of electronic communications and facilities at municipal level have been published for public comment – a key step towards facilitating the provision of electronic communications infrastructure at the local level.
- Several visa reforms have been completed. These include reviewing the policy framework and processes for work visas. The eVisa system has been implemented in 14 countries, including key trading partners China, India, Kenya and Nigeria. A revised critical skills list has been published to help address the country's skills deficit.

South Africa's Just Energy Transition Investment Plan (JETIP) for the initial period 2023-2027 was launched during COP 27. The JETIP was developed through a country-owned, country-led engagement process, involving multiple stakeholders. The process of developing the JETIP was overseen by the Presidential Climate Finance Task Team and drew on South Africa's extensive knowledge base amongst policymakers, academia, civil society, and business. The JETIP represents one milestone in a longer-term process towards transitioning the economy, society and for achieving environmental change.

Following the launch of the JETIP, government through the Presidency, working with the partners will now develop a comprehensive implementation plan for the Just Energy Transition. Together with other key government departments, the National Treasury will support and provide technical guidance led by the Presidency on the JETIP Implementation Plan. Key guiding principles on financing are set out in section 5.6 of the recently published JETIP, including an outline of what the JETIP Implementation Plan should entail, these are set out under section 7 of the Plan.

4.2 Updated Internal Situational Analysis



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ORGANOGRAM

As at 01 January 2023



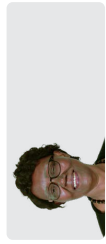
ENOCH GODONGWANA
Minister of Finance



DAVID MASEKELA
Deputy Minister of Finance

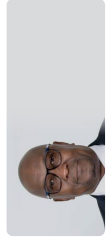


ISMAIL MOMONIAT
ACTING:
Director-General



MALIJENG NGQALENI
HEAD:
Intergovernmental Relations

- Local Government Budget Analysis
- Intergovernmental Policy & Planning
- Provincial & Local Government Infrastructure
- Provincial Budget Analysis
- Neighbourhood Development Unit



STADI MNGOMEZULU
HEAD:
Corporate Services

- Strategic Projects & Support
- Human Resources Management
- Financial Management
- Information & Communications Technology
- Facilities Management
- Security Management



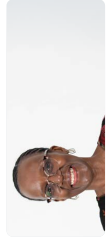
MAMPHO MODISE
HEAD:
Public Finance

- Justice & Protection Services
- Economic Services
- Administrative Services
- Education & Related Departments & Labour
- Health & Social Development
- Urban Development & Infrastructure



DUNCAN PIETERSE
HEAD:
Asset & Liability Management

- Sectoral Oversight
- Liability Management
- Financial Operations
- Strategy & Risk Management
- Governance & Financial Analysis



MENDOE NTSWAHLANA
HEAD:
Chief Procurement Office

- Transversal Contracting
- SCM Policy, Norms & Standards
- Strategic Procurement
- SCM Client Support
- SCM Information, Communication & Technology
- SCM Governance, Monitoring & Compliance



EDGAR SISHI
HEAD:
Budget Office

- Expenditure Planning
- Public Finance Statistics
- International Development Coordination
- Fiscal Policy
- Public Entities Governance Unit
- Public Sector Remuneration Unit



BOIPUSO MODISE
HEAD:
Economic Policy

- Modelling & Forecasting
- Microeconomic policy
- Macroeconomic policy
- Regulatory Impact Assessment



MMAKGOSHI LEKHETHE
ACTING HEAD:
Tax & Financial Sector Policy

- Financial Sector Development
- Financial Services
- Financial Stability
- Economic Tax Analysis
- Legal Tax Design



NOLUNDI DIKWENI
ACTING HEAD:
International & Regional Economic Policy

- African Economic Integration
- Multilateral Development Banks & Concessional Finance
- Global and Emerging Markets
- Country and Thematic Analysis
- Strategic Planning, Monitoring & Evaluation



SHABEER KHAN
HEAD:
Office of The Accountant General

- Capacity Building
- MFMA Implementation
- Accounting Support & Integration
- Internal Audit Support
- Risk Management
- Technical Support Services
- Governance Monitoring & Compliance
- Specialised Audit Services
- Financial Systems
- Integrated Financial Management Systems (IFMS)



LAURA MSEME
ACTING:
Chief Operating Officer

- Media Liaison & Communications
- Legal Services
- Legislation
- Internal Audit Function
- Enterprise-Wide Risk Management

4. SITUATIONAL ANALYSIS

During the 2023/24 financial year, the work done on the Organisational Review will be completed building on the comprehensive institutional reconfiguration propositions done over the previous years to ensure the organisational structure is fit for purpose. This is a cornerstone of the medium-term Organisational Optimisation Plan aimed at enhancing overall organisational efficiency and effectiveness. A new operating model will be gradually introduced within the National Treasury environment in a controlled, and considerate manner guided by change management principles. The intention is to ensure the institution's structural nimbleness, appropriateness, and applicability.

Over the medium term, the Organisational Optimisation Plan will continue to direct organisational efficiency and effectiveness. Annual priority areas have been identified for implementation across the four pillars which includes measures in pillar 1 to strengthening governance, planning, people and financial management services, in pillar 2 building and reinforcing organisational leadership and strengthening internal collaboration protocols between divisions, in pillar 3 by developing and strengthening organisational structures, including capacity building, reinforcing trust and enhancing communication and pillar 4 establishing and further promoting partnerships. It is anticipated that benefits of this programme will intensify throughout the organisation during the coming period.

Further, National Treasury has prioritised the filling of critical funded posts to ensure all programmes are sufficiently resourced to be able to respond to the institutional mandate and responsibilities.

The department will further embrace and implement appropriate, practical and agile approaches to human resources and employee relations. People's matters continue to be a priority and further work will be done on diversity management, providing employee wellness services, targeted edu-information sessions on health, wellbeing and financial matters as well as campaigns on good workplace relations and practices.

Information Communication Technology (ICT) capability will be enhanced in line with the dynamic business needs of the divisions. In this regard National Treasury will accelerate the programme to modernise systems and automate processes across the department. In addition, the various process automation projects currently being undertaken will gain significant momentum. Part of the plan is the work being undertaken to introduce advanced automated government-wide procurement related systems, automation of HR processes including e-recruitment and the roll out of the bespoke Organisational Performance Management and Monitoring System (OPMMS) designed by NT to automate and integrate Risk Management, Organisational Performance Management, Demand Management, Budgeting, Audit Finding Registers Learning and Innovation as well as Employee Performance monitoring.

Human Resources Management has also identified qualifying employees in previous financial years for the rollout of the implementation of an Early Retirement process for employees attaining the age of 55 and above as per the Government Employees Pension Fund Act (GEPF) and Public Service Act that stipulates early retirements.

The department's recruitment plans are aligned to the availability of funds with recruitment being undertaken following assessment of the financial sustainability of such posts. The current approach is that critical positions that become vacant are filled immediately, where required the approved Practice Note will be implemented on positions taking longer to be replaced or where there are no intentions to fill the positions. On such instances, funds will be reprioritised to fund other critical vacancies to ensure that divisions are fully capacitated with key skills. As an additional measure, the Department will embark on a staggered approach (gradually filling positions as per their prioritised status) when filling critical positions as and when they became vacant due to natural attrition.

4. SITUATIONAL ANALYSIS

The department has capped the number of internship positions to 60 in a financial year with the aim of managing the head count to accommodate the department's financial constraints whilst being compliant to the 5% of the total establishment as stipulated in the directive from the DPSA to address youth unemployment and promote workplace experience for graduates.

Further focus will be placed on implementing the annual training programme to ensure continuous development of NT employees. This, along with the Graduate Development Programme continues to provide for pipeline management and enables a structured approach to the National Treasury's practice of building its own timber. This is supported by rotational and secondments opportunities for employees to gain experience in promoting career progression.

The DG's Special Committee on Mainstreaming of Gender Matters will continue with the work on the seven thematical focus areas. The values and ethics workstream advocates for gender mainstreaming during the recruitment process undertaken by the department. The workstream on policy seek to oversee gender mainstreaming in the development of and subsequent implementation of departmental policies. The workstream on human resource development work on ensuring that personnel development initiatives are sensitive to mainstreaming gender matters. Inclusivity workstream oversee the interest of women in career pathing and growth. The gender mainstreaming campaigns workstream coordinates various advocacy campaigns on gender matters. The facilities and security workstream seek to ensure a safe working environment for women by advocating against women abuse and bullying in the workplace.

The department has mainstreamed programmes and interventions aimed at gender mainstreaming, youth and disabilities through promotion of rights, empowerment, equality and development, inter alia: Women Empowerment and Leadership Programme; Development of the Gender Responsive Planning, Budgeting, Monitoring, Evaluation and Auditing Training Manual for public finance; Gender mainstreaming of the capacity development strategy for public finance management; Waste Sector Knowledge Learning and Sharing Platform and the Gender Responsive Planning, Budgeting, Monitoring, Evaluation and Auditing Road map for departments.

The department reports on procurement statistics on a quarterly basis by gender, youth and persons with disabilities. It also reports on gender mainstreaming activities on a quarterly basis. The National Treasury will finalise the work on the Draft Financial Inclusion Policy which seek to explores what needs to be done to deepen financial inclusion of individuals including women, youth and persons with disabilities amongst other objectives.

National Treasury will continue to enhance the interconnectedness of the planning ecosystem, institutional performance monitoring, individual performance monitoring and institutional risk management. The Strategic Planning Monitoring and Evaluation unit will continue to ensure that programmes are coupled to the National Treasury's mandate and government priorities. This integrated planning and monitoring network enables informed analysis and evidence-based decisions making. Furthermore, the strengthening of risk management will continue with the implementation of organisational practices arising out of the adoption of the revised Risk Management Governance Structure. Moreover, attention will be placed on the yearly implementation of the risk-based internal audit plans.

4. SITUATIONAL ANALYSIS

The National Treasury remains committed to achieving its mandate which the Public Finance Management Act describes as to:

- Promote government's fiscal policy framework
- Coordinate macroeconomic policy and intergovernmental financial relations
- Manage the budget preparation process
- Facilitate the Division of Revenue Act which provides for equitable distribution of nationally raised revenue between national, provincial and local government
- Monitor the implementation of provincial budgets

2023/24 ANNUAL
PERFORMANCE PLAN

PART C:
MEASURING OUR
PERFORMANCE



national treasury

Department:
National Treasury
REPUBLIC OF SOUTH AFRICA

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 risks and the application of 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 effective and efficient monitoring, evaluation and reporting on departmental performance delivery and facilitates the development and implementation of service delivery improvement.

5. PROGRAMME 1: ADMINISTRATION

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.

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 a cohesive compliant service delivery environment, the unit strives to attain this balance of achieving service excellence and maintaining an agile internal control environment to instill fiscal discipline within National Treasury.

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 the institutional memory and tangible knowledge of the department, as well as providing management support to internal projects. Knowledge management is the custodian of the preservation and dissemination of organisational information created within and in-collaboration with other entities. Records management focuses on the preservation of tangible knowledge so that it can be easily retrieved 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. PROGRAMME 1: ADMINISTRATION

5.2 Outcomes, Outputs, Performance Indicators and Targets

No.	Outcomes	Outputs	Output Indicators	Audited / Actual Performance					Annual Targets					
				2019/20	2020/21	2021/22	2022/23	2023/24	MTEF Period					
				2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27			
1.1.1		ICT service delivery reports	Percentage of ICT service delivery standards met	#	90%	90%	93%	93%	94%	94%	94%	95%		
1.1.2	Sound financial controls and management of public finances	Audit Outcome	Audit Opinion Obtained	#	Unqualified audit opinion with 37.7% fewer findings than 2019/20 on financial performance information	Qualified audit opinion with 62.5% more findings than 2020/21 on financial performance information	Unqualified audit opinion with 15% fewer findings than 2021/22 on financial performance information	Unqualified audit opinion with 15% fewer findings than 2022/23 on financial performance information	Unqualified audit opinion with no audit findings on financial performance information	Unqualified audit opinion with no audit findings on financial performance information	Unqualified audit opinion with no audit findings on financial performance information	Unqualified audit opinion with no audit findings 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	#	3.9	5	4	5	5	5	5	5		
1.1.4		Annual Training report	Percentage spend of training and development budget	#	50.6%	60%	70%	70%	75%	75%	75%	80%		

5. PROGRAMME 1: ADMINISTRATION

Continued

		Annual Targets								
Outcomes	Outputs	Output Indicators	Audited / Actual Performance		Estimated Performance	Planned Performance Current Year	MTEF Period			
			2019/20	2020/21			2022/23	2023/24	2024/25	2025/26
1.1.5	Quarterly reports	Number of quarterly reports on the implementation of the action plan on gender mainstreaming produced	#	#	4	4	4	4	4	4

5. PROGRAMME 1: ADMINISTRATION

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	93%	93%	93%	93%	93%
1.1.2	Audit Opinion Obtained	Unqualified audit opinion with 15% fewer findings than 2022/23 on financial performance information	N/A	N/A	N/A	Unqualified audit opinion with 15% fewer findings than 2022/23 on financial performance information
1.1.3	Risk Management Maturity Assessment level achieved	5	N/A	N/A	N/A	Unqualified audit opinion with no audit findings on non-financial performance information
1.1.4	Percentage spend of training and development budget	70%	10%	21%	21%	18%
1.1.5	Number of quarterly reports on the implementation of the action plan on gender mainstreaming produced	4	1	1	1	1

5. PROGRAMME 1: ADMINISTRATION

Explanation of planned performance over the medium-term period

The administration programme will continue to be the anchor for good governance by providing integrated business solutions across the department. Central to this administrative work is ensuring business continuity, knowledge management, and information and communication technology. The programme will continue with concerted effort aimed at enhancing corporate risk management and ensuring a sound control environment through the yearly implementation of risk-based internal audit plans. National Treasury will continue to strive for an unqualified audit opinion with zero material misstatement in financial information.

The Human Resources Management (HRM) will continue to impact positively on the business of the department through ensuring that all transactional and transformational HRM support services are rendered effectively and efficiently. In this regard, dedicated focus will be on enhancing institutional capability with targeted initiatives being undertaken to enable the department to attract, develop and retain the skills needed to deliver on its mandate. This recruitment drive is informed by the objective of promoting National Treasury as the employer of choice with diversity management at the center of HRM's business processes.

The ICT unit will continue to enhance institutional productivity and business continuity through the ICT governance, ICT front office service delivery and the capacity of the ICT back office. A dedicated focus will be given to expanding the National Treasury's knowledge-sharing and preservation systems. Strengthening of governance, transparency and accountability will continue to be a focus area in the medium term through enhanced coordination of assurance activities.

The risk management, business continuity, anti-corruption and ethics functions remain committed to ensuring good governance. Risk management is a crucial element of corporate governance that ensures minimisation of the impact of threats to the mandate and reputation of the NT. A risk management culture continues to be entrenched through annual risk assessments and quarterly monitoring of mitigation strategies. The risk management function has matured further through the development of the risk appetite and tolerance thresholds, that define the NT's philosophy towards risk and guide all employees on options to manage risks. The Department's risk maturity will be enhanced through conducting risk awareness and advocacy initiatives on a quarterly basis. The Risk Management Committee provides oversight over the effectiveness of the risk management function, the management of strategic risks, to recommend risk management governance documents and to monitor progress on risk management activities.

National Treasury will enhance the implementation of its ethics and anti-corruption management processes to promote an ethical organisational culture that foster efficient use of resources. This includes the implementation of the ethics and anti-corruption awareness plan to respond to topical ethical issues such as whistleblowing and lifestyle audits. The Ethics and Anti-Corruption Implementation Matrix as well as conducting Lifestyle Audit will be prioritised during the 2023/24 financial year. In-year monitoring reports on identified risks will be presented to the Risk Management Committee to assess effectiveness of risk mitigation actions.

Over the medium term, the National Treasury will enhance capacity for strategic planning, project planning, performance management and reporting across the organisation. In this regard, the Strategic Planning, Monitoring and Evaluation unit will further strengthen and expand the National Treasury's planning and reporting ecosystem. The implementation of the recently introduced project management monitoring and reporting will be advanced over the medium term.

5. PROGRAMME 1: ADMINISTRATION

Overall, the focus of the Strategic Planning, Monitoring and Evaluation unit will be to ensure that the programmes of the divisions are coupled from department's mandate, National Development Plan's (NDP) priorities, Medium Term Strategic Framework (MTSF) outcomes, National Annual Strategic Plan (NASP) priorities, and targets relating to women, youth, and persons with disabilities. Building on the recently rolled out operational planning for all Divisions and Chief Directorates, the department will be enhancing the integration between institutional performance and individual performance. The implementation of operational planning constitutes a critical additional layer of the planning system with operational objectives for each chief directorate creating a seamless alignment between organisational and individual performance. This level of planning will further contribute to aligning the planning practices with risk management.

The Public Entities Oversight Unit will oversee the portfolio of public entities under the Ministry of Finance. Central to this work is providing continuous support to the Minister of Finance in his role as the executive authority to oversee public entities reporting to the Ministry, by reviewing quarterly reports, analysing annual reports for irregular, unauthorised, wasteful and fruitless expenditure, and reviewing strategic plans and annual performance plans for approval and tabling in Parliament, performance planning, budgeting, human resources performance management, responding to internal audit findings and reporting.

Legislation will continue to routinely protect the interest of National Treasury during the legislation process, which entails processing annual budget legislation and other draft legislation. Linked to this is scrutinising the legislation according to needs identified by the National Treasury and government more broadly.

Legal Services will provide a comprehensive legal advisory service to the National Treasury to assist in executing its mandate effectively within the rule of law. The Communications unit will be the voice of National Treasury in the national discourse on public finances and its management. The administration programme contributes towards achieving the MTSF Priority 1 Outcome: A functional, efficient and integrated government.

5. PROGRAMME 1: ADMINISTRATION

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 (%)
	2019/20	2020/21	2021/22				2022/23	2023/24	2024/25		
R million											
Ministry	3.7	3.7	3.7	4.4	6.2%	0.8%	4.6	4.8	5.0	4.1%	0.8%
Departmental Management	30.9	24.7	36.4	61.2	25.6%	7.9%	61.4	63.2	66.3	2.7%	10.4%
Corporate Services	133.1	171.9	149.8	187.9	12.2%	33.0%	337.0	196.4	205.6	3.1%	38.4%
Enterprise-Wide Risk Management	31.6	29.5	32.5	37.3	5.7%	6.7%	40.8	42.3	43.6	5.4%	6.8%
Financial Administration	47.3	46.9	54.9	57.1	6.5%	10.6%	55.5	51.1	53.4	-2.2%	9.0%
Legal Services	22.2	25.1	26.3	23.9	2.6%	5.0%	24.4	24.9	26.0	2.8%	4.1%
Internal Audit	34.2	19.6	18.8	26.2	-8.5%	5.1%	32.2	33.7	35.2	10.3%	5.3%
Communications	10.9	9.5	10.8	8.1	-9.5%	2.0%	8.6	9.0	9.4	5.1%	1.5%
Office Accommodation	139.7	165.4	121.8	135.4	-1.0%	28.9%	141.6	145.5	151.8	3.9%	23.8%
Total	453.6	496.3	455.1	541.6	6.1%	100.0%	706.1	570.9	596.2	3.3%	100.0%
Change to 2022 Budget estimate				20.0			162.1	7.4	-		

5. PROGRAMME 1: ADMINISTRATION

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 (%)	
	2019/20	2020/21	2021/22				2022/23	2023/24	2024/25			2025/26
R million												
Economic classification												
Current payments	438.9	450.0	432.4	504.9	4.8%	93.8%	552.0	552.9	577.4	4.6%	90.6%	
Compensation of employees	192.4	188.3	202.5	216.8	4.1%	41.1%	224.4	227.9	237.9	3.1%	37.6%	
Goods and services ¹	246.5	261.7	229.9	288.1	5.3%	52.7%	327.6	325.1	339.5	5.6%	53.0%	
<i>of which:</i>												
Computer services	44.1	45.5	52.1	81.2	22.6%	11.5%	105.1	95.9	100.6	7.4%	15.9%	
Consultants: Business and advisory services	19.9	5.9	2.6	7.1	-29.1%	1.8%	13.3	14.4	15.0	28.5%	2.1%	
Legal services	12.4	16.8	16.6	15.8	8.4%	3.2%	15.9	16.0	16.7	1.8%	2.7%	
Contractors	17.7	12.6	14.9	18.5	1.6%	3.3%	20.1	20.5	21.1	4.4%	3.3%	
Operating leases	81.0	126.8	73.1	84.6	1.5%	18.8%	88.3	90.2	94.3	3.7%	14.8%	
Property payments	24.4	16.3	23.4	24.2	-0.2%	4.5%	25.9	26.8	28.0	4.9%	4.3%	
Transfers and subsidies¹	6.4	5.5	5.9	10.6	18.0%	1.5%	4.8	5.1	5.3	-20.6%	1.1%	
Departmental agencies and accounts	2.2	2.6	2.2	2.3	1.1%	0.5%	2.5	2.6	2.8	6.3%	0.4%	
Households	4.2	2.8	3.7	8.3	25.3%	1.0%	2.3	2.4	2.5	-32.7%	0.6%	
Payments for capital assets	8.0	40.8	16.7	26.1	48.1%	4.7%	149.3	12.9	13.6	-19.6%	8.4%	
Machinery and equipment	8.0	27.8	16.7	25.6	47.3%	4.0%	143.8	12.8	13.5	-19.3%	8.1%	
Software and other intangible assets	0.0	13.0	-	0.5	177.6%	0.7%	5.5	0.1	0.1	-45.4%	0.3%	
Payments for financial assets	0.2	0.0	-	-	-100.0%	-	-	-	-	-	-	
Total	453.6	496.3	455.1	541.6	6.1%	100.0%	706.1	570.9	596.2	3.3%	100.0%	

5. PROGRAMME 1: ADMINISTRATION

Continued

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
	2019/20	2020/21	2021/22				2022/23	2023/24	2024/25		
R million											
Proportion of total programme expenditure to vote expenditure	1.5%	1.5%	0.7%	1.6%	-	-	2.0%	1.7%	1.7%	-	-
Details of transfers and subsidies											
Households											
Social benefits											
Current	2.1	0.8	1.7	6.2	43.8%	0.6%	-	-	-	-100.0%	0.3%
Employee social benefits	2.1	0.8	1.7	6.2	43.8%	0.6%	-	-	-	-100.0%	0.3%
Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current	2.2	2.6	2.2	2.3	1.3%	0.5%	2.5	2.6	2.8	6.3%	0.4%
Finance and Accounting Services Sector	2.2	2.6	2.2	2.3	1.3%	0.5%	2.5	2.6	2.8	6.3%	0.4%
Households											
Other transfers to households											
Current	2.1	2.0	2.0	2.1	-0.5%	0.4%	2.3	2.4	2.5	6.2%	0.4%
Bursaries for non-employees	2.1	2.0	2.0	2.1	-0.5%	0.4%	2.3	2.4	2.5	6.2%	0.4%

5. PROGRAMME 1: ADMINISTRATION

5.4.1 Personnel Information

Table 8.7 Administration personnel numbers and cost by salary level¹

Number of posts estimated for 31 March 2023		Number and cost ² of personnel posts filled/planned for on funded establishment												Number					
		Actual			Revised estimate			2023/24			2024/25					2025/26			Average growth rate (%)
Administration	Number of funded posts	Number of posts of additional to the establishment	2021/22			2022/23			2023/24			2024/25			2025/26			2022/23 - 2025/26	
			Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost		
	331	78	321	202.5	0.6	327	211.8	0.6	361	224.4	0.6	350	227.9	0.7	359	237.9	0.7	3.1%	100.0%
1 – 6	110	72	101	26.4	0.3	109	29.5	0.3	130	33.5	0.3	130	35.5	0.3	131	36.4	0.3	6.3%	35.8%
7 – 10	120	2	124	68.9	0.6	113	64.4	0.6	121	68.7	0.6	117	70.2	0.6	123	75.4	0.6	2.9%	34.0%
11 – 12	59	–	58	51.7	0.9	59	55.0	0.9	64	59.3	0.9	57	55.5	1.0	59	58.3	1.0	-0.1%	17.1%
13 – 16	42	4	39	51.2	1.3	46	62.9	1.4	46	62.9	1.4	46	66.7	1.5	46	67.7	1.5	–	13.2%
Other	–	–	–	4.4	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–

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

2. Rand million.

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 relating to the regulation of the financial sector in South Africa, with specific focus on making it safer by increasing resilience, stability, enhancing integrity and competition, and making it serve South Africans better including broadening access to financial services, and improving household savings rate through continuing retirement reforms.

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

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				
				2019/20	2020/21			2021/22	2022/23	2023/24	2024/25	2025/26
2.1.1		Research papers	Number of research papers completed	50	64	50	15	30	45	30	8	
2.1.2	Coherent economic policy advocated	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 to Cabinet	Financial sector legislation submitted to Cabinet	Financial sector legislation submitted to Cabinet	Financial sector legislation submitted to Cabinet	
2.1.3		Tax legislation	Legislation to give effect to tax proposals from the Budget drafted	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	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	4	4	4	4	4	4	4	4	
2.1.5	Coherent economic policy advocated	Analysis and advice	Number of macro and microeconomic policy analysis and advice reports produced	#	#	#	8	8	8	8	8	

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

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 research papers completed	30	N/A	N/A	N/A	30
2.1.2	Financial sector legislation drafted	Financial sector legislation submitted to Cabinet	N/A	N/A	N/A	Financial sector legislation submitted to Cabinet
2.1.3	Legislation to give effect to tax proposals from the Budget drafted	Tax legislation submitted for tabling in Parliament	N/A	Draft tax legislation published	Tax legislation submitted for tabling in Parliament	N/A
2.1.4	Number of economic forecasts developed	4	1	1	1	1
2.1.5	Number of macro and microeconomic policy analysis and advice reports produced	8	2	2	2	2

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

Explanation of planned performance over the medium-term period

The Economic Policy, Tax, Financial Regulation and Research programme will develop tax policy proposals that seek to meet government revenue requirements and draft tax legislation as well as tax regulations. This entails conducting research on appropriate tax designs for all proposed recommendations. Extensive stakeholder engagements are conducted through workshops and meetings with affected parties on an annual basis. In November of every year, the Programme invites taxpayers and tax practitioners to submit tax proposals (relating to required amendments to both the Income Tax and the VAT Acts) for the following year. Stakeholder engagement session is held in December on these submissions to give taxpayers and tax practitioners a hearing on their submissions. Subsequent to that, another engagement session is held for taxpayers and tax practitioners in the following year after the draft tax legislation has been published for public comment in order to hear and resolve their queries and questions on the draft legislation.

As part of the annual budgeting cycle, the programme will continue to provide advice to the Minister of Finance on amendments to tax rates and threshold related to the annual budget. This includes making tax proposals and the technical work done to draft the necessary legislative amendments required to give effect to the tax proposals. These tax proposals initiatives contribute towards achieving the institutional outcome: coherent economic policy advocated.

As National Treasury has the responsibility to secure financial stability, in this regard the focus will be on support initiatives aimed at securing financial stability and promoting access to the financial sector for all residents and those doing business with South Africa. This will enhance economic growth. Central to this is the regulation of the financial sector to ensure safety and improved customer services. In this regard, the review of the financial sector code is still underway between the Financial Sector Transformation Council constituencies. This initiative contributes towards the achievement of the MTSF Priority 2 Intervention: Review the financial sector code to support transformation in the public sector.

In pursuit of the National Treasury outcome: Coherent economic policy advocated, the department will provide macro and microeconomic policy analysis and advice. In this regard, eight reports are planned to be produced during the 2023/24 financial year and this will continue annually over the medium term period with a total of 32 reports projected to be completed by the end of the outer year 2026/27 financial year. Linked to this is the portfolio of economic research work that is managed through the Research sub-programme with 113 research papers planned over the medium term. These are research papers completed through the National Treasury programmes, including research papers published by National Treasury staff and research partners including academic institutions and policy institutes. The research work supports policy making for inclusive growth and economic transformation in the Southern Africa region. Over the medium term, the Economic Policy sub-programme will prepare the macroeconomic forecasts that underpin the fiscal framework, maintain and further develop its modelling capabilities, formulate and assess structural reform priorities and conduct research to inform economic policy. Through supporting the work done by Operation Vulindlela, the programme promotes effective financial management within the public sector with respect to expenditure, revenue, assets and liabilities management. This set of performance initiatives contribute towards achieving the Medium Term Strategic Framework Priority 1 intervention: Ensuring the macroeconomic policy alignment and coherence.

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

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 (%)	
	2019/20	2020/21				2021/22	2022/23	2023/24			2024/25
R million	2019/20	2020/21	2021/22	2022/23	2019/20- 2022/23	2023/24	2024/25	2025/26	2022/23 - 2025/26		
Programme Management for Economic Policy, Tax, Financial Regulation and Research	33.4	37.1	31.1	51.2	15.3%	28.7%	50.4	46.6	49.8	-1.0%	29.0%
Financial Sector Policy	19.5	18.0	21.2	24.7	8.2%	15.7%	38.6	39.4	40.6	18.0%	21.0%
Tax Policy	30.0	27.4	28.0	32.6	2.8%	22.1%	33.6	31.7	33.1	0.5%	19.2%
Economic Policy	21.1	21.8	24.7	28.8	11.0%	18.1%	28.9	32.8	34.6	6.2%	18.3%
Cooperative Banks Development Agency	20.8	20.5	20.3	20.8	0.1%	15.5%	20.9	21.9	22.8	3.1%	12.6%
Total	124.9	124.7	125.3	158.2	8.2%	100.0%	172.5	172.4	180.8	4.6%	100.0%
Change to 2022 Budget estimate				-		12.1	12.0	-			
Economic classification											
Current payments	103.5	104.0	104.0	135.2	9.3%	83.8%	137.7	136.6	143.9	2.1%	80.9%
Compensation of employees	70.8	71.7	78.6	89.8	8.2%	58.3%	93.1	90.3	94.2	1.6%	53.7%

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

Continued

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)	Average Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average Expenditure/ Total (%)
	2019/20	2020/21	2021/22				2022/23	2023/24	2024/25		
R million											
Goods and services ¹	32.7	32.2	25.3	45.4	11.5%	25.5%	44.6	46.3	49.7	3.0%	27.2%
<i>of which:</i>											
Bursaries: Employees	0.2	0.4	0.3	0.3	29.1%	0.2%	0.5	0.6	0.6	21.9%	0.3%
Consultants: Business and advisory services	23.6	27.3	21.6	31.8	10.4%	19.6%	30.5	32.2	34.7	3.0%	18.9%
Consumables: Stationery, printing and office supplies	1.0	0.7	0.3	2.0	26.6%	0.8%	1.9	2.0	2.1	2.0%	1.2%
Travel and subsistence	4.7	0.2	0.1	5.1	3.0%	1.9%	6.1	6.5	6.8	10.0%	3.6%
Training and development	0.1	0.1	0.2	0.6	71.1%	0.2%	0.8	0.9	1.0	18.0%	0.5%
Operating payments	2.0	2.7	2.6	3.8	22.9%	2.1%	3.3	2.6	2.7	-10.4%	1.8%
Transfers and subsidies¹	21.1	20.7	20.8	20.9	-0.3%	15.7%	33.9	34.9	35.8	19.6%	18.4%
Departmental agencies and accounts	20.8	20.5	20.3	20.8	0.1%	15.5%	33.9	34.9	35.8	19.8%	18.3%
Households	0.4	0.2	0.5	0.1	-35.8%	0.2%	-	-	-	-100.0%	-
Payments for capital assets	0.2	0.1	0.5	2.1	110.7%	0.5%	0.9	0.9	1.1	-19.1%	0.7%
Machinery and equipment	0.2	0.1	0.5	2.1	110.7%	0.5%	0.9	0.9	1.1	-19.1%	0.7%

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

Continued

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)	Average Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average Expenditure/ Total (%)
	2019/20	2020/21	2021/22				2022/23	2023/24	2024/25		
R million											
Total	124.9	124.7	125.3	158.2	8.2%	100.0%	172.5	172.4	180.8	4.6%	100.0%
Proportion of total programme expenditure to vote expenditure	0.4%	0.4%	0.2%	0.4%	-	-	0.5%	0.5%	0.5%	-	-
Transfers and subsidies ¹	21.1	20.7	20.8	20.9	-0.3%	15.7%	33.9	34.9	35.8	19.6%	18.4%
Departmental agencies and accounts	20.8	20.5	20.3	20.8	0.1%	15.5%	33.9	34.9	35.8	19.8%	18.3%
Households	0.4	0.2	0.5	0.1	-35.8%	0.2%	-	-	-	-100.0%	-
Payments for capital assets	0.2	0.1	0.5	2.1	110.7%	0.5%	0.9	0.9	1.1	-19.1%	0.7%
Machinery and equipment	0.2	0.1	0.5	2.1	110.7%	0.5%	0.9	0.9	1.1	-19.1%	0.7%
Total	124.9	124.7	125.3	158.2	8.2%	100.0%	172.5	172.4	180.8	4.6%	100.0%
Proportion of total programme expenditure to vote expenditure	0.4%	0.4%	0.2%	0.4%	-	-	0.5%	0.5%	0.5%	-	-

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

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 (%)
	2019/20	2020/21	2021/22				2022/23	2023/24	2024/25		
R million											
Details of transfers and subsidies											
Households											
Social benefits											
Current	0.4	0.2	0.5	0.1	-35.8%	0.2%	-	-	-	-100.0%	-
Employee social benefits	0.4	0.2	0.5	0.1	-35.8%	0.2%	-	-	-	-100.0%	-
Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current	20.8	20.5	20.3	20.8	0.1%	15.5%	33.9	34.9	35.8	19.8%	18.3%
Cooperative Banks Development Agency	20.8	20.5	20.3	20.8	0.1%	15.5%	20.9	21.9	22.8	3.1%	12.6%
Financial Sector Conduct Authority	-	-	-	-	-	-	13.0	13.0	13.0	-	5.7%

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

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 2023		Number and cost ² of personnel posts filled/planned for on funded establishment												Number				
		Actual			Revised estimate			2023/24			2024/25			2025/26			Average growth rate (%)	Average Salary level/ Total (%)
Number of funded posts	Number of posts of additional to the establishment	2021/22			2022/23			2023/24			2024/25			2025/26			2022/23 - 2025/26	
		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	86	5	81	78.6	1.0	79.3	1.0	91	93.1	1.0	83	90.3	1.1	87	94.2	1.1	3.2%	100.0%
1 – 6	5	4	4	1.3	0.3	5	1.6	6	1.8	0.3	7	2.3	0.3	7	2.3	0.3	11.9%	7.4%
7 – 10	20	–	20	11.3	0.6	23	13.4	23	13.2	0.6	22	13.4	0.6	25	15.7	0.6	2.8%	27.4%
11 – 12	26	–	23	22.2	1.0	14	13.7	16	15.5	1.0	8	8.4	1.1	8	9.0	1.1	-15.5%	13.6%
13 – 16	35	1	34	43.8	1.3	37	50.6	46	62.5	1.4	46	66.3	1.4	46	67.3	1.5	7.7%	51.7%

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

² Rand million.

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 employment creation and high-impact government initiatives 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.

7. PROGRAMME 3: PUBLIC FINANCE AND BUDGET MANAGEMENT

7.2 Outcomes, Outputs, Performance Indicators and Targets

No.	Outcomes	Outputs	Output Indicators	Annual Targets								
				Audited / Actual Performance		Estimated Performance		Planned Performance Current Year		MTEF Period		
				2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	
3.1.1	Sustainable public finances	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	Appropriation Bill, ENE and Budget Review published	Appropriation Bill, ENE and Budget Review published	Appropriation Bill, ENE and Budget Review published	Appropriation Bill, ENE and Budget Review published	Appropriation Bill, ENE and Budget Review published
				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 November	Adjustments Appropriation Bill, AENE and MTBPS published	Adjustments Appropriation Bill, AENE and MTBPS published	Adjustments Appropriation Bill, AENE and MTBPS published	Adjustments Appropriation Bill, AENE and MTBPS published	Adjustments Appropriation Bill, AENE and MTBPS published	
3.1.2	Sustainable public finances	DoR Bill DoR Amendment Bill	Number of Division of Revenue and Division of Revenue Amendment Bills published annually	2	3	2	2	2	2	2	2	2
3.1.3	Sustainable public finances	Provincial and local government fiscal policy reforms	Number of reforms introduced to enhance provincial and local government fiscal frameworks	2	3	3	3	3	3	3	3	3

7. PROGRAMME 3: PUBLIC FINANCE AND BUDGET MANAGEMENT

Continued

No.	Outcomes	Outputs	Output Indicators	Annual Targets									
				Audited / Actual Performance		Estimated Performance	Planned Performance Current Year	MTEF Period					
				2019/20	2020/21			2021/22	2022/23	2023/24	2024/25	2025/26	2026/27
3.1.4		Progress reports on the economic development strategies produced	Number of progress reports on the implementation of the township economic development strategies produced	#	#	#	#	1	1	1			
3.1.5		Infrastructure plans assessment reports	Percentage of infrastructure plans assessment reports reviewed	#	#	#	100%	100%	100%	100%			100%
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	#	61	60	20	35	40	40			40

7. PROGRAMME 3: PUBLIC FINANCE AND BUDGET MANAGEMENT

Continued

No.	Outcomes	Outputs	Output Indicators	Annual Targets									
				Audited / Actual Performance				Planned Performance					
				2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27		
3.1.7		Quarterly financial status reports	Number of quarterly financial reports published	8	8	8	8	8	8	8	8	8	8
3.1.8	Sustainable public finances	Financial recovery plans	Percentage of requests to draft mandatory financial recovery plans responded to within 90 days of receipt	#	100%	0%	100%	100%	100%	100%	100%	100%	100%
3.1.9		Cabinet memos comments	Percentage of Cabinet memos received commented on	100%	100%	98%	100%	100%	100%	100%	100%	100%	100%
3.1.10	Sustainable public finances	SCOA reports	Number of quarterly expenditure reports submitted to the Standing Committee on Appropriations	4	4	4	4	4	4	4	4	4	4

7. PROGRAMME 3: PUBLIC FINANCE AND BUDGET MANAGEMENT

Continued

No.	Outcomes	Outputs	Output Indicators	Annual Targets										
				Audited / Actual Performance		Estimated Performance	Planned Performance Current Year	MTEF Period						
				2019/20	2020/21			2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	
3.1.11	Sustainable public finances	Technical advisors in place	Number of technical advisors placed at National Treasury, provincial treasuries and municipalities through the Municipal Finance Improvement Programme (MFIP)	80	73	73	80	80	80	80	80	80		
3.1.12	Sustainable public finances	Grant funding disbursed	Value of grant funding disbursed (cumulative across the term of project)	R 5 037m	R 5 687m	R 6 075m	R 6 953m	R 7 350m	R 7 880m	N/A	N/A			

7. PROGRAMME 3: PUBLIC FINANCE AND BUDGET MANAGEMENT

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 Adjustments Appropriation Bill, AENE and MTBPS published	N/A	N/A	N/A	Appropriation Bill, ENE and Budget Review published 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 progress reports on the implementation of the township economic development strategies produced	1	N/A	N/A	N/A	1
3.1.5	Percentage of infrastructure plans assessment reports reviewed	100%	N/A	N/A	100%	N/A
3.1.6	Number of catalytic projects approved in spatially targeted areas within metropolitan cities, secondary cities and rural towns	35	8	9	9	9
3.1.7	Number of quarterly financial reports published	8	2	2	2	2
3.1.8	Percentage of requests to draft mandatory 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
3.1.11	Number of technical advisors placed at National Treasury, provincial treasuries and municipalities through the Municipal Finance Improvement Programme (MFIP)	80	N/A	N/A	N/A	80
3.1.12	Value of grant funding disbursed (cumulative across the term of project)	R7 350m	N/A	N/A	N/A	R7 350m

7. PROGRAMME 3: PUBLIC FINANCE AND BUDGET MANAGEMENT

Explanation of planned performance over the medium-term period

Central to the outcome of ensuring Sustainable Public Finance, is National Treasury's responsibility of ensuring transparency, accountability and sound financial control in the management of public finances. In this regard, the Budget Office will coordinate the national budgeting process which includes resource allocation to meet priorities set by government and overseeing expenditure planning. The Public Finance sub-programme will continue to conduct in year monitoring of expenditure of all budget votes. Linked to this is managing, developing and providing analysis of the government fiscal framework underpinning the annual Budget Review and Medium Term Budget Policy Statement.

As preparation and publication of National Budgets require extensive stakeholder consultation, the Budget Office will manage local and international stakeholder relations for the budget process through various budget consultative sessions. Over the medium term, the Public Finance sub-programme will continue with the critical work of classification of revenue, expenditure, assets and liabilities and institutional sectors manuals that meet national and international standards in pursuit of the outcome of Sustainable Public Finance. Fiscal policy advice will be provided by monitoring economic and fiscal trends and advising on policy options and the budget framework.

As part of the contribution towards the MTSF Priority 1 intervention: strengthening municipal financial system, the Intergovernmental Relations (IGR) division will provide support to municipalities during the municipal budgeting process. The intention is to ensure that all municipalities adopt funded budgets. This will be done through the annual benchmark engagements, mid-year budgeting and in-year performance monitoring. Linked to this is the provision of continuous support on revenue management and mSCOA implementation to ensure improved quality of data. National Treasury will strengthen its capacity to support municipalities with the development of Financial Recovery Plans.

Over the medium term, dedicated focus will be on the enhancements to the provincial and local government fiscal frameworks with respect to grant reforms, and improved regulation of development charges through amendments to the Municipal Fiscal Powers and Functions Act. As part of the broader national government budgeting system and process, the Intergovernmental Relations division will coordinate 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. This includes the development of the framework for managing conditional grants. These sets of interventions contribute towards achieving the institutional outcome: Sustainable public finance.

The division will continue to assess provincial budgets through participation in provincial MTECs and provide stakeholders with feedback via the budget benchmark exercise process. The monitoring of the implementation of provincial budgets will be done monthly as well as through adhoc provincial budget visits. Continuous support and capacity building initiatives such as the Division of Revenue Bill workshops, the essentials of budget formulation and budget analysis courses will be conducted. The Infrastructure Delivery Management System (IDMS) will be institutionalised in provinces and municipalities to achieve alignment in infrastructure planning, budgeting, implementation, and reporting. The infrastructure delivery management tools (IDMS Toolkits, Infrastructure Progression Model, Infrastructure Reporting Model) are continuously being improved. Training programmes on IDMS are undertaken to support and capacitate provinces and municipalities in the management of infrastructure. National Treasury will continue to support the Departments of Education and Health with the support provided on the integrated spatially referenced planning as well as assessing the infrastructure investment in all provinces.

7. PROGRAMME 3: PUBLIC FINANCE AND BUDGET MANAGEMENT

The Cities Support Programme will continue to provide support for spatialised, integrated and participatory economic development planning, through the implementation of Township Economic Development Strategies in 5 metros. Working with intergovernmental partners, National Treasury will focus on reforms required in the areas of climate responsiveness, economic development, public transport, governance, and leadership areas. In addition, other differentiated areas of support in metros will include the focus on the Sub-National Doing Business (SNDB) reform areas, efficiencies in metro water and energy businesses, enabling economic development within townships and industrial spaces economic development as well as support for improved infrastructure planning and management. All of these initiatives under Cities Support Programme contribute towards the achievement of the MTSF Priority 5 Outcome: Integrated service delivery, settlement transformation, inclusive growth in urban and rural areas.

In pursuit of the National Treasury outcome: Coherent economic policy advocated, National Treasury will continue with the implementation of the Neighbourhood Development Partnership Programme (NDPP). Over the medium term, the programme will implement 35 catalytic projects approved in spatially targeted areas within metropolitan cities, secondary cities and rural towns. The priority focal areas included the preparation of spatially targeted investment plans, and the subsequent implementation of capital projects to eradicate spatial inequality and leverage public and private sector investment in strategic locations around the country. In addition, the programme will also focus on enhancing community safety, as well as township economic development initiatives aimed at youth empowerment. This will be achieved through providing support and funding for the implementation of projects and programmes in a sustainable manner to enable viable communities in municipalities (Metros, Intermediate Cities and Small Towns).

As these are intergovernmental initiatives that require extensive collaboration and partnership, IGR will strengthen collaboration with key national and provincial departments, municipalities, and other civil society stakeholders. The intention is to improve alignment and coordination in respect of public sector interventions where possible. Regarding the implementation of targeted local economic development interventions in rural municipalities, work will continue to support recently introduced rural municipalities within the existing NDPP portfolio of 37 municipalities. This constitutes a critical component of the programme that supports enterprise development in townships through financial incentives and other non-financial forms of support, and remove inhibiting regulations, to facilitate the integration of township economies into the mainstream local economic development landscape. All these NDPP initiatives contribute towards the achievement of the MTSF Priority 2: Outcome: Quality and quantum of infrastructure investment to support growth and job creation improved.

As part of the effort to contribute towards the achievement of the MTSF Priority 1 Indicator: Strengthen municipal financial system, National Treasury's Municipal Finance Improvement Programme (MFIP) supports all three spheres of government to effectively perform their responsibilities regarding local government financial management compliance, support, monitoring and oversight. The MFIP will support the financial management reform agenda and address the financial management performance challenges evident in local government. The programme is strategically aligned to the six local government game changers adopted by the Budget Council. Over the medium term, MFIP aims to facilitate improved local government financial management capacity, enhanced budget and financial management practices and improved audit outcomes.

The Jobs Fund was established in the context of high levels of unemployment and a constrained public purse. The intent was to catalyse innovative solutions for job creation by using public funds to leverage private sector resources to pilot and test interventions that would support the creation of sustainable jobs. The Jobs Fund has concluded nine funding rounds, including the COVID-19 relief support funding round. The fund offers matched funding grants across

7. PROGRAMME 3: PUBLIC FINANCE AND BUDGET MANAGEMENT

four funding windows namely, enterprise development, infrastructure, support for work seekers and institutional capacity building. Grant funding is made available through a competitive process to initiatives that innovatively solve employment challenges and have potential to be scale.

The Fund allocated R9 billion in grant funding to its portfolio of projects and project partners have committed R13.5 billion in matched funding over the implementation period. As at 31 March 2022, the Jobs Fund had disbursed R6.1 billion and leveraged an additional R11.9 billion from project partners. Over the medium term, the Fund will continue to drive value for money by supporting competitive interventions that will result in sustainable and scalable job creation solutions. It will continue to crowd-in the private sector and other resources to achieve greater social impact, and it will also continue to collaborate and disseminate the knowledge and lessons derived from the robust evaluation of its portfolio of projects. The Jobs Fund contributes to the achievement of the objectives set in the MTSF Priority 2: Economic transformation and job creation.

7. PROGRAMME 3: PUBLIC FINANCE AND BUDGET MANAGEMENT

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 (%)
	2019/20	2020/21				2021/22	2022/23	2023/24		
R million	2019/20	2020/21	2021/22	2022/23	2019/20- 2022/23	2023/24	2024/25	2025/26	2022/23 - 2025/26	
Programme Management for Public Finance and Budget Management	23.3	14.1	20.4	34.7	14.1%	36.0	29.8	30.9	-3.8%	0.8%
Public Finance	68.5	68.6	69.7	64.7	-1.9%	66.7	69.5	72.6	3.9%	1.7%
Budget Office and Coordination	59.9	55.5	58.8	66.4	3.5%	68.4	71.3	74.5	3.9%	1.8%
Intergovernmental Relations	100.8	92.5	107.3	274.9	39.7%	284.6	553.0	579.5	28.2%	10.8%
Financial and Fiscal Commission	54.3	63.8	63.2	63.8	5.5%	64.1	67.0	70.0	3.1%	1.7%
Facilitation of Conditional Grants	1 584.0	1 481.9	2 366.2	2 379.6	14.5%	2 580.0	1 801.9	1 882.6	-7.5%	55.0%

7. PROGRAMME 3: PUBLIC FINANCE AND BUDGET MANAGEMENT

Continued

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)	Average Expenditure/Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average Expenditure/Total (%)
	2019/20	2020/21	2021/22				2022/23	2023/24	2024/25		
R million											
Catalytic Infrastructure and Development Support Programme	370.4	311.0	677.8	751.7	26.6%	14.8%	545.7	351.1	366.8	-21.3%	12.8%
Government Technical Advisory Centre	674.9	609.8	837.3	789.4	5.4%	20.4%	660.2	467.8	488.8	-14.8%	15.3%
Total	2 936.1	2 697.2	4 200.8	4 425.2	14.7%	100.0%	4 305.6	3 411.3	3 565.7	-6.9%	100.0%
Change to 2022 Budget estimate				(13.0)			(49.1)	(31.8)	-		
Economic classification											
Current payments	593.2	559.7	764.5	975.5	18.0%	20.3%	868.9	1 142.0	1 191.5	6.9%	26.6%
Compensation of employees	224.0	212.6	223.0	240.5	2.4%	6.3%	248.8	251.5	262.6	3.0%	6.4%
Goods and services ¹	369.3	347.1	541.5	735.1	25.8%	14.0%	620.0	890.5	928.9	8.1%	20.2%
<i>of which:</i>											
Bursaries: Employees	0.5	1.2	0.7	1.3	40.1%	-	1.3	1.4	1.6	7.4%	-
Computer services	0.6	1.1	1.2	1.2	25.6%	-	1.3	1.4	1.5	6.0%	-
Consultants: Business and advisory services	354.7	339.2	532.5	716.6	26.4%	13.6%	599.4	867.6	905.1	8.1%	19.7%
Consumables: Stationery, printing and office supplies	0.7	1.5	1.0	1.5	25.7%	-	1.7	1.9	1.7	5.5%	-

7. PROGRAMME 3: PUBLIC FINANCE AND BUDGET MANAGEMENT

Continued

Subprogramme	Audited outcome		Adjusted appropriation	Average growth rate (%)	Average Expenditure/Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average Expenditure/Total (%)	
	2019/20	2020/21				2021/22	2022/23	2023/24			2024/25
R million											
Travel and subsistence	7.3	0.6	1.6	7.4	0.5%	0.1%	9.1	10.2	10.8	13.4%	0.2%
Operating payments	3.4	2.7	3.5	3.7	2.8%	0.1%	3.7	3.8	4.0	2.9%	0.1%
Transfers and subsidies¹	2 341.7	2 136.2	3 434.6	3 445.1	13.7%	79.7%	3 433.4	2 266.9	2 371.6	-11.7%	73.3%
Provinces and municipalities	1 584.0	1 481.9	2 366.2	2 379.6	14.5%	54.8%	2 580.0	1 801.9	1 882.6	-7.5%	55.0%
Departmental agencies and accounts	755.9	652.7	1 067.8	1 064.7	12.1%	24.8%	853.1	464.8	488.7	-22.9%	18.3%
Households	1.9	1.6	0.5	0.8	-25.1%	-	0.3	0.3	0.3	-31.5%	-
Transfers and subsidies¹	2 341.7	2 136.2	3 434.6	3 445.1	13.7%	79.7%	3 433.4	2 266.9	2 371.6	-11.7%	73.3%
Provinces and municipalities	1 584.0	1 481.9	2 366.2	2 379.6	14.5%	54.8%	2 580.0	1 801.9	1 882.6	-7.5%	55.0%
Departmental agencies and accounts	755.9	652.7	1 067.8	1 064.7	12.1%	24.8%	853.1	464.8	488.7	-22.9%	18.3%
Households	1.9	1.6	0.5	0.8	-25.1%	-	0.3	0.3	0.3	-31.5%	-
Payments for capital assets	1.2	1.2	1.7	4.6	58.3%	0.1%	3.4	2.4	2.6	-16.9%	0.1%
Machinery and equipment	1.2	1.2	1.7	4.6	58.3%	0.1%	3.4	2.4	2.6	-16.9%	0.1%
Payments for financial assets	0.0	0.0	-	-	-100.0%	-	-	-	-	-	-
Total	2 936.1	2 697.2	4 200.8	4 425.2	14.7%	100.0%	4 305.6	3 411.3	3 565.7	-6.9%	100.0%

7. PROGRAMME 3: PUBLIC FINANCE AND BUDGET MANAGEMENT

Continued

Subprogramme	Audited outcome		Adjusted appropriation	Average growth rate (%)	Average Expenditure/Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average Expenditure/Total (%)
	2019/20	2020/21				2021/22	2022/23	2023/24		
R million	2019/20	2020/21	2021/22	2022/23	2019/20- 2022/23	2023/24	2024/25	2025/26	2022/23 - 2025/26	
Proportion of total programme expenditure to vote expenditure	9.9%	7.9%	6.7%	11.4%	-	12.3%	10.3%	10.3%	-	-
Details of transfers and subsidies										
Households										
Social benefits										
Current	1.9	1.6	0.5	0.8	-25.1%	0.3	0.3	0.3	-31.5%	-
Employee social benefits	1.9	1.6	0.5	0.8	-25.1%	0.3	0.3	0.3	-31.5%	-
Departmental agencies and accounts										
Departmental agencies (non-business entities)										
Current	755.1	651.8	1 066.9	1 063.7	12.1%	852.1	463.7	487.6	-22.9%	18.3%
Financial and Fiscal Commission	54.3	63.8	63.2	63.8	5.5%	64.1	67.0	70.0	3.1%	1.7%
Government Technical Advisory Centre	600.8	548.0	669.9	710.4	5.7%	589.2	396.8	417.7	-16.2%	13.5%
Development Bank of Southern Africa:	100.0	40.0	153.7	95.0	-1.7%	-	-	-	-100.0%	0.6%
Government Technical Advisory Centre: Independent Power Producer preparation support	-	-	100.0	-	0.7%	-	-	-	-	-

7. PROGRAMME 3: PUBLIC FINANCE AND BUDGET MANAGEMENT

Continued

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)	Average Expenditure/Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average Expenditure/Total (%)
	2019/20	2020/21	2021/22				2022/23	2023/24	2024/25		
R million											
Development Bank of Southern Africa: Support to the Infrastructure Fund operations	-	80.2	42.4	-	0.9%	46.3	-	-	-100.0%	0.6%	
Development of Bank of Southern Africa: Support to the Infrastructure Fund Social Housing programme	-	-	152.0	-	1.1%	152.5	-	-	-100.0%	1.9%	
Capital	0.8	0.9	1.0	1.0	4.9%	1.0	1.0	1.1	4.5%	-	
Government Technical Advisory Centre	0.8	0.9	1.0	1.0	4.9%	1.0	1.0	1.1	4.5%	-	
Provinces and municipalities											
Municipalities											
Municipal bank accounts											
Current	682.2	688.7	707.3	725.6	2.1%	728.4	761.1	795.2	3.1%	19.2%	
Local government financial management grant	532.8	544.9	552.1	566.4	2.1%	568.6	594.1	620.7	3.1%	15.0%	
Infrastructure skills development grant	149.4	143.9	155.2	159.2	2.1%	159.9	167.0	174.5	3.1%	4.2%	
Capital	901.7	793.1	1 658.9	1 654.0	22.4%	1 851.6	1 040.7	1 087.4	-13.0%	35.9%	

7. PROGRAMME 3: PUBLIC FINANCE AND BUDGET MANAGEMENT

Continued

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)	Average Expenditure/Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average Expenditure/Total (%)
	2019/20	2020/21	2021/22				2022/23	2023/24	2024/25		
R million											
Programme and project preparation support grant	310.1	313.7	341.3	360.9	5.2%	9.3%	376.8	393.7	411.4	4.5%	9.8%
Neighborhood development partnership grant	591.7	479.4	1 317.6	1 293.1	29.8%	25.8%	1 474.8	647.0	676.0	-19.4%	26.0%

7. PROGRAMME 3: PUBLIC FINANCE AND BUDGET MANAGEMENT

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 2023		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	2021/22			2022/23			2023/24			2024/25			2025/26		2022/23 - 2025/26		
		Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost
Public Finance and Budget Management																		
Salary level	244	239	223.0	0.9	244	234.5	1.0	260	248.8	1.0	246	251.5	1.0	255	262.6	1.0	1.5%	100.0%
1 – 6	10	7	2.0	0.3	8	2.5	0.3	8	2.4	0.3	9	2.9	0.3	9	3.0	0.3	4.0%	3.4%
7 – 10	65	64	37.2	0.6	70	42.7	0.6	73	44.1	0.6	65	41.3	0.6	71	46.4	0.7	0.5%	27.8%
11 – 12	92	90	86.3	1.0	89	88.6	1.0	100	99.2	1.0	93	98.0	1.1	96	102.2	1.1	2.6%	37.6%
13 – 16	77	78	97.6	1.3	77	100.7	1.3	79	103.1	1.3	79	109.3	1.4	79	111.0	1.4	0.9%	31.2%

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

² Rand million.

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 (SOCs) Financial Management and Governance

This sub-programme is responsible for overseeing SOCs 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.

8. PROGRAMME 4: ASSET AND LIABILITY MANAGEMENT

8.2 Outcomes, Outputs, Performance Indicators and Targets

No.	Outcomes	Outputs	Output Indicators	Annual Targets								
				Audited / Actual Performance		Estimated Performance	Planned Performance Current Year	MTEF Period				
				2019/20	2020/21			2021/22	2022/23	2023/24	2024/25	2025/26
4.1.1		Reviewed planning and performance documents	Percentage of complete corporate plans received from Schedule 2 and 3B public entities reviewed	100%	100%	100%	100%	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%	100%	100%	100%	100%
4.1.3	Sound financial controls and management of public finances	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	86%	100%	86%	100%	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%	100%	100%
4.1.5		Annual gross borrowing requirement and refinancing risks benchmarks reports	Percentage of complete guarantee applications received from Schedule 2 and 3B public entities reviewed	100%	100%	100%	100%	100%	100%	100%	100%	100%
4.1.6			Percentage of annual gross borrowing requirement met in compliance to the risk benchmarks	#	#	#	#	100%	100%	100%	100%	100%

8. PROGRAMME 4: ASSET AND LIABILITY MANAGEMENT

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 annual gross borrowing requirement met in compliance to the risk benchmarks	100%	100%	100%	100%	100%

8. PROGRAMME 4: ASSET AND LIABILITY MANAGEMENT

Explanation of planned performance over the medium-term period

The performance indicators set for the Asset and Liability Management programme seek to achieve the National Treasury outcome: Sound financial controls and management of public finances. In this regard, the programme will continue over the medium term to promote and enforce prudent financial management of state-owned companies (SOCs) through financial analysis and oversight. Central to this work is the objective of enhancing policy, regulatory and sector reforms that will enable SOCs to be as self-sustainable as possible with reduced reliance on government support. Significant effort will be placed on strengthening and capacitating SOC Boards that report to the Minister of Finance with members that have relevant skills, experience, and competencies. The review of the applications received from Schedule 2 and 3B public entities contribute towards achieving the institutional outcome: sound financial controls and management of public finances.

The financing of government's gross borrowing requirement and ensuring the sound management of government's cash resources will continue. The programme will implement and monitor the Approved Guarantee Reduction Framework/ Minimum Criteria on new or additional guarantee requests. All these concerted efforts aimed at improving the outlooks and credit ratings of the sovereign, contribute towards achieving the institutional outcome: Sound financial controls and management of public finances. In addition, research on sovereign credit enhancing instruments will be conducted with the purpose of achieving an optimal debt portfolio and structure.

8. PROGRAMME 4: ASSET AND LIABILITY MANAGEMENT

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 (%)
	2020/21	2021/22				2022/23	2019/20- 2022/23	2023/24		
R million	2019/20	2020/21	2021/22	2022/23	2019/20- 2022/23	2023/24	2024/25	2025/26	2022/23 - 2025/26	2022/23 - 2025/26
Programme Management for Asset and Liability Management	8.0	6.3	7.6	28.7	53.1%	37.3	33.6	33.7	5.5%	1.8%
State - Owned Entity Financial Management and Governance	33.9	2 962.1	26 600.9	5 934.2	459.6%	1 037.0	38.8	40.5	-81.0%	94.8%
Government Debt Management	22.5	19.9	18.5	20.3	-3.3%	21.3	23.0	24.0	5.7%	1.2%
Financial Operations	23.5	25.0	25.8	29.2	7.5%	27.3	26.7	27.9	-1.5%	1.5%
Strategy and Risk Management	8.9	9.2	10.4	11.9	10.5%	12.4	12.9	13.4	4.0%	0.7%
Total	96.7	3 022.6	26 663.2	6 024.4	296.4%	1 135.4	135.0	139.5	-71.5%	100.0%
Change to 2022 Budget estimate				4 898.4		15.4	7.0	-		
Economic classification										
Current payments	93.0	95.3	97.9	124.5	10.2%	134.7	134.2	138.7	3.7%	7.2%
Compensation of employees	78.4	80.0	83.4	86.7	3.4%	90.0	93.3	97.4	4.0%	4.9%
Goods and services ¹	14.6	15.2	14.5	37.8	37.3%	44.6	40.9	41.3	3.0%	2.2%

8. PROGRAMME 4: ASSET AND LIABILITY MANAGEMENT

Continued

Subprogramme	Audited outcome		Adjusted appropriation	Average growth rate (%)	Average Expenditure/Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average Expenditure/Total (%)	
	2019/20	2020/21				2021/22	2022/23	2023/24			2024/25
R million											
<i>of which:</i>											
Audit costs: External	1.1	1.4	1.4	1.5	10.2%	–	1.6	1.6	1.7	3.7%	0.1%
Bursaries: Employees	0.1	0.3	0.3	0.8	83.9%	–	0.9	0.8	0.8	-1.2%	–
Computer services	8.6	10.6	10.0	12.1	11.8%	0.1%	9.6	7.1	7.4	-14.9%	0.5%
Consultants: Business and advisory services	2.5	2.3	2.1	20.0	100.3%	0.1%	28.0	26.3	26.1	9.3%	1.4%
Travel and subsistence	1.3	0.0	0.1	1.9	12.5%	–	2.7	3.0	3.1	18.3%	0.1%
Training and development	0.3	0.0	0.2	0.5	25.6%	–	0.5	0.6	0.6	6.7%	–
Transfers and subsidies¹	3.4	1.0	0.9	0.1	-66.4%	–	–	–	–	-100.0%	–
Households	3.4	1.0	0.9	0.1	-66.4%	–	–	–	–	-100.0%	–
Payments for capital assets	0.3	0.6	1.5	1.4	63.6%	–	0.7	0.8	0.8	-14.5%	0.1%
Machinery and equipment	0.3	0.6	1.5	1.4	63.6%	–	0.7	0.8	0.8	-14.5%	0.1%
Payments for financial assets	–	2 925.7	26 562.9	5 898.4	–	98.8%	1 000.0	–	–	-100.0%	92.8%
Total	96.7	3 022.6	26 663.2	6 024.4	296.4%	100.0%	1 135.4	135.0	139.5	-71.5%	100.0%
Proportion of total programme expenditure to vote expenditure	0.3%	8.9%	42.8%	15.5%	–	–	3.3%	0.4%	0.4%	–	–
Details of transfers and subsidies											
Households											
Social benefits											
Current	3.4	1.0	0.9	0.1	-66.4%	–	–	–	–	-100.0%	–
Employee social benefits	3.4	1.0	0.9	0.1	-66.4%	–	–	–	–	-100.0%	–

8. PROGRAMME 4: ASSET AND LIABILITY MANAGEMENT

8.4.1 Personnel information

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

Number of posts estimated for 31 March 2023		Number and cost ² of personnel posts filled/planned for on funded establishment												Number				
Salary level	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 (%)		
			2021/22	2022/23	2023/24	2024/25	2025/26	2022/23 - 2025/26	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29			2029/30	
			Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	
	104	12	100	83.4	0.8	101	83.9	0.8	108	90.0	0.8	104	93.3	0.9	106	97.4	0.9	100.0%
1 – 6	13	12	7	2.3	0.3	15	4.8	0.3	15	4.6	0.3	14	4.6	0.3	14	4.6	0.3	13.9%
7 – 10	37	–	39	23.9	0.6	38	24.8	0.7	39	25.0	0.6	36	24.7	0.7	36	25.7	0.7	35.5%
11 – 12	33	–	33	32.1	1.0	28	28.8	1.0	30	30.7	1.0	30	32.6	1.1	32	35.1	1.1	29.0%
13 – 16	21	–	21	25.2	1.2	20	25.6	1.3	23	29.7	1.3	23	31.5	1.3	23	32.0	1.4	21.6%

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

² Rand million.

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 Integrated Financial Management Systems (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. PROGRAMME 5: FINANCIAL ACCOUNTING AND SUPPLY CHAIN MANAGEMENT SYSTEMS

9.2 Outcomes, Outputs, Performance Indicators and Targets

No.	Outcomes	Outputs	Output Indicators	Annual Targets								
				Audited / Actual Performance			Estimated Performance	Planned Performance Current Year	MTEF Period			
				2019/20	2020/21	2021/22			2022/23	2023/24	2024/25	2025/26
5.1.1		Public Finance Norms and Standards	Percentage of norms and standards developed	#	#	#	100%	100%	100%	100%	100%	100%
5.1.2		Public Finance Governance Reports	Number of governance reports produced	#	48	50	32	32	32	32	32	32
5.1.3	Sound financial controls and management of public finances	Public Finance Management Capacity Development Programmes Reports	Number of Public Finance Management Capacity Development Programmes progress reports produced	#	18	20	22	22	22	22	22	22
5.1.4		Transversal systems available	Percentage availability of transversal systems	#	99.9%	100%	98%	98%	98%	98%	98%	98%
5.1.5		Statutory reports	Number of statutory reports produced	#	20	21	20	20	20	20	20	20

9. PROGRAMME 5: FINANCIAL ACCOUNTING AND SUPPLY CHAIN MANAGEMENT SYSTEMS

Continued

No.	Outcomes	Outputs	Output Indicators	Annual Targets							
				Audited / Actual Performance		Estimated Performance	Planned Performance Current Year	MTEF Period			
				2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27
5.1.6		IFMS II plan implementation Reports	Implementation of the IFMS II plan	Functional and technical specifications of IFMS system not developed	Execution of Common Design and Procurement of supporting services not achieved.	Functional and technical specifications of IFMS system not developed. IFMS Generic template not developed. Roll out of the generic template for accelerated implementation to Lead Sites and Pilot Sites not achieved.	e-Recruitment module implemented at Pilot Sites and Lead Sites	Roll-out of e-Recruitment module at 4 selected departments	IFMS system implemented at Pilot and Lead Sites	National roll-out of the IFMS in government departments	National roll-out of the IFMS in government departments
5.1.7	Sound financial controls and management of public finances	SCM compliance report	Number of quarterly compliance reports produced	#	1	4	4	4	4	4	4
5.1.8		Approved SCM directives	Percentage of approved SCM directives	#	100%	100%	100%	100%	100%	100%	100%

9. PROGRAMME 5: FINANCIAL ACCOUNTING AND SUPPLY CHAIN MANAGEMENT SYSTEMS

Continued

No.	Outcomes	Outputs	Output Indicators	Annual Targets									
				Audited / Actual Performance			Estimated Performance	Planned Performance Current Year	MTEF Period				
				2019/20	2020/21	2021/22			2022/23	2023/24	2024/25	2025/26	2026/27
5.1.9		Progress reports on SCM institutional support	Number of progress reports on SCM institutional support programme conducted	#	#	#	4	4	4	4	4	4	4
5.1.10		Transversal term contracts	Number of transversal term contracts implemented	#	41	35	16	13	10	10	10	10	10
5.1.11		Strategic sourcing opportunities plan reports	Percentage implementation of the strategic sourcing opportunities plan	#	59%	93%	100%	100%	100%	100%	100%	100%	100%
5.1.12		Procurement legislation	Procurement legislation developed	#	#	#	Public Procurement Bill submitted for tabling in Parliament	Draft Public Procurement Regulations produced	Public Procurement Regulations promulgated	N/A	N/A	N/A	N/A

9. PROGRAMME 5: FINANCIAL ACCOUNTING AND SUPPLY CHAIN MANAGEMENT SYSTEMS

9.3 Indicators, Annual and Quarterly Targets

No.	Output Indicators	Annual Target	Quarter 1	Quarter 2	Quarter 3	Quarter 4
5.1.1	Percentage of norms and standards developed	100%	N/A	N/A	N/A	100%
5.1.2	Number of governance reports produced	32	6	8	10	8
5.1.3	Number of Public Finance Management Capacity Development Programmes progress reports produced	22	4	5	5	8
5.1.4	Percentage availability of transversal systems	98%	N/A	N/A	N/A	98%
5.1.5	Number of statutory reports produced	20	5	5	5	5
5.1.6	Implementation of the IFMS II plan	Roll-out of e-Recruitment module at 4 selected departments	Readiness Assessment for system on-boarding completed	e-Recruitment module Systems Configuration at 4 selected departments completed	Training on e-Recruitment module at 4 selected departments conducted	Roll-out of e-Recruitment module at 4 selected departments
		IFMS system developed				IFMS system developed
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	Number of progress reports on SCM institutional support programme conducted	4	1	1	1	1
5.1.10	Number of transversal term contracts implemented	13	3	3	4	3
5.1.11	Percentage implementation of the strategic sourcing opportunities plan	100%	100%	100%	100%	100%
5.1.12	Procurement legislation developed	Draft Public Procurement Regulations produced	N/A	N/A	N/A	Draft Public Procurement Regulations produced

9. PROGRAMME 5: FINANCIAL ACCOUNTING AND SUPPLY CHAIN MANAGEMENT SYSTEMS

Explanation of planned performance over the medium-term period

The Office of the Accountant General will make progress with the process of amending the Public Finance Management Act (PFMA) and the Treasury Regulations to further enhance the effectiveness and efficiency of financial management legislation within institutions that must comply with the PFMA. In the 2023/24 financial year, the Governance Monitoring and Compliance unit will develop a comprehensive instruction framework that consolidates all instructions issued to date and capture all provisions that are not legal in nature in the guidance framework. In addition, a compliance reporting framework will be developed to assist institutions with processes, principles, and reporting of unauthorised, irregular and fruitless and wasteful expenditure. A new instruction on Cost Containment Measures will be implemented to ensure that all expenditure incurred by respective institutions is necessary, appropriate, cost-effective and eliminates non-essential expenditure. National Treasury will provide routine information sessions to PFMA institutions to assist with the interpretation, application and implementation of the PFMA, Treasury Regulations and the related Treasury Instructions.

Governance Monitoring and Compliance unit will continue to monitor progress on late payment of suppliers and this process will be enhanced and improved through a revision of the Treasury Instruction of 2011. The Chief Directorate together with other stakeholders will ensure that suppliers queries are escalated to those institutions that are owing suppliers. The Chief Directorate will also continue to analyse and monitor progress on the financial management and compliance matters of institutions that must comply with the PFMA and report to oversight structures on strategic initiatives taken by the OAG in addressing transversal matters.

In pursuit of the MTSF Priority 1 target: Integrated Financial Management System (IFMS) rolling out in national departments and Provinces by 2024, National Treasury will continue with the implementation of the IFMS as per Cabinet decision. The system is aimed at enhancing the effectiveness of back-end public service functions by improving access to information, raising the quality of data, eliminating the duplication of systems and resources, and limiting the use of manual processes. The template for the system's software interface is expected to be designed for piloting at designated national and provincial departments, after which it will be rolled out to all national and provincial departments in a phased approach. The preliminary work for the implementation of some of the modules such as eRecruitment has commenced which will be prioritised for selected departments. Implementation of the eRecruitment module entails the roll-out of a centralised recruitment system for the entire public service with the Department of Public Service and Administration playing a key role as policy owner. The preliminary work for the establishment of the centre of excellence is in progress and will be operationalised in parallel with piloting and eRecruitment implementation and roll out.

As part of the contribution towards the achievement of the National Treasury outcome: Sound financial controls and management of public finances, the Office of the Accountant General will continue with the PFMA and MFMA reforms and support measures including coordination and collaboration with key stakeholders, such as provincial treasuries, PFMA institutions, municipalities, Department of Cooperative Governance and Traditional Affairs, South African Local Government Association over the medium term. The PFMA and MFMA legislative review process has commenced and further consultation with stakeholders is planned for 2023. Financial Management Capability Maturity Model and audit action tools is being rolled out to all municipalities and provinces to enable seamless monitoring, reporting and support measures by stakeholders. All of these efforts are focusing on improving financial management. The Financial Management Grant will be refined to address strategic areas that augment these reforms. It is envisaged that this programme will contribute towards achieving the institutional outcome: Sound financial controls and management of public finances.

9. PROGRAMME 5: FINANCIAL ACCOUNTING AND SUPPLY CHAIN MANAGEMENT SYSTEMS

During the financial year, the OAG will continue to promote good financial governance in the public sector through hosting of CFO forum meetings for delegated municipalities, national departments and public entities, and conducting training on related accounting frameworks and assisting provincial treasuries in this regard. The OAG will assist municipalities, national departments and public entities on accounting and reporting issues and queries as well as providing for a platform for the resolution of audit disputes. As required by the section 8 of the PFMA, the OAG is delegated to and will prepare and table in Parliament, the consolidated financial statements of national departments and public entities.

As part of the endeavour to contribute towards the MTSF Priority 1: Improve financial management capability in the public sector, the Capacity Building sub-programme will continue to provide support to capacity building initiatives in all spheres of government (national, provincial and local levels). This will be implemented according to the approved Public Financial Management Capacity Building Programme for Improved Service Delivery (FMISD), Procurement Infrastructure & Knowledge Management (PINK) Programme. Linked to this is the implementation of the iDevelop Toolkit (online assessment toolkit) used to assess the skills and competencies of the CFO offices in all national and provincial departments as well as municipalities.

In the financial year 2023/24, the Office the Chief Procurement Officer (OCPO) will subject the Public Procurement Bill (the Bill) through the Parliamentary process before ascending into an Act. The Bill will strategically elevate public procurement by providing for a single procurement statute and regulatory oversight body as well as setting uniform norms and standards for all organs of state. To provide a framework for the preferential procurement as envisaged in the Constitution, the Bill seeks amongst others, to establish a procurement system that enable the Minister of Finance to issue regulations to differentiate procurement that is commodity or sector specific. In addition, a dispute mechanism that ensures independent, impartial, and expeditious resolution of disputes will be introduced as part of the broader procurement reforms. The development of the Procurement Bill contributes towards the achievement of the target set for the MTSF Priority 1 Intervention: Implement measures to support procurement reform and fiscal sustainability.

The Preferential Procurement Regulations, 2022 (PPR, 2022) will be implemented from January 2023 prior to the expiry of the suspension of the period of invalidity that was confirmed by the Constitutional Court. In the 2023/24 financial year, the OCPO will support the implementation of the Preferential Procurement Regulations by all applicable organs of state. These preferential procurement initiatives contribute towards achieving the MTSF Priority 1 intervention: Support localisation and industrialisation through government procurement.

The National Treasury through the OCPO, will continue to issue compliance reports in the interest of public procurement system transparency. Compliance will be further strengthened through publishing approved SCM directives, providing support to empower public supply chain practitioners, increase the coverage of transversal term contracts and report of the implementation of strategic sourcing opportunities. In addition, the department will provide further support to the organs of state through implementation of the support plan. The top 20 organs of state have been identified where SCM maturity and performance will be assessed, support plans strengthened, and projects undertaken by these institutions monitored and verified. These sets of targets contribute towards achieving the National Treasury outcome: Sound financial controls and management of public finances.

In pursuit of the National Development Plan (NDP)'s priorities of promoting a capable, ethical and developmental state, the department will continue to increase its efficiency through publication of tenders on the eTender portal, registration of suppliers on the Central Supplier Database and verification of organs of state employees who are conducting

9. PROGRAMME 5: FINANCIAL ACCOUNTING AND SUPPLY CHAIN MANAGEMENT SYSTEMS

business with the state through the Central Supplier Database. These will include making procurement data available in internationally recognised open contracting data standards which will enable enhanced procurement reporting and monitoring of procurement spend. The programme will also implement a Codification Project that will overhaul the current disparate government wide procurement spend through the standardisation of items. All these efforts are in pursuit of the MTSF Priority 1 intervention: Implement measures to support procurement reform and fiscal sustainability.

National Treasury will continue with the implementation of sourcing initiatives for government wide or specific commodities. This will create a differentiated procurement approach that is aimed at fostering open market competition based on demand and supply. It will feed into the current transversal contracting system, the improvements thereof as well as the establishment of new procurement commodity opportunities. The National Treasury is continuing with the procurement and implementation of the Online Travel Booking Solution for government. The tool aims to enable all organs of state to procure travel and accommodation services directly, reduce the high travel expenditure, standardise travel processes and reduce dependency on travel agencies. The Strategic Procurement Framework and good practice guides will be enhanced, reviewed, and updated. Strategic Sourcing Projects to be undertaken or implemented in 2023/24 include physical security services, ICT software, standardisation of hospital equipment maintenance agreements and biomedical test equipment and simulation manikins. The department will continue the facilitation and management of transversal term contracts on behalf of the state. This is part of the endeavor to achieve the MTSF Priority 1 intervention: Implement measures to support procurement reform and fiscal sustainability.

In an endeavor to strengthen supply chain management capacity across government, the OCPO educational programme will continue with campaigns directed at new entrants to the public procurement environment in order to increase the number of new entrants. These campaigns are aimed at simplifying the process of transacting with government and enhance compliance with the public procurement regime. Strengthening partnership with higher learning institutions will be prioritised over the medium term. In this regard, support will be provided to students studying qualifications in logistics and public administration through guest lecturing and review of curriculum content. Work on exploring options for the development of a dedicated supply chain management and public procurement qualifications will continue in partnership with the higher learning institutions in order to increase the number of new entrants.

9. PROGRAMME 5: FINANCIAL ACCOUNTING AND SUPPLY CHAIN MANAGEMENT SYSTEMS

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 (%)	
	2019/20	2020/21				2021/22	2022/23	2023/24			2024/25
R million											
Programme Management for Financial Accounting and Supply Chain Management Systems	38.8	32.1	42.9	122.3	46.6%	7.5%	120.1	125.0	130.6	2.2%	10.8%
Office of the Chief Procurement Officer	68.7	64.6	67.7	68.3	-0.2%	8.6%	76.6	82.9	86.4	8.2%	6.8%
Financial Systems	399.0	355.1	400.7	451.1	4.2%	51.2%	781.3	697.5	729.1	17.4%	57.9%
Financial Reporting for National Accounts	104.5	105.1	107.2	112.3	2.4%	13.7%	114.7	124.5	131.2	5.3%	10.5%
Financial Management Policy and Compliance Improvement	122.6	89.5	92.9	141.8	5.0%	14.2%	144.3	149.4	154.7	3.0%	12.8%

9. PROGRAMME 5: FINANCIAL ACCOUNTING AND SUPPLY CHAIN MANAGEMENT SYSTEMS

Continued

Subprogramme	Audited outcome				Adjusted appropriation	Average growth rate (%)	Average Expenditure/Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average Expenditure/Total (%)
	2019/20	2020/21	2021/22	2022/23				2023/24	2024/25	2025/26		
R million												
Audit Statutory Bodies	-	50.0	50.0	50.0	50.0	-	4.8%	-	-	-	-100.0%	1.1%
Service Charges: Commercial Banks	0.3	0.2	0.3	0.3	0.3	0.3	-	0.4	0.4	0.4	3.3%	-
Total	733.9	696.6	761.7	946.1	946.1	1 237.3	100.0%	1 179.8	1 232.4	1 232.4	9.2%	100.0%
Change to 2022 Budget estimate				(176.0)		(138.5)		7.8	-	-		
Economic classification												
Current payments	667.9	581.1	645.7	818.8	818.8	1 166.9	86.5%	1 106.5	1 153.1	1 153.1	12.1%	92.4%
Compensation of employees	207.7	196.9	208.0	224.8	224.8	232.6	26.7%	237.7	248.1	248.1	3.3%	20.5%
Goods and services ¹	460.2	384.1	437.7	594.0	594.0	934.3	59.8%	868.7	904.9	904.9	15.1%	71.9%
of which:												
Audit costs: External	6.8	4.9	8.4	8.9	8.9	9.5	0.9%	10.0	10.4	10.4	5.3%	0.8%
Bursaries: Employees	0.9	1.6	0.8	1.8	1.8	2.4	0.2%	2.8	2.9	2.9	17.5%	0.2%
Computer services	350.4	325.7	369.8	408.0	408.0	733.3	46.3%	654.6	694.5	694.5	19.4%	54.2%
Consultants: Business and advisory services	86.3	44.0	50.9	153.8	153.8	165.2	10.7%	175.5	170.4	170.4	3.5%	14.5%
Travel and subsistence	7.0	0.9	1.7	8.5	8.5	9.8	0.6%	11.3	11.6	11.6	10.8%	0.9%

9. PROGRAMME 5: FINANCIAL ACCOUNTING AND SUPPLY CHAIN MANAGEMENT SYSTEMS

Continued

Subprogramme	Audited outcome		Adjusted appropriation	Average growth rate (%)	Average Expenditure/Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average Expenditure/Total (%)	
	2019/20	2020/21				2021/22	2022/23	2023/24			2024/25
R million											
Venues and facilities	3.5	0.8	2.6	3.3	-1.7%	0.3%	4.1	4.4	4.6	11.9%	0.4%
Transfers and subsidies¹	62.2	112.9	112.1	112.8	21.9%	12.7%	62.2	67.1	70.1	-14.7%	6.8%
Departmental agencies and accounts	57.5	108.6	109.0	110.3	24.2%	12.3%	60.5	65.2	68.1	-14.8%	6.6%
Households	4.7	4.3	3.1	2.5	-18.9%	0.5%	1.8	1.9	1.9	-8.4%	0.2%
Payments for capital assets	3.8	2.6	3.9	14.5	56.5%	0.8%	8.2	6.2	9.3	-13.9%	0.8%
Machinery and equipment	3.8	2.6	3.9	10.6	41.0%	0.7%	8.2	6.2	9.3	-4.4%	0.7%
Software and other intangible assets	-	-	0.0	3.9	-	0.1%	-	-	-	-100.0%	0.1%
Payments for financial assets	0.1	0.1	-	-	-100.0%	-	-	-	-	-	-
Total	733.9	696.6	761.7	946.1	8.8%	100.0%	1 237.3	1 179.8	1 232.4	9.2%	100.0%
Proportion of total programme expenditure to vote expenditure	2.5%	2.0%	1.2%	2.4%	-	-	3.5%	3.6%	3.6%	-	-
Details of transfers and subsidies											
Households											
Social benefits											
Current	3.6	3.7	1.8	2.5	-11.1%	0.4%	1.8	1.9	1.9	-8.4%	0.2%

9. PROGRAMME 5: FINANCIAL ACCOUNTING AND SUPPLY CHAIN MANAGEMENT SYSTEMS

Continued

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)	Average Expenditure/Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average Expenditure/Total (%)	
	2019/20	2020/21	2021/22				2022/23	2023/24	2024/25			2025/26
R million												
Employee social benefits	3.6	3.7	1.8	2.5	-11.1%	0.4%	1.8	1.9	1.9	1.9	-8.4%	0.2%
Departmental agencies and accounts												
Departmental agencies (non-business entities)												
Current	57.5	108.6	109.0	110.3	24.2%	12.3%	60.5	65.2	68.1	68.1	-14.8%	6.6%
Accounting Standards Boards	14.3	14.4	14.4	14.6	0.5%	1.8%	14.6	15.3	16.0	16.0	3.1%	1.3%
Independent Regulatory Board for Auditors	43.2	44.2	44.6	45.7	1.9%	5.7%	45.9	49.9	52.2	52.2	4.5%	4.2%
Auditor-General of South Africa	-	50.0	50.0	50.0	-	4.8%	-	-	-	-	-100.0%	1.1%
Households												
Other transfers to households												
Current	1.1	0.6	1.3	-	-100.0%	0.1%	-	-	-	-	-	-
Bursaries for non-employees	1.1	0.6	1.3	-	-100.0%	0.1%	-	-	-	-	-	-

9. PROGRAMME 5: FINANCIAL ACCOUNTING AND SUPPLY CHAIN MANAGEMENT SYSTEMS

9.4.1 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 2023		Number and cost ² of personnel posts filled/planned for on funded establishment												Number			
Number of funded posts	Number of posts of additional to the establishment	Actual			Revised estimate			Medium-term expenditure estimate						Average growth rate (%)	Average: Salary level/ Total (%)		
		2021/22			2022/23			2023/24		2024/25		2025/26				2022/23 - 2025/26	
Financial Accounting and Supply Chain Management Systems		Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	
Salary level	43	261	208.0	0.8	267	218.3	0.8	284	232.6	0.8	273	237.7	0.9	279	248.1	0.9	100.0%
1 – 6	7	6	1.8	0.3	11	3.9	0.4	11	3.7	0.3	11	4.0	0.4	11	4.0	0.4	–
7 – 10	35	117	59.6	0.5	121	65.4	0.5	124	66.7	0.5	118	67.3	0.6	119	69.3	0.6	-0.6%
11 – 12	–	69	65.0	0.9	61	59.4	1.0	73	70.4	1.0	68	69.0	1.0	71	73.5	1.0	5.5%
13 – 16	1	70	81.6	1.2	74	89.7	1.2	76	91.8	1.2	76	97.4	1.3	78	101.3	1.3	1.7%

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

² Rand million.

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, New Development Bank, the United Nations Economic Commission for Africa, the New Partnership for Africa's Development, the Group of G20 (G20), the Brazil- Russia-India-China-South Africa (BRICS) group of countries, the International Monetary Fund (IMF) the Paris Club, Organisation for Economic Cooperation and Development (OECD) and the Group of 24 (G24).

African Integration and Support

This sub-programme serves mainly as a vehicle to enable the National Treasury to engage with Africa through the Southern African Customs Union (SACU), the Southern African Development Community (SADC) and the African Union (AU). Regional integration in terms of growing trade, infrastructure investment and strengthening bilateral relations with key countries are the focus areas for strengthening South Africa's relations with SACU, SADC and Africa more broadly.

International Development Funding Institutions

This sub-programme provides for subscriptions and contributions to international development institutions and multilateral development banks (MDBs) and oversee South Africa's relationship with these institutions. It transfers funds to the African Development Bank (AfDB), the World Bank Group (WBG) and the New Development Bank to buy shares that contribute to the increases in authorised capital of the MDBs; and it makes contributions to the replenishment of the African Development Fund and the International Development Association to support African development through provision of concessional loans and grants to low income countries.

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 PROGRAMME 6: INTERNATIONAL FINANCIAL RELATIONS

10.2 Outcomes, Outputs, Performance Indicators and Targets

No.	Outcome	Output	Output Indicators	Annual Targets									
				Audited/Actual Performance			Estimated Performance	Planned Performance Current Year	MTEF Period				
				2019/20	2020/21	2021/22			2022/23	2023/24	2024/25	2025/26	2026/27
6.1.1		Economic surveillance response-reports	Percentage of economic surveillance reports responded to	#	100%	100%	100%	100%	100%	100%	100%	100%	100%
6.1.2		Advocacy forums	Number of advocacy forums hosted for uptake of development finance	#	1	1	1	1	2	1	1	1	1
6.1.3	Coherent economic policy advocated	Country partnership framework progress reports	Number of country partnership framework progress reports produced	#	3	3	2	2	2	2	2	2	2
6.1.4		Engagement strategies and priorities developed	Number of engagement strategies and priorities developed	#	2	2	1	1	2	1	1	2	2
6.1.5		Outcomes of South Africa's engagements in regional and global forums analysis reports	Number of analysis reports on the outcomes of South Africa's engagements in regional and global forums produced	#	1	1	1	1	1	1	1	1	1
6.1.6		Policy positions	Percentage of policy positions developed	#	100%	100%	100%	100%	100%	100%	100%	100%	100%

10 PROGRAMME 6: INTERNATIONAL FINANCIAL RELATIONS

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%	100%	100%	100%	100%
6.1.2	Number of advocacy forums hosted for uptake of development finance	2	N/A	N/A	N/A	2
6.1.3	Number of country partnership framework progress reports produced	2	N/A	N/A	N/A	2
6.1.4	Number of engagement strategies and priorities developed	2	1	N/A	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	N/A	1
6.1.6	Percentage of policy positions developed	100%	100%	100%	100%	100%

10 PROGRAMME 6: INTERNATIONAL FINANCIAL RELATIONS

Explanation of planned performance over the medium-term period

The Programme will continue to advance South Africa's interest through representation in international and regional financial institutions, as well as managing bilateral and multilateral relationships. Over the medium term, the African Economic Integration will take part in negotiations to determine the African Union Scale of Assessment for the period 2024-2026. This scale is used to review the financial obligations of African Union member states (including South Africa) for contributions into the Union's budget. The overall aim is to ensure that a new scale does not create undue affordability risk to member states whilst continuing to enhance engagement with Africa. The programme will provide support to the work on the economic surveillance reports that are produced annually.

Central to the implementation of the country partnership framework, will be the review of the SADC Protocol on Finance and Investment as it has become the principal focus with the conclusion of assessments done on the implementation of the protocol by member states. The outcome of this work will usher in a new roadmap deepening regional integration in the SADC financial and monetary sector. The protocol aims to improve the investment climate in each state and region; and achieve the preparation, co-operation, and harmonisation necessary for regional financial integration. The programme will continue over the medium term to produce annual analysis reports on the outcomes of South Africa's engagements in regional and global forums.

Work on the development of the country partnership framework as well as engagement strategies will continue over the medium term. In this regard, the focus will be on the Southern African Customs Union (SACU) as it is entering an implementation phase of the 2022-2027 SACU Strategic Plan adopted in June 2022 at the Summit in Botswana. Prominence will, amongst others, be placed on frontline issues of trade development especially industrialisation, export and investment promotion and leveraging of the African Continental Free Trade Area (AfCFTA) opportunities. Concerted efforts will also be directed towards realising the imperatives of the finance and resource mobilization pillar including strengthening tax administration and developing appropriate and effective financing instruments to deepen regional integration all in support of the objective to ensure that SACU remains a viable trade and investment market.

The programme initiatives contribute towards achieving the objectives set for MTSF Priority 7: A better Africa and World, with the immediate priority of contributing towards economic recovery and reconstruction in the post COVID-19 pandemic era. This includes negotiating the AfDB new Country Strategy Paper for South Africa; overseeing implementation of country partnership programs aligned to the uptake of development finance/funding to South Africa 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. Country partnership framework reports will assess the progress made on the implementation of targeted economic growth and development of the country partnership frameworks for the WBG, the AfDB, NDB and the Joint Work Programme for the OECD. Also, it will be important to provide responses to the economic reports, for example those issued by organisations such as the International Monetary Fund (IMF), which inform investor sentiment.

10 PROGRAMME 6: INTERNATIONAL FINANCIAL RELATIONS

Over the medium term, the programme will develop engagement strategies and priorities, and analysis on outcomes of South Africa's engagements in regional and global forums by developing appropriate policy positions relating to the agenda of South Africa's engagement, amongst others, in the AU, SACU, SADC, WBG, AfDB, G20, G24, NDB, IMF, Institute of International Finance (IIF) and Paris Club. The National Treasury, supported by the South African Reserve Bank (SARB), will chair and deliver the finance track agenda during South Africa's chair ship of the BRICS grouping in 2023. The finance track deliverables will form part of the President's broader deliverables at the Leaders' Summit.

The outputs on the economic surveillance response-reports; country partnership framework progress reports as well as reports on the South Africa's engagements in regional and global forums contribute towards achieving the institutional outcome: Coherent economic policy advocated.

10 PROGRAMME 6: INTERNATIONAL FINANCIAL RELATIONS

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 (%)
	2019/20	2020/21	2021/22				2022/23	2023/24	2024/25		
R million											
Programme Management for International Financial Relations	6.7	5.4	4.7	10.8	17.5%	0.1%	11.2	11.2	11.7	2.7%	0.4%
International Economic Cooperation	44.4	25.8	27.7	35.4	-7.2%	0.6%	55.6	71.4	74.9	28.3%	2.1%
African Integration and Support	981.5	766.6	1 569.2	1 619.0	18.2%	21.7%	1 408.6	1 738.7	1 816.6	3.9%	58.4%
International Development Funding Institutions	4 405.8	5 822.3	6 203.4	1 118.5	-36.7%	77.2%	1 092.8	1 030.7	1 076.4	-1.3%	38.3%
International Projects	20.4	20.5	21.5	23.0	4.2%	0.4%	23.1	24.2	25.2	3.1%	0.8%
Total	5 458.8	6 640.5	7 826.5	2 806.8	-19.9%	100.0%	2 591.3	2 876.1	3 004.9	2.3%	100.0%
Change to 2022 Budget estimate				169.0			1.0	1.0	-		
Economic classification											

10 PROGRAMME 6: INTERNATIONAL FINANCIAL RELATIONS

Continued

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)	Average Expenditure/Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average Expenditure/Total (%)
	2019/20	2020/21	2021/22				2022/23	2023/24	2024/25		
R million											
Current payments	51.0	30.8	32.2	45.5	-3.7%	0.7%	66.2	81.6	85.6	23.5%	2.5%
Compensation of employees	31.6	29.1	30.5	29.8	-1.9%	0.5%	31.1	31.7	33.1	3.6%	1.1%
Goods and services ¹	19.4	1.7	1.7	15.7	-6.8%	0.2%	35.1	49.9	52.6	49.5%	1.4%
<i>of which:</i>											
Administrative fees	0.4	0.0	0.1	0.5	4.6%	-	0.6	0.7	0.7	10.0%	-
Bursaries: Employees	0.1	0.2	0.2	0.5	63.4%	-	0.4	0.4	0.4	-4.3%	-
Consultants: Business and advisory services	0.7	0.7	-	0.8	6.4%	-	2.8	3.8	0.9	2.4%	0.1%
Travel and subsistence	9.1	0.1	0.9	10.8	6.0%	0.1%	12.6	12.3	12.8	5.9%	0.4%
Operating payments	0.4	0.5	0.4	0.4	4.3%	-	1.3	1.4	1.4	51.3%	-
Venues and facilities	8.6	-	-	1.6	-43.3%	-	16.6	30.6	35.5	182.7%	0.7%
Transfers and subsidies¹	1 134.2	922.1	1 744.2	1 801.4	16.7%	24.6%	1 607.4	1 943.5	2 030.6	4.1%	65.5%
Foreign governments and international organisations	1 134.2	922.0	1 744.2	1 801.4	16.7%	24.6%	1 607.4	1 943.5	2 030.6	4.1%	65.5%
Households	0.0	0.1	0.0	-	-100.0%	-	-	-	-	-	-
Payments for capital assets	0.0	0.3	0.2	0.7	189.0%	-	0.7	1.0	1.0	11.4%	-

10 PROGRAMME 6: INTERNATIONAL FINANCIAL RELATIONS

Continued

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)	Average Expenditure/Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average Expenditure/Total (%)
	2019/20	2020/21	2021/22				2022/23	2023/24	2024/25		
R million											
Machinery and equipment	0.0	0.3	0.2	0.7	189.0%	-	0.7	1.0	1.0	11.4%	-
Payments for financial assets	4 273.5	5 687.4	6 049.9	959.2	-39.2%	74.7%	917.1	850.1	887.7	-2.5%	32.0%
Total	5 458.8	6 640.5	7 826.5	2 806.8	-19.9%	100.0%	2 591.3	2 876.1	3 004.9	2.3%	100.0%
Proportion of total programme expenditure to vote expenditure	18.3%	19.5%	12.5%	7.2%	-	-	7.4%	8.7%	8.7%	-	-
Details of transfers and subsidies											
Households											
Social benefits											
Current	0.0	0.1	0.0	-	-100.0%	-	-	-	-	-	-
Employee social benefits	0.0	0.1	0.0	-	-100.0%	-	-	-	-	-	-
Foreign government and international organisations											
Current	1 001.9	787.1	1 605.3	1 623.1	17.4%	22.1%	1 431.7	1 762.9	1 841.9	4.3%	59.0%
Common Monetary Area compensation	976.9	763.0	1 565.7	1 579.9	17.4%	21.5%	1 403.3	1 733.3	1 811.0	4.7%	57.9%
Collaborative Africa Budget Reform Initiative	2.2	2.2	2.3	2.5	4.5%	-	2.4	2.6	2.7	2.8%	0.1%
Commonwealth Fund for Technical Cooperation	5.8	5.7	5.9	6.4	3.4%	0.1%	7.0	7.3	7.6	5.9%	0.3%

10 PROGRAMME 6: INTERNATIONAL FINANCIAL RELATIONS

Continued

Subprogramme	Audited outcome		Adjusted appropriation	Average growth rate (%)	Average Expenditure/Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average Expenditure/Total (%)	
	2019/20	2020/21				2021/22	2022/23	2023/24			2024/25
R million											
International Finance Facility for Immunisation	14.6	14.8	15.6	16.6	4.5%	0.3%	16.1	16.9	17.6	2.0%	0.6%
African Institute for Economic Development and Planning	1.2	1.3	1.1	1.3	2.4%	-	1.5	1.4	1.5	5.5%	0.1%
Regional Technical Assistance Centre for Southern Africa	1.2	0.1	-	1.4	3.8%	-	1.4	1.4	1.5	2.4%	-
New Development Bank project preparation	-	-	14.6	15.0	-	0.1%	-	-	-	-100.0%	0.1%
Capital	132.3	134.9	138.9	178.3	10.5%	2.6%	175.7	180.6	188.7	1.9%	6.4%
African Development Fund	78.7	78.6	79.2	77.7	-0.4%	1.4%	109.4	114.3	119.4	15.4%	3.7%
World Bank Group	53.6	56.3	59.7	66.6	7.5%	1.0%	66.3	66.3	69.3	1.3%	2.4%

10 PROGRAMME 6: INTERNATIONAL FINANCIAL RELATIONS

10.4.2 Personnel information

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

Number of posts estimated for 31 March 2023		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	2021/22			2022/23			2023/24		2024/25		2025/26		2022/23 - 2025/26					
		Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost			
International Financial Relations																			
Salary level	32	2	30	30.5	1.0	30	31.1	1.0	30	31.1	1.0	29	31.7	1.1	31	33.1	1.1	1.3%	100.0%
1 – 6	2	2	1	0.3	0.3	2	0.6	0.3	3	0.9	0.3	4	1.3	0.3	5	1.7	0.3	35.7%	11.6%
7 – 10	10	–	9	5.3	0.6	8	5.0	0.6	9	5.4	0.6	7	4.2	0.6	8	4.8	0.6	-1.7%	26.0%
11 – 12	7	–	7	6.8	1.0	6	6.4	1.1	6	6.4	1.1	6	6.8	1.1	6	6.9	1.2	–	19.9%
13 – 16	13	–	13	18.1	1.4	14	20.3	1.5	12	18.3	1.5	12	19.4	1.6	12	19.7	1.6	-3.5%	42.5%

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

² Rand million.

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.

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

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				
				2019/20	2020/21			2021/22	2022/23	2023/24	2024/25	2025/26
7.1.1		Validated benefits payment reports	Percentage of benefits validated paid within liable dates	98.9%	100%	99.9%	99%	99%	99%	99%	99%	99%
7.1.2	Sound financial control and management of public finances	Fraudulent claims reports	Percentage reduction of fraudulent claims	#	100% fewer fraudulent claims than 2019/20	100% fewer fraudulent claims than 2020/21	95% fewer fraudulent claims than 2021/22	98% fewer fraudulent claims than 2022/23	99% fewer fraudulent claims than 2023/24	99% fewer fraudulent claims than 2024/25	99% fewer fraudulent claims than 2025/26	99% fewer fraudulent claims than 2026/27
7.1.3		Exceptions report	Percentage integrity of client data	99.9%	100%	100%	98%	99%	99%	99%	99%	99%

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

11.3 Indicators, Annual and Quarterly Targets

No.	Output Indicators	Annual Target	Quarter 1	Quarter 2	Quarter 3	Quarter 4
7.1.1	Percentage of benefits validated paid within liable dates	99%	99%	99%	99%	99%
7.1.2	Percentage reduction of fraudulent claims	98% fewer fraudulent claims than 2022/23	N/A	N/A	N/A	98% fewer fraudulent claims than 2022/23
7.1.3	Percentage integrity of client data	99%	99%	99%	99%	99%

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

Explanation of planned performance over the medium-term period

Programme 7 contributes towards achieving the National Treasury outcome: Sound financial controls and management of public finances. In adherence to the high standards of services for its clients, the programme is committed to paying 99% of benefits within 45 days. In addition, the programme aims to achieve 99 percent integrity of client data by continuously conducting data cleansing, maintenance and monitoring. The focal areas over the medium term will be on improving turnaround times in payment of medical accounts within Military Pension, extending the training of employer departments in processing injury on duty claims and dealing with post-retirement medical subsidy cases; embarking on an advocacy campaign to ensure that pharmacies, medical practitioners, hospitals and medical specialists are fully aware of the programme processes regarding treatment and servicing of military pensioners; ensuring that the effective and efficient internal controls are maintained and continuously improved; formalising the oversight on Third Pension, Temporary Employees Pension Fund (TEPF) and Associated Institutions Pension Fund (AIPF); automation of injury on duty wards through the interfacing with Compensation Fund; and separating the processing of post-retirement medical subsidy processes from pension retirement processes.

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

11.4 Programme Resource Considerations

11.4.1 Expenditure trends and estimate

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 (%)
	2019/20	2020/21	2021/22		2022/23	2019/20- 2022/23		2023/24	2024/25	2025/26		
R million												
Government Pensions Administration Agency	66.9	60.0	61.7	79.8	6.1%	94.5	1.1%	76.7	82.2	1.0%	1.1%	
Civil Pensions and Contributions to Funds	4 437.9	4 749.3	5 766.3	6 685.4	14.6%	6 699.5	91.2%	7 020.9	7 331.4	3.1%	95.3%	
Military Pensions and Other Benefits	982.3	379.5	214.9	246.9	-36.9%	244.9	7.7%	257.5	271.0	3.2%	3.5%	
Total	5 487.1	5 188.8	6 042.8	7 012.1	8.5%	7 039.0	100.0%	7 355.1	7 684.6	3.1%	100.0%	
Change to 2022 Budget estimate				-		-		-	-			
Economic classification												
Current payments	66.9	60.0	61.7	79.8	6.1%	94.5	1.1%	76.7	82.2	1.0%	1.1%	
Goods and services ¹	66.9	60.0	61.7	79.8	6.1%	94.5	1.1%	76.7	82.2	1.0%	1.1%	
<i>of which:</i>												
Consultants: Business and advisory services	66.9	60.0	61.7	79.8	6.1%	94.5	1.1%	76.7	82.2	1.0%	1.1%	
Transfers and subsidies¹	5 420.2	5 128.8	5 981.1	6 932.3	8.5%	6 944.5	98.9%	7 278.4	7 602.4	3.1%	98.9%	
Foreign governments and international organisations	0.6	-	0.6	3.1	75.6%	1.0	-	1.2	3.4	3.1%	-	
Households	5 419.7	5 128.8	5 980.5	6 929.2	8.5%	6 943.5	98.9%	7 277.2	7 599.0	3.1%	98.8%	
Payments for financial assets	-	-	0.0	-	-	-	-	-	-	-	-	
Total	5 487.1	5 188.8	6 042.8	7 012.1	8.5%	7 039.0	100.0%	7 355.1	7 684.6	3.1%	100.0%	
Proportion of total programme expenditure to vote expenditure	18.4%	15.2%	9.7%	20.7%	-	20.2%	-	22.2%	22.2%	-	-	
Details of transfers and subsidies												
Households												

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

Continued

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)	Average Expenditure/Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average Expenditure/Total (%)
	2019/20	2020/21	2021/22				2023/24	2024/25	2025/26		
R million	2019/20	2020/21	2021/22	2022/23	2019/20- 2022/23	2023/24	2024/25	2025/26	2022/23 - 2025/26		
Social benefits											
Current	5 419.6	5 128.7	5 980.5	6 929.1	8.5%	6 943.4	7 277.2	7 599.0	3.1%	98.9%	98.8%
Contribution to provident fund for associated institutions	0.3	0.2	0.3	0.3	4.7%	0.3	0.3	0.4	9.6%	-	-
Other benefits	118.8	30.0	120.6	119.3	0.1%	115.8	121.0	126.4	1.9%	1.6%	1.7%
Injury on duty	647.9	572.3	717.4	820.8	8.2%	746.2	767.9	824.7	0.2%	11.6%	10.9%
Post retirement medical scheme	3 182.1	3 584.2	4 448.6	5 147.4	17.4%	5 242.5	5 463.8	5 682.4	3.4%	68.9%	74.0%
Special pensions	474.6	552.9	464.8	476.2	0.1%	495.0	514.8	535.4	4.0%	8.3%	6.9%
Political Office Bearers Pension Fund	-	-	-	27.7	-	3.7	52.6	54.9	25.6%	0.1%	0.5%
Pensions benefits: President of South Africa	10.4	6.1	10.4	10.8	1.2%	15.1	15.7	16.4	15.0%	0.2%	0.2%
Military pensions: Ex-service personnel	1.0	0.3	0.6	1.4	12.1%	1.8	2.2	3.0	27.4%	-	-
South African citizen force	193.9	268.2	201.3	228.1	5.6%	228.9	239.2	249.9	3.1%	3.8%	3.3%
Other benefits: Ex-service personnel	8.7	8.6	12.9	17.4	25.8%	14.2	16.1	18.1	1.3%	0.2%	0.2%
Non statutory forces	778.6	102.4	-	-	-100.0%	-	-	-	-	3.7%	-
Post retirement medical scheme: Parliamentary staff	3.2	3.5	3.6	3.7	4.9%	3.7	3.9	4.0	3.1%	0.1%	0.1%
Early retirement costs: Government Pensions Administration Agency	-	-	-	76.0	-	76.3	79.7	83.3	3.1%	0.3%	1.1%
Foreign government and international organisations											
Current	0.6	-	0.6	3.1	75.6%	1.0	1.2	3.4	3.1%	-	-
United Kingdom tax	0.6	-	0.6	3.1	75.6%	1.0	1.2	3.4	3.1%	-	-

12. EXPENDITURE OVERVIEW

The department's budget over the medium term is R2.986 trillion, of which 59.2 per cent (R1.769 trillion) is for transfers to provincial governments for the provincial equitable share. The increase on the department's baseline amount to R76.3 billion over the medium term in relation to the provincial equitable share for adjustments to the compensation of employees.

The department has the following increases to its baseline related to transfers and subsidies over the medium term: R1.5 billion to the South African Revenue Service to implement capital projects; R226.4 million towards the Secret Services to support its operations; R265.1 million to the Financial Intelligence Centre to support its operations by increasing capacity to produce intelligence reports, capability to analyse big data and respond timeously to stakeholders' for intelligence products; and R91.3 million on compensation of employees to accommodate the cost of living adjustments.

The budget allocation per economic classification over the medium term is as follows: R2.826 billion on Compensation of Employees; R6.798 billion on Goods and Services; R89.547 billion on Transfers and Subsidies; R216 million on Payment of Capital Assets; and R3.655 billion on Payment for Financial Assets.

Compensation of employees

The budget allocation for compensation of employees in 2023/24 financial year is R920 million which is earmarked for the headcount averaging 1100 per annum. In a period between 2020/21 and 2022/23 there has been a slight increase of 2.6% from 1033 to 1060 on the headcount largely due to the replacement of vacant positions during this period. Over the medium budget allocation for compensation of employees is R 2,826 billion.

Goods and services

Over the medium term period, expenditure on goods and services is projected to be R6.797 billion with the amount of R2,101 billion allocated for the 2023/24 financial year. These funds are budgeted for various line items which covers the day-to-day spending on operation of the department. However, the significant part of the spending on goods and services is on consultancy services and computer services. These two-line items are the main cost drivers of the department on goods and services spending, with consultancy services projected to spend R3,364 billion over the medium term whilst the computer services budgeted R2,412 billion.

The consultancy services spending is largely within the catalytic infrastructure and development Support Programme which comprises of the municipal finance improvement programme (MFIP), infrastructure delivery improvement programme (IDIP), cities support programme (CSP), neighbourhood development partnership grant-indirect (NDPG) as well as the municipal revenue management improvement programme (MRMIP).

Expenditure on computer services as the second largest cost driver is mainly on the financial systems which comprises of the), the maintenance and support of the legacy systems – basic accounting system (BAS), personal and salaries management system (PERSAL), logistical information system (LOGIS), VULINDLELA and the integrated financial management system (IFMS).

12. EXPENDITURE OVERVIEW

Transfers and subsidies

The transfers and subsidies are allocated a budget amount of R89.547 billion over the medium term period, which constitutes the largest spending component for the department. This expenditure item comprises of different categories of transfers i.e., department agencies account largely for public entities reporting to the Minister of Finance, the conditional grants to municipalities, the civil and military pensions as well as the foreign governments and international organisations. For the 2023/24 financial year, the transfer and subsidies are allocated R29 billion.

Transfers or allocations to the public entities reporting under the department consist of the Financial Intelligence Centre (FIC), Accounting Standards Board (ASB), Independent Regulatory Board of Auditors (IRBA), Financial and Fiscal Commission (FFC) and South African Revenue Service (SARS) amongst others. The SARS constituted 41.7% or R31.096 billion of the transfers total spending of R74.605 billion over the three previous financial years. This trend continues over the medium term period with 39,3% or R 35,929 billion of the R89.547 billion total transfers budget allocated to SARS.

The Conditional Grants to various municipalities in line with the Division of Revenue Act (DORA) comprise of the Neighbourhood Development Partnership Grant (NDPG), Infrastructure Skills Development Grant (ISDG), Programme and Project Preparation Support Grant (PPPSG) and Local Government Financial Management Grant (LGFMG) which are consistent with spending year on year. Included in the expenditure was also spending towards job creation on the Jobs Fund projects, the transfer payment to the Government Technical Advisory Centre (GTAC). These constituted approximately 7.3% or R5.432 billion in spending for the past three financial years. Over the medium term period the budget allocation for Conditional Grants is R 6,265 billion, with R2,580 billion budgeted for the 2023/24 financial year. For the 2023/24 financial year, the Neighbourhood Development Partnership Grant is budgeted with R 1,475 million, Local government Financial Management Grant is budgeted with R569 million; the Programme & Project Preparation Support Grant with R569 million and the Infrastructure Skills Development Grant is budgeted with R160 million.

The Civil and Military Pensions, Contributions to Funds and Other Benefits also comprise a significant portion of the departments spending. The major contributors to the spending on this area are mainly the transfer payments to the Post-Retirement Medical Benefits (PRMB), the Special Pensions, Injury on Duty and the SA Citizen Forces to the Government Pensions Administration Agency (GPAA). These constituted approximately 22.4% or R16.719 billion in spending for the past three financial years. Over the medium the budget allocation for the Civil Pensions and Contributions to Funds is R21,052 billion, the Government Pensions Administration Agency is allocated R253 million and the R773,4 million is budgeted for the Military Pensions and Other Benefits. The Civil Pensions and Contributions to Funds constitute the largest portion of the total budget allocation at 95,34% or R21,052 of the total allocation of R22,079 budget over the medium term. Similarly for the 2023/24 financial year 95,17% or R6,699 billion of the total allocation of R7,039 is budgeted for the Civil Pensions and Contributions to Funds.

The international commitments are also part of the large spending on transfers as it constituted approximately 5.1% or R3.800 billion in spending for the past three financial years. The international commitments are under the Common Monetary Area (CMA) compensation, the Collaborative Africa Budget Reform Initiative (CABRI), Commonwealth Fund for Technical Cooperation (CFTC), International Finance Facility for Immunisation (IFFI), African Development Bank and Fund (AfDB) and the World Bank.

Over the medium term period, the international commitments include budget allocation for the International Development Funding Institutions with the total amount of R3,200 billion allocated for the next three years, Africa

12. EXPENDITURE OVERVIEW

Integration and Support with the total budget allocation of R4,963 billion and R202 million allocated for the International Economic Cooperation. The impact of the foreign exchange rate poses ongoing risk on the budget allocation. There is high volatility on the Rand exchange rate against the US Dollar. The budgeted amount most often tends to be lesser than the actual payments, therefore resulting in a significant budget shortfall. Due to tight fiscal constraints the department is unable to budget at the highest forecasted exchange rate.

For the Africa Integration and Support, 99,67% or R4,978 the total budget allocation of R4,964 over the medium term period is budgeted for Common Monetary Area compensation, with the Collaborative Africa Budget Reform Initiative allocated R7,666 billion, the African Regional Technical Centre for Southern Africa budgeted with R4,405 billion and the Africa Institute for Development and Economic Planning allocated R4,242 billion. Similarly for the 2023/24 financial year, the Common Monetary Area compensation is budgeted with R1,403 billion from the total budget allocation of R1,408 billion.

Payment for capital assets

The payment for capital assets is budgeted at R215 million over the medium term period, with R 163 million budgeted for the 2023/24 financial year.

Payment for financial assets

The payment for financial assets is also one of the biggest cost drivers within the department over the mid-term period. Over the medium term the department has allocated a budget amount of R3,655 billion on Payment for Financial Assets, with R1,917 billion budgeted for the 2023/24 financial year.

Over the medium term, the spending priorities for the department are consistent with the past 3 financial years. The spending drivers for the department have not changed and the spending configuration and composition is still more aligned and relevant to the department's mandate.

13. NATIONAL TREASURY KEY RISKS TABLE

OUTCOME	RISK DESCRIPTION	DIVISION	MITIGATION
Coherent economic policy advocated	Inability to pay capital contribution to MDBs resulting in loss of voting shares and influence	IREP	Soliciting funds through internal and external multi-stakeholder engagements
Sustainable public finance	Disruptions and delays in implementing interventions in municipalities in terms of S139 of the Constitution due to security threats and inadequate staff capacity within the NT to develop Financial Recovery Plans.	IGR	Procurement of a panel of experts for the development of Financial Recovery Plans. Implementation of security plans, including the use of closed protection and deployment of SAPS to minimise safety and security threats to Administrators and staff deployed at Municipalities.
Sound financial controls and management of public finances	Unavailability of the SCM ICT systems (e- tendering and CSD and Data warehouse)	OCPO	Secured external service provider to support and improve client support. SLA in place with and Operational Level Agreement with ICT NT and external service provider. Implemented back-up schedules and monitoring services to mitigate inefficiencies on ICT Heat Voice Services implemented IT infrastructure upgraded
Sound financial controls and management of public finances	Delays in finalization of the regulatory framework and potential legal challenges.	OCPO	Engage in different forums such as Chief Financial Officers' Fora, Technical Committee on Finance, SCM Fora, Provincial Treasuries, other Divisions of the National Treasury, and other external stakeholders to ensure buy-in by state institutions into the regulatory framework prior to issuance thereof. Issue Public Procurement Bill to regulate procurement in the Public Service.
Sustainable public finance	Ineffective oversight of State Owned Entities (SOEs) to provide timely analysis and informed decision-making.	ALM	National Treasury attends oversight monitoring committees together with SOE management teams to: Monitor SOE financials, governance, performance and progress against committed turn-around times, and Monitor and enforce SOE adherence to the PFMA, Memorandum of Incorporation, King IV Code on Corporate Governance and Companies Act provisions to influence sustainable SOE finances. Skills and capacity augmentation of SOE monitoring teams within the NT is ensured to enable adequate implementation of monitoring activities.

14. PUBLIC ENTITIES

Name of Public Entity	Mandate	Key Outputs	Annual Budget 2023/24
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.	Standards of GRAP developed. Research that ensures Standards of GRAP respond to broader financial reporting needs. Development of international standards influenced.	R14.756 million
Co-operative Banks Development Agency (CBDA)	To create a strong and vibrant cooperative banking sector.	Co-operative banking sector known and recognised. Products and services offered by partners and stakeholders leveraged on through collaborations and agreements.	R24.567 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.	Project preparation and commitment. Infrastructure unlocked for under resourced municipalities.	R8.052 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	Annual submissions, policy briefs, technical reports and reports on financial and fiscal matters.	R65.346 million
Financial Intelligence Centre (FIC)	To identify the proceeds of crime, combat money laundering and terror financing.	Awareness of the FIC Act. Supervision of the FIC Act Enforcement of the FIC Act.	R404.961 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	Invoiced levies collected. penalties from regulated entities collected. License applications completed within 90 days. Implemented Consumer Education initiatives.	R983.954 million
Government Pensions Administration Agency (GPAA)	Responsible for administering pensions on behalf of GEPP in terms of the Government Employees Pension (GEP) Law of 1996 on behalf of GEPP's Board of Trustees.	Reduced unclaimed benefits. National Treasury death benefits paid within 60 days after duly completed documents are received. National Treasury membership certificates issued within 30 days of admission.	R1.377 billion
Government Technical Advisory Centre (GTAC)	To assist organs of state to build their capacity for efficient, effective and transparent financial management.	Capital appraisal report completed. Knowledge products produced. Institutional development support provided.	R278.336 million

14. PUBLIC ENTITIES

Continued

Name of Public Entity	Mandate	Key Outputs	Annual Budget 2023/24
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.	Issued auditing pronouncements, auditor reports and comment letters. Issued additional guidance on ethical issues, comment letters and Code amendments. Disciplinary strategy developed, adopted and implemented.	R199.251 million
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.	Developed solutions for balance sheet challenges. Profit optimisation. Client value proposition and product offering.	R2.890 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).	Report on complaints closed within 9 months of date of receipts. Report on complaints closed within 8 months of date of receipts. Property syndication report.	R81.606 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.	Receipt of complaints acknowledged within 2 working days. Premature complaints referred to respondents for resolution directly with the complainant within 5 working days of receipt. Closed complaints allocated for closure within 2 working days as: abandoned, withdrawn, duplicates, out of jurisdiction.	R98.577 million

14. PUBLIC ENTITIES

Continued

Name of Public Entity	Mandate	Key Outputs	Annual Budget 2023/24
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.	Reviewed and addressed complaints by taxpayers against SARS. Stakeholder engagements and collaboration promoted. Agile organisation that can scale efficiently to meet taxpayers demand created.	R51.241 million
Public Investment Corporation (PIC)	South African state-owned asset management company that manages assets for clients, all of which are public sector entities.	Client benchmark portfolio returns exceeded and compliance with client risk parameters. Contribution towards the growth and transformation of the economy through unlisted investments.	R934.309 million
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.	Collection of revenue as agreed with the Minister. Revenue collected from identified compliance initiatives. Reduced number of disputes lodged with SARS.	R12.759 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. Research and investigate coverage for any special threat considered to be of national interest.	Fast-tracked claims turnaround time. Value-add delivered to the customer.	R5.366 billion

15. INFRASTRUCTURE PROJECTS

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

16. 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.

17. 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.

2023/24 ANNUAL
PERFORMANCE PLAN

PART D:
TECHNICAL INDICATOR
DESCRIPTIONS



national treasury

Department:
National Treasury
REPUBLIC OF SOUTH AFRICA

PROGRAMMES

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	$\frac{\text{Number of ICT Service Level Agreement standards met} + \text{Environment Infrastructure standards met}}{\text{Total number of ICT standards}} \times 100$
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	93% of ICT service delivery standards met
Indicator responsibility	Chief Directorate: Information & Communication Technology

Output Indicator no 1.1.2	
Indicator Title	Audit Opinion Obtained
Definition	This is an opinion expressed by the external auditors on the financial statements of the department at financial year-end and the annual performance report of that financial year
Source of data	Audited Annual Report
Method of Calculation / Assessment	Verify if the opinion expressed by the external auditors on the financial statements and the annual performance report is unqualified $\frac{\text{No. of findings in the previous financial year} - \text{No. of findings in current financial year}}{\text{No. of findings in the previous financial year}} \times 100$
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	Annually
Desired performance	Unqualified audit opinion with 15% fewer findings than 2022/23 on financial performance information Unqualified audit opinion with no audit findings on non- financial performance information
Indicator responsibility	Chief Directorate: Financial Management (Chief Financial Officer) Chief Directorate: Strategic Planning, Monitoring & Evaluation

PROGRAMMES

Output Indicator no 1.1.3	
Indicator Title	Risk Management Maturity Assessment level achieved
Definition	The Risk Management Maturity Assessment is a subset of National Treasury's Financial Management Capability Maturity Model (FMCMM). It isolates the relevant risk management components of the FMCMM and provides a simplified and consistent assessment methodology for the institution to determine its risk management maturity.
Source of data	Risk Management Maturity Assessment level report
Method of Calculation / Assessment	Verify the actual rating achieved for the financial year in the Risk Management Maturity Assessment Report which provides a performance score on the rating of 1-6 with 1 being the lowest and 6 the highest
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	Annually
Desired performance	Achieve level 5 in Risk Management Maturity Assessment
Indicator responsibility	Chief Directorate: Risk Management (Chief Risk Officer)

Output Indicator no 1.1.4	
Indicator Title	Percentage spend of training and development budget
Definition	This indicator measures the department's expenditure on training and development against the total amount budgeted for training & development in a financial year
Source of data	Audited Financial Statements
Method of Calculation / Assessment	$\frac{\text{Total amount spent on training \& development}}{\text{Total amount budgeted for training \& development in the financial year}} \times 100$
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	70% of the budgeted amount on training and development spent
Indicator responsibility	Chief Directorate: Human Resources Management

PROGRAMMES

Output Indicator no 1.1.5	
Indicator Title	Number of quarterly reports on the implementation of the action plan on gender mainstreaming produced
Definition	This indicator monitors implementation of the department's action plan on gender mainstreaming
Source of data	Progress reports that record actual performance against planned performance
Method of Calculation / Assessment	Simple count of quarterly reports on the implementation of the department's action plan on gender mainstreaming
Means of verification	Quarterly Reports
Assumptions	The department will have an action plan on gender mainstreaming
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 reports on the implementation of the action plan on gender mainstreaming produced
Indicator responsibility	Chief Directorate: Human Resources Management

PROGRAMME 2

Output Indicator no 2.1.1	
Indicator Title	Number of research papers completed
Definition	Number of research papers completed through NT managed research programs and projects
Source of data	Economic Policy iDrive
Method of Calculation / Assessment	Simple count of research papers completed
Means of verification	Research papers completed through NT managed research programs and projects
Assumptions	That the funding and staff capacity is available to complete the research papers specified
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	30 research papers completed
Indicator responsibility	DDG: Economic Policy

PROGRAMMES

Output Indicator no 2.1.2	
Indicator Title	Financial sector legislation drafted
Definition	Draft financial sector legislation, regulation and standards aim to make the financial sector safer, treat customers more fairly, to be more inclusive and have integrity. The financial sector legislation to be submitted to Cabinet is set out in the legislative programme submitted to the Leader of Government Business, as amended. The legislation must be submitted by the end of the financial year and in-year targeted dates are not considered
Source of data	Submission memo by the Minister to Cabinet
Method of Calculation / Assessment	Verify if a memo was submitted by Minister asking Cabinet to approve the financial sector legislation
Means of verification	Submission memo by the Minister to Cabinet
Assumptions	That the public comment process is completed as planned That Minister approves the legislation for submission to Cabinet
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 submitted to Cabinet
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 Budget Speech to be implemented by the Treasury
Source of data	Submission memo to Minister, Parliamentary papers, Announcement, Tablings and Committees (ATC) documents
Method of Calculation / Assessment	Verify if tax legislation or policy documents are published on the Treasury website for comment Parliamentary papers, Announcement, Tablings and Committees (ATC) documents
Means of verification	Tax legislation, Submission memo to Minister, Parliamentary papers, ATC documents
Assumptions	That the Parliamentary Finance Committees will process the legislation after it is published on the Treasury website
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	Tax legislation submitted for tabling in Parliament
Indicator responsibility	DDG: Tax and Financial Sector Policy

PROGRAMMES

Output Indicator no 2.1.4

Indicator Title	Number of economic forecasts developed
Definition	Economic forecasts inform the budget and Medium-Term Budget Policy Statement (MTBPS) and scenario modelling.
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 econometric 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	Number of macro and microeconomic policy analysis and advice reports produced
Definition	This refers to research outputs approved by the DDG, including research papers, research notes, technical analysis, reviews and assessments of external proposals, reports on key sectors and microeconomic constraints, information reports, reports on the state of the economy and macro- and microeconomic trends and variables. Reports can be in word form or presentation form
Source of data	Analysis reports
Method of Calculation/ Assessment	Simple count of research outputs of macro- and micro-economic policy analysis and advice reports
Means of verification	Macro and microeconomic policy analysis and advice reports
Assumptions	That there are sufficient resources available to conduct the research
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 macro and microeconomic policy analysis and advice reports produced
Indicator responsibility	DDG: Economic Policy

PROGRAMMES

PROGRAMME 3

Output Indicator no 3.1.1	
Indicator title	Published budget legislation and documentation
Definition	This is the tabling of budget legislation and accompanying explanatory memoranda in Parliament, and availing them as publications
Source of data	Parliamentary administrative records and National Treasury internet postings
Method of calculation / Assessment	Verify - Appropriation Bill published on the National Treasury's website Verify - Budget Review document published on the National Treasury's website Verify - Estimates of National Expenditure document published on the National Treasury's website Verify - Adjustments Appropriation Bill published on the National Treasury's website Verify - Medium Term Budget Policy Statement document published on the National Treasury's website Verify - Adjusted Estimates of National Expenditure document published on the National Treasury's website
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 Publication of Adjustments Appropriation Bill, AENE and MTBPS
Indicator responsibility	DDG: Budget Office

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 that 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 Directorate: Intergovernmental Policy and Planning

PROGRAMMES

Output Indicator no 3.1.3

Indicator Title	Number of reforms introduced to enhance provincial and local government fiscal frameworks
Definition	<p>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</p> <p>The reforms will emanate from any of the following workstreams</p> <ul style="list-style-type: none"> Reviewing of the local government capacity system to improve capability support provided to municipalities through the grants system. Reviewing of the conditional grant system Processing reforms to development charges, as contained in the Municipal Fiscal Powers and Functions Amendment Bill
Source of data	Explanatory Memorandum to the Division of Revenue Bill (published on the National Treasury website as Annexure W1 to the Budget Review) and Municipal Fiscal Powers and Functions Amendment Bill
Method of Calculation / Assessment	Simple count of reforms introduced to enhance provincial and local government fiscal frameworks
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)	<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	Annually
Desired performance	3 reforms introduced to enhance provincial and local government fiscal frameworks
Indicator responsibility	Chief Directorate: Intergovernmental Policy and Planning

Output Indicator no 3.1.4

Indicator Title	Number of progress reports on the implementation of the township economic development strategies produced
Definition	Metro township economic development strategies have been developed for 5 townships and the focus is on ensuring these strategies are implemented.
Source of data	Progress report on the implementation of the township economic development strategies in 5 metros produced
Method of Calculation / Assessment	Simple count of progress reports on the implementation of the township economic development strategies in 5 metros produced
Means of verification	Progress report on the implementation of the township economic development strategies in 5 metros produced
Assumptions	<p>Sufficient capacity in metros to plan and implement the strategies</p> <p>Private sector and national departments support in line with the strategies</p>

PROGRAMMES

Continued

Output Indicator no 3.1.4	
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: Supports economic development in marginalised townships Reflect on the spatial impact area: Marginalised townships in the pilot metros
Calculation Type	Non-cumulative
Reporting Cycle	Annually
Desired performance	1 progress report on the implementation of the township economic development strategies produced
Indicator responsibility	Chief Directorate: Neighbourhood Development Programme Chief Directorate: Provincial and Local Government Infrastructure

Output Indicator no 3.1.5	
Indicator Title	Percentage of infrastructure plans assessment reports reviewed
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	$\frac{\text{Number of infrastructure plans reviewed}}{\text{Number of infrastructure plans received}} \times 100$
Means of verification	Infrastructure plans assessment review reports
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	100% of infrastructure plans assessment reports reviewed
Indicator responsibility	Chief Directorate: Provincial and Local Government Infrastructure

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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. 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
Assumptions	<p>Municipalities to drive implementation of the investment plan and the associated intergovernmental project pipeline</p> <p>Municipalities organise themselves to better engage with the private sector and to improve public sector investment coordination to better attract private sector investments</p>
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)	Diverse land uses introduced into spatially targeted areas
Calculation Type	Cumulative (year-end)
Reporting Cycle	Quarterly
Desired performance	35 catalytic projects approved in spatially targeted areas within metropolitan cities, secondary cities and rural towns
Indicator responsibility	Chief Directorate: Neighbourhood Development Partnership 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	<p>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</p> <p>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</p>

PROGRAMMES

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Output Indicator no 3.1.7	
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 Directorate: Provincial Budget Analysis Chief Directorate: Local Government Budget Analysis

Output Indicator no 3.1.8	
Indicator Title	Percentage of requests to draft mandatory financial recovery plans responded to within 90 days of receipt
Definition	<p>Mandatory financial recovery plans are prepared in terms of section 139 of the MFMA for municipalities, whom as a result of a crisis in their financial affairs, are in serious or persistent material breach of their obligations to provide basic services or to meet their financial commitments or admit that they are unable to meet their obligations or financial commitments.</p> <p>The 90 days required for the preparation of the mandatory Financial Recovery Plans (FRP) commences after the finalisation, as determined by National Treasury of the following legislated processes:</p> <p>(i) the determination of the reasons for the crisis in the municipality's financial affairs; and (ii) the assessment of the municipality's financial state.</p> <p>The determination of finalisation of (i) and (ii), is defined in an approval memo signed by the Deputy Director-General: Intergovernmental Relations (DDG: IGR) or a person delegated by the DDG: IGR.</p> <p>A Financial Recovery Plan is considered complete when it is submitted to the Minister of Finance for approval.</p>
Source of data	Tracking register of municipalities approved for mandatory FRP assistance. Approval memo signed by the DDG: IGR or a person delegated by the DDG: IGR. Submission memo of the FRP to the Minister of Finance.
Method of Calculation / Assessment	$\frac{\text{Number of mandatory financial recovery plans drafted within 90 days}}{\text{Total number of municipalities approved for mandatory FRP assistance}} \times 100$
Means of verification	Mandatory financial recovery plans drafted within the 90 days
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

PROGRAMMES

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Output Indicator no 3.1.8

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 requests to draft mandatory 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 received commented on
Definition	Comments on the Cabinet memos provide analysis on the implementation of financial management and policy developments, challenges and trends in sectors and how these affect expenditures.
Source of data	Comments made on Cabinet memos
Method of calculation / Assessment	<u>Number of Cabinet memo comments sent at least one working day prior to the sitting of the Cabinet meeting</u> x 100 Total number of Cabinet memos received at least two working days prior to the sitting of the Cabinet meeting
Means of verification	Email to the Ministry with the Cabinet memo comments Register and record of Cabinet sittings
Assumptions	Changes to the date of the Cabinet meeting must be communicated at least a day prior to the revised date of the Cabinet meeting Cabinet memos will be received at least two days prior to the Cabinet meeting
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 received commented on
Indicator responsibility	Chief Directorate: Economic Services Chief Directorate: Administrative Services Chief Directorate: Health and Social Development Chief Directorate: Educational and Related Departments and Labour Chief Directorate: Justice and Protection Services Chief Directorate: Urban Development and Infrastructure

Output Indicator no 3.1.10

Indicator title	Number of quarterly expenditure reports submitted to the Standing Committee on Appropriations
Definition	Provide the Standing Committee on Appropriation with summary of quarterly expenditure for departments
Source 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

PROGRAMMES

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Output Indicator no 3.1.10	
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	Chief Directorate: Economic Services Chief Directorate: Administrative Services Chief Directorate: Health and Social Development Chief Directorate: Educational and Related Departments and Labour Chief Directorate: Justice and Protection Services Chief Directorate: Urban Development and Infrastructure

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
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 as at 31 March
Means of verification	Appointment letters of technical advisors
Assumptions	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	80 technical advisors placed and maintained at National Treasury, provincial treasuries and municipalities through the Municipal Finance Improvement Programme (MFIP)
Indicator responsibility	Chief Directorate: Municipal Finance Improvement Programme (Programme Management Unit)

PROGRAMMES

Output Indicator no 3.1.12	
Indicator Title	Value of grant funding disbursed (cumulative across the term of project)
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 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	R7 350m grant funding disbursed (cumulative across the term of project)
Indicator responsibility	DDG: Employment Facilitation

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	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 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 Late submissions/revised submissions will be reviewed within four months from the date of submission Reports are compiled on the reviewed corporate plans
Source of data	Signed-off corporate plans of Schedule 2 and 3B from Board and Executive Authority

PROGRAMMES

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Output Indicator no 4.1.1	
Method of Calculation / Assessment	<p><u>Number of corporate plans of schedule 2 and 3B SOCs, and water boards received and reviewed by the division within 4 months of receipt</u> x100 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 begin 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) on review of corporate plans of Schedule 2 and 3B SOCs, DFIs and water boards received
Assumptions	<p>No late submission of Corporate Plans from SOCs</p> <p>No delays due to Executive Authorities' requests to amend Corporate Plans</p> <p>Entities are not required to submit final shareholder compacts to NT for review</p> <p>Incomplete submissions are not considered until all required information is received</p>
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

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, executive authority and Board, 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 report of Schedule 2 and 3B of SOEs

PROGRAMMES

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Output Indicator no 4.1.2	
Method of Calculation / Assessment	<p><u>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</u> x100</p> <p>Complete annual reports received</p> <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)</p> <p>Any submissions made post this date will not be reviewed</p>
Means of verification	Signed-off reports (Director-level) on review of annual reports of Schedule 2 and 3B SOCs, DFIs and water boards received
Assumptions	<p>No late submission of annual reports from SOCs, DFI & WBs</p> <p>No requests from Executive Authorities for extensions or to make amendments to annual reports which may result in delays</p> <p>Entities are not required to submit final shareholder compacts to NT for review</p> <p>Incomplete submissions are not considered until all required information is received</p>
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

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

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Output Indicator no 4.1.3	
Method of Calculation / Assessment	<u>Number of complete applications reviewed by the division within stipulated timeframes</u> x100 Total number of complete applications received
Means of verification	Signed-off submissions at DDG level, prepared in response to applications for PFMA applications
Assumptions	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)	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 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 Chief Directorate: Governance and Financial Analysis

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	Application letter from the Executive Authority or Chairperson of the Board in the case of entities reporting to the Minister of Finance
Method of Calculation / Assessment	<u>Number of complete applications for borrowing limits reviewed by ALM division within 60 business days</u> x100 Number of complete applications for borrowing limits received by ALM division
Means of verification	Review/assessment memo signed at Director-level to the Secretariat of the Asset and Liability Management Review and Monitoring Committee (ALMRMC) and the Fiscal Liability Committee (FLC) Date count starts from when the application is sent from the Minister of Finance's office to the ALM division
Assumptions	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 borrowing limit applications received from Schedule 2 and 3B public entities reviewed within the stipulated timeframes
Indicator responsibility	Chief Directorate: Governance and Financial Analysis

PROGRAMMES

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 The application is considered as reviewed once it is sent to the Secretariat of the FLC and Asset and Liability Review and Monitoring Committee (ALMRMC)
Source of data	Signed-off reports at Director-level
Method of Calculation / Assessment	<u>Number of complete applications for guarantees reviewed within 30 calendar days of receipt by ALM division</u> x100 Number of complete applications for guarantees received
Means of verification	Signed-off reports at Director-level
Assumptions	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
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 Chief Directorate: Governance and Financial Analysis

Output Indicator no 4.1.6

Indicator Title	Percentage of annual gross borrowing requirement met in compliance to the risk benchmarks
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. Annual gross borrowing requirement met is sourced from the Statement of the National Revenue, Expenditure and Borrowing document.
Method of Calculation / Assessment	Gross borrowing requirement is the sum of revenue, expenditure and debt due for repayment <u>Annual gross borrowing requirement met</u> x100 Annual gross borrowing requirement
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 annual gross borrowing requirement met in compliance to the risk benchmarks
Indicator responsibility	Chief Directorate: Liability Management

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PROGRAMME 5

Output Indicator no 5.1.1	
Indicator Title	Percentage of norms and standards developed
Definition	Develop and/or maintain (update) 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	$\frac{\text{Number of norms and standards developed}}{\text{Number of norms and standards identified for development}} \times 100$
Means of verification	Norms and standards developed and/or maintained(updated)
Assumptions	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	Non-Cumulative
Reporting Cycle	Annually
Desired performance	100% norms and standards developed and/or maintained (updated)
Indicator responsibility	Chief Directorate: Internal Audit Support Chief Directorate: Governance Monitoring & Compliance Chief Directorate: MFMA Implementation

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 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 identified across all spheres of government including entities Enabling resources by co-sourcing of at least 10 forensic investigation firms
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

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Output Indicator no 5.1.2

Desired performance	32 governance reports produced
Indicator responsibility	Chief Directorate: Specialised Audit Services Chief Directorate: Internal Audit Support Chief Directorate: Governance Monitoring & Compliance Chief Directorate: MFMA Implementation

Output Indicator no 5.1.3

Indicator Title	Number of Public Finance Management Capacity Development Programmes progress reports produced
Definition	Public Finance Management Capacity Development Programmes support the 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 A consolidated report of progress on the delivery of public finance management capacity development programmes is produced
Source of data	The monitoring reports of the delivery of the various public finance management capacity development training programmes being conducted
Method of Calculation / Assessment	Simple count of Public Finance Management Capacity Development Programmes progress reports produced
Means of verification	Reports on the Public Finance Management Capacity Development Programmes progress reports produced
Assumptions	Officials register for the training courses offered by National Treasury Training programmes conducted
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	22 Public Finance Management Capacity Development Programmes progress reports produced
Indicator responsibility	Chief Directorate: Capacity Building Chief Directorate: Specialised Audit Services Chief Directorate: Accounting Support and Reporting Chief Directorate: MFMA Implementation

Output Indicator no 5.1.4

Indicator Title	Percentage availability of transversal systems
Definition	Maintenance of current transversal systems: Basic Accounting System (BAS), LOGIS and PERSAL. 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	$\frac{\text{Number of normal working days} - \text{Number of normal working days mainframe was unavailable}}{\text{Number of normal working days}} \times 100$

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Output Indicator no 5.1.4	
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 in line with SLA with service provider
Indicator responsibility	Chief Directorate: 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	20 statutory reports produced
Indicator responsibility	Chief Directorate: Governance Monitoring & Compliance Chief Directorate: MFMA Implementation Chief Directorate: Accounting Support and Reporting

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/Steering Committee minutes

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Output Indicator no 5.1.6	
Method of Calculation / Assessment	Verify the roll-out of e-Recruitment module at 4 selected departments Verify if the IFMS system is developed
Means of verification	Signed memos/Reports/minutes
Assumptions	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	Roll-out of e-Recruitment module at 4 selected departments IFMS system developed
Indicator responsibility	Chief Directorate: Integrated Financial Management System

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, cancellation of tenders, norms and standards and 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 counted to the next quarter
Assumptions	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	Cumulative (year-end)
Reporting Cycle	Quarterly
Desired performance	4 approved compliance reports
Indicator responsibility	Chief Directorate: SCM Governance, Monitoring & Compliance Chief Directorate: SCM Information and Communication Technology

PROGRAMMES

Output Indicator no 5.1.8	
Indicator Title	Percentage of approved SCM directives
Definition	Developed SCM directives (instruction notes, circulars, frameworks and guidelines) approved
Source of data	DTIC with regards to designated products Requests from stakeholders Policy directives Policy implementation challenges that require policy review Changes or new policies that impact on the SCM Audit and Compliance reports
Method of Calculation / Assessment	$\frac{\text{Number of directives approved}}{\text{Number of policy interventions identified}} \times 100$
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	Chief Directorate: SCM Policy and Legal

Output Indicator no 5.1.9	
Indicator title	Number of progress reports on SCM institutional support programme conducted
Definition	The programme refers to a plan of interventions and support to improve SCM performance in departments, entities and municipalities
Source of data	Records/minutes of meetings/letters/ reports/ emails of SCM institutional support provided
Method of calculation	Simple count of number of progress reports on SCM institutional support programme produced
Means verification	Approved report by CD: SCM GMC and CD: SCM Stakeholders and Clients Management
Assumptions	There are institutions that require SCM support NT to provide SCM support as requested
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 progress reports on SCM institutional support programme conducted
Indicator responsibility	Chief Directorate: SCM Stakeholder and Client Management Chief Directorate: SCM Governance Monitoring & Compliance

PROGRAMMES

Output Indicator no 5.1.10

Indicator Title	Number of transversal term contracts implemented
Definition	<p>A transversal contract refers to a contract for common goods or services or ad hoc goods or services in which more than one government institution participates</p> <p>A national procurement system refers to expansion of the present portfolio of transversal contracts to include various commodities purchased routinely by departments</p> <p>Implementation refers to the contracts that are renewed, extended or effected for the first time</p>
Source of data	<p>List of transversal term contracts implemented</p> <p>An annual transversal term contract register is maintained by the Chief Directorate: Transversal Contracting</p>
Method of Calculation / Assessment	Simple count of the number of transversal term contracts implemented
Means of verification	Bid Adjudication Committee reports
Assumptions	There are goods and services that can be procured as a transversal contract
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	Cumulative (year-end)
Reporting Cycle	Quarterly
Desired performance	13 transversal term contracts implemented
Indicator responsibility	Chief Directorate: 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	<p>The Strategic Sourcing Opportunities Plan</p> <p>Various ERP systems across government (BAS, LOGIS, Payment systems, Order systems)</p>
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)	<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% implementation of Strategic Sourcing Opportunities Plan
Indicator responsibility	Chief Directorate: Strategic Procurement

PROGRAMMES

Output Indicator 5.1.12	
Indicator Title	Procurement legislation developed
Definition	The Public Procurement Bill addresses fragmentation in procurement legislation and will include regulatory aspects related to the procurement of PPPs and infrastructure. Significant procurement reforms will be supported by greater use of automation and technology. This will include the provision of real-time information regarding tax compliance, and the profile and historical performance of prospective service providers
Source of data	Draft Public Procurement Regulations produced
Method of Calculation / Assessment	Verify if Draft Public Procurement Regulations are produced
Means of verification	Draft Public Procurement Regulations produced
Assumptions	That the public consultation process is concluded That Cabinet 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	Draft Public Procurement Regulations produced
Indicator responsibility	Chief Directorate: SCM Policy and Legal

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. Before the reports are published, South Africa has the opportunity to respond to these reports.
Source of data	Economic report by the International Monetary Fund (IMF), Report that records response to IMF
Method of Calculation / Assessment	$\frac{\text{Number of reports responded to by NT}}{\text{Number of reports received from IMF}} \times 100$
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	Quarterly
Desired performance	100% response to economic surveillance reports
Indicator Responsibility	Chief Directorate: Global and Emerging Markets

PROGRAMMES

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
Means of verification	Attendance Registers; back to office reports
Assumptions	Approval of representation by the relevant stakeholders (DG and Minister of Finance) Funds are 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	Annually
Desired performance	2 Advocacy forums hosted for the uptake of development finance
Indicator Responsibility	Chief Directorate: Global and Emerging Markets Chief 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 indicator 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	Non-Cumulative

PROGRAMMES

Continued

Output indicator no. 6.1.3	
Reporting Cycle	Annually
Desired performance	2 country partnership framework progress reports produced
Indicator Responsibility	Chief Directorate: Multilateral Development Banks and Concessional Finance 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 or 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 be 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 Markets Chief Directorate: Africa Economic Integration

PROGRAMMES

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 reports
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	$\frac{\text{Number of policy positions developed}}{\text{Total number of policy positions required}} \times 100$
Means of verification	Reports, briefing notes and position papers developed
Assumptions	That IREP will be requested to 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

PROGRAMMES

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	$\frac{\text{Number of complete benefits validated for payment paid within liability date during the reporting period}}{\text{Total number of complete benefits applications received}} \times 100$
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	99% 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
Method of Calculation / Assessment	$\frac{\text{Total No. of fraud cases from previous FY} - \text{Total No. of fraud cases for current FY}}{\text{Total No. of fraud cases from the previous FY}} \times 100$
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	98% fewer fraudulent claims than 2022/23
Indicator responsibility	General Manager: Programme 7 (GPAA)

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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	99% integrity of client data achieved
Indicator responsibility	General Manager: Programme 7 (GPAA)

ANNEXURES

ANNEXURE A: DISTRICT DEVELOPMENT MODEL

The department does not have projects dedicated to the implementation of the District Development Model (DDM), however it is providing support to the implementation of the DDM projects in municipalities as required.

ANNEXURE B: CONDITIONAL GRANT ALLOCATIONS

Name of Grant	Purpose	Outputs	Current Annual Budget	Period of Grant
Programme and Project Preparation Support Grant	To support metros establish and institutionalise effective processes and systems for programme and projects preparation	Project and project preparation facility and a robust pipeline of investment ready capital programmes and projects	R569 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	<p>Number of built environment graduates registered as candidates for training and professional development as per requirements of the relevant statutory councils</p> <p>Number of graduates recognised as registered professionals by the relevant statutory councils</p> <p>Number of graduates employed as registered professionals within the built environment in local government</p>	R160 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	R1,475 billion	Continues over the medium term
Local Government Financial Management Grants	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	R569 million	Continues over the medium term

2023/24

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