

2022/23

ANNUAL PERFORMANCE PLAN



national treasury

Department:
National Treasury
REPUBLIC OF SOUTH AFRICA



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2022/23

ANNUAL PERFORMANCE PLAN

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national treasury

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2022/23

ANNUAL PERFORMANCE PLAN

CONTENTS

EXECUTIVE AUTHORITY STATEMENT	1
DEPUTY MINISTER'S STATEMENT	3
ACCOUNTING OFFICER'S STATEMENT	5
OFFICIAL SIGN-OFF	7
PART A: OUR MANDATE	9
1. UPDATES TO THE RELEVANT LEGISLATIVE AND POLICY MANDATES.....	9
2. UPDATES TO INSTITUTIONAL POLICIES AND STRATEGIES	9
3. UPDATES TO RELEVANT COURT RULINGS	10
PART B: OUR STRATEGIC FOCUS	12
4. SITUATIONAL ANALYSIS.....	12
4.1 Updated External Environment Analysis	12
4.2 Updated Internal Situational Analysis	18
PART C: MEASURING OUR PERFORMANCE	25
5. PROGRAMME 1: ADMINISTRATION	25
5.1 Sub-Programmes:	25
5.2 Outcomes, Outputs, Performance Indicators and Targets.....	28
5.3 Indicators, Annual and Quarterly Targets	30
5.4 Programme Resource Considerations.....	33
6. PROGRAMME 2: ECONOMIC POLICY, TAX, FINANCIAL REGULATION AND RESEARCH.....	37
6.1 Sub-Programmes:	37
6.2 Outcomes, Outputs, Performance Indicators and Targets.....	39
6.3 Indicators, Annual and Quarterly Targets	40
6.4 Programme Resource Considerations.....	42

7.	PROGRAMME 3: PUBLIC FINANCE AND BUDGET MANAGEMENT	47
7.1	Sub-Programmes:	47
7.2	Outcomes, Outputs, Performance Indicators and Targets.....	48
7.3	Indicators, Annual and Quarterly Targets	51
7.4	Programme Resource Considerations.....	55
8.	PROGRAMME 4: ASSET AND LIABILITY MANAGEMENT	59
8.1	Sub-Programmes:	59
8.2	Outcomes, Outputs, Performance Indicators and Targets.....	60
8.3	Indicators, Annual and Quarterly Targets	63
8.4	Programme Resource Considerations.....	65
9.	PROGRAMME 5: FINANCIAL ACCOUNTING AND SUPPLY CHAIN MANAGEMENT SYSTEMS	68
9.1	Sub-Programmes:	68
9.2	Outcomes, Outputs, Performance Indicators and Targets.....	70
9.3	Indicators, Annual and Quarterly Targets	73
9.4	Programme Resource Considerations.....	77
10.	PROGRAMME 6: INTERNATIONAL FINANCIAL RELATIONS	80
10.1	Sub-Programmes:	80
10.2	Outcomes, Outputs, Performance Indicators and Targets.....	82
10.3	Indicators, Annual and Quarterly Targets	84
10.4	Programme Resource Considerations.....	86
11.	PROGRAMME 7: CIVIL AND MILITARY PENSIONS, CONTRIBUTIONS TO FUNDS AND OTHER BENEFITS	90
11.1	Sub-Programmes:	90
11.2	Outcomes, Outputs, Performance Indicators and Targets.....	91
11.3	Indicators, Annual and Quarterly Targets	92
11.4	Programme Resource Considerations.....	94
12.	EXPENDITURE OVERVIEW	96
13.	KEY RISKS	100
14.	PUBLIC ENTITIES	101
15.	INFRASTRUCTURE PROJECTS	104
16.	PUBLIC PRIVATE PARTNERSHIPS	104
17.	ENDNOTES	104
	PART D: TECHNICAL INDICATOR DESCRIPTIONS	106
	ANNEXURE A: DISTRICT DEVELOPMENT MODEL	149
	ANNEXURE B: CONDITIONAL GRANT ALLOCATIONS	150
	ACRONYMS AND ABBREVIATIONS	151

EXECUTIVE AUTHORITY STATEMENT

The COVID-19 pandemic, continued electricity supply constraints and the outbreak of public violence in Gauteng and KwaZulu-Natal in July 2021 impacted negatively on the economic prospects for South Africa. The social and economic impact will remain part of our reality for a number of years to come. Tax revenues are slightly higher than anticipated, mainly due to a temporary improvement in commodity prices. This allows the opportunity to reduce the deficit and provide additional short-term support for health, social protection, job creation, and peace and security.

We must use the short-term tax windfalls to firstly reduce the budget deficit and if resources allow, fund temporary priorities. Gross government debt has increased substantially over the past decade, and is projected to grow from 69.9 per cent of GDP in 2021/22 to 77.8 per cent of GDP in 2024/25, with an expected peak of 78.1 per cent of GDP in 2025/26. This implies that debt-service costs will absorb a large portion of government revenue, with around 22 cents in every Rand of revenue collected going towards servicing debt. This is not sustainable in the long term.

This requires that we implement sound public finance strategies that will result in long-term economic growth, through narrowing the budget deficit and stabilising debt. If the fiscal consolidation course is maintained over the medium term, we will have a primary budget surplus – where revenue is higher than non-interest spending – by 2024/25, bringing the period of fiscal consolidation to an end. This will require fiscal restraint, increased productivity and greater efficiency in the way that we use existing resources. Government will use the results of spending reviews to re-allocate resources to important government priorities.

The tax windfall allowed government the space to provide emergency fiscal support to households and businesses, including the special COVID-19 social relief of distress grant. These are short term intervention meant to help households and firms deal with the deleterious impact of the pandemic and looting. Fiscal measures to mitigate joblessness, especially among young people, through the presidential employment initiative, provides additional support to the unemployed. These are important support initiatives, but it cannot be sustained in the long term without increased economic growth.

We must maintain restraint in public spending and cannot commit to long term spending without strong and sustained economic growth. The economic growth rate has been declining and remains low, mainly due to structural weaknesses in the economy and due to external factors. We must urgently implement structural reforms to lower the cost of doing business and create a more competitive economy. Over the medium term, the following reforms will be accelerated:

- Diversifying energy generation to alleviate electricity supply shortages, and taking additional steps towards a competitive energy market.
- Releasing broadband spectrum, with the auction process starting on 1 March 2022.
- Opening third-party access to the freight rail network by the end of 2022 to increase capacity.
- Starting the eVisa system rollout by March 2022 to promote tourism.

EXECUTIVE AUTHORITY STATEMENT

- Reviewing the legal regime governing skilled migration.
- Accelerating infrastructure investment.

Operation Vulindlela, a joint initiative of the Presidency and the National Treasury, will oversee the implementation of these critical reforms. Long term fiscal sustainability remains the key focus. It will require continued consumption restraint and increased investment spending through re-prioritisation. Short-term pressures will be dealt with within existing baselines, or by using some of the early gains from economic recovery, without negatively affecting the long term debt position.



Enoch Godongwana

Minister of Finance

EXECUTIVE AUTHORITY STATEMENT

DEPUTY MINISTER'S STATEMENT

Economic growth has suffered severely with the onset of the COVID-19 pandemic and successive lock downs over the past two years. Early signs of improvements are evident, as the fiscal matrices are improving, driven by better-than-expected revenue collection, largely as a result of a commodities boom. Consequently, fiscal indicators such as the budget deficit and debt to GDP ratio are also expected to be better than previous projections. Gross debt is forecast to grow from 69.9 per cent of GDP in 2021/22 to 77.8 per cent of GDP in 2024/25.

Despite this reprieve, economic growth has been performing below its potential for many years prior to the COVID-19 pandemic. Challenges such as poverty, inequality, and unemployment, which have plagued the South African economy for many years, remain pronounced with less fiscal room to alleviate pressure given the weaker fiscal position. The impact of growing debt levels has resulted in ever increasing cost of debt, now crowding out the available fiscal space which would have cushioned the growing social challenges in the country. Interest payments now absorb a growing share of national resources, averaging nearly 5 per cent of GDP or 21 per cent of total gross revenue over the next two years.

Looking forward, lacklustre growth can be countered by expedient implementation of growth-enhancing reforms, such as addressing electricity constraints, inefficient network industries, the high cost of doing business, declining productivity, and low confidence (among others). Operation Vulindlela, a joint initiative of the Presidency and the National Treasury, oversees the implementation of these critical reforms.

Additional pressures on the fiscus – such as financial pressures from state-owned companies, social security funds and municipalities – remain unresolved and a downside risk to sustainable public finances. Unresolved structural reforms, keeps SA's risk premium elevated. South African sovereign debt continues to be rated as sub-investment grade by all major credit rating agencies.

The unrest that erupted in July 2021 resulted in substantive losses for businesses across the spectrum. The South African Special Risks Insurance Association, established to support the insurance industry by providing cover for special risks such as riots, strikes, political unrest, terrorist attacks, civil commotion, public disorder and labour disturbances, has been called upon to assist industry and small businesses to deal with the impact. R14.9 billion has been made available in the 2021/22 financial year to provide balance sheet support to SASRIA to ensure that claims following the July public violence are settled.

An injection of R1 billion in 2021/22 in the South African Revenue Service for the improvement of ICT systems and capacity building is already bearing fruit in the form of improved revenue collection. The South African Revenue

EXECUTIVE AUTHORITY STATEMENT

DEPUTY MINISTER'S STATEMENT

Service is tasked to collect all revenue due to the state and administer trade to support government in meeting its key developmental objectives for growth.

Barring major new shocks or unbudgeted spending commitments, the strategy of fiscal consolidation will lead to a primary fiscal surplus in 2024/25, bringing an end to fiscal consolidation at the end of the MTEF period. Over the next three years, spending will remain restrained. Government will avoid permanent increases in departmental or programme baselines, or further bailouts of state-owned companies, which would compromise fiscal sustainability.

National Treasury will continue to be deliberate, judicious and innovative in its approach to preserve the stability of the organisational environment, further implementing key organisational development initiatives and adding new projects as part of the Strategy 2020-2025 all the while providing uninterrupted services, strengthening institutional capabilities and performance excellence. The medium-term Organisational Optimisation Plan will continue to direct organisational efficiency and effectiveness.



Dr David Masondo

Deputy Minister of Finance

ACCOUNTING OFFICER'S STATEMENT

In presenting the National Treasury Annual Performance Plan for 2022/23, it is evident that this year will demand of us to face enormous obstacles, some old and many new. As the pandemic continues to create global uncertainty and devastating economic impact locally, we will need to show great resilience, tenacity and fortitude in harnessing our efforts to resolutely and consistently overcome the systemic challenges of inequality, poverty and unemployment exacerbated by chronic low growth, rapidly global warming and intensification of conflicts, contestations and ambiguity.

For National Treasury, this will require a determined effort in pursuing our ongoing endeavours to accelerate a growth economy including tackling structural constraints, applying measures to restore investor confidence and public trust, safeguarding the fiscal framework, reducing policy uncertainty and lower the cost of doing business.

The Annual Performance Plan plays a crucial role in informing the public of the service delivery commitments National Treasury has made for the financial year 2022/23 in delivering on our mandate given effect by the South African Constitution and further obligations articulated in our legislation. By clearly identifying the outputs and targets that will direct the work of the department, National Treasury is holding itself accountable for performance and the resources spent in the course of its achievement. Now more than ever transparency and accountability are cornerstones in building and strengthening a capable and ethical public service to which National Treasury holds itself to the highest measure.

The unprecedented crisis the country has found itself in has called on the National Treasury to develop unique responses and the current year's ambitious agenda will further build on the positive results of changes and innovations achieved. These will be directed towards delivering on the national economic reconstruction and recovery plan, supporting economic reform and realising transformation.

In addition, the National Treasury Annual Performance Plan 2022/23 resolutely focuses the work of the department on:

- 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 emphasis 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.

Such wide-ranging work can only be achieved in partnership and measures to further strengthen cooperation and coordination internally within National Treasury, externally across all of government and civil society stakeholders will continue to be a priority. Key to all of these efforts is the National Treasury's team all of whom are dedicated, ethical and diligent public servants who continued to serve with tested resilience, abiding commitment and enduring dedication.



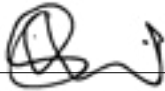
Dondo Mogajane

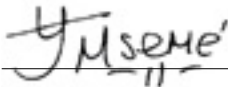
Director-General

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 period 2022/23.

Signature: 
Sandile Malimela
Acting Chief Financial Officer

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

Signature: 
Stadi Mngomezulu
Deputy Director-General: Corporate Services

Signature: 
Dondo Mogajane
Accounting Officer: National Treasury

Approved by:

Signature: 
Enoch Godongwana
Minister of Finance



2022/23

**ANNUAL
PERFORMANCE
PLAN**

**PART A:
OUR MANDATE**

PART A: OUR MANDATE

1. UPDATES TO THE RELEVANT LEGISLATIVE AND POLICY MANDATES

Constitutional mandate

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

Legislative and policy mandate

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

2. UPDATES TO INSTITUTIONAL POLICIES AND STRATEGIES

Institutional policies

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)

PART A: OUR MANDATE

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

The DBSA 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 FIC 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)

The FSR 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 PIC 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 SARS 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

The department has no specific court rulings that have a significant, ongoing impact on its operations or service delivery obligations.



2022/23

**ANNUAL
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PART B:

OUR STRATEGIC FOCUS

PART B: OUR STRATEGIC FOCUS

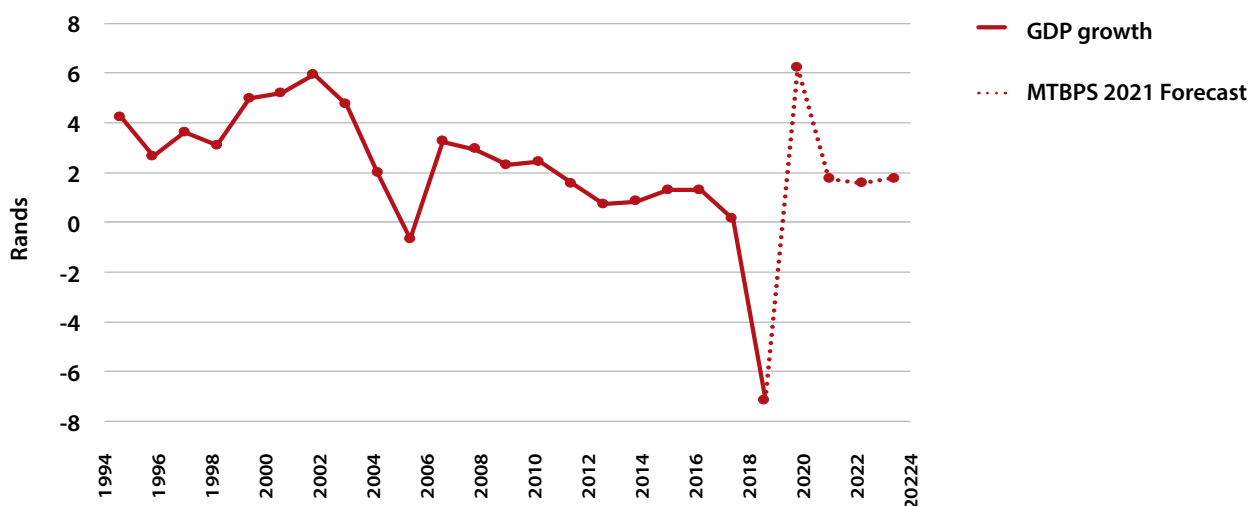
4. SITUATIONAL ANALYSIS

4.1 Updated External Environment Analysis*

The economic growth pattern of South Africa shows that the economy has for some time expanded at a rate significantly below what is required to meaningfully address the triple challenges of poverty, inequality, and unemployment, with Gross Domestic Product (GDP) per capita declining for several years. These worrying trends were exacerbated by the global Covid-19 pandemic, and subsequent government responses such as lockdowns and other restrictions on social and economic activity, which devastated the global economy. Despite many of the pandemic related restrictions being eased in late 2020 and through 2021, both at home and abroad, scarring is expected to be pervasive outside of most major developed economies. South Africa's real output per capita declined by 8.4 per cent in 2020/21 and is forecast to grow by only an average of 1 per cent between 2022/23 and 2030/31.

Following the Covid-19 induced contraction of 6.4 per cent in 2020, the 2021 Medium Term Budget Policy Statement (MTBPS) forecast real GDP to grow by 5.1 per cent in 2021 before returning to below 2 per cent growth for the following 3 years. Output is expected to return to pre-pandemic levels in 2022, a year earlier than estimated in February. This is largely the result of global demand, higher commodity prices and the easing of Covid-19 lockdown restrictions. While the economy grew faster than expected in the first half of 2021, this momentum is expected to wane following public violence in July, port and rail disruptions, and the third (and potentially a fourth) wave of Covid-19 infections.

Figure 1: Real GDP growth and projections



*Figures drawn from MTBPS 2021 unless otherwise stated.

PART B: OUR STRATEGIC FOCUS

South Africa's lacklustre growth continues to be largely as a result of delays in implementing growth-enhancing reforms, including addressing electricity constraints, inefficient network industries such as water and transport, the high cost of doing business, declining productivity, and low confidence (among others) which have led to reduced investment and a cycle of weak economic growth.

As such, the relative strength of the headline GDP bounce-back masks a number of alarming trends. The labour market in particular is extremely weak, with unemployment at 34.9 percent. Most worrying is that this is a record highest official unemployment rate for South Africa since the start of the Quarterly Labour Force Survey in 2008. Compared to a year ago, total employment decreased by 409 000 persons. The combination of low growth and the high unemployment rate is not sustainable. Household consumption has improved but has not fully recovered from the pandemic, and gross fixed-capital investment remains well below pre-pandemic levels.

On a positive note however, inflation is contained within the target band, despite upward pressure from food and energy prices.

Table 1: Macroeconomic projections (2021 Medium Term Budget Policy Statement)

Calendar year	2020	2021	2022	2023	2024
	Actual	Estimate	Forecast		
<i>Percentage change unless otherwise indicated</i>					
Household consumption	-6,5	5,7	2,0	1,9	1,9
Gross fixed-capital formation	-14,9	1,2	3,1	3,4	3,5
Real GDP growth	-6,4	5,1	1,8	1,6	1,7
GDP at current prices (R billion)	5 521	6 112	6 304	6 607	7 018
CPI inflation	3,3	4,5	4,2	4,3	4,5
Current account balance (% of GDP)	2,0	3,8	0,4	-1,5	-1,7

Source: Reserve Bank and National Treasury

The Covid-19 pandemic also put additional pressure on already stretched public resources, resulting in an unprecedented widening of the budget deficit and a spike in debt stock. Better than previously expected revenues - largely as a result of a commodities boom - meant that the deterioration of public finances was not as severe as initially projected. Nevertheless, the gap between revenue and expenditure leapt to 10.0 per cent of GDP in 2020/21 and an estimated 7.8 per cent in 2021/22. As a result, interest payments now absorb a growing share of national resources, averaging nearly 5 per cent of GDP over the next two years.

PART B: OUR STRATEGIC FOCUS

South Africa's sovereign debt continues to be rated as sub-investment grade by all major credit rating agencies. The ratings agencies have continued to raise concerns about the state of the economy, including the government debt/GDP ratio, the high cost of borrowing, the risk of large net capital outflow that could trigger sharp exchange rate depreciation, and persistent weak GDP growth rate that further undermines fiscal consolidation.

Looking forward, the 2021 MTBPS reaffirmed the fiscal strategy set out in the 2021 Budget. Barring major new shocks or unbudgeted spending commitments, the strategy of fiscal consolidation will lead to a primary fiscal surplus in 2024/25, bringing an end to fiscal consolidation at the end of the MTEF period.

Over the next three years, spending will remain restrained. Government will avoid permanent increases in departmental or programme baselines, or further bailouts of state-owned companies, which would compromise fiscal sustainability. Instead, short-term tax windfalls will be targeted to reduce the budget deficit and fund temporary priorities, such as extended support for poor households and public employment.

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 in particular to be accelerated:

- Diversifying energy generation to alleviate electricity supply shortages, and taking additional steps towards a competitive energy market.
- Releasing broadband spectrum, with the auction process starting on 1 March 2022.
- Opening third-party access to the freight rail network by the end of 2022 to increase capacity.
- Starting the eVisa system rollout by March 2022 to promote tourism.
- Reviewing the legal regime governing skilled migration.
- Accelerating infrastructure investment.

National Treasury is making steady progress in supporting the implementation of interventions set out in the economic recovery and reconstruction plan that was announced in October 2020. The National Treasury along with the Reserve Bank and commercial banks launched the COVID-19 loan guarantee scheme with a particular focus on supporting small and medium enterprises. At the time of the scheme ending, far fewer beneficiaries had applied for support than initially envisaged. In October 2021, the Minister of Finance announced the introduction of a new scheme to provide recovery support to small businesses from both the pandemic and the July 2021 public violence. This arrangement will incorporate lessons learnt from the loan guarantee scheme, including extending the list of eligible participating institutions and types of financing available. The National Treasury is working with the Reserve Bank and industry stakeholders to finalise the scheme. The department is also exploring the feasibility of a form of equity financing as a further support mechanism.

PART B: OUR STRATEGIC FOCUS

In order to encourage businesses to employ young people, a 50 per cent increase in the value of the employment tax incentive was proposed with effect from 1 March 2022. The incentive will increase from a maximum of R1 000 to a maximum of R1 500 per month in the first 12 months and from R500 to a maximum of R750 in the second 12 months of eligibility. Improved targeting of the incentive will be considered to support jobs for long-term unemployed work seekers, alongside an expansion of the eligibility criteria for qualifying employees to improve the incentive for small businesses.

The Public Procurement Bill will improve the state of government procurement. The draft Bill was gazetted for public comment in February 2020. The bill proposes a single regulatory framework for public procurement, which includes procurement of public-private partnerships and infrastructure. The comments received have been incorporated and, once approved, a draft revised bill will be submitted to the National Economic Development and Labour Council for consultation. Thereafter, the bill will be submitted to Cabinet for approval to introduce it in Parliament.

The department through the Budget Facility for Infrastructure and partnerships with the Development Bank of Southern Africa and Infrastructure South Africa is helping to build a pipeline of viable projects. The Budget Facility for Infrastructure has considered 61 projects submitted by public institutions and approved a total of R6.7 billion in fiscal support in the 2021/22 adjustments budget and over the 2022 MTEF period. Most of these projects have multiple funding sources and are designed to crowd in private investment. The Infrastructure Fund is working in conjunction with public agencies to prepare six projects with a total value of R96 billion. This includes the rollout of broadband infrastructure and construction of six new border posts.

National Treasury is managing the wage bill as part of its measures of ensuring fiscal prudence. Compensation spending for national and provincial government grew by 7.3 per cent on average for the period 2014/15 to 2019/20, compared with 6.8 per cent average growth in non-interest expenditure. This trend crowded out other spending items like goods and services, with a concomitant impact on service delivery. The decision to not implement the final leg of the 2018 wage agreement and other measures to reduce average wage costs have improved the wage trajectory. The medium-term wage bill growth is projected to be much lower than the original trend. This will contribute to closing the gap between revenue and expenditure, improving the composition of expenditure.

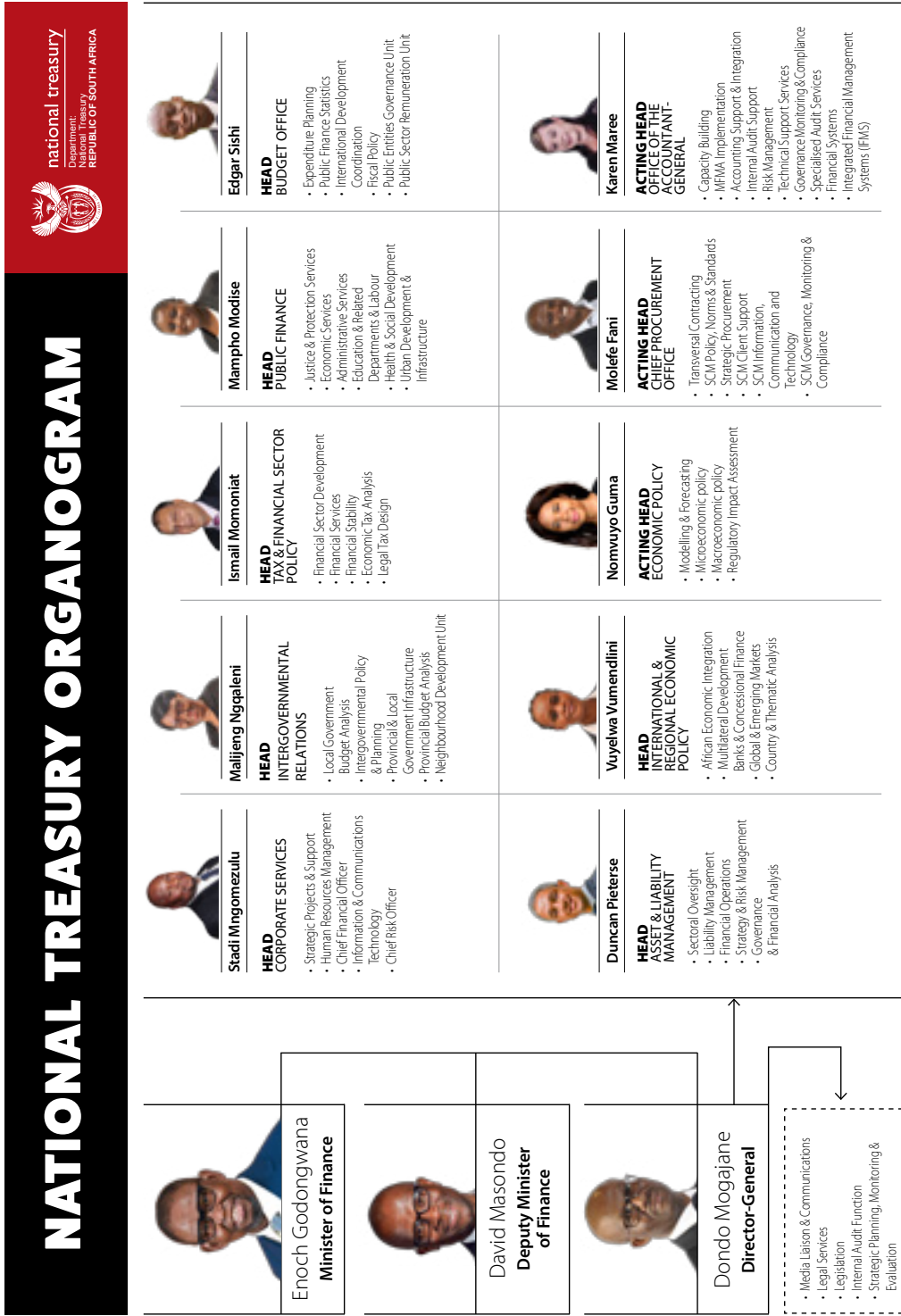
A new round of collective bargaining will begin in March 2022. The National Treasury is working with the Department of Public Service and Administration to keep the compensation baseline within affordable limits. As it was indicated in the 2020 Budget, compensation baselines will grow at the rate of inflation from 2024/25. Should collective bargaining result in salary adjustments that exceed compensation ceilings, saving and adjustments measures will be required. The 2021 wage agreement awarded employees a non-pensionable cash gratuity. In the absence of a new agreement, the same gratuity will be paid in 2022/23, and provision for this is made in the 2022 Budget. Baseline adjustments in

PART B: OUR STRATEGIC FOCUS

previous budgets did not fully accommodate the gratuity costs and the impact of the pandemic, placing pressure on provincial health and education compensation budgets. To alleviate this short-term pressure, a portion of the revenue improvement is allocated to provinces.

In line with its mandate, the National Treasury is reviewing government's macroeconomic policy from the global financial crisis to the present. The policy review will examine how key indicators, such as economic growth and employment, have evolved since 2008; assess government's fiscal, monetary and macroprudential policy choices; and propose appropriate reforms to policy targets and institutional frameworks. A draft review document that will be finalised at the end of March 2022, will form the basis for workshops, public discussions and additional research. A final review is expected to be published in 2023.

4.2 Updated Internal Situational Analysis



PART B: OUR STRATEGIC FOCUS

PART B: OUR STRATEGIC FOCUS

National Treasury will continue to be deliberate, judicious and innovative in its approach to preserve the stability of the organisational environment, further implementing key organisational development initiatives and adding new projects as part of the Strategy 2020-2025 all the while providing uninterrupted services, strengthening institutional capabilities and enhancing performance excellence.

The medium-term 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.

The Organisational Review is an enabler to and reinforcer of the Optimising the Organisational programme as it will strengthen the institution's structural nimbleness, appropriateness, and applicability. It is anticipated that the organisational review will be further implemented during this period with the process to migrate into the new operating model managed in a controlled, considered and considerate manner.

National Treasury will accelerate the programme to modernise systems and automate processes across the department. While this programme has been ongoing the response mounted by NT to the Covid-19 national lockdown advanced the facilitation of seamless working remotely by ensuring universal access to mobile IT work instruments and the ability to conduct work virtually. In addition, the various process automation projects currently being undertaken will gain significant momentum. Key to these is the work being undertaken by OCPO to introduce advanced automated 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 and Employee Performance planning and monitoring.

Prompted by the impact of the pandemic, National Treasury has undertaken several internal stakeholder engagement processes to assess the effect of the adapted working conditions on the employees of National Treasury. The outcomes of these surveys and documenting lessons learnt will inform the department's future working arrangements. This was further bolstered by a survey on the extent to which employees have and are willing to receive the Covid-19 vaccination. The outcomes are informing a communications campaign that will be deployed into the department over the short to medium term to raise awareness and educate NT officials on the efficacy of the Covid-19 vaccine programme and to continue observing non-pharmaceutical interventions.

PART B: OUR STRATEGIC FOCUS

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. 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 has approved seven thematical work focus areas including values and ethics, policies, working conditions, facilities and security, development, inclusivity and campaigns. Each thematic focus area will have a plan of action of activities that will be implemented during the year.

Continuous emphasis will remain on good governance and effecting a sound control environment with further embedding of the fully operationalised planning ecosystem that enables planning and monitoring from a Chief Directorate operational level up to the National Treasury's strategic outcomes reflected in the MTSF. This integrated planning and monitoring network enables informed analysis and evidenced 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 and the continued receipt of an unqualified audit opinion with heightened efforts to achieve zero material misstatements in financial information.

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.

The department will work to ensure an enabling organisational environment to deliver on the key focus areas in the 2022/23 APP:

- Coordination of the national budgeting process.
- Monitoring and analysing public expenditure as well as managing future spending growth and fiscal risk.

PART B: OUR STRATEGIC FOCUS

- Coordination of fiscal relations between the three spheres of government with emphasis 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.
- 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 improving 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.

As emphasised in the National Treasury Strategy 2020-2025 Treasury employees are the bedrock of the department's success which in turn is underpinned by a conducive working environment. An Optimisation of the Organisation programme has been established to strengthen the support service made available into the department and support provided by the department to its employees.

Delivery on the four pillars of the Optimising the Organisation Plan has continued notwithstanding the challenging work environment. This included measures in:

- Pillar One: Strengthening governance, planning, people and financial management services
- Pillar Two: Building and reinforcing organisational leadership and strengthening internal collaboration protocols between divisions
- Pillar Three: Developing and strengthening organisational structures, including building and reinforcing trust and enhancing communication and
- Pillar Four: Establishing and further promoting partnerships.

An institutional review is currently underway as part of the Optimisation of the Organisation programme, which includes an assessment and alignment of work, workflow, placement and structure. The organisational review along with the other optimising components will further build the appropriateness and effectiveness of the institution. Phase

PART B: OUR STRATEGIC FOCUS

1 of the organisational review has been completed documenting the “as is” organogram and workflows. Arising out of this analysis and informed by the mandate, purpose and strategic objectives of the National Treasury as articulated in the Strategy 2020-2025, a proposed functional structure has been designed. Once finalised and approved, the process to fully migrate into the new operating model will be initiated in a controlled and considered manner.

A key focus for this period will continue to be placed on people’s matters. In order to better support employees during this challenging time, both professionally and personally, consultations will be regularly conducted including staff surveying to direct working-remotely support initiatives and target the employee wellness services. Further measures to attract and retain critical skills in the department as well as recruiting persons living with disabilities are being undertaken.

To further strengthen SCM in NT, a review is being conducted towards enhancing the effectiveness of the process, efficiency of procedures and impact of the system. The department is fully compliant with the requirements for enterprise and supplier development. The department also fulfils its Broad-Based Black Economic Empowerment (BBBEE) obligations and has commenced with the BBBEE verification process.

National Treasury does not have a designated mandate in relation to Gender-Based Violence and Femicide (GBVF) reporting on allocated interventions but continues to report on a monthly basis to the Department of Women, Youth and People with Disabilities on NT procurement and progress on programmes.

In a response to the call for action to support Women Empowerment and Gender Equality, the Women Empowerment and Leadership Programme for Women in Public Finance, comprising a steering committee lead by National Treasury senior management, stakeholder departments and donor agency, was established in 2019.

The first phase of the programme is to conduct Gender research to obtain baseline information on gender in public finance roles in government and to understand the challenges women face in these roles and to ascertain knowledge on Gender Responsive Planning, Budgeting, Monitoring, Evaluation and Auditing (GRPBMEA). The United Nations Development Programme (UNDP) pledged catalytic funding to conduct the research in four (4) provinces, Gauteng, Kwa-Zulu Natal, Northern Cape and Limpopo, targeting selected municipalities and provincial and national departments. The research included a component on knowledge and implementation of gender responsive planning, budgeting, monitoring, evaluation and auditing.

PART B: OUR STRATEGIC FOCUS

The analysis of public sector staffing data highlighted a number of issues that need to be addressed through a Leadership Programme for Women in Public Finance. It should be noted that the issues pertaining to the PFM environment are also generalisable across the entire public service in all three spheres of government.

For the development of a comprehensive, strategic and evidence-based Women Empowerment and Leadership Programme in Public Finance the following issues are of consideration:

- An appropriate collaborative leadership structure should be identified and agreed upon.
- The necessary institutional support systems should be in place to support the design and implementation of the programme.
- The programme must identify and establish strategic partners and networks within and outside of government to support the success of the programme.
- The programme must be strategic, building on models and practices of women's empowerment and leadership in the public sector from across the world (international best practice).
- The programme should utilise a gender mainstreaming approach so as to institutionalise equality by embedding gender-sensitive practices and norms in the structures, processes, and environment of PFM.
- Although this initiative is a specific programme that recognise women as a separate interest group with specific interests and needs, complementary mechanisms should be identified to engage male allies (champions) in a substantive way.
- Funding mechanisms (both internal and external) should be identified to ensure longer-term programme sustainability.
- The programme must lead on the integration of gender into PFM practices, analyses, dialogue, and operations, in the expectation that gender will become everyone's business, and lead to improved gender equality and a more equitable and sustainable PFM environment.



2022/23

**ANNUAL
PERFORMANCE
PLAN**

PART C:

MEASURING OUR PERFORMANCE

PART C: MEASURING OUR PERFORMANCE

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.

PART C: MEASURING OUR PERFORMANCE

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.

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.

Communications 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 instil fiscal discipline within National Treasury.

PART C: MEASURING OUR PERFORMANCE

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.

PART C: MEASURING OUR PERFORMANCE

5.2 Outcomes, Outputs, Performance Indicators and Targets

No.	Outcomes	Outputs	Output Indicators	Annual Targets								
				Audited / Actual Performance		Estimated Performance	Planned Performance Current Year	MTEF Period				
				2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	
1.1.1	Sound financial controls and management of public finances	ICT service delivery reports	Percentage of ICT service delivery standards met	#	#	90%	90%	93%	94%	95%	95%	
1.1.2		Audit Outcome	Audit Opinion Obtained	#	#	Unqualified audit opinion with 37.7% fewer findings than 2019/20 on financial performance information	Unqualified audit opinion with 25% fewer findings than 2020/21 on financial performance information	Unqualified audit opinion with 15% fewer findings than 2021/22 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	3.5	4	4.5	5	5	

PART C: MEASURING OUR PERFORMANCE

5.2 Outcomes, Outputs, Performance Indicators and Targets

No.	Outcomes	Outputs	Output Indicators	Annual Targets									
				Audited / Actual Performance				Estimated Performance		Planned Performance Current Year		MTEF Period	
				2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26		
1.1.4		Annual Training report	Percentage spend of training and development budget	#	#	50.6%	70%	70%	70%	75%	78%	80%	
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	

PART C: MEASURING OUR PERFORMANCE

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 2021/22 on financial performance information	N/A	N/A	N/A	Unqualified audit opinion with 15% fewer findings than 2021/22 on financial performance information
		Unqualified audit opinion with 25% fewer findings than 2021/22 on non-financial performance information	N/A	N/A	N/A	Unqualified audit opinion with 25% fewer findings than 2021/22 on non-financial performance information
1.1.3	Risk Management Maturity Assessment level achieved	4	N/A	N/A	N/A	4
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

PART C: MEASURING OUR PERFORMANCE

Explanation of planned performance over the medium-term period

The administration programme continues to provide integrated business solutions in the areas of business continuity, knowledge management, and information and communication technology.

In pursuit of the institutional outcome: sound financial controls and management of public finances, focus will remain on embedding good governance and effecting a sound control environment through the yearly implementation of the risk-based internal audit plans. National Treasury will continue to receive an unqualified audit opinion and aims for zero material misstatements in financial information. Human Resources Management (HRM) will further ensure that all transactional and transformational HRM support services are rendered effectively and efficiently. Targeted initiatives are being undertaken to enable the department to attract, develop and retain the skills needed to deliver on its mandate. Diversity management will continue to be at the center of HRM's business processes.

Focus over the medium term will be placed on strengthening governance and accountability with specific focus on further maturing institutional risk management and business continuity management as well as intensifying anti-corruption and ethics management.

ICT will continue to enhance ICT governance, ICT front office service delivery and the capacity of the ICT back office. Further effect will be given to expand the National Treasury knowledge-sharing and preservation systems, and further expand the impact of the work of the knowledge-sharing fora.

Support for strategic planning, project planning, performance management and reporting across the organisation will continue to be provided. The Public Entities Oversight Unit will provide 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 (irregular, unauthorised, wasteful and fruitless expenditure), and reviewing strategic plans and annual performance plans for approval and tabling in Parliament. Strategic Planning, Monitoring and Evaluation will further strengthen and expand the NT planning and reporting ecosystem. This includes full implementation of the recently introduced project management monitoring and enhanced embedding of the roll-out of operational planning for all Divisions and Chief Directorates thereby further enhancing the existing organisational planning ecosystem of strategic outcomes, annual performance and project planning. Operational objectives for each Chief Directorate will continue to be aligned with the key performance areas of each Chief Director, creating a direct link between organisational and individual performance. This level of planning will further contribute to aligning the planning practices of risk analysis, performance planning, budgeting, human resources performance management, responding to internal audit findings and reporting. The key focus in this regard will be the roll out and operationalisation of the bespoke automated planning and reporting management system that will significantly contribute to intelligent reporting for evidence-based decision making.

PART C: MEASURING OUR PERFORMANCE

Legislation will continue to develop and process annual budget legislation and other draft legislation and to scrutinise subordinate legislation according to needs identified by the National Treasury and by 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 and the Communications unit will ensure that the National Treasury has a presence in the national discourse on public finances and their management.

PART C: MEASURING OUR PERFORMANCE

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 (%)
	2018/19	2019/20	2020/21				2021/22	2022/23	2023/24		
R million											
Ministry	3.7	3.7	3.7	4.4	6.1%	0.8%	4.4	4.4	4.6	1.5%	0.8%
Departmental Management	51.1	30.9	24.7	48.4	-1.8%	8.1%	56.3	57.3	60.3	7.6%	10.2%
Corporate Services	126.4	133.1	171.9	194.8	15.5%	32.7%	167.3	188.3	200.0	0.9%	34.6%
Enterprise-Wide Risk Management	29.3	31.6	29.5	37.4	8.5%	6.7%	37.3	33.9	35.4	-1.9%	6.6%
Financial Administration	43.4	47.3	46.9	49.3	4.4%	9.8%	53.6	53.9	50.1	0.5%	9.5%
Legal Services	22.3	22.2	25.1	23.8	2.2%	4.9%	23.9	24.1	24.6	1.1%	4.4%
Internal Audit	32.2	34.2	19.6	33.1	1.0%	6.2%	31.1	31.5	33.0	-0.1%	5.9%
Communications	9.7	10.9	9.5	10.4	2.4%	2.1%	9.2	9.3	9.7	-2.2%	1.8%
Office Accommodation	106.2	139.7	165.4	139.7	9.6%	28.8%	138.4	141.3	145.8	1.4%	26.0%
Total	424.3	453.6	496.3	541.4	8.5%	100.0%	521.6	544.0	563.5	1.3%	100.0%
Change to 2021 Budget estimate				10.7			(14.1)	6.3	(11.8)		

PART C: MEASURING OUR PERFORMANCE

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 (%)
	2018/19	2019/20	2020/21	2021/22				2022/23	2023/24	2024/25		
R million	2018/19	2019/20	2020/21	2021/22	2021/22	2018/19 - 2021/22	2022/23	2023/24	2024/25	2021/22 - 2024/25		
Economic classification												
Current payments	402.4	438.9	450.0	497.5	497.5	7.3%	93.4%	498.6	521.7	545.7	3.1%	95.1%
Compensation of employees	190.8	192.4	188.3	210.2	210.2	3.3%	40.8%	216.8	217.1	220.4	1.6%	39.8%
Goods and services ¹	211.6	246.5	261.7	287.3	287.3	10.7%	52.6%	281.8	304.6	325.2	4.2%	55.2%
<i>of which:</i>												
<i>Computer services</i>	28.2	44.1	45.5	70.2	70.2	35.6%	9.8%	67.4	89.9	102.8	13.6%	15.2%
<i>Consultants: Business and advisory services</i>	12.3	19.9	5.9	15.3	15.3	7.7%	2.8%	18.7	14.4	15.3	-0.1%	2.9%
<i>Legal services</i>	13.5	12.4	16.8	14.9	14.9	3.4%	3.0%	16.0	16.2	16.3	3.0%	2.9%
<i>Contractors</i>	20.2	17.7	12.6	16.5	16.5	-6.5%	3.5%	15.2	14.1	14.7	-3.9%	2.8%
<i>Operating leases</i>	57.7	81.0	126.8	85.9	85.9	14.2%	18.3%	86.7	88.3	90.2	1.7%	16.2%
<i>Property payments</i>	19.7	24.4	16.3	25.5	25.5	9.0%	4.5%	24.2	25.6	26.8	1.6%	4.7%
Transfers and subsidies¹	7.3	6.4	5.5	5.5	5.5	-9.1%	1.3%	4.4	4.8	5.1	-2.6%	0.9%
Departmental agencies and accounts	2.1	2.2	2.6	2.3	2.3	2.7%	0.5%	2.3	2.5	2.6	5.6%	0.4%
Households	5.2	4.2	2.8	3.2	3.2	-14.8%	0.8%	2.1	2.3	2.4	-9.2%	0.5%
Payments for capital assets	13.9	8.0	40.8	38.4	38.4	40.3%	5.3%	18.6	17.5	12.7	-30.8%	4.0%
Machinery and equipment	11.5	8.0	27.8	38.4	38.4	49.3%	4.5%	18.6	17.5	12.7	-30.8%	4.0%
Software and other intangible assets	2.4	0.0	13.0	-	-	-100.0%	0.8%	-	-	-	-	-

PART C: MEASURING OUR PERFORMANCE

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 (%)
	2018/19	2019/20	2020/21	2021/22				2021/22 - 2021/22	2022/23	2023/24		
R million												
Payments for financial assets	0.7	0.2	0.0	-	-	-100.0%	0.1%	-	-	-	-	-
Total	424.3	453.6	496.3	541.4	541.4	8.5%	100.0%	521.6	544.0	563.5	1.3%	100.0%
Proportion of total programme expenditure to vote expenditure	1.5%	1.5%	1.5%	1.3%	1.3%	-	-	1.6%	1.6%	1.7%	-	-

Details of transfers and subsidies

Households												
Social benefits												
Current	0.0	0.2	-	0.0	0.0	11.5%	-	-	-	-	-100.0%	-
Employee social benefits	0.0	0.2	-	0.0	0.0	11.5%	-	-	-	-	-100.0%	-
Departmental agencies and accounts												
Departmental agencies (non-business entities)												
Current	0.6	0.7	0.7	0.7	0.7	3.2%	0.1%	0.7	0.7	0.8	2.3%	0.1%
Safety and Security Sector Education and Training Authority	0.6	0.7	0.7	0.7	0.7	3.2%	0.1%	0.7	0.7	0.8	2.3%	0.1%
Households												
Other transfers to households												
Current	0.3	-	-	-	-	-100.0%	-	-	-	-	-	-
Employee social benefits	0.3	-	-	-	-	-100.0%	-	-	-	-	-	-

PART C: MEASURING OUR PERFORMANCE

5.4.2 Personnel Information

Table 8.7 Administration personnel numbers and cost by salary level¹

Number of posts estimated for 31 March 2022		Number and cost ² of personnel posts filled/planned for on funded establishment														Number				
		Number of funded posts		Number of posts estimated additional to the establishment		Actual		Revised estimate		Medium-term expenditure estimate						Average growth rate (%)	Average Salary level/ Total (%)			
						2020/21		2021/22		2022/23		2023/24		2024/25				2021/22 - 2024/25		
Administration	Salary level	Number	Cost	Number	Unit cost	Number	Cost	Number	Unit cost	Number	Cost	Number	Unit cost	Number	Cost	Unit cost	Number	Cost		
		379	188.3	72	0.6	336	208.4	0.6	328	216.8	0.7	316	217.1	0.7	306	220.4	0.7			
	1-6	108	23.6	65	0.2	102	25.9	0.3	102	26.3	0.3	101	24.9	0.2	100	25.7	0.3			
	7-10	148	68.3	2	0.5	129	72.6	0.6	125	74.3	0.6	118	70.0	0.6	112	69.8	0.6			
	11-12	72	47.0	1	0.9	52	47.8	0.9	52	57.2	1.1	51	65.3	1.3	50	67.6	1.3			
	13-16	49	45.0	4	1.2	51	57.7	1.1	47	54.5	1.2	44	52.3	1.2	42	52.5	1.3			
	Other	2	4.4	-	2.2	2	4.4	2.2	2	4.5	2.3	2	4.6	2.3	2	4.8	2.4			

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

2. Rand million.

PART C: MEASURING OUR PERFORMANCE

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.

PART C: MEASURING OUR PERFORMANCE

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.

PART C: MEASURING OUR PERFORMANCE

6.2 Outcomes, Outputs, Performance Indicators and Targets

No.	Outcomes	Outputs	Output Indicators	Annual Targets								
				Audited / Actual Performance			Planned Performance Current Year	MTEF Period				
				2018/19	2019/20	2020/21		2021/22	2022/23	2023/24	2024/25	2025/26
2.1.1	Coherent economic policy advocated	Research papers	Number of research papers completed	50	50	64	50	15	50	50	50	50
2.1.2	Financial sector legislation	Financial sector legislation drafted	Financial sector legislation drafted	#	#	Financial sector legislation submitted for tabling in Parliament	Financial sector legislation submitted for tabling in Parliament	Financial sector legislation submitted for tabling in Parliament	Financial sector legislation submitted for tabling in Parliament	Financial sector legislation submitted for tabling in Parliament	Financial sector legislation submitted for tabling in Parliament	Financial sector legislation submitted for tabling in Parliament
2.1.3	Tax legislation	Legislation to give effect to tax proposals from the Budget drafted	Legislation to give effect to tax proposals from the Budget drafted	Prepare, publish and table tax legislation 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	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	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

PART C: MEASURING OUR PERFORMANCE

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	15	N/A	N/A	N/A	15
2.1.2	Financial sector legislation drafted	Financial sector legislation submitted for tabling in Parliament	N/A	N/A	N/A	Financial sector legislation submitted for tabling in Parliament
2.1.3	Legislation to give effect to tax proposals from the Budget drafted	Tax legislation submitted for tabling in Parliament	N/A	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	N/A	N/A	N/A	8

PART C: MEASURING OUR PERFORMANCE

Explanation of planned performance over the medium-term period

In order to improve fairness in the tax system, over the medium term, the programme plans to propose amendments to tax policy that seek to meet government's revenue requirements and eliminate tax loopholes. In working towards this, the programme will conduct research on appropriate tax designs for all proposed amendments, prepare discussion documents, hold workshops and meetings with affected parties, and prepare draft tax legislation before any legislation is introduced in Parliament. It will also advise the Minister of Finance on amendments to tax rates and thresholds, which are announced each year in the annual budget.

Tax proposals will be made and proposed as part of the annual Budget, and further technical work will be done to draft the necessary legislative amendments required to give effect to the tax proposals. In giving effect to this work research on appropriate tax designs for the proposals may be required, preparation of discussion documents, the holding of workshops and meetings with affected parties, and consult both before and after the draft tax legislation has been published all prior to introduction in Parliament. These tax proposals initiatives contribute towards achieving the institutional outcome: coherent economic policy advocated.

Work will continue to secure financial stability which supports economic growth, and also ensures better access to the financial sector for all residents and those doing business with South Africa. Regulating the financial sector will continue in order to ensure it is safe and provides enhanced customer services. Focus will be on preparing, drafting and consulting on legislation to complete the Twin Peaks regulatory framework. These indicators form part of the concerted effort aimed at achieving the institutional outcome: coherent economic policy advocated.

The Economic Policy sub-programme will continue to 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. Research papers completed, including research papers published by National Treasury staff and research partners such as academic institutions and policy institutes, look at ways to support policy making for inclusive growth and economic transformation in the Southern Africa region. The research papers will contribute towards achieving the Medium Term Strategic Framework (MTSF) intervention: macro economic policy reviewed. This sub-programme will also continue to produce macro and microeconomic policy analysis and advice. These set of performance indicators contribute towards achieving the Medium Term Strategic Framework intervention of ensuring the macroeconomic policy alignment and coherence and to the achievement of the MTSF outcome: investing for accelerated inclusive. Support will continue to be provided to the strategic work done by Operation Vulindlela.

PART C: MEASURING OUR PERFORMANCE

6.4 Programme Resource Considerations

6.4.1 Expenditure trends and estimates

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

Subprogramme	Audited outcome	2018/19	2019/20	2020/21	2021/22	Average growth rate (%)	Average: Expenditure/Total (%)	Medium-term estimate	2023/24	2024/25	Average growth rate (%)	Average: Expenditure/Total (%)
R million		2018/19	2019/20	2020/21	2021/22	2018/19 - 2021/22	2018/19 - 2021/22	2022/23	2023/24	2024/25	2021/22 - 2024/25	2021/22 - 2024/25
Programme for Management for Economic Policy, Tax, Financial Regulation and Research		44.4	33.4	37.1	47.7	2.4%	30.0%	51.5	53.2	49.5	1.2%	31.9%
Research		-	-	-	-	-	-	-	-	-	-	-
Financial Sector Policy		21.6	19.5	18.0	25.0	5.0%	15.5%	24.7	25.0	25.8	1.0%	15.9%
Tax Policy		30.9	30.0	27.4	32.2	1.3%	22.2%	32.6	32.7	30.9	-1.3%	20.3%
Economic Policy		21.9	21.1	21.7	28.6	9.2%	17.2%	28.6	28.5	32.3	4.1%	18.6%
Cooperative Banks Development Agency		19.9	20.8	20.5	20.3	0.7%	15.0%	20.8	20.9	21.9	2.4%	13.3%
Total		138.8	124.9	124.7	153.8	3.5%	100.0%	158.2	160.4	160.4	1.4%	100.0%
Change to 2021 Budget estimate					-			1.2	2.9	(1.4)		

PART C: MEASURING OUR PERFORMANCE

Subprogramme	Audited outcome				Adjusted appropriation	Average growth rate (%)	Average: Expenditure/Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/Total (%)
	2018/19	2019/20	2020/21	2021/22				2022/23	2023/24	2024/25		
R million												
Economic classification												
Current payments	118.0	103.5	104.0	131.3	3.6%	84.3%	136.1	138.6	137.5	1.6%	85.9%	
Compensation of employees	73.0	70.8	71.7	85.3	5.3%	55.5%	89.8	90.0	87.3	0.8%	55.7%	
Goods and services ¹	45.0	32.7	32.2	46.0	0.7%	28.8%	46.4	48.6	50.2	2.9%	30.2%	
of which:												
Bursaries: Employees	0.4	0.2	0.4	0.4	-0.7%	0.2%	0.5	0.5	0.5	7.6%	0.3%	
Consultants: Business and advisory services	31.2	23.6	27.3	35.0	3.9%	21.6%	31.8	33.7	35.4	0.4%	21.5%	
Consumables: Stationery, printing and office supplies	2.1	1.0	0.1	1.8	-5.7%	0.9%	2.2	2.2	2.2	8.4%	1.3%	
Travel and subsistence	7.1	4.7	0.2	4.3	-15.2%	3.0%	5.3	6.5	6.8	16.3%	3.6%	
Training and development	0.6	0.1	0.1	0.5	-2.9%	0.2%	0.6	0.6	0.6	7.7%	0.4%	
Operating payments	2.0	2.0	2.7	2.8	11.4%	1.7%	4.1	3.4	2.7	-0.1%	2.1%	
Transfers and subsidies ¹	20.3	21.1	20.7	20.7	0.6%	15.3%	20.8	20.9	21.9	1.8%	13.3%	

PART C: MEASURING OUR PERFORMANCE

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 (%)
	2018/19	2019/20	2020/21	2021/22				2022/23	2023/24	2024/25	2021/22 - 2024/25		
R million													
Departmental agencies and accounts	19.9	20.8	20.5	20.3	20.3	0.7%	15.0%	20.8	20.9	21.9	2.4%	13.3%	
Households	0.4	0.4	0.2	0.4	0.4	-4.1%	0.2%	-	-	-	-100.0%	0.1%	
Payments for capital assets	0.5	0.2	0.1	1.8	1.8	59.4%	0.5%	1.3	0.9	1.0	-18.4%	0.8%	
Machinery and equipment	0.5	0.2	0.1	1.8	1.8	59.4%	0.5%	1.3	0.9	1.0	-18.4%	0.8%	
Payments for financial assets	0.0	-	-	-	-	-100.0%	-	-	-	-	-	-	
Total	138.8	124.9	124.7	153.8	158.2	3.5%	100.0%	160.4	160.4	160.4	1.4%	100.0%	
Proportion of total programme expenditure to vote expenditure	0.5%	0.4%	0.4%	0.3%	0.5%	-	-	0.5%	0.5%	0.5%	-	-	

PART C: MEASURING OUR PERFORMANCE

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 (%)
	2018/19	2019/20	2020/21				2021/22	2022/23	2023/24		
R million	2018/19	2019/20	2020/21	2021/22	2018/19 - 2021/22	2022/23	2023/24	2024/25	2021/22 - 2024/25		
Details of transfers and subsidies											
Households											
Social benefits											
Current	0.2	0.2	-	0.1	-17.9%	0.1	-	-	-100.0%	-	-
Employee social benefits	0.2	0.2	-	0.1	-17.9%	0.1	-	-	-100.0%	-	-
Households											
Other transfers to households											
Current	0.1	0.4	-	0.4	74.2%	0.2%	-	-	-100.0%	0.1%	
Employee social benefits	-	-	-	-	-	-	-	-	-	-	-
Claims against the state	0.1	0.4	-	0.4	74.2%	0.2%	-	-	-100.0%	0.1%	

PART C: MEASURING OUR PERFORMANCE

6.4.2 Personnel Information

Table 8.9 Economic Policy, Tax, Financial Regulation and Research personnel numbers and cost by salary level¹
Number and cost² of personnel posts filled/planned for on funded establishment

Economic Policy, Tax, Financial Regulation and Research	Number of posts estimated for 31 March 2022	Number of posts of funded posts to the establishment	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 (%)			
			2020/21	2021/22	2022/23	2023/24	2024/25	2021/22 - 2024/25	Number	Cost	Unit cost	Number	Cost	Unit cost					
Salary level	108	6	83	71.7	0.9	90	80.8	0.9	98	89.8	0.9	97	90.0	0.9	90	87.3	1.0	0.1%	100.0%
1-6	6	5	5	2.4	0.5	5	2.5	0.5	4	1.9	0.5	4	1.9	0.5	4	2.0	0.5	-7.2%	4.8%
7-10	26	-	22	10.1	0.5	24	13.2	0.6	24	13.5	0.6	23	12.4	0.5	23	13.0	0.6	-1.4%	25.1%
11-12	28	-	18	14.4	0.8	17	13.5	0.8	22	17.7	0.8	21	16.8	0.8	18	15.2	0.8	1.9%	20.8%
13-16	48	1	38	44.8	1.2	44	51.6	1.2	47	56.0	1.2	49	58.9	1.2	45	57.2	1.3	0.9%	49.3%

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

2. Rand million.

PART C: MEASURING OUR PERFORMANCE

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.

PART C: MEASURING OUR PERFORMANCE

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				
				2018/19	2019/20			2020/21	2021/22	2022/23	2023/24	2024/25
3.1.1	Sustainable public finances	Published budget legislation and documentation	Published budget legislation and documentation	#		2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26
				#			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
							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	Adjustments Appropriation Bill, AENE and MTBPS published	Adjustments Appropriation Bill, AENE and MTBPS published	Adjustments Appropriation Bill, AENE and MTBPS published
3.1.2		DoR Bill DoR Amendment Bill	Number of Division of Revenue and Division of Revenue Amendment Bills published annually	2	2		3	2	2	2	2	2
3.1.3		Provincial and local government fiscal policy reforms	Number of reforms introduced to enhance provincial and local government fiscal frameworks	2	2	3	3	3	3	3	3	3

PART C: MEASURING OUR PERFORMANCE

No.	Outcomes	Outputs	Output Indicators	Annual Targets									
				Audited / Actual Performance		Estimated Performance	Planned Performance Current Year	MTEF Period					
				2018/19	2019/20			2020/21	2021/22	2022/23	2023/24	2024/25	2025/26
3.1.9	Sustainable public finances	Cabinet memos comments	Percentage of Cabinet memos received commented on	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
3.1.10		SCOA reports	Number of quarterly expenditure reports submitted to the Standing Committee on Appropriations	4	4	4	4	4	4	4	4	4	4
3.1.11		Technical advisors in place	Number of technical advisors placed at National Treasury, provincial treasuries and municipalities through the Municipal Finance Improvement Programme (MFIIP)	69	80	73	80	80	80	80	80	80	80
3.1.12		Grant funding disbursed	Value of grant funding disbursed (cumulative across the term of project)	R4 624m	R 5 037m	R5 687m	R6 317m	R6 953m	R7 457m	R7 880m	N/A		

PART C: MEASURING OUR PERFORMANCE

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	N/A	N/A	N/A	Appropriation Bill, ENE and Budget Review published
		Adjustments Appropriation Bill, AENE and MTBPS published	N/A	N/A	Adjustments Appropriation Bill, AENE and MTBPS 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 township economic development strategies implemented	5	N/A	5	N/A	N/A
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	20	5	5	5	5
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	80	80	80	80
3.1.12	Value of grant funding disbursed (cumulative across the term of project)	R6 953m	N/A	N/A	N/A	R6 953m

PART C: MEASURING OUR PERFORMANCE

Explanation of planned performance over the medium-term period

Over the medium term, the Budget Office will continue to support government efforts to pursue a balanced and prudent fiscal strategy in order to stabilise public finances. Fiscal policy advice will be provided by monitoring economic and fiscal trends and advising on policy options and the budget framework. The national budgeting process will be coordinated which includes resource allocation to meet priorities set by government and overseeing expenditure planning. The budget reform programme will lead as well as coordinate international development cooperation, provide advice on public service remuneration and pension arrangements and compile public finance statistics. The programme will continue ensuring that all government departments remain within spending limits approved by Cabinet. This will be achieved through in-year monitoring of expenditure of all votes by Public Finance sub-programme. As government departments comply with the published budget legislation and framework this will contribute to the achievement of the institutional outcome: Sustainable Public Finance.

Intergovernmental Relations will continue to 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, and the development of the framework for managing conditional grants over the medium term. Work will continue on enhancements to the provincial and local government fiscal frameworks, as contained in the annual Division of Revenue Bill and Division of Revenue Amendment Bill with respect to grant reforms; and improved regulation of development charges through amendments to the Municipal Fiscal Powers and Functions Act.

Support will be provided to municipalities to adopt funded budgets through annual benchmark engagements, mid-year budget, performance engagement and in-year monitoring. Continuous support on revenue management and mSCOA implementation to ensure improved quality of data. Support municipalities with the development of Financial Recovery Plans. These sets of indicators contribute towards achieving the institutional outcome: Sustainable Public Finance and also contribute towards achieving the MTSF intervention strengthening municipal financial system.

Continuous support will be provided to provinces on budget preparation through benchmarks and monitoring of the implementation of provincial budgets through the introduction of the web-based monthly expenditure reporting and regular engagements with provincial departments. Infrastructure Delivery Management System (IDMS) will be institutionalised in provinces to achieve alignment in planning, budgeting and reporting. Improvement of the infrastructure delivery management tools (IDMS Toolkits, IPM and IRM) will be effected and continuous implementation of training programmes on IDMS including LG IDMS and Framework for Infrastructure Delivery and Procurement Management (FIDPM) to support the management infrastructure in provinces and municipalities.

PART C: MEASURING OUR PERFORMANCE

In supporting an integrated spatially referenced planning and assessing the infrastructure investments in all provinces for the Departments of Education and Health, a performance-based system has been introduced to institutionalise Infrastructure Delivery Management System principles relating to infrastructure planning and delivery.

Through the Cities Support Programme, support for coherent economic development planning in metros will continue with a focus on supporting the implementation of Township Economic Development Strategies in 5 metros. Support to metros will be strengthened by working with intergovernmental partners, to support reforms required in the areas of climate responsiveness, economic development, public transport, governance, and leadership areas. Specific areas of support will be continued such as the Sub-National Doing Business (SNDB) reform areas, efficiencies in metro water and energy businesses, enhancing the efficiencies of township and industrial parks economic development, support for improved infrastructure planning and management in metros.

The Neighbourhood Development Partnership Programme (NDPP) will focus on the preparation of spatially targeted investment plans and implementation of capital projects to eradicate spatial inequality and leverage public and private sector investment in strategic locations around the country. Support to municipalities will continue with funding and implementation of projects and programmes in a sustainable manner to enable viable communities. Preparing a new pipeline from the recently added municipalities to the Small Towns programme and continue with implementation support for catalytic projects in targeted precincts for all supported municipalities (Metros, Secondary and Small Towns). In addition, the collaboration with key national and provincial departments, municipalities and other civil society stakeholders will be embraced to improve alignment and coordination in respect of public sector interventions where possible. Work will continue with the recently introduced nine additional rural municipalities within the existing portfolio of 28 municipalities. These sets of indicators contribute towards achieving the MTSF intervention: Profile and support enterprise development in townships through financial incentives and other non-financial forms of support, and remove inhibiting regulations, to ensure the integration of township economies into the mainstream local economic development landscape.

The Municipal Finance Improvement Programme (MFIP) will continue with the efforts in supporting the financial management reform agenda and addressing the financial management performance challenges evident in local government. The programme will continue to be 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 (JF) 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. R9 billion in grant funding was

PART C: MEASURING OUR PERFORMANCE

allocated in 2011, for the period ahead 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. In addition to continuing to manage its project portfolio, the Jobs Fund will also be supporting the implementation of the Presidential Youth Employment Initiative. The Jobs Fund contributes to the achievement of the objectives set in the MTSF Priority 2: Economic Transformation and Job Creation.

PART C: MEASURING OUR PERFORMANCE

7.4 Programme Resource Considerations

7.4.1 Expenditure trends and estimates

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

Subprogramme	Audited outcome	Adjusted appropriation	Average growth rate (%)	Average Expenditure/Total (%)	Medium-term estimate	2023/24	2024/25	Average growth rate (%)	Average Expenditure/Total (%)		
	2018/19	2019/20	2020/21	2021/22	2018/19 - 2021/22	2022/23	2023/24	2024/25	2021/22 - 2024/25		
Programme for Management for Public Finance and Budget Management	19.1	23.3	14.1	32.0	18.8%	0.7%	34.7	35.0	28.9	-3.4%	0.9%
Public Finance	64.0	68.5	68.6	64.9	0.5%	2.1%	64.7	64.7	67.4	1.3%	1.8%
Budget Office and Coordination	59.7	59.9	55.5	66.6	3.7%	1.9%	66.4	66.4	69.2	1.3%	1.8%
Intergovernmental Relations	100.8	100.8	92.5	227.9	31.3%	4.2%	285.5	323.1	589.8	37.3%	9.6%
Financial and Fiscal Commission	51.8	54.3	63.8	63.2	6.9%	1.9%	63.8	64.1	67.0	1.9%	1.7%
Facilitation of Conditional Grants	1 508.8	1 584.0	1 481.9	2 366.2	16.2%	55.5%	2 479.6	2 580.0	1 801.9	-8.7%	50.8%
Catalytic Infrastructure and Development Support Programme	323.8	370.4	311.0	677.9	27.9%	13.5%	654.1	561.0	351.1	-19.7%	15.0%
Government Technical Advisory Centre	402.5	674.9	609.8	838.8	27.7%	20.2%	789.4	660.2	467.8	-17.7%	18.5%
Total	2 530.4	2 936.1	2 697.2	4 337.5	19.7%	100.0%	4 438.2	4 354.7	3 443.1	-7.4%	100.0%
Change to 2021 Budget estimate				407.6			593.8	553.4	(15.0)		

PART C: MEASURING OUR PERFORMANCE

Subprogramme	Audited outcome	2018/19	2019/20	2020/21	2021/22	Average growth rate (%)	Average Expenditure/Total (%)	Medium-term estimate	2022/23	2023/24	2024/25	Average growth rate (%)	Average Expenditure/Total (%)
R million		2018/19	2019/20	2020/21	2021/22	2018/19 - 2021/22	2021/22 - 2024/25		2022/23	2023/24	2024/25	2021/22 - 2024/25	
Economic classification													
Current payments	636.0	593.2	559.7	900.6	12.3%	21.5%	877.5	920.3	1 186.5	9.6%	26.0%		
Compensation of employees	213.9	224.0	212.6	233.0	2.9%	7.1%	240.5	240.7	243.3	1.5%	6.4%		
Goods and services ¹	422.1	369.3	347.1	667.5	16.5%	14.4%	637.0	679.5	943.1	12.2%	19.6%		
of which:													
Bursaries: Employees	1.0	0.5	1.2	1.5	16.1%	-	1.9	1.5	1.4	-4.2%	-		
Computer services	0.5	0.6	1.1	1.5	43.6%	-	1.2	1.3	1.4	-2.7%	-		
Consultants: Business and advisory services	400.4	354.7	339.2	643.3	17.1%	13.9%	615.1	656.3	919.6	12.6%	19.0%		
Consumables: Stationery, printing and office supplies	1.0	0.7	1.5	2.0	25.0%	-	1.6	1.8	1.9	-0.9%	-		
Travel and subsistence	10.6	7.3	0.6	10.0	-1.8%	0.2%	9.7	10.5	10.6	2.1%	0.3%		
Operating payments	5.8	3.4	2.7	5.6	-1.3%	0.1%	3.6	3.9	4.0	-10.6%	0.1%		
Transfers and subsidies¹	1 892.6	2 341.7	2 136.2	3 434.2	22.0%	78.4%	3 557.5	3 432.4	2 254.6	-13.1%	73.9%		
Provinces and municipalities	1 508.8	1 584.0	1 481.9	2 366.2	16.2%	55.5%	2 479.6	2 580.0	1 801.9	-8.7%	50.8%		
Departmental agencies and accounts	381.9	655.9	612.7	914.2	33.8%	20.5%	982.6	852.4	452.8	-20.9%	21.5%		

PART C: MEASURING OUR PERFORMANCE

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 2022		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 (%)						
		Number	Cost	Unit cost	Number	Cost	Unit cost	2020/21		2021/22		2022/23				2023/24		2024/25			
Public Finance and Budget Management		Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost		
Salary level	7	237	212.6	0.9	234	220.2	0.9	254	240.5	0.9	254	240.7	0.9	244	243.3	1.0	244	243.3	1.0	100.0%	
1–6	7	7	1.8	0.3	7	2.0	0.3	7	2.0	0.3	7	1.9	0.3	6	1.7	0.3	6	1.7	0.3	-5.0%	2.7%
7–10	80	67	38.0	0.6	64	37.7	0.6	71	42.3	0.6	73	42.8	0.6	69	42.5	0.6	69	42.5	0.6	2.6%	28.1%
11–12	107	91	80.7	0.9	84	77.3	0.9	93	86.7	0.9	91	84.7	0.9	88	85.9	1.0	88	85.9	1.0	1.6%	36.1%
13–16	84	72	92.0	1.3	79	103.2	1.3	83	109.5	1.3	83	111.3	1.3	81	113.3	1.4	81	113.3	1.4	0.8%	33.1%

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

2. Rand million.

PART C: MEASURING OUR PERFORMANCE

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.

PART C: MEASURING OUR PERFORMANCE

8.3 Indicators, Annual and Quarterly Targets

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

PART C: MEASURING OUR PERFORMANCE

Explanation of planned performance over the medium-term period

Over the medium term, the asset and liability management programme will continue to promote and enforce prudent financial management of state-owned companies (SOCs) through financial analysis and oversight. Work will continue to influence policy and regulatory and sector reforms to enable SOCs to be self-sustainable with reduced reliance on government support. Focus 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 with specific focus. The review of the corporate plans 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 work on the approval and implementation of Optimal Debt and Funding Benchmarks will continue to be undertaken over the medium term. These concerted efforts aimed at improving the outlooks and credit ratings of the sovereign, contribute towards achieving the institutional outcome: sustainable public finances.

PART C: MEASURING OUR PERFORMANCE

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	2018/19	2019/20	2020/21	2021/22	Adjusted appropriation	Average growth rate (%)	Average: Expenditure/Total (%)	Medium-term estimate	2022/23	2023/24	2024/25	Average growth rate (%)	Average: Expenditure/Total (%)
R million		2018/19	2019/20	2020/21	2021/22	2021/22	2018/19 - 2021/22	2018/19 - 2021/22	2022/23	2023/24	2024/25	2021/22 - 2024/25	2021/22 - 2024/25	2021/22 - 2024/25
Programme Management for Asset and Liability Management		6.9	8.0	6.3	18.6	18.6	38.9%	0.3%	31.8	28.9	31.1	18.6%	1.0%	
State - Owned Entity Financial Management and Governance		31.5	33.9	2 962.1	8 936.2	8 936.2	557.4%	97.8%	1 035.8	1 035.8	37.5	-83.9%	97.0%	
Current payments		88.4	93.0	95.3	115.9	115.9	9.5%	3.2%	125.1	119.1	127.1	3.1%	4.3%	
Compensation of employees		73.8	78.4	80.0	85.6	85.6	5.1%	2.6%	86.7	87.1	90.3	1.8%	3.1%	
Goods and services ¹		14.6	14.6	15.2	30.2	30.2	27.6%	0.6%	38.4	32.0	36.8	6.7%	1.2%	
of which:														
Audit costs: External		1.0	1.1	1.4	1.4	1.4	13.0%	-	1.5	1.6	1.6	3.6%	0.1%	
Bursaries: Employees		0.4	0.1	0.3	0.7	0.7	24.7%	-	0.8	0.9	0.8	3.0%	-	
Computer services		8.5	8.6	10.6	14.4	14.4	19.5%	0.3%	8.7	5.4	5.6	-27.1%	0.3%	
Consultants: Business and advisory services		1.0	2.5	2.3	10.7	10.7	121.6%	0.1%	23.5	19.7	23.9	30.5%	0.7%	
Travel and subsistence		2.4	1.3	0.0	0.7	0.7	-33.8%	-	2.4	2.7	3.0	62.9%	0.1%	

PART C: MEASURING OUR PERFORMANCE

8.4.2 Personnel information

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

Number of posts estimated for 31 March 2022	Number and cost ² of personnel posts filled/planned for on funded establishment														Number			
	Number of funded posts	Number of posts additional to the establishment	Actual			Revised estimate			Medium-term expenditure estimate						Average growth rate (%)	Average: Salary level/ Total (%)		
			2020/21	2021/22		2022/23		2023/24		2024/25		2021/22 - 2024/25						
Asset and Liability Management	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	
Salary level	115	9	80.0	0.8	99	82.5	0.8	102	86.7	0.8	103	87.1	0.8	102	90.3	0.9	100.0%	
1 – 6	9	7	1.1	0.1	8	1.3	0.2	8	1.3	0.2	8	1.2	0.2	8	1.3	0.2	–	7.9%
7 – 10	44	2	23.7	0.6	38	23.4	0.6	38	23.9	0.6	38	23.6	0.6	37	23.9	0.6	-0.9%	37.2%
11 – 12	38	–	29.4	0.9	30	27.1	0.9	33	30.3	0.9	35	31.9	0.9	35	33.4	1.0	5.2%	32.8%
13 – 16	24	–	25.8	1.3	23	30.7	1.3	23	31.2	1.4	22	30.4	1.4	22	31.7	1.4	-1.5%	22.1%

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

2. Rand million.

PART C: MEASURING OUR PERFORMANCE

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.

PART C: MEASURING OUR PERFORMANCE

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.

PART C: MEASURING OUR PERFORMANCE

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				
				2018/19	2019/20	2020/21			2021/22	2022/23	2023/24	2024/25	2025/26
5.1.1	Sound financial controls and management of public finances	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	16	32	32	32	32	32	32
5.1.3		Public Finance Management Capacity Development Programmes Reports	Number of Public Finance Management Capacity Development Programmes progress reports produced	#	#	18	16	22	22	22	22	22	22
5.1.4		Transversal systems available	Percentage availability of transversal systems	#	#	99.9%	98%	98%	98%	98%	98%	98%	98%
5.1.5		Statutory reports	Number of statutory reports produced	#	#	20	10	20	20	20	20	20	20

PART C: MEASURING OUR PERFORMANCE

No.	Outcomes	Outputs	Output Indicators	Annual Targets							
				Audited / Actual Performance	Estimated Performance	Planned Performance Current Year	MTEF Period				
				2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26
5.16	IFMS II plan implementation Reports	Implementation of the IFMS II plan		Planning and design completed	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 developed.	IFMS system developed	IFMS system implemented at Pilot Sites and Lead Sites	National roll-out of the IFMS system	National roll-out of the IFMS departments
							IFMS Generic template developed.	e-Recruitment module implemented at Pilot Sites and Lead Sites	National roll-out of e-Recruitment module		
				Pilot site preparation for National Treasury and DPSA			Roll out of the generic template for accelerated implementation to Lead Sites and Pilot Sites.				
5.17	Sound financial controls and management of public finances	SCM compliance report	Number of quarterly compliance reports produced	#	#	1	4	4	4	4	4
5.18		Approved SCM directives	Percentage of approved SCM directives	#	#	100%	100%	100%	100%	100%	100%
5.19		Progress reports on SCM institutional support	Number of progress reports on SCM institutional support programme conducted	#	#	#	#	4	4	4	4

PART C: MEASURING OUR PERFORMANCE

No.	Outcomes	Outputs	Output Indicators	Annual Targets								
				Audited / Actual Performance		Estimated Performance	Planned Performance Current Year	MTEF Period				
				2018/19	2019/20			2020/21	2021/22	2022/23	2023/24	2024/25
5.1.10		Transversal term contracts	Number of transversal term contracts implemented	#	#	41	21	16	15	10	12	
5.1.11		Strategic sourcing opportunities plan reports	Percentage implementation of the strategic sourcing opportunities plan	#	#	59%	100%	100%	100%	100%	100%	
5.1.12		Procurement legislation	Procurement legislation developed	#	#	#	#	Public Procurement Bill submitted for tabling in Parliament	N/A	N/A	N/A	

PART C: MEASURING OUR PERFORMANCE

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	100%	100%	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	IFMS system developed	Service Provider for the implementation of IFMS appointed.	N/A	e-Recruitment system for pilot and lead sites developed.	IFMS system developed
		e-Recruitment module implemented at Pilot Sites and Lead Sites				e-Recruitment system implemented at pilot and lead sites
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	16	2	4	4	6
5.1.11	Percentage implementation of the strategic sourcing opportunities plan	100%	100%	100%	100%	100%
5.1.12	Procurement legislation developed	Public Procurement Bill submitted for tabling in Parliament	Nedlac inputs obtained	Socio-economic impact assessment certificate obtained	Cabinet approval for tabling to parliament obtained	Public Procurement Bill submitted for tabling in Parliament

PART C: MEASURING OUR PERFORMANCE

Explanation of planned performance over the medium-term period

The key focus will be following the parliamentary process for the promulgation of the Public Procurement Bill with its associated Regulations. The draft Public Procurement Bill, which is in pursuit of development and implementation of the Legal Supply Chain Management Framework, aims to address the focus areas as stipulated by the National Development Plan (NDP). This piece of legislation aims to elevate public procurement to a strategic level with a distinct custodianship through a single regulatory oversight body to regulate public procurement and set uniform norms and standards for all of government, establish a procurement system that provides for differentiated approaches of procurement that are commodity or sector specific and related to the relevant sourcing strategies, regulate preferential procurement policy framework to ensure that it is aligned to the Constitution, and eliminate abuse of the Supply Chain Management (SCM) system, improve good governance of state resources, improve efficiencies, and simplify tendering processes by unlocking bottlenecks and red tapes.

Work will continue on the development of Procurement Departures Framework in line with Treasury Regulation 16A6.4 as far as it relates to requests for deviating from normal transparent, competitive, cost-effective, fair and equitable procurement processes is on-going. In order to ensure continued sound financial controls and management of public finances, the Office of the Chief Procurement Officer (OCPO) will issue compliance reports in the interest of transparency in the public procurement system. 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.

The endeavours to promulgate these legislative prescripts as well as introduce the various supply chain management reforms initiated in this programme contribute towards achieving the MTSF Priority 1 Intervention: develop programme to strengthen the supply chain management and procurement system in the public sector.

Increasing government efficiency is one of the key priorities with regard to engendering a capable, ethical and development state. Work continues on developing the programme to strengthen and institutionalise the supply chain management and procurement system in the public sector. Through this priority, National Treasury through the OCPO aims to assist and promote the reduction of qualified audits and irregular expenditure in national, provincial and local level including public entities related to supply chain management and procurement.

Through the implementation of transversal contracts, the sub-programme aims to reduce cost and ensuring value for money by centralising tenders. This, furthermore, ensures that the needs of users are not compromised and improves the administrative efficiency and effectiveness of public procurement. Particular focus is placed on key commodities that

PART C: MEASURING OUR PERFORMANCE

stimulate job creation, empower local industrialisation and catalyse township economies. National Treasury through the OCPO intends to roll out the sourcing strategies reforms in the next three years in the ICT, Health and Transport sectors of the government. Additionally, the OCPO will process the procurement of an Online Travel Booking (OBT) solution for government. The OBT will enable all institutions to procure travel and accommodation services directly, reduce the high travel expenditure, standardise travel processes, reduce dependency on travel agencies and provide for appropriate travel behaviour and spend reporting. The implementation of sourcing initiatives for government wide or specific commodities 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. These performance indicators contribute towards achieving the institutional outcome: sound financial controls and management of public finances.

Improvement of transparency reforms is one of key initiatives that National Treasury intends to implement. This will include enhancing the Government e-Tender portal by strengthening the procurement plan submissions and monitoring, publication of deviations, improving procurement data transparency by increasing procurement data sources and data analysis. Furthermore, modernisation and automation of supply chain management processes will be accelerated in supporting organs of state through the IFMS programme and further enhancing the Central Supplier Database for simplification of doing business with the state.

The National Treasury through the OCPO educational programme will continue with campaigns for the next three years targeting new entrants to the public procurement environment. The objective of these campaigns is to simplify the process of transacting with government through public procurement.

The Office of the Accountant-General sub-programme will continue with the Public Finance Management Act (PFMA) and Municipal Finance Management Act (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 and Auditor-General over the medium term. The helpdesk and legislative reviews are also scheduled to address gaps and strengthen areas needing attention. The alignment with the Local Government Memorandum of Understanding and institutional arrangements will feature during 2022 and 2023, with full implementation in the outer years of the medium term. The refocus of the support initiatives towards improving municipal audit outcomes will also be prioritised within the Office of the Accountant General. The web-enabled Financial Management Capability Maturity Model and audit action tools will be refined and posted on the National Treasury webpage for full use by all municipalities and provinces to enable seamless monitoring, reporting and support measures to be aligned by all stakeholders. All of these efforts focusing on improving audits in municipalities contribute towards achieving the MTSF Priority 1 intervention: Measures taken to eliminate wasteful, fruitless, and irregular expenditure in the public sector. This initiative is also designed to reduce the

PART C: MEASURING OUR PERFORMANCE

reliance on consultants and to ensure effective resources and institutional development. The Financial Management Grant will be refined to address strategic areas augmenting these reforms. It is envisaged that this programme will contribute towards achieving the institutional outcome: sound financial controls and management of public finances.

Concerted effort is being placed on accelerating the implementation of the government's integrated financial management system which is designed to enhance 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 through modernisation and streamlining. The template for the system's software interface is expected to be designed for piloting at designated national and provincial departments and implementation of some of the modules such as eRecruitment to be accelerated at policy departments. This initiative contributes towards achieving the MTSF Priority 1 intervention: Implement the Integrated Financial Management System in the public sector.

For the 2022/23 and 2023/24 financial years, the Capacity Building sub-programme will continue to provide support to capacity building initiatives in all spheres of government (national, provincial and local levels) as per the approved Public Financial Management Capacity Building Programme for Improved Service Delivery (FMISD), Procurement Infrastructure & Knowledge Management (PINK) Programme.

Key priority project is the development of the complete suite of competency assessments statements for all the PFMA and MFMA institutions. These competency statements will be incorporated in the iDevelop Toolkit (online assessment toolkit) to assess the skills and competencies of the CFOs offices in all national and provincial departments and municipalities i.e. all financial practitioners and managers within the CFOs/BTOs. Relevant capacity building solutions and interventions will be informed from the outcome of the assessment.

PART C: MEASURING OUR PERFORMANCE

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	2018/19	2019/20	2020/21	2021/22	Adjusted appropriation	Average growth rate (%)	Average Expenditure/Total (%)	Medium-term estimate	2022/23	2023/24	2024/25	Average growth rate (%)	Average Expenditure/Total (%)
R million		2018/19	2019/20	2020/21	2021/22		2018/19 - 2021/22	2021/22	2022/23	2023/24	2024/25		2021/22 - 2024/25	
Programme for Management for Financial Accounting and Supply Chain Management Systems		50.2	38.8	32.1	101.7		26.5%	6.9%	122.3	121.7	124.8		7.1%	10.2%
Office of the Chief Procurement Officer		69.0	68.7	64.6	68.3		-0.4%	8.3%	68.7	69.5	80.1		5.5%	6.2%
Financial Systems		419.6	399.0	355.1	582.5		11.6%	54.1%	626.4	826.4	689.9		5.8%	59.1%
Financial Reporting for National Accounts		102.0	104.5	105.1	109.9		2.5%	13.0%	112.3	113.5	124.3		4.2%	10.0%
Financial Management Policy and Compliance Improvement		130.3	122.6	89.5	133.4		0.8%	14.6%	142.1	144.4	152.7		4.6%	12.4%
Audit Statutory Bodies		-	-	50.0	50.0		-	3.1%	50.0	-	-		-100.0%	2.2%
Service Charges: Commercial Banks		0.3	0.3	0.2	0.3		5.7%	-	0.3	0.3	0.4		2.6%	-
Total		771.4	733.9	696.6	1 046.0		10.7%	100.0%	1 122.1	1 375.9	1 172.0		3.9%	100.0%
Change to 2021 Budget estimate					(36.9)				(0.1)	300.1	23.9			

PART C: MEASURING OUR PERFORMANCE

Subprogramme	Audited outcome		Adjusted appropriation	Average growth rate (%)		Average Expenditure/Total (%)		Medium-term expenditure estimate			Average growth rate (%)		Average Expenditure/Total (%)	
	2018/19	2019/20		2020/21	2021/22	2018/19 - 2021/22	2021/22 - 2021/22	2022/23	2023/24	2024/25	2021/22 - 2024/25	2021/22 - 2024/25		
R million	2018/19	2019/20	2020/21	2021/22	2018/19 - 2021/22	2021/22 - 2021/22	2022/23	2023/24	2024/25	2021/22 - 2024/25	2021/22 - 2024/25			
Economic classification														
Current payments	706.5	667.9	581.1	914.3	9.0%	88.4%	996.4	1 304.0	1 096.0	6.2%	91.2%			
Compensation of employees	206.9	207.7	196.9	219.2	1.9%	25.6%	224.8	225.0	230.0	1.6%	19.5%			
Goods and services ¹	499.5	460.2	384.1	695.1	11.6%	62.8%	771.6	1 079.0	866.0	7.6%	71.8%			
of which:														
Audit costs: External	6.2	6.8	4.9	9.0	13.3%	0.8%	8.8	9.3	9.8	3.1%	0.8%			
Bursaries: Employees	1.1	0.9	1.6	2.3	28.3%	0.2%	2.4	2.5	2.8	6.9%	0.2%			
Computer services	353.3	350.4	325.7	506.1	12.7%	47.3%	558.6	734.3	636.6	8.0%	52.7%			
Consultants: Business and advisory services	119.5	86.3	44.0	154.9	9.0%	12.5%	179.3	209.8	190.3	7.1%	15.9%			
Travel and subsistence	10.0	7.0	0.9	9.9	-0.4%	0.9%	9.8	10.4	11.2	4.2%	0.9%			
Venues and facilities	4.4	3.5	-	3.3	-9.5%	0.3%	4.0	5.4	5.7	20.8%	0.4%			
Transfers and subsidies¹	58.6	62.2	112.9	112.1	24.2%	10.6%	112.0	62.2	67.1	-15.7%	7.7%			
Departmental agencies and accounts	54.9	57.5	108.6	109.0	25.7%	10.2%	110.3	60.5	65.2	-15.7%	7.5%			
Households	3.6	4.7	4.3	3.1	-4.9%	0.5%	1.8	1.8	1.9	-15.9%	0.2%			
Payments for capital assets	6.3	3.8	2.6	19.7	45.9%	1.0%	13.7	9.6	9.0	-23.1%	1.1%			
Machinery and equipment	5.7	3.8	2.6	14.1	35.2%	0.8%	7.8	8.6	9.0	-14.0%	0.9%			
Software and other intangible assets	0.6	-	-	5.6	107.5%	0.2%	5.9	1.0	-	-100.0%	0.3%			
Payments for financial assets	0.0	0.1	0.1	-	-100.0%	-	-	-	-	-	-			
Total	771.4	733.9	696.6	1 046.0	10.7%	100.0%	1 122.1	1 375.9	1 172.0	3.9%	100.0%			

PART C: MEASURING OUR PERFORMANCE

Subprogramme	Audited outcome		Adjusted appropriation	Average growth rate (%)	Average Expenditure/Total (%)	Medium-term expenditure estimate	Average growth rate (%)	Average Expenditure/Total (%)
R million	2018/19	2019/20	2020/21	2018/19 - 2021/22	2021/22 - 2024/25	2022/23	2023/24	2024/25
Proportion of total programme expenditure to vote expenditure	2.7%	2.5%	2.0%	2.3%	–	3.4%	4.0%	3.6%

9.4.2 Personnel information

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

Number of posts estimated for 31 March 2022	Number and cost ² of personnel posts filled/planned for on funded establishment												Number						
	Actual			Revised estimate			Medium-term expenditure estimate												
	Number of funded posts	Number of additional posts to the establishment	Number of posts	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost		Average growth rate (%)	Average Salary level/Total (%)				
	2020/21	2021/22	2022/23	2023/24	2024/25	2021/22 - 2024/25	2021/22	2022/23	2023/24	2024/25	2021/22 - 2024/25	2021/22	2022/23	2023/24	2024/25	2021/22 - 2024/25			
Financial Accounting and Supply Chain Management Systems	292	36	255	196.9	0.8	260	206.5	0.8	281	224.8	0.8	279	225.0	0.8	274	230.0	0.8	100.0%	
Salary level																			
1–6	9	1	8	2.5	0.3	9	3.0	0.3	8	2.6	0.3	8	2.6	0.3	8	2.7	0.3	–3.9%	3.0%
7–10	123	34	111	54.3	0.5	106	54.9	0.5	123	65.8	0.5	119	62.6	0.5	118	64.1	0.5	3.7%	42.5%
11–12	79	–	67	59.9	0.9	71	65.5	0.9	74	69.5	0.9	76	71.5	0.9	72	70.9	1.0	0.5%	26.8%
13–16	81	1	69	80.3	1.2	74	83.2	1.1	76	86.9	1.1	76	88.3	1.2	76	92.3	1.2	0.9%	27.6%

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

2. Rand million.

PART C: MEASURING OUR PERFORMANCE

10. PROGRAMME 6: INTERNATIONAL FINANCIAL RELATIONS

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

10.1 Sub-Programmes:

Programme Management for International Financial Relations

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

International Economic Cooperation

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

African Integration and Support

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

PART C: MEASURING OUR PERFORMANCE

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.

PART C: MEASURING OUR PERFORMANCE

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				
				2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	
6.1.1	Coherent economic policy advocated	Economic surveillance response-reports	Percentage of economic surveillance reports responded to	#	#	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	N/A	N/A	N/A	N/A
6.1.3		Country partnership framework progress reports	Number of country partnership framework progress reports produced	#	3	3	3	2	2	2	2	2
6.1.4		Engagement strategies and priorities developed	Number of engagement strategies and priorities developed	#	2	2	N/A	1	N/A	N/A	N/A	N/A

PART C: MEASURING OUR PERFORMANCE

10.3 Indicators, Annual and Quarterly Targets

No.	Output Indicators	Annual Targets	Quarter 1	Quarter 2	Quarter 3	Quarter 4
6.1.1	Percentage of economic surveillance reports responded to	100%	N/A	100%	100%	N/A
6.1.2	Number of advocacy forums hosted for uptake of development finance	1	N/A	N/A	N/A	1
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	1	N/A	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	1	N/A
6.1.6	Percentage of policy positions developed	100%	100%	100%	100%	100%

PART C: MEASURING OUR PERFORMANCE

Explanation of planned performance over the medium-term period

Over the medium term period, key outputs in the International Financial Relations programme will contribute to MTSF Priority 7: A better Africa and World, with the overarching focus being to contribute towards economic recovery and reconstruction. This includes overseeing implementation of country partnership programs aligned to the uptake of development finance from the African Development Bank Group (AfDB), the World Bank Group (WBG) and the New Development Bank (NDB), which will contribute to economic growth and development. 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 World Bank, the African Development Bank, New Development Bank and the Joint Work Programme for the Organisation for Economic Cooperation and Development. Also, important will be to provide responses to the economic reports, for example those issued by such organisations as the International Monetary Fund, which inform investor sentiment.

The International Financial Relations 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 African Union (AU), South African Customs Union (SACU), Southern African Development Community (SADC), World Bank Group, African Development Bank Group, G20, G24, Brazil – Russia – India - China and South Africa (BRICS), New Development Bank (NDB), International Monetary Fund (IMF), Institute of International Finance (IIF) and Paris Club.

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.

10.4 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	2018/19	2019/20	2020/21	2021/22	Adjusted appropriation	Average growth rate (%)	Average Expenditure/Total (%)	Medium-term estimate	2022/23	2023/24	2024/25	Average growth rate (%)	Average Expenditure/Total (%)
R million		2018/19	2019/20	2020/21	2021/22		2018/19 - 2021/22	2021/22	2022/23	2023/24	2024/25	2021/22 - 2024/25	2021/22 - 2024/25	2021/22 - 2024/25
Programme Management for International Financial Relations		9.0	6.7	5.4	7.6	7.6	-5.4%	0.1%	10.8	11.0	11.0	11.0	12.9%	0.3%
International Economic Cooperation		46.7	44.4	25.8	31.8	31.8	-12.1%	0.6%	52.4	54.8	57.5	57.5	21.9%	1.2%
African Integration and Support		1 002.6	981.5	766.6	1 747.8	1 747.8	20.4%	17.5%	1 450.0	1 408.6	1 738.7	1 738.7	-0.2%	40.0%
International Development Funding Institutions		4 730.0	4 405.8	5 822.3	5 936.2	5 936.2	7.9%	81.5%	1 101.5	1 092.8	1 043.7	1 043.7	-44.0%	57.9%
International Projects		19.4	20.4	20.5	22.4	22.4	5.0%	0.3%	23.0	23.1	24.2	24.2	2.5%	0.6%
Total		5 807.7	5 458.8	6 640.5	7 745.9	7 745.9	10.1%	100.0%	2 637.8	2 590.3	2 875.1	2 875.1	-28.1%	100.0%
Change to 2021 Budget estimate					459.6	459.6			331.6	242.4	(0.2)	(0.2)		

PART C: MEASURING OUR PERFORMANCE

Subprogramme	Audited outcome				Adjusted appropriation	Average growth rate (%)	Average: Expenditure/Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/Total (%)
	2018/19	2019/20	2020/21	2021/22				2022/23	2023/24	2024/25		
R million	55.6	51.0	30.8	39.0	39.0	-11.1%	0.7%	62.7	65.2	67.6	20.1%	1.5%
Economic classification												
Current payments												
Compensation of employees	31.9	31.6	29.1	29.6	29.6	-2.5%	0.5%	29.8	30.1	30.7	1.2%	0.8%
Goods and services ¹	23.7	19.4	1.7	9.4	9.4	-26.4%	0.2%	32.9	35.2	36.9	57.6%	0.7%
of which:												
Administrative fees	1.5	0.4	0.0	0.2	0.2	-45.6%	-	0.5	0.6	0.6	37.8%	-
Bursaries: Employees	0.0	0.1	0.2	0.4	0.4	316.3%	-	0.5	0.4	0.4	-3.3%	-
Consultants: Business and advisory services	-	0.7	0.7	0.8	0.8	-	-	0.9	0.8	0.8	2.9%	-
Travel and subsistence	16.0	9.1	0.1	6.7	6.7	-25.3%	0.1%	10.3	11.6	12.3	22.6%	0.3%
Operating payments	0.4	0.4	0.5	0.4	0.4	0.2%	-	1.2	1.3	1.4	50.3%	-
Venues and facilities	4.7	8.6	-	0.2	0.2	-65.8%	0.1%	18.8	19.7	20.6	378.3%	0.4%
Transfers and subsidies¹	1 158.0	1 134.2	922.1	1 925.0	1 925.0	18.5%	20.0%	1 632.4	1 607.4	1 943.5	0.3%	44.8%
Foreign governments and international organisations	1 158.0	1 134.2	922.0	1 925.0	1 925.0	18.5%	20.0%	1 632.4	1 607.4	1 943.5	0.3%	44.8%
Households	0.0	0.0	0.1	0.0	0.0	-56.3%	-	-	-	-	-100.0%	-

PART C: MEASURING OUR PERFORMANCE

Subprogramme	Audited outcome		Adjusted appropriation	Average growth rate (%)	Average: Expenditure/Total (%)	Medium-term expenditure estimate				Average growth rate (%)	Average: Expenditure/Total (%)	
	2018/19	2019/20				2020/21	2021/22	2018/19 - 2021/22	2022/23			2023/24
R million												
Payments for capital assets	0.2	0.0	0.3	0.4	29.3%	-	0.6	0.6	1.0	36.3%	-	-
Machinery and equipment	0.2	0.0	0.3	0.4	29.3%	-	0.6	0.6	1.0	36.3%	-	-
Payments for financial assets	4 594.0	4 273.5	5 687.4	5 781.5	8.0%	79.3%	942.2	917.1	863.1	-47.0%	53.7%	53.7%
Total	5 807.7	5 458.8	6 640.5	7 745.9	10.1%	100.0%	2 637.8	2 590.3	2 875.1	-28.1%	100.0%	100.0%
Proportion of total programme expenditure to vote expenditure	20.3%	18.3%	19.5%	17.0%	-	-	8.0%	7.8%	8.9%	-	-	-

PART C: MEASURING OUR PERFORMANCE

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 2022		Number and cost ² of personnel posts filled/planned for on funded establishment												Number					
International Financial Relations	Number of funded posts	Number of posts of additional posts to the establishment	Actual			Revised estimate			Medium-term expenditure estimate						Average growth rate (%)	Average: Salary level/ Total (%)			
			2020/21			2021/22			2022/23		2023/24		2024/25						
			Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost					
	34	1	29.1	1.0	26	28.1	1.1	27	29.8	1.1	26	30.1	1.2	25	30.7	1.2	-1.3%	100.0%	
Salary level																			
1-6	1	1	0.3	0.3	1	0.3	0.3	1	0.3	0.3	-	-	-	-	-	-	-100.0%	1.9%	
7-10	10	-	4.6	0.5	9	4.8	0.5	9	4.9	0.5	9	5.6	0.6	10	6.8	0.7	4.2%	35.8%	
11-12	9	-	5.8	0.8	5	4.9	1.0	5	4.9	1.0	5	4.5	0.9	3	3.0	1.0	-15.5%	17.5%	
13-16	14	-	18.4	1.4	11	18.1	1.6	12	19.6	1.7	12	20.0	1.7	12	20.9	1.8	2.5%	44.8%	

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

2. Rand million.

PART C: MEASURING OUR PERFORMANCE

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.

PART C: MEASURING OUR PERFORMANCE

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					
				2018/19	2019/20			2020/21	2021/22	2022/23	2023/24	2024/25	2025/26
7.1.1	Sound financial control and management of public finances	Validated benefits payment reports	Percentage of benefits validated paid within liable dates	99%	98,9%	100%	99%	99%	99%	99%	99%	99%	99%
7.1.2		Fraudulent claims reports	Percentage reduction of fraudulent claims	#	#	90% fewer fraudulent claims than 2019/20	90% fewer fraudulent claims than 2020/21	95% fewer fraudulent claims than 2021/22	98% fewer fraudulent claims than 2022/23	100% fewer fraudulent claims than 2023/24	100% fewer fraudulent claims than 2024/25		
7.1.3		Exceptions report	Percentage integrity of client data	100%	99,9%	90%	95%	98%	99%	99%	99%		

PART C: MEASURING OUR PERFORMANCE

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	95% fewer fraudulent claims than 2021/22	N/A	N/A	N/A	95% fewer fraudulent claims than 2021/22
7.1.3	Percentage integrity of client data	98%	98%	98%	98%	98%

PART C: MEASURING OUR PERFORMANCE

Explanation of planned performance over the medium-term period

The programme will seek to achieve 98 per cent integrity of client data by maintaining continual monitoring and data cleansing. The programme aims to pay 99 per cent of benefits within 45 days over the medium term. Focus over the medium term will be placed on improving turnaround time in payment of medical accounts within the Military Pension; extending the training of employer departments in processing injury on duty claims and dealing with post-retirement medical subsidy cases; embarking on 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.

The validated benefits payment reports, fraudulent claims reports and the exceptions report on data integrity directly contribute to the realisation of the institutional outcome of ensuring sound financial control and management of public finances.

PART C: MEASURING OUR PERFORMANCE

12. EXPENDITURE OVERVIEW

Over the medium term, the department will focus on: reviewing tax policy and strengthening regulation in the financial sector, supporting sustainable employment, supporting infrastructure development and economically integrated cities and communities, managing future spending growth and fiscal risk, managing government's assets and liabilities, making government procurement more efficient, strengthening financial management in government, and facilitating regional and international cooperation.

The department's budget over the medium term is R2.8 trillion, of which transfers to provincial governments for the provincial equitable share, the department's largest cost driver, account for 58.4 per cent (R1.6 trillion) of this amount. Cabinet has approved an increase on the department's baseline amounting to R30.7 billion over the medium term mainly on the provincial equitable share for Compensation of employee adjustment, and to service government's debt. Cost for servicing governments debt amount to 36.3 per cent (R1 trillion) of the department's budget over the medium. Distributing the general fuel levy to metropolitan municipalities represents 1.7 per cent (R46.9 billion) of the departments spending over the medium term.

The department has the following increases to its baseline over the medium term: R3 billion for capacity building in the South African Revenue Service; R304.5 million to the Development Bank of Southern Africa for the social housing programme; and R51 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.

Reviewing tax policy and strengthening regulation in the financial sector

To improve fairness in the tax system, over the medium term, the department plans to make tax proposals as part of the annual budget. To give effect to the tax proposals, technical work will be undertaken to draft the legislative amendments required. Research will be conducted on appropriate tax designs for the proposals, preparation of discussion documents, conducting workshops and meetings with affected parties, and consultations on the draft tax legislation prior to their introduction in Parliament. These activities will be carried out in the Tax Policy sub-programme in the Economic Policy, Tax, Financial Regulation and Research programme. Allocations to the sub-programme account for 20.1 per cent (R96.3 million) of the programme's total budget over the medium term.

The department will continue in its efforts to secure financial stability which supports economic growth, and also ensures better access to the financial sector for all residents and those doing business with South Africa. Regulating the financial sector will continue to ensure it is safe and provides enhanced customer services. The focus will be on

PART C: MEASURING OUR PERFORMANCE

preparing, drafting and consulting on legislation to complete the Twin Peaks regulatory framework. These activities will be carried out in the Financial Sector Policy sub-programme in the Economic Policy, Tax, Financial Regulation and Research programme. Allocations to the sub-programme account for 15.8 per cent (R75.5 million) of the programme's budget over the medium term.

Supporting sustainable employment

The Jobs Fund is able to leverage the technical expertise of its project partners and ensures that such expertise results in creating an ecosystem of support to project beneficiaries whether that be providing holistic support to small and medium-sized enterprises or ensuring better results in training and matching unemployed youth to available jobs. The Fund has also crowded in significant matched funding from its project partners and has to date disbursed R5.8 billion of the allocated grant funding to projects. The Jobs Fund Partners have matched the Fund with R11.6 billion of their own funds demonstrating the Fund's ability to de-risk investment decisions made by project partners and ultimately using public funds to generate additional resources and positive outcomes for job creation.

Over the medium term, the department anticipates spending R1.7 billion on activities related to the creation of sustainable employment and sharing good practice with the market which will be carried out in the Government Technical Advisory Centre sub-programme in the Public Finance and Budget Management programme.

Supporting infrastructure development and economically integrated cities and communities

The department will continue to facilitate conditional grants and provide financial incentives for infrastructure planning and development to municipalities through the local government financial management grant, the neighbourhood development partnership grant, the integrated city development grant, and the infrastructure skills development grant. Transfers to the grants are projected at R5.2 billion over the medium term in the Facilitation of Conditional Grants sub-programme in the Public Finance and Budget Management programme.

Managing future spending growth and fiscal risk

Over the medium term, the department will ensure that all government departments remain within the spending limits approved by Cabinet, provide financial analyses of government programmes and advise on policy and service delivery trends. Future spending growth and fiscal risks in government will continue to be managed through the implementation of the zero-based budgeting and the spending reviews. These activities amount to a projected R497.5 million over the medium term in the Programme Management for Public Finance and Budget Management, Public Finance and the Budget Office and Coordination sub-programmes in the Public Finance and Budget Management programme.

PART C: MEASURING OUR PERFORMANCE

Managing government's assets and liabilities

The National Treasury will continue to finance government's gross borrowing requirement – consisting of the budget balance and maturing debt – in the domestic and international capital markets. Government's financing strategy is informed by strategic portfolio risk benchmarks for interest, inflation, currency and refinancing. The department will continue to manage cash resource to ensure that government remains liquid and surplus cash is invested optimally. In addition, the department will continue its oversight on the financial management of state-owned companies. These activities amount to a projected R379 million over the medium term in the in Asset and Liability Management programme.

Making government procurement more efficient

Over the medium term, the Office of the Chief Procurement Officer (OCPO) will continue to monitor government procurement to identify malpractices that result in procurement irregularities and will also introduce reforms to enhance efficient and effective administrative practices in the OCPO and the organs of state. Transparency will continue being enhanced through platforms such as eTenders portal and the publication of supply chain management spend data including the Covid-19 related spend data.

These activities will be carried out in the Programme Management for Financial Accounting and Supply Chain Management Systems sub-programme in the Financial Accounting and Supply Chain Management Systems programme. Allocations to the sub-programme account for 9.6 per cent (R343.9 million) of the programme's budget over the MTEF period.

Strengthening financial management in government

Concerted effort is being placed on accelerating the implementation of government's integrated financial management system which is designed to enhance 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 through modernisation and streamlining. Over the medium term, the template for the system's software interface is expected to be designed for piloting at designated national and provincial departments and implementation of modules such as eRecruitment will be accelerated at policy departments. These activities amount to a projected R1.2 billion over the medium term in the Financial Systems sub-programme in the Financial Accounting and Supply Chain Management Systems programme.

PART C: MEASURING OUR PERFORMANCE

Facilitating international and regional cooperation

The New Development Bank was established in 2014 to strengthen cooperation among the Brazil-Russia-India China-South Africa (BRICS) group of countries, and complements the efforts of multilateral and regional financial institutions for global development. As at 30 March 2021, South Africa had made capital contributions to the bank amounting to R24.75 billion (USD1=R15), with further capital contributions amounting to R5.42 billion (USD1=R15.5) expected over the medium term. By 30 March 2020, the bank had approved approximately US\$3.4 billion to fund South Africa's development initiatives in the energy, transport and logistics sectors. In addition, an estimated US\$1.5 billion per year is available for funding South Africa's infrastructure build programme over the medium term. To facilitate regional cooperation within the Common Monetary Area, R4.6 billion has been projected over the medium term for the Common Monetary Area compensation payments to Namibia, Lesotho and Eswatini. This expenditure is allocated in the African Integration and Support sub-programme in the International Financial Relations programme.

Over the MTEF period, the World Bank Group, government departments, state owned enterprises and the private sector will be implementing the country partnership framework which was approved in July 2021. The country partnership framework is aimed at guiding the Bank's programmes in South Africa for the next five years and is aligned to the government's priorities. It has three strategic focus areas aimed at increasing competition and improving the business environment for sustainable growth; strengthening small, medium and micro enterprises and skills development to support job creation; and improving the infrastructure investment framework and selected infrastructure services.

In July 2021, the African Development Bank in consultation with government conducted a midterm review of the Bank's country strategy paper for 2021/22 which focused two pillars of promoting industrialisation; and deepening regional integration. The African Development Bank and government agreed that the Bank's strategy for South Africa remains relevant and the two pillars should be retained. For the MTEF period, the Bank was encouraged to identify business development opportunities through its non-sovereign window taking advantage of the dynamic nature of the private sector in South Africa. As part of the department's commitment to the regional development agenda, transfers to the International Bank for Reconstruction and Development and the African Development Bank, are projected to amount to R978 million and R2.2 billion, respectively over the MTEF period. This expenditure is allocated in the International Development Funding Institutions sub-programme in the International Financial Relations programme.

PART C: MEASURING OUR PERFORMANCE

13. KEY RISKS

OUTCOME	KEY RISKS	RISK MITIGATION
Sustainable public finance	Municipalities not budgeting, transacting or reporting in/or from core financial system and therefore placing a risk on the veracity of municipal data.	Vendor engagements (live demos) to determine if modules on core financial system are functional. Develop tools to assess the use of the municipal Standard Charts of Account (mSCOA) chart by municipalities. Roll-out training on budgeting and transacting in mSCOA and change management. Conduct independent systems audit on all municipal core systems.
	Inequality in allocation of resources	Analysis and improvement of formulas as and when the need arises. Regular interaction with relevant stakeholders to understand service delivery needs of provinces and local government outside Intergovernmental Forums. Strengthen participation in national budget process particularly through the Division of Revenue submission. Linking other databases with NT database for additional cross checks. Local Government Infrastructure Framework use of central DORA email point to ensure version control. Internal skilling through training and sourcing external expertise. Regular interaction with stakeholders to upskill them on the Local and Provincial Government.
	Lack of common urban economic development	Formulate Urban Networks Strategy and provide as a tool to do spatial targeting that will improve the integration across spheres of government and sectors. Built environment performance plans as a tool to integrate investment programmes in metros.
Coherent economic policy advocated	No regional and international cooperation with protectionist and/ or nationalistic policies followed by regional and global partners	Frequent strategic engagement with regional and global stakeholders conducted. Frequent and strategic engagement with inter-governmental partners.
Sound financial controls and management of public finance	Developing policies and regulatory frameworks and guidelines that do not address stakeholder needs and are not clear	Consult with various forums including but not limited to Chief Financial Officer, Cabinet, NEDLAC, inter- ministerial, Treating Customers Fairly to ensure participation to and buy-in into the development of policies and operational standards. Facilitate SCM training through National School of Government.
	Inadequate strategy in place to regulate and support an effective SCM system.	To enhance the structure in order to support effective SCM system. Standardisation of Items description throughout government. Develop Public Procurement Bill. Ensure implementation of SCM reforms and compliance with bidding processes across government. Implementation and monitoring of Electronic Bidding System.

PART C: MEASURING OUR PERFORMANCE

OUTCOME	KEY RISKS	RISK MITIGATION
	Improper approval of deviations received from client department's which may lead to wasteful expenditure	Review of the deviations framework. Instruction 3 of 2016/2017 which will determine if the deviation framework is still necessary. Automation of the deviations application process initiated.
	Non credible government budgets.	Assess budgets using the MSCOA wizard. Develop and monitor the implementation of the Financial recovery plan for municipalities in financial distress.

14. PUBLIC ENTITIES

Name of Public Entity	Mandate	Key Outputs	Annual Budget 2022/23
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.	R14.669 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.	R20.981 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.	R9.652 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 report on financial and fiscal matters.	R63.943 million

PART C: MEASURING OUR PERFORMANCE

Name of Public Entity	Mandate	Key Outputs	Annual Budget 2022/23
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.	R322.999 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.	R879.448 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.	R1.218 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.	R261.910 million
Independent Regulatory Board for Auditors (IRBA)	To protect the sections of the public that rely on the services of registered auditors, and to provide support to registered auditors. It is required to ensure that only suitably qualified individuals are admitted to the auditing profession, and that registered auditors deliver services of the highest quality and adhere to the highest ethical standards.	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.	R182.659 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.	R2.420 billion

PART C: MEASURING OUR PERFORMANCE

Name of Public Entity	Mandate	Key Outputs	Annual Budget 2022/23
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. Property syndication report.	R75.475 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.	R90.367 million
Office of the Tax Ombud (OTO)	To review and address any complaint by a taxpayer regarding a service matter, or a procedural or administrative matter arising from the application of the provisions of a Tax Act by SARS; and review, at the request of the Minister or at the initiative of the Tax Ombud with the approval of the Minister, any systematic and emerging issues related to a service matter or the application of the provisions of this Act or procedural or administrative provisions of a tax Act.	Reviewed and addressed complaints by taxpayers against SARS. Stakeholder engagements and collaboration promoted. Agile organisation that can scale efficiently to meet taxpayers demand created.	R46.524 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.	R1.327 billion
South African Revenue Service (SARS)	To collect all revenue due to the state and to support government in meeting its key growth and developmental objectives by facilitating legitimate trade, protecting South African ports of entry and eliminating illegal trade and tax evasion.	Collection of revenue as agreed with the Minister. Revenue collected from identified compliance initiatives. Reduced number of disputes lodged with SARS.	R11.917 billion

PART C: MEASURING OUR PERFORMANCE

Name of Public Entity	Mandate	Key Outputs	Annual Budget 2022/23
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.	R5.618 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.



2022/23

**ANNUAL
PERFORMANCE
PLAN**

PART D:

**TECHNICAL INDICATOR
DESCRIPTIONS**

PART D: TECHNICAL INDICATOR DESCRIPTIONS

PROGRAMME 1

Output Indicator no 1.1.1	
Indicator Title	Percentage of ICT service delivery standards met
Definition	This indicator measures the delivery against the service level agreements
Source of data	Service Level Agreement reports
Method of Calculation / Assessment	$\frac{\text{Number of ICT Service Level Agreement standards metric Environment Infrastructure standards met}}{\text{Total number of ICT standards}} \times 100$
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 an opinion expressed by the external auditors on the financial statements of the departments at financial year-end and the reported performance information that financial year
Source of data	Audited Annual Report
Method of Calculation / Assessment	The opinion expressed by the external auditors on the financial statements and the reported performance information is unqualified Calculate the percentage reduction: $\frac{\text{No. of findings in the previous financial year} - \text{No. of findings in current financial year}}{\text{No. of findings in the previous financial year}} \times 100$
Means of verification	Audited Annual Report
Assumptions	The department's financial statements and non-financial performance will be audited

PART D: TECHNICAL INDICATOR DESCRIPTIONS

Output Indicator no 1.1.2	
Disaggregation of Beneficiaries (where applicable)	Target for Women: N/A Target for Youth: N/A Target for People with Disabilities: N/A
Spatial Transformation (where applicable)	Reflect on contribution to spatial transformation priorities: N/A Reflect on the spatial impact area: N/A
Calculation Type	Non-cumulative
Reporting Cycle	Annually
Desired performance	Unqualified audit opinion with 15% fewer findings than 2021/22 on financial performance information Unqualified audit opinion with 25% fewer findings than 2021/22 on non- financial performance information
Indicator responsibility	Chief Directorate: Financial Management (Chief Financial Officer) Chief Directorate: Strategic Planning, Monitoring & Evaluation

Output Indicator no 1.1.3	
Indicator Title	Risk Management Maturity Assessment level achieved
Definition	This indicator refers to a risk management maturity assessment monitored by Strategic Planning, Monitoring & Evaluation and audited by Internal Audit unit
Source of data	Risk Management Maturity Assessment level report
Method of Calculation / Assessment	Verify the actual rating achieved for the financial year in the Risk Management Maturity Assessment Report which provide 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 4 in Risk Management Maturity Assessment
Indicator responsibility	Chief Directorate: Risk Management (Chief Risk Officer)

2022/23

ANNUAL PERFORMANCE PLAN

PART D: TECHNICAL INDICATOR DESCRIPTIONS

Output Indicator no 1.1.4	
Indicator Title	Percentage spend of training and development budget
Definition	This indicator measures the expenditure on training and development against the budgeted amount in a financial year
Source of data	Audited Financial Statements
Method of Calculation / Assessment	$\frac{\text{Total amount spent on training \& development}}{\text{Total amount budgeted for training \& development}} \times 100$
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

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 action plan on gender mainstreaming
Source of data	Progress reports that records actual performance against planned performance
Method of Calculation / Assessment	Simple count of quarterly reports on the implementation of the 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

PART D: TECHNICAL INDICATOR DESCRIPTIONS

PROGRAMME 2

Output Indicator no 2.1.1	
Indicator Title	Number of research papers completed
Definition	Research papers published through original research conceived and produced in collaboration between United Nations University World Institute for Development Economics Research (UNU-WIDER) and National Treasury
Source of data	Various databases of economic data
Method of Calculation / Assessment	Simple count of research papers completed
Means of verification	Research papers completed
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	15 research papers completed
Indicator responsibility	DDG: Economic Policy

PART D: TECHNICAL INDICATOR DESCRIPTIONS

Output Indicator no 2.1.2	
Indicator Title	Financial sector legislation drafted
Definition	<p>Draft financial sector legislation, regulation and standards aim to make the financial sector safer and to treat customers more fairly and better, and to be more inclusive and have integrity. The division oversees, and updates, the following legislation:</p> <p>Financial Sector Regulation Act</p> <p>Financial Markets Act</p> <p>Banks Act</p> <p>Mutual Banks Act</p> <p>Cooperative Banks Act</p> <p>Pension Funds Act</p> <p>Insurance Act</p> <p>Conduct of Financial Institutions Bill</p> <p>Currency and Exchange Act</p> <p>South African Reserve Bank Act</p> <p>Financial Advisory and Intermediary Services Act Collective Investment Schemes Control Act</p> <p>Other relevant legislation that may affect the financial sector, e.g. the Insolvency Act or the Companies Act</p> <p>Regulations and standards are issued in terms of these and other Acts</p>
Source of data	Regular engagements with key financial sector regulators, including the Prudential Authority and other divisions of the SA Reserve Bank, Financial Sector Conduct Authority and the Financial Intelligence Centre, as well as with key stakeholders
Method of Calculation / Assessment	Verify through Parliamentary papers (Parliamentary papers, Announcements, Tablings and Committees (ATC) reports) if financial sector legislation was submitted for tabling in Parliament
Means of verification	Parliamentary papers, Announcements, Tablings and Committees (ATC) reports
Assumptions	That the public comment process is completed as planned, and does not take longer than planned That Cabinet approves the legislation for submission to Parliament

PART D: TECHNICAL INDICATOR DESCRIPTIONS

Output Indicator no 2.1.2	
Disaggregation of Beneficiaries (where applicable)	Target for Women: N/A Target for Youth: N/A Target for People with Disabilities: N/A
Spatial Transformation (where applicable)	Reflect on contribution to spatial transformation priorities: N/A Reflect on the spatial impact area: N/A
Calculation Type	Non-cumulative
Reporting Cycle	Annually
Desired performance	Financial sector legislation submitted for tabling in Parliament
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	Legislation published on Treasury website for public comment
Method of Calculation / Assessment	Verify through Parliamentary papers (Parliamentary papers, Announcements, Tablings and Committees (ATC) reports) if tax legislation was submitted for tabling in Parliament
Means of verification	Parliamentary papers, Announcements, Tablings and Committees (ATC) reports
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

PART D: TECHNICAL INDICATOR DESCRIPTIONS

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

Output Indicator no 2.1.5	
Indicator Title	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 macro- and micro-economic policy analysis and advice reports produced
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	Non-Cumulative
Reporting Cycle	Annually
Desired performance	8 macro and microeconomic policy analysis and advice reports produced
Indicator responsibility	DDG: Economic Policy

PART D: TECHNICAL INDICATOR DESCRIPTIONS

PROGRAMME 3

Output Indicator no 3.1.1	
Indicator title	Published budget legislation and documentation
Short definition	This is the tabling of budget legislation and accompanying explanatory memoranda in Parliament, and availing them as publications
Source 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

PART D: TECHNICAL INDICATOR DESCRIPTIONS

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

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

PART D: TECHNICAL INDICATOR DESCRIPTIONS

Output Indicator no 3.1.3	
Spatial Transformation (where applicable)	Reflect on contribution to spatial transformation priorities: N/A Reflect on the spatial impact area: N/A
Calculation Type	Non-cumulative
Reporting Cycle	Annually
Desired performance	3 reforms introduced to enhance provincial and local government fiscal frameworks
Indicator responsibility	Chief Directorate: Intergovernmental Policy and Planning

Output Indicator no 3.1.4	
Indicator Title	Number of township economic development strategies implemented
Definition	<p>Metro township economic development strategies have been developed for 5 townships and the focus is on ensuring these strategies are implemented. The inclusion of the township economic development strategies within municipal plans and budgets is a first step to ensuring their implementation and ongoing resourcing given that the strategies will include short, medium and long-term actions</p> <p>Therefore, implementation refers to the township economic development strategies being approved by Council and reflected in the budgets and IDPS of the 5 metros and the execution of short, medium and long-term actions included in the strategies. Annual progress reports will be produced for each of the 5 metros to assess the progress with Implementation</p>
Source of data	Programme reports
Method of Calculation / Assessment	Simple count of township economic development strategies implemented
Means of verification	Annual progress reports, supported by evidence such as EXCO decisions, Metro IDPs and budgets, project resourcing documents
Assumptions	Sufficient capacity in metros to plan and implement the strategies Private sector and national departments support in line with the strategies
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: Marginalised townships
Calculation Type	Non-cumulative
Reporting Cycle	Annually
Desired performance	5 township economic development strategies implemented
Indicator responsibility	Chief Directorate: Neighbourhood Development Programme Chief Directorate: Provincial and Local Government Infrastructure

PART D: TECHNICAL INDICATOR DESCRIPTIONS

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 reports reviewed
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

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)

PART D: TECHNICAL INDICATOR DESCRIPTIONS

Output Indicator no 3.1.6	
Method of Calculation / Assessment	Simple count of the approved catalytic projects
Means of verification	Catalytic projects approved
Assumptions	Municipalities to drive implementation of the investment plan and the associated intergovernmental project pipeline. Municipalities organise themselves to better engage with the private sector and to improve public sector investment coordination to better attract private sector investments
Disaggregation of Beneficiaries (where applicable)	Target for Women: N/A Target for Youth: N/A Target for People with Disabilities: N/A
Spatial Transformation (where applicable)	Diverse land uses introduced into spatially targeted areas
Calculation Type	Cumulative (year-end)
Reporting Cycle	Quarterly
Desired performance	20 catalytic projects approved
Indicator responsibility	Chief 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	PFMA: Nine electronic submissions in Excel format (IYM Model) from provincial treasuries to CD: PBA. Currently submitted via email, validated and stored on network drive (K drive) at NT MFMA & DORA: Expenditure reports submitted by Transferring Officers in terms of municipal grant transfers and section 71 monthly and quarterly expenditure reports submitted by municipalities via the Local Government Database and Reporting System (LGDRS), validated and stored on network drive (K drive) at NT
Method of Calculation / Assessment	Simple count of quarterly financial reports published
Means of verification	Quarterly financial reports published
Assumptions	Timeous submission and accuracy of information submitted by municipalities and TNOs
Disaggregation of Beneficiaries (where applicable)	Target for Women: N/A Target for Youth: N/A Target for People with Disabilities: N/A
Spatial Transformation (where applicable)	Reflect on contribution to spatial transformation priorities: N/A Reflect on the spatial impact area: N/A
Calculation Type	Cumulative (year-end)

PART D: TECHNICAL INDICATOR DESCRIPTIONS

Output Indicator no 3.1.7

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	Assist with the preparation of a mandatory financial recovery plan when a complete request is received
Source of data	Tracking register of municipalities submitting a complete request and municipalities assisted with the preparation of the mandatory financial recovery plans
Method of Calculation / Assessment	$\frac{\text{Number of complete requests responded to within 90 days of receipt}}{\text{Total number of complete requests received}} \times 100$
Means of verification	Financial recovery plans produced
Assumptions	Timely submission of relevant information by municipalities to commence with the preparation of the mandatory financial recovery plans
Disaggregation of Beneficiaries (where applicable)	Target for Women: N/A Target for Youth: N/A Target for People with Disabilities: N/A
Spatial Transformation (where applicable)	Reflect on contribution to spatial transformation priorities: N/A Reflect on the spatial impact area: N/A
Calculation Type	Non-cumulative
Reporting Cycle	Quarterly
Desired performance	100% of complete requests to draft 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
Short definition	Analysis of 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	$\frac{\text{Number of Cabinet memo comments sent at least one day prior to the cabinet meeting}}{\text{Total number of Cabinet memos received}} \times 100$
Means of verification	Comments on received cabinet memos
Assumptions	Cabinet memos received on the day of cabinet will be measured as part of the next cabinet cycle

PART D: TECHNICAL INDICATOR DESCRIPTIONS

Output Indicator no 3.1.9	
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
Short definition	Provide the Standing Committee on Appropriation with high level 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
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

PART D: TECHNICAL INDICATOR DESCRIPTIONS

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 placed/maintained in a financial year
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	Quarterly
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)

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

PART D: TECHNICAL INDICATOR DESCRIPTIONS

Output Indicator no 3.1.12	
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	R6 953m grant funding disbursed (cumulative across the term of project)
Indicator responsibility	DDG: Employment Facilitation

PART D: TECHNICAL INDICATOR DESCRIPTIONS

PROGRAMME 4

Output Indicator no 4.1.1	
Indicator Title	Percentage of complete corporate plans received from Schedule 2 and 3B public entities reviewed
Definition	<p>Review the Water Boards' corporate plans within four months of 1st of June each year, following complete submissions by 31st May each year as stipulated in the legislation</p> <p>Review the corporate plans within four months of 1st March each year, following complete submissions by 28 February each year as stipulated in the legislation, for all other operational and non-exempt Schedule 2 and 3 B public entities excluding Water Boards. Corporate plans are regarded as complete when they have been approved by the executive authority and there is no information requested from the entity that is outstanding</p> <p>Late submissions/revised submissions will be reviewed within four months from the date of submission</p> <p>Reports are compiled on the reviewed corporate plans</p>
Source of data	Signed-off reports of Schedule 2 and 3B from Board and Executive Authority
Method of Calculation / Assessment	<p><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</p> <p>Complete corporate plans submitted</p> <p>The four months for schedule 2 and 3B SOCs (excluding water boards) begins on 01 March of each year; and</p> <p>The four months for water boards on 01 June of each year</p> <p>Late submissions/revised submissions will be reviewed within four months from the date of submission</p>
Means of verification	Signed-off reports Director-level on review of corporate plans of Schedule 2 and 3B SOCs, DFIs and water boards received

PART D: TECHNICAL INDICATOR DESCRIPTIONS

Output Indicator no 4.1.1	
Assumptions	No late submission of Corporate Plans from SOCs No delays due to Executive Authorities' requests to amend Corporate Plans Entities are not required to submit final shareholder compacts to NT for review Incomplete submissions are not considered until all required information is received
Disaggregation of Beneficiaries (where applicable)	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 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

PART D: TECHNICAL INDICATOR DESCRIPTIONS

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 corporate plans submitted</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) of Schedule 2 and 3B SOEs received
Assumptions	<p>No late submission of annual reports SOCs, DFI & WBs</p> <p>No requests from Executive Authorities to 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

PART D: TECHNICAL INDICATOR DESCRIPTIONS

Output Indicator no 4.1.3	
Definition	<p>Review all complete section 51(g), 52, 55 and 92 applications from Schedule 2 and 3B public entities within 4 months of receipt from Ministry of Finance</p> <p>For public entities that have the Minister of Finance as the Executive Authority, section 54(2) must be reviewed within 30 calendar days of receipt from Ministry of Finance or within a longer period as may be agreed to between the public entity and the National Treasury</p> <p>For public entities that do not have the Minister of Finance as the Executive Authority, section 54(2) applications are sent by the public entity to the National Treasury for information only</p> <p>For public entities that do not have the Minister of Finance as the Executive Authority, but a section 54(2) application has to be reviewed and approved by the National Treasury in fulfilment of section 70 regarding guaranteed conditions, within 30 calendar days of receipt from Ministry of Finance or within a longer period as may be agreed to between the public entity and the National Treasury</p>
Source of data	Signed-off submissions at DDG level, prepared in response to applications for PFMA applications
Method of Calculation / Assessment	$\frac{\text{Number of complete applications reviewed by the division within stipulated timeframes}}{\text{Total number of complete applications received}} \times 100$
Means of verification	Signed-off submissions at DDG level, prepared in response to applications for PFMA applications
Assumptions	<p>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</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 PFMA Section 51(g), 52, 54(2), 55 and 92 applications received from Schedule 2 and 3B public entities
Indicator responsibility	<p>Chief Directorate: Sector Oversight</p> <p>Chief Directorate: Governance and Financial Analysis</p>

PART D: TECHNICAL INDICATOR DESCRIPTIONS

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	$\frac{\text{Number of complete applications for borrowing limits reviewed by ALM division within 60 business days}}{\text{Number of complete applications for borrowing limits received by ALM division}} \times 100$
Means of verification	Review/assessment memo signed at Director-level to the Secretariat of the Asset and Liability Management Review and Monitoring Committee (ALMRCM) 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

PART D: TECHNICAL INDICATOR DESCRIPTIONS

Output Indicator no 4.1.5	
Indicator Title	Percentage of complete guarantee applications received from Schedule 2 and 3B public entities reviewed
Definition	Review the completed guarantee applications The applications must be reviewed within 30 calendar days of receipt from the Ministry of Finance and signed off by the Director
Source of data	Signed-off reports at Director-level
Method of Calculation / Assessment	$\frac{\text{Number of complete applications for guarantees reviewed within 30 calendar days of receipt by ALM division}}{\text{Number of complete applications for guarantees received}} \times 100$
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 The application is considered to be submitted once it is sent to the Secretariat of the FLC and Asset and Liability Review and Monitoring Committee (ALMRC) Incomplete submissions are not considered until all required information is received
Disaggregation of Beneficiaries (where applicable)	Target for Women: N/A Target for Youth: N/A Target for People with Disabilities: N/A
Spatial Transformation (where applicable)	Reflect on contribution to spatial transformation priorities: N/A Reflect on the spatial impact area: N/A
Calculation Type	Non-cumulative
Reporting Cycle	Quarterly
Desired performance	100% of complete guarantee applications received from Schedule 2 and 3B public entities reviewed within the stipulated timeframes
Indicator responsibility	Chief Directorate: Sector Oversight Chief Directorate: Governance and Financial Analysis

PART D: TECHNICAL INDICATOR DESCRIPTIONS

Output Indicator no 4.1.6	
Indicator Title	Percentage of complete remuneration review requests of executive and non-executive directors received from Schedule 2 and 3B public entities reporting to the Minister of Finance reviewed
Definition	Where a consolidated memorandum needs to be prepared for the Minister of Finance, consideration of the review of the whole population will commence when the last entity submits their documents Otherwise review schedule 2 and 3B remuneration for public entities reporting to the Minister of Finance within 60 business days of receiving all the required documents for the requests outside the consolidated memo
Source of data	Signed letter of request from Chairpersons of the Boards
Method of Calculation / Assessment	<u>Number of complete submissions reviewed within 60 business days of receiving all the required documents or complete population of receipt by ALM division</u> x100 Total number of complete submissions received
Means of verification	Signed off reports at Director level
Assumptions	No late or non-submission by entities Incomplete population is not considered until all the entities submits unless there is a specific reason for an entity not be able to submit for that year or if it is not applicable to them i.e. they are not paying performance bonuses
Disaggregation of Beneficiaries (where applicable)	Target for Women: N/A Target for Youth: N/A Target for People with Disabilities: N/A
Spatial Transformation (where applicable)	Reflect on contribution to spatial transformation priorities: N/A Reflect on the spatial impact area: N/A
Calculation Type	Non-cumulative
Reporting Cycle	Quarterly
Desired performance	100% of complete remuneration requests reviewed
Indicator responsibility	Chief Directorate: Governance and Financial Analysis

Output Indicator no 4.1.7	
Indicator Title	Percentage of complete board appointments recommendations received from Schedule 2 and 3B public entities reporting to the Minister of Finance reviewed
Definition	Review complete requests from schedule 2 and 3B public entities for board appointments and make recommendations to the Minister of Finance for entities reporting to the Minister in line with the Memorandum of Incorporation (MOI) or relevant founding legislation Review should be completed within 60 business days of receiving nominations including supporting documents from the Minister or from the SOCs
Source of data	Signed letters of request from Chairpersons of the Boards or CVs sourced from the National Treasury Database and for the Land Bank, CVs from the Land Bank advert will be utilised

PART D: TECHNICAL INDICATOR DESCRIPTIONS

Output Indicator no 4.1.7	
Method of Calculation / Assessment	$\frac{\text{Number of complete requests reviewed by ALM division}}{\text{Total number of complete requests received}} \times 100$
Means of verification	Signed-off reports at Chief Director-level
Assumptions	That there will be requests for board appointments recommendations received from Schedule 2 and 3B public entities reporting to the Minister of Finance with all relevant information required to start the process Incomplete requests will not be considered until all the relevant documents are 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% review of the complete submissions received from the entities reporting to the Minister of Finance (Scheduled 2 and 3B)
Indicator responsibility	Chief Directorate: Governance and Financial Analysis

Output Indicator no 4.1.8	
Indicator Title	Percentage of received MFMA submissions relating to tariff adjustments received from Schedule 2 and 3B public entities reviewed
Definition	Complete submissions must be reviewed within 40 business days of receipt by ALM
Source of data	Tariff review submissions received from entities
Method of Calculation / Assessment	$\frac{\text{Number of tariff adjustments requests received and reviewed by ALM division within 40 business days}}{\text{Number of tariff adjustment requests received by ALM division}} \times 100$
Means of verification	Review submission response signed by Deputy Director General ALM
Assumptions	Incomplete submissions are not considered until all required information is received The date count starts from when the application is received by the ALM division The application is considered to be submitted once it is sent to the DDG: ALM
Disaggregation of Beneficiaries (where applicable)	Target for Women: N/A Target for Youth: N/A Target for People with Disabilities: N/A
Spatial Transformation (where applicable)	Reflect on contribution to spatial transformation priorities: N/A Reflect on the spatial impact area: N/A
Calculation Type	Non-cumulative
Reporting Cycle	Quarterly
Desired performance	100% complete submissions reviewed within the stipulated timeframes
Indicator responsibility	Chief Directorate: Sector Oversight

PART D: TECHNICAL INDICATOR DESCRIPTIONS

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

Output Indicator no 4.1.10	
Indicator Title	Percentage of interest and redemptions met
Definition	Payment of government debt obligations in a timely and accurate manner to avoid any credit defaults or additional costs due to inaccurate/delayed payment
Source of data	Government debt-service costs are contained in the annual Budget as tabled by the Minister of Finance
Method of Calculation / Assessment	$\frac{\text{Amount of interest and redemptions paid}}{\text{Amount of interest and redemptions due}} \times 100$
Means of verification	Government debt-service costs are contained in the annual Budget as tabled by the Minister of Finance
Assumptions	Continuous, uninterrupted access to debt recording and payment systems
Disaggregation of Beneficiaries (where applicable)	Target for Women: N/A Target for Youth: N/A Target for People with Disabilities: N/A

PART D: TECHNICAL INDICATOR DESCRIPTIONS

Output Indicator no 4.1.10	
Spatial Transformation (where applicable)	Reflect on contribution to spatial transformation priorities: N/A Reflect on the spatial impact area: N/A
Calculation Type	Non-cumulative
Reporting Cycle	Quarterly
Desired performance	100% of government debt obligations met
Indicator responsibility	Chief Directorate: Liability Management

Output Indicator no 4.1.11	
Indicator Title	Percentage of government's liquidity requirements met
Definition	Forecasting and management of government's short- and medium-term cash flows
Source of data	Cash flow data on receipts and payments is received from SARS, Reserve Bank and various units within NT and then consolidated
Method of Calculation / Assessment	<p><u>Number of months with a positive actual closing balance</u> x100 Number of months in a financial year</p> <p>Government's net cash position is calculated, taking into account:</p> <p>Gross borrowing requirement, which is the sum of revenue, expenditure and debt due (interest and redemptions)</p> <p>Proceeds from short- and long-term loans issued in the domestic and international markets. Change in cash balances</p> <p>A monthly net cash position is calculated for the MTEF period and thereafter maintained. Daily net cash positions are forecast for three months ahead</p> <p>Must maintain a positive actual closing balance</p>
Means of verification	Cash flow data on receipts and payments is received from SARS, Reserve Bank and various units within NT and then consolidated
Assumptions	Continuous, uninterrupted access to debt recording and payment systems
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

PART D: TECHNICAL INDICATOR DESCRIPTIONS

Output Indicator no 4.1.11

Desired performance	100% funded exchequer account (National Revenue account Fund)
Indicator responsibility	Chief Directorate: Financial Operations

Output Indicator no 4.1.12

Indicator Title	Percentage compliance with market and refinancing risks benchmarks
Definition	Management of debt portfolio within approved risk benchmarks so that it minimises the impact of interest rate, inflation and exchange rate risks on annual funding requirements and government's debt portfolio while balancing liquidity (cash) and cost objectives
Source of data	Ratio-based on portfolio indicators and quantitative on underlying risk factors
Method of Calculation / Assessment	<p>$\frac{\text{Number of risk indicators within their limits or ranges}}{\text{Total number of risk indicators}} \times 100$</p> <p>All Risk Indicators should be below or within their limits or ranges as approved by Minister:</p> <p>Share of short-term debt maturing in 12 months (Treasury bills) as a percentage of total domestic debt</p> <p>Share of long-term maturing in 5-years as a percentage of fixed rate bonds and inflation linked bonds</p> <p>Share of inflation-linked bonds as a percentage of total domestic debt</p> <p>Share of foreign debt as a percentage of total government debt</p> <p>Weighted term-to-maturity (fixed rate bonds and Treasury bills in years)</p> <p>Weighted term-to-maturity (inflation-linked bonds in years)</p>
Means of verification	Ratio-based on portfolio indicators and quantitative on underlying risk factors
Assumptions	Executive approval of the risk benchmarks
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% compliance with market and refinancing risks benchmarks
Indicator responsibility	Chief Directorate: Strategy and Risk Management

PART D: TECHNICAL INDICATOR DESCRIPTIONS

Output Indicator no 4.1.13	
Indicator Title	Number of reports on the management of government's contingent liabilities
Definition	Management of contingent liability and counterparty risk exposure to limit the impact on the fiscus
Source of data	Annual Reports and interim reports of SOCs and banks. Quarterly reports outlining government contingent liabilities and counterparty risk; and BA 900 reports from the SARB
Method of Calculation / Assessment	Simple count of reports on the management of government's contingent liabilities
Means of verification	Reports on the management of government's contingent liabilities
Assumptions	That the data needed to compile the report is available
Disaggregation of Beneficiaries (where applicable)	Target for Women: N/A Target for Youth: N/A Target for People with Disabilities: N/A
Spatial Transformation (where applicable)	Reflect on contribution to spatial transformation priorities: N/A Reflect on the spatial impact area: N/A
Calculation Type	Cumulative (year-end)
Reporting Cycle	Quarterly
Desired performance	4 reports on the management of government's contingent liabilities and counterparty risk
Indicator responsibility	Chief Directorate: Strategy and Risk Management

PART D: TECHNICAL INDICATOR DESCRIPTIONS

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	<u>Number of norms and standards developed</u> x100 Number of norms and standards identified for development
Means of verification	Norms and standards developed and/or maintained(updated)
Assumptions	Existing norms and standards updated New norms and standards identified for development
Disaggregation of Beneficiaries (where applicable)	Target for Women: N/A Target for Youth: N/A Target for People with Disabilities: N/A
Spatial Transformation (where applicable)	Reflect on contribution to spatial transformation priorities: N/A Reflect on the spatial impact area: N/A
Calculation Type	Non-Cumulative
Reporting Cycle	Quarterly
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 all spheres and entities in government, giving effect to the PFMA and MFMA
Source of data	Existing legislative framework, transversal matters raised by PFMA and MFMA compliant institutions, matters arising from Provincial Accountant-General forums and any other information related to financial management received from internal and external stakeholders Auditor-General of SA referrals under Public Audit Act (PAA) Members of public as whistle-blowers Law enforcement agencies

PART D: TECHNICAL INDICATOR DESCRIPTIONS

Output Indicator no 5.1.2	
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
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	Provide Public Finance Management Capacity Development Programmes support to clients, i.e. local, provincial and national government to strengthen the implementation of both MFMA and PFMA reforms across government and development of law enforcement agencies for utilisation of PFMA and MFMA for case law on criminal convictions A consolidated report of progress on the delivery of various 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 completed progress reports produced
Means of verification	Reports on the Public Finance Management Capacity Development Programmes completed progress reports produced
Assumptions	Stakeholders are receptive to the training support provided by National Treasury. 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

PART D: TECHNICAL INDICATOR DESCRIPTIONS

Output Indicator no 5.1.3	
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	$\frac{\text{Number of normal working days} - \text{Number of normal working days mainframe was unavailable}}{\text{Number of normal working days}} \times 100$
Means of verification	Report on the availability of transversal system
Assumptions	That the data is available for analysis and reporting
Disaggregation of Beneficiaries (where applicable)	Target for Women: N/A Target for Youth: N/A Target for People with Disabilities: N/A
Spatial Transformation (where applicable)	Reflect on contribution to spatial transformation priorities: N/A Reflect on the spatial impact area: N/A
Calculation Type	Non-cumulative
Reporting Cycle	Annually
Desired performance	Maintain 98% availability of systems during working hours or in line with SLA with service provider
Indicator responsibility	Chief 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

PART D: TECHNICAL INDICATOR DESCRIPTIONS

Output Indicator no 5.1.5	
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
Method of Calculation / Assessment	Verify if IFMS system have been developed Verify if e-Recruitment module has been implemented at Pilot Sites and Lead Sites
Means of verification	Signed memos/Reports/minutes of approval
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

PART D: TECHNICAL INDICATOR DESCRIPTIONS

Output Indicator no 5.1.6

Calculation Type	Non-cumulative
Reporting Cycle	Quarterly
Desired performance	IFMS system developed and e-Recruitment module implemented at Pilot Sites and Lead Sites
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 moved to the next quarter
Assumptions	All compliance reports produced within the quarter All requests received within the set reporting period All institutions submit their procurement plans and implementation reports on time
Disaggregation of Beneficiaries (where applicable)	Target for Women: N/A Target for Youth: N/A Target for People with Disabilities: N/A
Spatial Transformation (where applicable)	Reflect on contribution to spatial transformation priorities: N/A Reflect on the spatial impact area: N/A
Calculation Type	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

Output Indicator no 5.1.8

Indicator Title	Percentage of approved SCM directives
Definition	Developed SCM Directives (instruction notes, circulars, frameworks and guidelines) approved and issued for implementation
Source of data	DTIC with regards to designated products Requests from stakeholders Political directives Policy implementation challenges that requires policy review Changes or new policies that impact on the SCM Audit/ Compliance reports

PART D: TECHNICAL INDICATOR DESCRIPTIONS

Output Indicator no 5.1.8	
Method of Calculation / Assessment	Number of directives approved x100 Number of policy interventions identified
Means of verification	Approved SCM directives
Assumptions	Requests for policy directives are received Policy interventions are identified
Disaggregation of Beneficiaries (where applicable)	Target for Women: N/A Target for Youth: N/A Target for People with Disabilities: N/A
Spatial Transformation (where applicable)	Reflect on contribution to spatial transformation priorities: N/A Reflect on the spatial impact area: N/A
Calculation Type	Non-Cumulative
Reporting Cycle	Quarterly
Desired performance	100% approved SCM Directives
Indicator responsibility	Chief Directorate: SCM Policy and Legal

Output Indicator no 5.1.9	
Indicator title	Number of progress reports on SCM institutional support programme conducted
Short 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

PART D: TECHNICAL INDICATOR DESCRIPTIONS

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 and 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	16 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	<p><u>Actual strategic sourcing opportunities plan implemented</u> x100</p> <p>Planned strategic sourcing opportunities plan to be implemented</p>
Means of verification	Progress report that records actual performance against planned performance
Assumptions	Data is accessible

PART D: TECHNICAL INDICATOR DESCRIPTIONS

Output Indicator 5.1.11	
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% implementation of Strategic Sourcing Opportunities Plan
Indicator responsibility	Chief Directorate: Strategic Procurement

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	Procurement legislation submitted reflected in the Parliamentary papers
Method of Calculation / Assessment	Verify through the parliamentary papers if the Public Procurement Bill was submitted for tabling in Parliament
Means of verification	Parliamentary papers, Announcements, Tablings and Committees (ATC) reports
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	Quarterly
Desired performance	Public Procurement Bill submitted for tabling in Parliament
Indicator responsibility	Chief Directorate: SCM Policy and Legal

PART D: TECHNICAL INDICATOR DESCRIPTIONS

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) virtually meets or sends a team to South Africa up to twice a year, as part of their surveillance function to member countries, to meet with economic stakeholders. At the conclusion of their visit they produce a report on South Africa's economy, which is important for investor sentiment. However, before the reports are published, South Africa has the opportunity to respond/comment on these reports. IREP analyses these reports, provides comments and coordinates internally within National Treasury to receive comments and submit these responses to the IMF
Source of data	Economic report by the International Monetary Fund (IMF)
Method of Calculation / Assessment	$\frac{\text{Number of reports responded to by NT}}{\text{Number of reports received from IMF}} \times 100$
Means of verification	Report that records response to IMF by NT against reports received from IMF
Assumptions	Based on agreement between the Minister of Finance and the IMF Reports received from the relevant international organisation
Disaggregation of Beneficiaries (where applicable)	Target for Women: N/A Target for Youth: N/A Target for People with Disabilities: N/A
Spatial Transformation (where applicable)	Reflect on contribution to spatial transformation priorities: N/A Reflect on the spatial impact area: N/A
Calculation Type	Non-cumulative
Reporting Cycle	Bi-Annually
Desired performance	100% response to economic surveillance reports
Indicator Responsibility	Chief Directorate: Global and Emerging Markets

Output indicator no. 6.1.2	
Indicator Title	Number of advocacy forums hosted for uptake of development finance
Definition	To measure the number of advocacy forums (includes workshops and seminars but is not limited to those) that will be hosted to increase the uptake of development finance from the African Development Bank Group (AfDB); the World Bank Group (WBG) and the New Development Bank (NDB)
Source of data	Schedule of Meetings
Method of Calculation / Assessment	Simple count of Advocacy Forums / Workshops / Seminars hosted
Means of verification	Attendance Registers; back to office reports
Assumptions	Approval of representation by the relevant stakeholders (DG and Minister of Finance) Development finance is made available

PART D: TECHNICAL INDICATOR DESCRIPTIONS

Output indicator no. 6.1.2	
Disaggregation of Beneficiaries (where applicable)	Target for Women: N/A Target for Youth: N/A Target for People with Disabilities: N/A
Spatial Transformation (where applicable)	Reflect on contribution to spatial transformation priorities: N/A Reflect on the spatial impact area: N/A
Calculation Type	Non-Cumulative
Reporting Cycle	Annually
Desired performance	1 Advocacy forum hosted for uptake of development finance
Indicator Responsibility	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	<p>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</p> <p>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</p>
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	<p>Reports from implementing agencies and the development institutions</p> <p>Approved progress reports by DDG: IREP</p>
Assumptions	<p>Projects or Programmes are implemented as agreed</p> <p>Reports received from the relevant international organisation</p>
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

PART D: TECHNICAL INDICATOR DESCRIPTIONS

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

Output indicator no. 6.1.4	
Indicator Title	Number of engagement strategies and priorities developed
Definition	To measure the number of the Country Partnership Strategies/ Frameworks and identified priorities agreed to between South Africa and the World Bank and the African Development Bank. The Frameworks are for a period of 5 years and consulted between the institutions, the government and other relevant stakeholders To measure the number of G20 finance track engagement strategies produced To develop an Africa Engagement Strategy for the National Treasury. This will 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	Non-Cumulative
Reporting Cycle	Annually

PART D: TECHNICAL INDICATOR DESCRIPTIONS

Output indicator no. 6.1.4	
Desired performance	1 Engagement strategy and priority developed
Indicator Responsibility	Chief Directorate: Multilateral Development Banks and Concessional Finance Chief Directorate: Global and Emerging Markets Chief Directorate: Africa Economic Integration

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

Output indicator no. 6.1.6	
Indicator Title	Percentage of policy positions developed
Definition	To measure the development of policy positions in South Africa's engagement in the AU, SACU, SADC, G20, G24, BRICS, IMF, IIF (Institute of International Finance), Paris Club, New Development Bank but not limited to these institutions
Source of data	Annotated agendas; research papers; global reports; records of meetings; documents sent by the IMF and New Development Bank, Economic Background Papers, Research Papers; regional organisations' auditors reports, PFMA, National Treasury documents

PART D: TECHNICAL INDICATOR DESCRIPTIONS

Output indicator no. 6.1.6	
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

PART D: TECHNICAL INDICATOR DESCRIPTIONS

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)

PART D: TECHNICAL INDICATOR DESCRIPTIONS

Output Indicator no 7.1.2	
Indicator Title	Percentage reduction of fraudulent claims
Definition	Reduction of fraudulent claim to the Programme funds through improvement of internal controls
Source of data	Fraud register for all programme fraud cases that have materialised (occurred)
Method of Calculation / Assessment	$\frac{\text{Total No. of fraud cases from previous FY} - \text{Total No. of fraud cases for current FY}}{\text{Total No. of fraud from the previous FY}} \times 100$
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	95% fewer fraudulent claims than 2021/22
Indicator responsibility	General Manager: Programme 7 (GPAA)

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	98% integrity of client data achieved
Indicator responsibility	General Manager: Programme 7 (GPAA)

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
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	R360.886 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>	R159. 246 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	R1.393 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	R566.395 million	Continues over the medium term

ACRONYMS AND ABBREVIATIONS

Acronym / Abbreviation	Description
AENE	Adjusted Estimates of National Expenditure
ALM	Asset and Liability Management
APP	Annual Performance Plan
ASB	Accounting Standards Board
B-BBEE	Broad-Based Black Economic Empowerment
BEPP	Built Environment Performance Plan
bn	Billion
BRICS	Brazil-Russia-India-China-South Africa
CBDA	Co-operative Banks Development Agency
CDS	Capacity Development Strategy
COLA	Cost-of-Living Adjustment
CSP	Cities Support Programme
DBSA	Development Bank of Southern Africa
DFIs	Development Finance Institutions
DoRA	Division of Revenue Act
DPSA	Department of Public Service and Administration
ENE	Estimates of National Expenditure
FAIS	Ombud Ombud for Financial Service Providers
FFC	Financial and Fiscal Commission
FIC	Financial Intelligence Centre
FMCM	Financial Management Capability Maturity Model
FMG	Financial Management Grant
FSB	Financial Services Board
G20	Group of Twenty Finance Ministers and Central Bank Governors
G24	Intergovernmental Group of Twenty Four
GDP	Gross Domestic Product
GEPF	Government Employees Pension Fund
GPAA	Government Pensions Administration Agency
GRAP	Generally Recognised Accounting Practice
GTAC	Government Technical Advisory Centre
HR	Human Resources
IA	Internal Audit
ICDG	Integrated City Development Grant
ICT	Information and Communications Technology

ACRONYMS AND ABBREVIATIONS

Acronym / Abbreviation	Description
IDIP	Infrastructure Delivery Improvement Programme
IDM	Infrastructure Delivery Management
IDMS	Infrastructure Delivery Management System
IFMS	Integrated Financial Management System
IMF	International Monetary Fund
IRBA	Independent Regulatory Board of Auditors
IREF	International and Regional Economic Policy
ISDG	Infrastructure Skills Development Grant
KM	Knowledge Management
Land Bank	Land and Agricultural Development Bank
m	Million
MFIP	Municipal Finance Improvement Programme
MFMA	Municipal Finance Management Act
MINCOMBUD	Ministers' Committee on the Budget
MOF	Minister of Finance
MPAT	Management Performance Assessment Tool
mSCOA	Municipal Standard Chart of Accounts
MTBPS	Medium Term Budget Policy Statement
MTEC	Medium Term Expenditure Committee
MTEF	Medium Term Expenditure Framework
MTSF	Medium Term Strategic Framework
NCOP	National Council of Provinces
NDP	National Development Plan
NDPG	Neighbourhood Development Partnership Grant
NRF	National Revenue Fund
NT	National Treasury
ODA	Official Development Assistance
OPFA	Office of the Pension Fund Adjudicator
OTO	Office of the Tax Ombud
PFM	Public Finance Management
PFMA	Public Finance Management Act
PIC	Public Investment Corporation
PPP	Public-Private Partnership
RDP	Reconstruction and Development Programme

ACRONYMS AND ABBREVIATIONS

Acronym / Abbreviation	Description
SAA	South African Airways
SACU	Southern African Customs Union
SARS	South African Revenue Service
SASRIA	South African Special Risks Insurance Association
SCM	Supply Chain Management
SITA	State Information Technology Agency
SLA	Service Level Agreement
SOC	State-Owned Company
SOE	State-Owned Entity
SSA	State Security Agency
WBs	Water Boards
WBG	World Bank Group

2022/23
**ANNUAL
PERFORMANCE
PLAN**

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