

National Treasury
ANNUAL PERFORMANCE PLAN
2013/2017



national treasury

Department:
National Treasury
REPUBLIC OF SOUTH AFRICA

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2013/2017

The 2013/17 National Treasury Annual Performance Plan (Update) is compiled with the latest available information from departmental and other sources. Some of this information is unaudited or subject to revision.

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National Treasury
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OFFICIAL SIGN-OFF

It is hereby certified that this Annual Performance Plan was developed by the management of the National Treasury and takes into account all the relevant policies, legislation and other mandates for which the department is responsible. It accurately reflects the strategic outcome oriented goals and objectives which the department will endeavour to achieve over the period.



Lungisa Fuzile
Director-General



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REPUBLIC OF SOUTH AFRICA

UPDATED SITUATIONAL ANALYSIS

SERVICE DELIVERY ENVIRONMENT

DOING THINGS DIFFERENTLY

The past five years have seen financial resources being managed in the context of a global financial crisis, and government recognises the need to become more strategic in the years ahead. Whilst it is important to recognise the lasting economic risks and negative effects of the crisis, it is clear that a concerted effort is required to exit the crisis in a manner that offers our society the best possible prospects in the years ahead.

The 2013 / 14 budget is the first one formulated after the recent adoption of the National Development Plan (NDP). In the same manner that the NDP considers the means and journey to a brighter future, the National Treasury has become more active in ensuring that available resources are directed towards elevating the rate of inclusive economic growth and ensuring long-term fiscal sustainability.

The active effort to shift public spending from consumption to investment is clear and an important one. The NDP targets gross fixed capital formation to be at the rate of approximately 30 per cent of GDP by 2030, with public sector investment reaching 10 per cent of GDP. This is important both for economic growth and delivery of services to the general public.

PROTECTING THE TAX BASE AND ENSURING FISCAL SUSTAINABILITY

In order to ensure fiscal sustainability, the National Treasury has prepared a long-term fiscal report which projects trends over the next 15 – 25 years, based on demographic trends and plausible economic scenarios modelling the main components of social spending, including social grants, health and education expenditure. Whilst preliminary indications are that the current fiscal policy and spending mix is sustainable, some vulnerability would remain unless government builds fiscal space beyond the medium term. This insight will receive due consideration in the months and years ahead.

The ability of the present tax system to support long-term policy objectives of inclusive growth, employment, development and fiscal sustainability will be the subject of a study in the coming year. The tax system plays an important role in economic growth – it provides commercial incentives for private enterprises to behave in ways that ultimately influence profound issues, ranging from employment rates and investment decisions to the extent and quality of public services rendered to all citizens. In this regard, Government will continue to protect the tax revenue base while, at the same time, ensuring that remains fair.

PROMOTING INCLUSIVE ECONOMIC GROWTH

The National Development Plan points out that a 5 per cent annual growth rate will result in doubling of government revenues over a 20 year period. With economic growth rates being weaker than expected and revenues below projections, the importance of financing new initiatives through savings and raising levels of growth are further reinforced. The Minister of Finance, after consultation with the Minister of Trade and Industry, will authorise tax incentives in special economic zones. These incentives are designed to attract investment that will ultimately stimulate expansion of otherwise commercially unattractive industries.

UPDATED SITUATIONAL ANALYSIS - cont

Transformation of the financial sector will also be the subject of focus in the short-to-medium term. Retirement reforms and broader financial inclusion are amongst a number of areas of potential improvement in the sector.

IMPROVING THE QUALITY OF PUBLIC SPENDING

An expenditure review or reviews, focused on personnel expenditure, options for savings and improved value for money and on the performance and objectives of key programmes of government and public entities, will be undertaken in collaboration with the Department of Performance Management and Evaluation (DPME). Government will continue the fight against corruption. The frequency and nature of matters that continue to occur in our democratic society indicate that there remains much to do, if we are to improve the quality of spending of public funds. We will remain resilient and resolute in rooting out corruption and introducing innovative approaches to procurement in government. In this respect, the Office of the Chief Procurement Officer will be established with greater momentum over the period ahead.

PROMOTING EMPLOYMENT

Youth unemployment rates remain unacceptably high, with more than 40 per cent of the economically active population under the age of 30 remaining jobless. Several factors undermine prospects for young job-seekers, and government interventions to encourage the private sector to hire more young workers have not yet yielded the intended results. The NDP suggests a range of labour activation policies to help young people enter into formal employment. Government recognises the need to share the costs of expanding job creation with the private sector. To strengthen its broad range of existing job creation programmes, government will table a proposal in Parliament for a youth employment tax incentive to help young people enter the labour market, gain experience and access career opportunities more readily. A similar tax incentive will be made available for eligible workers of all ages within special economic zones.

PROTECTING THE TAX BASE AND ENSURING FISCAL SUSTAINABILITY

A stable tax base and sustainable public finances anchor South Africa's economic stability. The National Treasury and the South African Revenue Service will continue to protect the tax revenue base to support the fiscus, while ensuring that the system remains fair. Tax reforms in the period ahead will be adjusted to offer incentives aligned with the aims of increasing employment and promoting inclusive economic growth.

Government spending will be guided by the principles of countercyclicality, debt sustainability and intergenerational fairness. This fiscal approach takes into account both policy priorities and necessary spending limits. With economic growth being weaker than anticipated and revenue collections below projections, new policy initiatives will be financed through savings and improved spending quality. Expenditure reviews over the year ahead will help to promote these goals.

ADVANCING SOVEREIGN INTERESTS

The National Treasury will continue to defend and advance sovereign interests. In this regard, it will remain highly vigilant to identifying potential and emerging economic risks and opportunities, whether locally, regionally or globally. With global economic circumstances being as they are, it is critical to be a vigilant, responsive and nimble role player on our economic landscape.

UPDATED SITUATIONAL ANALYSIS - cont

ORGANISATIONAL ENVIRONMENT

Over the past several years, the National Treasury has made a concerted effort to ensure that its structure is aligned to its strategy, and that the department and its plans remain relevant and responsive to the challenges that emerge over time. The strategic objectives published in the National Treasury's Strategic Plan (2012/16) remain unchanged. The evolving economic environment, however, requires some operational adjustments. In particular, two reforms that have been under consideration for several years are being moved into the active phase: the Government Technical Advisory Service (GTAC) and the Office of the Chief Procurement Officer (OCPO).

GOVERNMENT TECHNICAL ADVISORY SERVICE

The GTAC was established as a government component in terms of the Public Service Act (1994, as amended in 2007). This entity, which remains part of the public service, provides state agencies with support and advice to improve the value of public spending. GTAC will initially be staffed by people migrating from the Technical Assistance Unit and the Public-Private Partnerships Unit of the National Treasury.

GTAC was established during 2012, but careful consideration has been given to implementing its operations. Although intensive work has been completed in this regard, much remains to be done. An interim management committee comprised of senior National Treasury officials has been appointed to drive this process, which should be concluded over the year ahead.

Once the transition of services presently offered by these units is completed, complementary and additional services will be considered for inclusion. Over time, GTAC is intended to become a centre of excellence that can build capacity, share knowledge and make a diverse range of skills available to help resolve complex and chronic challenges in government. Examples of the types of specialists that GTAC is envisaged to render more accessible to government include development, political economists and project finance specialists. In essence, GTAC will contribute to reducing the scale of the implementation challenge that faces government initiatives on various fronts.

This change, once completed, will result in amendments to the structure of Programme 8: Technical and Management Support and Development Finance. While GTAC will exist as a government component, it will operate with greater autonomy than that of a trading entity. The head of GTAC will be accountable for the entity's operations and will report to the Minister of Finance.

OFFICE OF THE CHIEF PROCUREMENT OFFICER

The OCPO was announced by the Minister of Finance during the 2012 Budget Speech. Planning and preparatory work has taken place over the past year. In the months ahead, the office will be launched as a functioning service in the National Treasury as part of our commitment to ensuring sound stewardship of public resources.

The OCPO aims to modernise the procurement system across national, provincial and local government, as well as public entities and government agencies. Such procurement must be fair, equitable, transparent, competitive and cost-effective. In this regard, the OCPO will establish and maintain systems to ensure the efficient, effective and transparent use of financial and other resources to improve service delivery.

UPDATED SITUATIONAL ANALYSIS - cont

The strategic objectives of the OCPO are to:

- Improve the performance and efficacy of the state procurement system and state assets, achieving value for money and quality service delivery.
- Develop and implement a procurement regulatory environment responsive to government's policy goals.
- Use public spending to contribute to sustainable economic, social, and environmental development.
- Modernise state procurement with information technology.
- Realise the benefits of strategic sourcing.
- Achieve savings in government spending.
- Improve supplier and stakeholder relations.
- Increase compliance with the procurement legislative environment.
- Enhance governance, and increase state accountability and transparency.
- Improve the capability and performance of procurement officials.

It is envisaged that the OCPO will ultimately minimise procurement-related corruption in government while, at the same time, rendering the system of supply-chain management in government more accessible and innovative. Amongst the first initiatives of the OCPO will be to enhance the existing system of price referencing, in order to set fair value prices for certain goods and services. It will also pilot procurement transformation programmes in the Departments of Health and Public Works, nationally and in the Provinces. Once successful, a broader rollout of these programmes will be led by the OCPO.

The OCPO will be introduced as a distinct programme in the National Treasury during 2014/15. This will result in corresponding adjustments to the structure of Programme 5: Financial Accounting and Reporting and, to a lesser extent, other programmes.

UPDATED SITUATIONAL ANALYSIS - cont

STRATEGIC OUTCOME ORIENTED GOALS OF THE INSTITUTION

PROGRAMME 1: ADMINISTRATION

This programme is responsible for the overall strategic management and support for the department.

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

This programme has two divisions, namely Economic Policy, and Tax and Financial Sector Policy. The programme provides policy advice to promote growth, employment and macroeconomic stability. This programme contributes to Outcome 4: Decent employment through inclusive growth. Focus in terms of this outcome relates to specific aspects of Output 1: Faster and sustainable growth, and Output 3: Multi-pronged strategy to reduce youth unemployment.

PROGRAMME 3: PUBLIC FINANCE AND BUDGET MANAGEMENT

This programme consists of three divisions: Public Finance, Budget Office and Intergovernmental Relations. Previously, these divisions fell under Programme 2. The programme aims to promote growth, social development and poverty reduction through sound fiscal and financial policies, and the effective, efficient and appropriate allocation of public funds. This programme contributes to Outcome 9: A responsive, accountable, effective and efficient local government system, Output 6: Improve municipal financial and administrative capacity, Outcome 12: An efficient, effective and development-oriented public service and Output 3: Business processes, systems, decision rights and accountability.

PROGRAMME 4: ASSET AND LIABILITY MANAGEMENT

The programme manages government's annual funding programme in a manner that ensures prudent cash management and an optimal portfolio of debt and other fiscal obligations. This programme seeks to oversee and enable state-owned companies to meet government's policy objectives in a financially and fiscally sustainable manner and to promote sound corporate governance.

PROGRAMME 5: FINANCIAL ACCOUNTING AND REPORTING

This programme is made up of two divisions: the Office of the Accountant-General and Specialist Functions. The programme aims to facilitate accountability, governance and oversight by promoting transparent, economic, efficient and effective management in respect of revenue, expenditure, assets and liabilities in the public sector.

This programme contributes to Outcome 12: An efficient, effective and development-oriented public service, Output 3: Business processes, systems, decision rights and accountability and Output 4: Corruption tackled effectively.

PROGRAMME 6: INTERNATIONAL FINANCIAL RELATIONS

Work in the programme is given effect by one division – International and Regional Economic Policy. It facilitates the deepening of South Africa's role in regional and international economic integration.

UPDATED SITUATIONAL ANALYSIS - cont

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

This programme is dedicated for the payment of benefits and awards to rightful beneficiaries in terms of various statutes, collective-bargaining and other agreements.

PROGRAMME 8: TECHNICAL AND MANAGEMENT SUPPORT AND DEVELOPMENT FINANCE

The purpose of this programme is to provide specialised infrastructure development planning and implement support and technical assistance to aid capacity building in the public sector.

PROGRAMME 9: REVENUE ADMINISTRATION

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

PROGRAMME 10: FINANCIAL INTELLIGENCE AND STATE SECURITY

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

VOTE 10: NATIONAL TREASURY

NATIONAL TREASURY

Programme	Adjusted Appropriation	Medium term expenditure estimate			
		2012/13	2013/14	2014/15	2015/16
Rand thousand					
Administration	321.1	341.7	348.6	368.7	
Economic Policy, Tax, Financial Regulation and Research	122.5	145.9	151.2	158.0	
Public Finance and Budget Management	247.3	252.3	260.8	270.2	
Asset and Liability Management	282.8	2,995.2	3,342.6	3,117.7	
Financial Systems and Accounting	686.3	724.6	756.2	779.8	
International Financial Relations	1,040.5	1,112.5	1,206.2	1,261.3	
Civil and Military Pensions, Contributions to Funds and Other Benefits	3,345.9	3,497.0	3,722.8	3,967.9	
Technical Support and Development Finance	1,999.6	2,777.8	3,623.3	3,115.8	
Revenue Administration	9,149.4	9,534.4	9,983.7	10,335.6	
Financial Intelligence and State Security	3,982.1	4,174.6	4,346.3	4,494.8	
Total for Programmes	21,177.6	25,556.0	27,741.8	27,869.9	
Direct charge against the National Revenue Fund	410,850.0	446,927.2	478,832.7	512,518.6	
Provincial Equitable Share	313,015.8	337,572.4	359,924.2	383,697.2	
State Debt Costs	88,794.5	99,741.4	108,718.4	118,162.5	
General Fuel Levy Sharing with Metropolitan Municipalities	9,039.7	9,613.4	10,190.2	10,658.9	
Total	432,027.6	472,483.2	506,574.5	540,388.5	
Change to 2012 Budget Estimate	-	(8,827.2)	(12,781.3)	(25,013.4)	

Economic classification	Adjusted Appropriation	Medium term expenditure estimate			
		2012/13	2013/14	2014/15	2015/16
Rand thousand					
Current payments	90,127.8	101,208.8	110,247.0	119,745.8	
Compensation of employees	616.1	710.5	755.6	800.2	
Goods and services	717.2	756.8	773.0	783.0	
of which:					
Computer services	242.2	271.1	275.8	279.7	
Consultants and professional services: Business and advisory services	253.7	246.1	247.7	246.1	
Operating leases	34.7	48.7	52.5	51.4	
Travel and subsistence	50.4	49.9	51.7	53.7	
Interest and rent on land	88,794.5	99,741.4	108,718.4	118,162.5	
Transfers and subsidies	341,488.4	368,181.5	392,890.4	417,427.1	
Provinces and municipalities	323,111.8	348,347.1	371,459.1	395,755.1	
Departmental agencies and accounts	13,396.8	13,974.6	14,606.5	15,121.3	
Higher education institutions	9.0	10.0	12.0	12.5	
Foreign governments and international organisations	1,012.7	1,077.4	1,173.0	1,226.5	

VOTE 10: NATIONAL TREASURY - cont

Economic classification	Adjusted Appropriation	Medium term expenditure estimate			
		2012/13	2013/14	2014/15	2015/16
Rand thousand					
Public corporations and private enterprises	655.5	1,327.8	1,973.3	1,395.1	
Non-profit institutions	0.1	-	-	-	
Households	3,302.5	3,444.6	3,666.6	3,916.5	
Payments for capital assets	211.4	187.9	185.1	191.6	
Buildings and other fixed structures	5.0	5.0	-	-	
Machinery and equipment	29.3	16.6	10.9	11.3	
Software and other intangible assets	177.1	166.2	174.1	180.3	
Payments for financial assets	200.0	2,905.0	3,252.0	3,024.0	
Total economic classification	432,027.6	472,483.2	506,574.5	540,388.5	

EXPENDITURE TRENDS

The spending focus over the medium term will continue to be on: enhancing the support provided by the infrastructure delivery improvement programme, neighbourhood development partnership grant to provincial departments and supporting the initiatives of the Jobs Fund through the Technical Support and Development Finance programme; supporting robust fiscal management and improving procurement management to reduce fraud and corruption through the Financial Systems and Accounting, Revenue Administration and Financial Intelligence and State Security programmes; and maintaining financial regulation stability by implementing the Public Finance Management Act (1999) through the Public Finance and Budget Management and Economic Policy, Tax, Financial Regulation and Research programmes.

The department will also support the recapitalisation initiatives of the Development Bank of Southern Africa and the Postbank facilitated through the Asset and Liability Management programme.

Spending on non-statutory operational current payments and payments for capital assets is projected to increase by R230.7 million, to R1.8 billion over the medium term. The bulk of this increase is in spending on compensation of employees, which is expected to increase by R184.1 million to R800.2 million, mainly because of adjustments made for improved conditions of service and the filling of 11 positions in 2013/14. Expenditure on goods and services accounts for 28.6 per cent of this increase and is projected to increase by R65.9 million over the medium term. This increase is mainly due to the maintenance of the transversal systems, the intensification of the implementation of the integrated financial management system, and an expected increase in lease payments owing to the devolution of funds for buildings in relation to property management. The increase due to the maintenance of transversal systems is caused by the renewal of software licenses and contracts, and small maintenance in the legacy systems, while the development of the integrated financial management system project yields high costs before it is implemented. Spending on payments for capital assets is projected to decrease by R19.9 million over the medium term, mainly because the infrastructure upgrade for the security and ICT systems will be completed, as well as the anticipated completion of the refurbishment works to office buildings.

PROGRAMME 1: ADMINISTRATION

OUTPUTS AND TARGETS

Note that an absence of previous year targets in the table below indicates that a target is new.

Strategic objective	Performance indicator	Previous year target 2012/13	Current year target 2013/14	Medium-term targets 2014/15	2015/16	2016/17
Sub-programme: Management						
Ensure a safe and secure working environment	% of employees vetted to avoid security breaches		100% of identified employees vetted each year			
	Business continuity management plans effectively implemented		No information leaks or disruption of business processes, especially during Medium Term Budget Policy Statement (MTBPS) and Budget			
	% enterprise risk management strategy implemented		Annually review and test business continuity management plans		Review, implement and test business continuity management plans each year	
Ensure department adheres to an integrated risk management system within a sound control environment			Annual review of enterprise risk management strategy and its full implementation			
Ensure that an appropriate number of regulatory, performance, compliance and information technology audits are completed in line with risks identified in departmental risk profile	100% of audit plan completed in line with Institute of Internal Auditors (IIA) standards and Office of the Accountant-General (OAG) internal audit (IA) framework		Conduct 64 regulatory, compliance, performance and information technology audits each year	Conduct 75 regulatory, compliance performance and information technology audits each year		
Ensure follow-through on internal audit findings	% of IA recommendations implemented by management and oversight by the audit committee		Achieve reduction in findings with age analysis of more than 120 days	Achieve reduction in findings with age analysis of more than 90 days	Achieve reduction in findings with age analysis of more than 60 days	

PROGRAMME 1: ADMINISTRATION - cont

OUTPUTS AND TARGETS - continued

Strategic objective	Performance indicator	Previous year target	Current year target	Medium-term targets		
		2012/13	2013/14	2014/15	2015/16	2016/17
Sub-programme: Corporate Services						
Ensure an efficient human resources (HR) function	Talent management framework anchored to business, efficient HR service delivery and strengthened leadership capability		Improve talent management through benchmarking and alignment to strategy; create a high-performance culture by developing leadership, technical and behavioural competencies across all employee levels			
Implement a culture of information management and knowledge sharing	Knowledge repository and management system implemented, accessible on intranet and remotely		<ul style="list-style-type: none"> Implement records management methodology in 75% of business units Establish knowledge management (KM) sites in 25% of business units 	<ul style="list-style-type: none"> Implement methodology in all business units Research storage of new technology media Establish KM sites in all business units Establish electronic library Ensure fully operational document tracking and electronic records management systems 	<ul style="list-style-type: none"> Review and update methodology and training material to accommodate new technology and storage media Establish communities of practice to advance knowledge sharing 	Start implementing new storage techniques
Ensure effective ICT architecture, operations and service delivery	Services delivered according to service-level agreements (SLAs) and operations-level agreements (OLAs)		Achieve 95% compliance to SLAs/OLAs			
Provide and maintain adequate accommodation compliant with occupational health and safety standards	% of departmental office accommodation needs met		Meet all departmental office accommodation needs			

PROGRAMME 1: ADMINISTRATION - cont

OUTPUTS AND TARGETS - continued

Strategic objective	Performance indicator	Previous year target	Current year target	Medium-term targets	
		2012/13	2013/14	2014/15	2015/16
Sub-programme: Corporate Services					
Ensure sound financial management and governance according to best practice	Progressive development of analytical performance reporting with improved cost savings, and enhanced management accounting and supply chain management	Maintain financial reporting within two days of month end (in-year reporting), with effective awareness and monitoring of spending	Maintain financial reporting within two days of month end, with effective awareness and monitoring of spending		
		Implement strategic sourcing principles to achieve efficiency savings	<ul style="list-style-type: none"> Create baseline costing model and measure savings rates Forecast savings targets for outer years 		
	Financial governance compliance and sound control environment	Reduce findings on compliance by IA and Auditor-General year-on-year by to achieve an unqualified audit report	Reduce findings on compliance by IA and Auditor-General year-on-year to achieve an unqualified audit report		
	All statutory reporting regulations and deadlines met	Submit annual and biannual tax reconciliation two weeks before due date set by South African Revenue Service (SARS)	Submit annual and biannual tax reconciliation two weeks before due date set by SARS		
		Submit approved procurement plan before deadline	Submit approved procurement plan before 31 March of each year		

PROGRAMME 1: ADMINISTRATION - cont

QUARTERLY TARGETS FOR 2013/14

Performance indicator	Reporting period	Annual target	Quarterly targets			
			Q1 (Apr – Jun)	Q2 (Jul – Sep)	Q3 (Oct – Dec)	Q4 (Jan – Mar)
Sub-programme: Management						
% of employees vetted	Quarterly	Vet 100% of employees on vetting schedule to avoid security breaches	100% of quarterly vetting target completed	100% of quarterly vetting target completed	100% of quarterly vetting target completed	100% of quarterly vetting target completed
Enterprise risk management and security management strategies, policies and procedures in place and implemented	Annually	Implement safety, health, environmental and quality management policy	Review standard operating procedures for securing MTBPS and Budget	No information leaks during MTBPS	No information leaks during Budget	No information leaks during Budget
			Achieve 100% of risk management strategy progress targets			
100% of audit plan completed in line with IIA standards and OAG IA framework	Quarterly	Conduct 64 regulatory, performance and information technology audits	Conduct 12 regulatory, performance and information technology audits	Conduct 12 regulatory, performance and information technology audits	Conduct 20 regulatory, performance and information technology audits	Conduct 20 regulatory, performance and information technology audits
% of IA recommendations implemented by management and referred to audit committee	Quarterly	65% reduction of findings with age analysis of more than 120 days	50% reduction of findings with age analysis of more than 120 days	55% reduction of findings with age analysis of more than 120 days	60% reduction of findings with age analysis of more than 120 days	65% reduction of findings with age analysis of more than 120 days
Talent management framework anchored to the business, efficient HR service delivery and strengthened leadership capability	Quarterly	Anchor talent management approach in line with requirements, and continue measuring its effectiveness and impact	50% leadership reach (deputy directors, chief directors, deputy directors-general) • No errors in HR operations • Fill posts within 12 weeks	60% leadership reach (deputy directors, chief directors, deputy directors-general) • No errors in HR operations • Fill posts within 11 weeks	70% leadership (deputy directors, chief directors, deputy directors-general) • No errors in HR operations • Fill posts within 10 weeks	80% leadership reach (deputy directors, chief directors, deputy directors-general) • No errors in HR operations • Fill posts within eight weeks

PROGRAMME 1: ADMINISTRATION - cont

QUARTERLY TARGETS FOR 2013/14 - continued

Performance indicator	Reporting period	Annual target 2013/14				Quarterly targets			
		Q1 (Apr – Jun)		Q2 (Jul – Sep)		Q3 (Oct – Dec)		Q4 (Jan – Mar)	
Sub-programme: Management									
Knowledge repository and management system implemented, accessible on intranet and remotely	Quarterly	<ul style="list-style-type: none"> Implement methodology in 75% of business units Train operational registry staff 	<ul style="list-style-type: none"> Implement methodology in 30% of business units Design and develop intranet and portal models for approval by KM task team, communications and business units 	<ul style="list-style-type: none"> Implement methodology in 45% of business units Train operational registry staff Pilot recommended models to support business units 	<ul style="list-style-type: none"> Implement methodology in 60% of business units Train operational registry staff Implement and test 25% of planned sites in business units Start implementing KM framework aligned to business needs for intranet navigation and content 	<ul style="list-style-type: none"> Implement methodology in 75% of business units Train operational registry staff Implement intranet sites and knowledge repositories in 25% of business divisions Implement KM framework in 25% of business units 			
Services delivered according to SLAs/OLAs	Annually	95% compliance to SLAs/OLAs	Achieve service levels of 95%						
% departmental accommodation needs met	Quarterly	Meet all departmental office accommodation needs	<ul style="list-style-type: none"> Meet all departmental office accommodation needs Assess office accommodation usage and future needs 	<ul style="list-style-type: none"> Meet all departmental office accommodation needs Develop office accommodation base line and future needs report Engage with Department of Public Works to meet medium-term office accommodation needs 	<ul style="list-style-type: none"> Meet all departmental office accommodation needs Finalise plan to meet medium-term accommodation needs 	<ul style="list-style-type: none"> Meet all departmental office accommodation needs Engage with Department of Public Works to meet long-term office accommodation needs 			
Progressive development of analytical performance reporting with improved cost savings and enhanced management accounting and supply chain management	Monthly	Maintain financial reporting within two days of month end (in-year reporting), with effective awareness and monitoring of spending	Timely submission of relevant reports by deadline						

PROGRAMME 1: ADMINISTRATION - cont

QUARTERLY TARGETS FOR 2013/14 - continued

Performance indicator	Reporting period	Annual target 2013/14	Quarterly targets			
			Q1 (Apr – Jun)	Q2 (Jul – Sep)	Q3 (Oct – Dec)	Q4 (Jan – Mar)
Sub-programme: Management						
Progressive development of analytical performance reporting with improved cost savings, and enhanced management accounting and supply chain management	Annually	Implement strategic sourcing principles to achieve efficiency savings		Submit proposal for implementation of strategic sourcing principles		Implement strategic sourcing principles in line with approved proposal
	Annually	Reduce IA and Auditor-General compliance findings year-on-year to achieve an unqualified audit report		<ul style="list-style-type: none"> Present register of audit findings to management Engage with units to highlight findings 	Produce comprehensive report with resolutions and turnaround plan	Report to management on progress against plan
Ensure that all statutory reporting regulations and deadlines are met	Quarterly	Submit financial statements on time	Submit annual financial statements by 10 May 2013	Submit 1st quarter interim financial statements by 15 July 2013	Submit 2nd quarter interim financial statements by 15 October 2013	Submit 3rd quarter interim financial statements by 24 January 2014
	Semiannually	Submit annual and semiannual tax reconciliation two weeks before due date set by SARS	Submit annual tax reconciliation two weeks before due date set by SARS	None	Submit semiannual tax reconciliation two weeks before due date set by SARS	None
	Annually	Submit approved procurement plan before deadline				Submit approved procurement plan before 31 March 2014

PROGRAMME 1: ADMINISTRATION - cont

Subprogrammes	Administration									
	Audited Outcome					Adjusted Appropriation		Medium-term expenditure estimate		
R million	2009/10	2010/11	2010/11	2010/11	2010/11	2012/13	2013/14	2014/15	2015/16	2015/16
Ministry	2.8	2.8	2.8	3.0	3.0	3.6	3.8	4.0	4.2	4.2
Departmental Management	28.1	29.7	29.7	31.1	31.1	37.3	39.1	40.4	41.8	41.8
Corporate Services	85.9	77.4	77.4	80.3	80.3	103.8	105.5	106.6	107.2	107.2
Enterprise Wide Risk Management	11.8	15.3	15.3	17.5	17.5	27.4	21.8	22.7	23.5	23.5
Financial Administration	25.3	28.7	28.7	30.1	30.1	37.1	40.3	42.3	56.4	56.4
Legal Services	11.9	11.7	11.7	12.4	12.4	15.2	16.7	17.6	18.5	18.5
Internal Audit	11.7	9.3	9.3	9.5	9.5	15.0	12.8	12.4	12.9	12.9
Communications	7.3	7.5	7.5	7.1	7.1	9.5	9.9	10.2	10.4	10.4
Office Accommodation	58.0	66.1	66.1	63.4	63.4	72.3	91.7	92.5	93.8	93.8
Total	242.8	248.7	248.7	254.5	254.5	321.1	341.7	348.6	368.7	368.7
Change to 2012 Budget Estimate	-	-	-	-	-	2.8	21.4	15.9	24.0	24.0
Economic classification										
Current payments	233.8	242.7	242.7	245.6	245.6	292.1	324.2	341.5	361.9	361.9
Compensation of employees	91.8	108.8	108.8	116.5	116.5	137.4	159.1	171.1	187.8	187.8
Goods and services of which:	142.0	133.9	133.9	129.1	129.1	154.7	165.0	170.3	174.1	174.1
Computer services	23.2	20.3	20.3	21.2	21.2	24.7	20.2	19.7	19.6	19.6
Consultants and professional services: Business and advisory services	13.9	10.5	10.5	7.2	7.2	11.9	8.2	7.3	8.2	8.2
Operating leases	29.5	41.2	41.2	37.5	37.5	33.0	46.7	50.4	49.4	49.4
Travel and subsistence	12.2	13.0	13.0	11.7	11.7	16.9	14.5	14.6	14.8	14.8
Transfers and subsidies	1.3	1.5	1.5	2.4	2.4	2.6	2.2	2.2	2.2	2.2
Departmental agencies and accounts	0.4	0.4	0.4	0.5	0.5	0.6	0.6	0.6	0.6	0.6
Households	1.0	1.1	1.1	1.9	1.9	2.0	1.6	1.6	1.6	1.6
Payments for capital assets	7.6	4.2	4.2	6.5	6.5	26.5	15.3	5.0	4.6	4.6
Buildings and other fixed structures	-	-	-	-	-	5.0	5.0	-	-	-
Machinery and equipment	7.6	4.2	4.2	6.5	6.5	21.5	10.3	5.0	4.6	4.6
Payments for financial assets	0.0	0.2	0.2	0.0	0.0	-	-	-	-	-
Total	242.8	248.7	248.7	254.5	254.5	321.1	341.7	348.6	368.7	368.7

PROGRAMME 1: ADMINISTRATION - cont

EXPENDITURE TRENDS

The spending focus over the medium term will be on ensuring improved governance by increasing the capacity of the internal audit function, IT and communications, and upgrading the infrastructure for ICT and security. Thus, spending in the Corporate Services and Office Accommodation subprogrammes together accounts for more than half of this programme's expenditure and budget allocations, mostly for spending on compensation of employees and goods and services.

Over the medium term, expenditure is expected to increase to R368.7 million, mainly in the Office Accommodation and Financial Administration subprogrammes. The increase is to provide for the continued commitments for office accommodation, as well as the installation of an uninterrupted power supply system, a generator and a public announcement system. In addition, spending on compensation of employees is projected to increase by R50.4 million, primarily due to an additional allocation of R24.5 million for improved conditions of service. Over the same period, spending on goods and services is expected to increase by R19.4 million, mainly because of the devolution of funds from the Department of Public Works and an increase in audit fees. Payments for capital assets are expected to decrease to R4.6 million in 2015/16, primarily due to the completion of the project to enhance ICT infrastructure and the security system, as well as the completion of refurbishment works to office buildings. The programme receives an additional R24.5 million over the medium term for improved conditions of service.

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

OUTPUTS AND TARGETS

Strategic objective	Performance indicator	Previous year target	Current year target	Medium-term targets		
				2014/15	2015/16	2016/17
Sub-programme: Research						
Build economic research capacity in academic/research institutions, with broad objective of promoting economic research relevant to South Africa	Number of papers published by research institutions and internally	2012/13	2013/14	2014/15	2015/16	2016/17
	<ul style="list-style-type: none"> Publish research papers or discussion documents on economic growth, development, job creation, various microeconomic studies and taxation policy Academic and research institutions and National Treasury publish papers Department may publish selected papers directly 	Academic and research institutions publish 40 papers and department publishes four papers each year				
Sub-programme: Tax and Financial Sector Policy						
Tax policy	Tax proposals published in annual Budget Review	Publish on Budget day 2013	Publish on Budget day each year			
	Tax reforms towards environmental sustainability	Respond to comments received on December 2010 carbon tax policy paper	Finalise proposals for carbon tax and prepare draft legislation	Implement legislation in January 2015	Monitor and evaluate legislation	
Financial sector policy	A stable financial sector	Implement "twin peaks" model of regulatory oversight of financial sector	Introduce enabling legislation for twin peaks model	Implement institutional legislation – this will be a multi-year process		

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

OUTPUTS AND TARGETS - continued

Strategic objective	Performance indicator	Previous year target	Current year target	Medium-term targets		
				2014/15	2015/16	2016/17
		2012/13	2013/14	2014/15	2015/16	2016/17
		Sub-programme: Tax and Financial Sector Policy				
	Savings and retirement policies that lead to increased levels of national savings	Policy papers published: <ul style="list-style-type: none"> Strengthening retirement savings: An overview of proposals announced in the 2012 Budget Enabling a better income in retirement Preservation, portability and governance for retirement funds Incentivising non-retirement savings Improving tax incentives for retirement savings 2013 retirement reform proposals for further consultations 	Public consultations and drafting of legislation	Implement legislation	Monitor and evaluate legislation	
	Increased access to financial services	Finalise proposals	Publish policy papers on deposit insurance and dedicated banks	Receive process comments and revise policy papers	Prepare draft legislation on deposit insurance and dedicated banks	Enact legislation

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

OUTPUTS AND TARGETS - continued

Strategic objective	Performance indicator	Previous year target	Current year target	Medium-term targets		
				2012/13	2013/14	2014/15
Sub-programme: Economic Policy						
Economic policy analysis, research, assessment and advice covering trade, labour markets, industrial sectors, network infrastructure, development finance institutions and economic growth	<ul style="list-style-type: none"> Quality policy memos and economic assessment of policy proposals with appropriate turnaround times National Treasury's economic outlook 	Develop divisional capacity and quality benchmarking	<ul style="list-style-type: none"> Develop divisional capacity and quality benchmarking Improve benchmarking and coverage of issues Functioning microeconomic assessment Economic outlook representing sound economic analysis of trends and projections 			
Maintenance and development of economic models	Well-specified and up-to-date economic models	Economic models that facilitate policy-making through sound economic analysis	Economic models that facilitate policy-making through sound economic analysis			
Macroeconomic forecasts	Quarterly economic forecasts and high-quality policy and scenario modelling	Comprehensive in-house macroeconomic analysis and forecasting	Comprehensive in-house macroeconomic analysis and forecasting			
Stable and competitive exchange rate	Economic policy analysis, research, assessment and advice into real exchange rate	Monitor progress of package of measures implemented in 2010 Medium Term Budget Policy Statement (MTBPS)	Monitor progress of measures outlined in MTBPS 2010 to achieve a more stable and competitive exchange rate and continued investigation into policy options			

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

QUARTERLY TARGETS FOR 2013/14

Performance indicator	Reporting period	Annual target	Quarterly targets	Q1 (Apr – Jun)	Q2 (Jul – Sep)	Q3 (Oct – Dec)	Q4 (Jan – Mar)	
Sub-programme: Research								
Number of papers published by research institutions	Quarterly	Academic and research institutions publish 40 papers and department publishes four papers	10 research papers	10 research papers	10 research papers	10 research papers and 2 papers by department	10 research papers and 2 papers by department	
Sub-programme: Tax and Financial Sector Policy								
Tax proposals published in annual <i>Budget Review</i>	Quarterly	<ul style="list-style-type: none"> Publish tax proposals on Budget day 2014 Enact 2013 tax proposals Prepare legislation aimed at sharing the costs of employing young work seekers, as well as eligible workers of all ages within special economic zones 	<ul style="list-style-type: none"> Research 2014 tax proposals Prepare draft legislation for 2013 rates and monetary thresholds and submit to Parliament Draft 2013 Tax Laws Amendment Bill Table employment tax incentive bill in parliament 	<ul style="list-style-type: none"> Research 2014 tax proposals Enact legislation on 2013 rates and monetary thresholds enacted Table Tax Laws Amendment Bill for 2013 tax proposals in Parliament 	<ul style="list-style-type: none"> Draft tax proposals for 2014 circulated for internal discussion 2013 Tax Laws Amendment Bill Enact employment tax incentive legislation 	<ul style="list-style-type: none"> Finalise tax chapter of <i>Budget Review</i> for publication on Budget day 2014 Enact Tax Laws Amendment Bill for 2013 tax proposals 		
Tax reforms towards environmental sustainability	Quarterly	Respond to comments received on December 2010 carbon tax policy paper	Publish revised policy document for comment	Refine policy document to incorporate comments received	Prepare draft legislation			
A stable financial sector	Quarterly	Implement twin peaks model of regulatory oversight of financial sector	Draft high-level enabling legislation	Table high-level enabling legislation in Parliament	Promulgate high-level enabling legislation			
Savings and retirement policies that lead to increased savings	Quarterly	Finalise proposals	Public consultation on policy proposals and drafting of legislation					
More people have access to financial services	Quarterly	Finalise proposals		Publish dedicated banks paper	Publish deposit insurance paper	Receive and process comments		

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

QUARTERLY TARGETS FOR 2013/14 - continued

Performance indicator	Reporting period	Annual target	Quarterly targets	Q 1 (Apr – Jun)	Q 2 (Jul – Sep)	Q 3 (Oct – Dec)	Q 4 (Jan – Mar)
Sub-programme: Economic Policy							
Quality policy memos and economic assessment of policy proposals with appropriate turnaround times	Annually	<ul style="list-style-type: none"> Develop divisional capacity and quality benchmarking Improve benchmarking and coverage of issues Functioning microeconomic assessment 	Respond to ministerial requests through macroeconomic and microeconomic analyses within a month, for each quarter	Q 1 (Apr – Jun)	Q 2 (Jul – Sep)	Q 3 (Oct – Dec)	Q 4 (Jan – Mar)
National Treasury's economic outlook	Quarterly	Economic outlook represents sound economic analysis of trends and projections	Prepare MTBPS economic outlook	Finalise MTBPS Chapter 2: economic outlook	Finalise Budget Review Chapter 2: economic outlook		
Well-specified and up-to-date economic models	Annually	Economic models that facilitate policy-making through sound economic analysis	Update tax forecasting instruments	Annually update quarterly forecasting model	Annually update various CGE models	Annually update small-scale forecasting models	
Quarterly economic forecasts and high-quality policy and scenario modelling	Quarterly	Comprehensive in-house macroeconomic analysis and forecasting	Each quarter: update model and produce forecast, model risks to forecast and produce forecast memo summarising forecast and risks				
Economic policy analysis, research, assessment and advice on real exchange rate	Annually	Monitor progress of measures implemented in MTBPS 2010 to achieve a more stable and competitive exchange rate and continued investigation into policy options	<ul style="list-style-type: none"> Conduct mid-year assessment of exchange rate developments Respond to ministerial requests within a month on real exchange rate trends, exchange rate policy options and related requests 	Respond to ministerial requests within a month on real exchange rate trends, exchange rate policy options and related requests	<ul style="list-style-type: none"> Conduct end-of-year assessment of exchange rate developments Respond to ministerial requests within a month on real exchange rate trends, exchange rate policy options and related requests 	<ul style="list-style-type: none"> Provide advice to Standing Committee of Banking and Financial Markets on South Africa's optimal level of foreign exchange reserves Respond to ministerial requests within a month on real exchange rate trends, exchange rate policy options and related requests 	

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

Subprogrammes	Audited Outcome					Adjusted Appropriation	Medium-term expenditure estimate		
	2009/10	2010/11	2011/12	2012/13	2013/14		2014/15	2015/16	
R million									
Programme Management for Economic Policy, Financial Regulation and Research	13.3	12.1	19.7	19.4	21.2	22.5	23.8		
Research	8.5	11.2	9.7	12.7	17.4	16.1	16.6		
Financial Sector Policy	17.5	17.7	61.5	23.3	29.3	30.5	32.7		
Tax Policy	17.3	19.2	23.0	26.9	31.5	33.5	34.4		
Economic Policy	15.3	17.7	17.2	24.2	30.1	31.7	33.1		
Cooperative Banking Development Agency	-	8.2	9.3	16.0	16.2	16.8	17.4		
Total	71.9	86.1	140.5	122.5	145.9	151.2	158.0		
Change to 2012 Budget Estimate	-	-	-	(26.5)	(3.0)	(4.7)	(5.0)		
Economic classification									
Current payments	66.4	72.2	119.6	95.8	119.2	122.9	128.3		
Compensation of employees	44.8	51.0	56.2	66.8	84.4	89.2	93.6		
Goods and services of which:	21.6	21.2	63.4	29.0	34.7	33.7	34.7		
Computer services	0.0	0.2	0.0	0.0	0.0	0.0	0.0		
Consultants and professional services: Business and advisory services	8.5	11.2	11.1	13.3	20.4	19.5	20.2		
Operating leases	0.1	0.1	0.1	0.2	0.3	0.3	0.2		
Travel and subsistence	4.4	4.4	5.1	6.4	6.5	7.0	6.9		
Transfers and subsidies	5.0	13.5	20.5	26.0	26.1	27.6	29.1		
Departmental agencies and accounts	-	8.2	9.3	16.0	16.2	16.8	17.4		
Higher education institutions	5.0	-	-	-	-	-	-		
Public corporations and private enterprises	-	5.3	11.0	10.0	9.9	10.8	11.6		
Households	0.0	-	0.2	0.0	-	-	-		
Payments for capital assets	0.5	0.4	0.4	0.7	0.6	0.7	0.6		
Machinery and equipment	0.5	0.4	0.4	0.7	0.6	0.7	0.6		
Payments for financial assets	0.0	0.0	0.0	-	-	-	-		
Total	71.9	86.1	140.5	122.5	145.9	151.2	158.0		

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

DETAIL OF TRANSFERS AND SUBSIDIES	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16
Recipient	Audited outcome	Audited outcome	Audited outcome	Adjusted Appropriation	Revised Baseline	Revised Baseline	Revised Baseline
R million							
Details of selected transfers and subsidies							
Departmental agencies and accounts							
Cooperative Banking Development Agency	-	8.2	9.3	16.0	16.2	16.8	17.4
Public corporations and private enterprises	-	-	-	-	-	-	-
Economic Research Southern Africa	-	5.3	11.0	10.0	9.9	10.8	11.6
Higher education institutions	-	-	-	-	-	-	-
University of Cape Town	5.0	-	-	-	-	-	-

EXPENDITURE TRENDS

The spending focus over the medium term will continue to be on directing funds and resources towards the analysis of the country's economic and financial environment through the research and development of economic policies and financial frameworks in order to enable economic growth and financial stability. The Financial Sector Policy, Tax Policy and Economic Policy subprogrammes take up more than 60 per cent of this programme's expenditure and budget allocations. More than half of the programme's medium term spending is on compensation of employees; 22.9 per cent is on goods and services, which is mainly for consultants and travel and subsistence; and 18.8 per cent is on transfer payments to the Cooperative Banking Development Agency and Economic Research Southern Africa.

Over the medium term, expenditure is expected to increase by R35.5 million, mainly due to economic research projects to be undertaken. The research projects include economic and financial sector research work on youth unemployment; mining tax royalties; the development of the financial sector market conduct as part of the twin peak model; retirement reforms, including savings and modelling forecasting through the dynamic stochastic general equilibrium macroeconomic policy analysis tool. The research projects have necessitated increasing the department's capacity in economic modelling and forecasting, and financial and tax sector policy development, which is projected to increase spending on compensation of employees by R26.8 million over the medium term. In addition, spending on consultants is projected to increase by R6.9 million over the same period to provide specialist and expert skills and knowledge within the research projects. The department expects to implement the twin peak model of regulating the financial sector by the end of the medium term. Spending on consultants accounts for 43.8 per cent of total spending on goods and services over the seven-year period, and increased by R4.8 million between 2009/10 and 2012/13.

PROGRAMME 3: PUBLIC FINANCE AND BUDGET MANAGEMENT

OUTPUTS AND TARGETS

Strategic objective	Performance indicator	Previous year target	Current year target	Medium-term targets	2016/17
Sub-programme: Programme Management					
Leadership and coordination of programme	Timely completion of budget documents Effective coordination of budget process	2012/13	2013/14	2014/15	2015/16
		Publish October <i>Medium Term Budget Policy Statement</i> (MTBPS) and February Budget Budget framework consistent with government's fiscal policy guidelines and public expenditure priorities, with draft completed by end-September each year Division of revenue between national, provincial and local government aligned with budget framework and medium-term expenditure priorities, with draft completed by end-September each year			
Sub-programme: Public Finance					
Sectoral and departmental policy advice	Departmental correspondence, reports and publications	Timely and relevant analysis and advice Selected expenditure reviews of sectoral programmes and public entities	Timely and relevant analysis and advice Selected expenditure reviews		
Expenditure analysis	Monthly and quarterly monitoring of expenditure; analysis of expenditure trends	Quarterly expenditure reports, completed within six weeks of end of quarter Phasing-in of consolidated departmental and agency estimates and expenditure reports	Quarterly expenditure reports Consolidated functional expenditure estimates		
Medium-term expenditure recommendations	Inputs on departmental budget submissions to Medium-term Expenditure Committee (MTEC) Estimates of National Expenditure (ENE) chapters, with improved budget programme structures	Submit preliminary recommendations to MTEC based on prior consultation with departments Align budget submissions and recommendations with improved programme structure Phase in expenditure estimates and programme information for public entities as part of MTEC process Introduce longer-term expenditure estimates for selected programmes and entities	MTEC and Ministers' Committee on the Budget recommendations on expenditure policy and allocations	MTEC and Ministers' Committee on the Budget recommendations on expenditure policy and allocations Longer-term expenditure analysis	

PROGRAMME 3: PUBLIC FINANCE AND BUDGET MANAGEMENT - cont

OUTPUTS AND TARGETS - continued

Strategic objective	Performance indicator	Previous year target	Current year target	Medium-term targets	2016/17
Social security and retirement reform (jointly with Programme 2)	Policy framework and implementation road map	2012/13	2013/14	2014/15	2015/16
Establishment of capital projects unit	Analysis and advisory reports	Phased implementation of contributory social security reforms and retirement industry legislative amendments	Phased implementation of contributory social security reforms		
		Analyse, evaluate and monitor policy and financing recommendations of major infrastructure projects in energy and transport	Analyse, evaluate and monitor major infrastructure projects and make funding recommendations		
		Develop internal guidelines and best practice analysis of infrastructure projects and related issues	Promote best practice in analysis of infrastructure projects and related issues across Treasury		
		Develop funding mechanism for renewable energy			
		Assist with review of impact of tendering system on infrastructure delivery			
Sub-programme: Budget Office					
Determination of annual budget allocations and the vertical division of revenue	Publication of budget documents and appropriation legislation	Timely publication of Appropriation Bills (38 votes), Finance Bills and Division of Revenue Act	Timely publication of Appropriation Bills (38 votes), Finance Bills and Division of Revenue Act		
Design, coordination and publication of budget documentation	Number of guidelines issues and budget documents designed, coordinated and published per year	ENE (38 votes) Adjusted Estimates of National Expenditure (AENE) Appropriation Bill Adjustments Appropriation Bill Budget Review Medium-term expenditure framework (MTEF), AENE and ENE guidelines	ENE (38 votes) AENE Appropriation Bill Adjustments Appropriation Bill Budget Review MTEF, AENE and ENE guidelines		
Design and management of budget process for national government	Timely completion of a well-coordinated budget process	Integrated and coordinated MTEF budget process that government organisations participate in and are knowledgeable about			

PROGRAMME 3: PUBLIC FINANCE AND BUDGET MANAGEMENT - cont

OUTPUTS AND TARGETS - continued

Strategic objective	Performance indicator	Previous year target	Current year target	Medium-term targets	2016/17	
Sub-programme: Budget Office						
Consolidate general government accounts for use in all publications of National Treasury	Public finance statistics presented according to function and economic classification for consolidated general government	2012/13	2013/14	2014/15	2015/16	2016/17
Extend coverage of consolidated account to include information on consolidated accounts and borrowing of all of general government Issue classification circulars and guidelines used by departments for transactional classification guidance Roll out South African Qualifications Authority accredited training programme on Standard Chart of Accounts (SCOA)						
Capital expenditure planning and evaluation	Improved quality of capital planning, leading to more efficient budget allocations and capital expenditure	Regulatory framework for capital projects and revised Treasury regulations		Extend regulatory framework to apply to municipalities	Extend regulatory framework to apply to state-owned companies	Monitor and refine where necessary
		Develop broad infrastructure planning course	Pilot new planning and appraisal system, and develop rollout plan	Extend rollout of planning and appraisal system	Monitor and refine where necessary	
		Refine existing generic planning guidelines	Develop practice manuals and begin developing sector-specific guidelines	Continue to develop sector-specific guidelines	Monitor and refine where necessary	
Long-term fiscal report and development of fiscal guidelines	Enhanced alignment of budget documentation to fiscal guidelines based on principles of countercyclicality, debt sustainability and intergenerational equity	Develop and publish long-term fiscal report in 2013, providing an overview of economic, demographic, revenue and expenditure trends to encourage public discussion and parliamentary oversight of fiscal commitments over next several decades		Review and engage with relevant stakeholders		
Official development assistance (ODA) resources aligned to government policies and priorities	Alignment of ODA funding decisions with the budget process	Support improvements of delivery in ODA-funded programmes and greater compliance with global commitments Enhance accountability for ODA receipts through improved monitoring and dissemination of information Align with global reform of ODA management and application of alternative funding models that support use of country systems to align ODA to budget		Use alternative funding models such as budget support and innovative funding Strengthen information systems and improve data integrity		

PROGRAMME 3: PUBLIC FINANCE AND BUDGET MANAGEMENT - cont

OUTPUTS AND TARGETS - continued

Strategic objective	Performance indicator	Previous year target	Current year target	Medium-term targets	2016/17
Deepen governance and accountability in public entities	Implement a governance and financial management monitoring and compliance system in public entities	2012/13	2013/14	2014/15	2015/16
Improved understanding of government remuneration policy and implications of wage settlements on public sector wage bill	Reports on remuneration analysis Effective communication of policy analysis and forecasting results	Broaden institutional budgeting, reporting and support to public entities (national and provincial) Assist entities with implementation of change management and improved business processes Review financial, human resource and administrative frameworks in public entities, including Treasury regulations Submit recommendations on frameworks applicable to public entities to Cabinet Help public entities to improve compliance and governance	Develop templates for periodic reports Develop cost-of-living allowance model Database for remuneration policy changes Monthly, quarterly and yearly remuneration reports Mandate Committee report Budget submission on remuneration issues Inputs to Budget Review , ENE and Budget Speech	Provide periodic reports, information and advice to stakeholders on implications of changes in remuneration policy and wage settlements to contribute to containing remuneration bill, effective service delivery and sustainable fiscus	
Provincial and local government budget framework, in line with fiscal framework and policy objectives	Timely publication and quality of Division of Revenue Bill and explanatory memorandum (Annexure W1)	Provincial and local government budget frameworks by September each year Division of Revenue Bill tabled on Budget day with no errors			
Review of equitable share formulas and structure of conditional grants	Funding gaps in existing formulas addressed	Data updates and technical revisions to provincial equitable share formula finalised by September	Use of new data sets from Census 2011 in provincial equitable share formulas	Data updates and technical revisions finalised by September each year	

PROGRAMME 3: PUBLIC FINANCE AND BUDGET MANAGEMENT - cont

OUTPUTS AND TARGETS - continued

Strategic objective	Performance indicator	Previous year target	Current year target	Medium-term targets	2015/16	2016/17
Sub-programme: Budget Office						
	Further revisions to local government equitable share formula and start longer-term review of formula	2012/13	2013/14	2014/15	2015/16	2016/17
			Introduce and phase in a new local government equitable share formula using new data sets from Census 2011	Continue phase-in of new formula	Implement new formula	
Sub-programme: Intergovernmental Relations						
			Review local government infrastructure conditional grant system based on 2011 Census results	Introduce initial reforms as part of phasing in new local government infrastructure conditional grant system	Continue phase-in of new formula (to be phased in over five years)	
Review of Municipal Fiscal Powers and Functions Act	Amendments to act that improve ease of implementation		Review municipal own-revenue sources	Draft amendments to act to support policy reforms	Amendments tabled in Parliament	Amendments to act approved
Develop programme to support cities to manage their built environment	Support improved infrastructure planning and management of built environment in cities	Finalise design of city support programme and pilot implementation	Implement cities support programme in eight metros			Implement phase 2 of cities support programme
					Review programme with view to expand beyond metros in phase 2	
	Support improved performance of infrastructure grants	Review performance of infrastructure grants to cities	Introduce city performance grant	Implement and manage city performance grant		

PROGRAMME 3: PUBLIC FINANCE AND BUDGET MANAGEMENT - cont

OUTPUTS AND TARGETS - continued

Strategic objective	Performance indicator	Previous year target	Current year target	Medium-term targets	2016/17
Facilitate and monitor infrastructure planning and delivery at provincial and local government	Improved performance in infrastructure delivery for cities	2012/13 Assess built environment plans for all metros	2013/14 Assess built environment plans for all metros and selected secondary cities	2014/15 Assess built environment plans for all metros and selected secondary cities Monitor feedback received	2015/16 Assess built environment plans for all metros and selected secondary cities Monitor feedback received
	Improved performance in infrastructure planning for selected provincial departments	2012/13 Selected provincial departments assisted to draft credible and costed infrastructure plans through deployment of support	2013/14 Assess all provincial education and health infrastructure plans and provide feedback to provincial treasuries		
	Improved monitoring for infrastructure delivery in provinces	2012/13 Design and pilot governance monitoring in infrastructure delivery provinces to monitor improvements in infrastructure delivery		2014/15 Implement governance monitoring system in four provinces	2015/16 Implement governance monitoring system in all provinces
Building capacity for effective, efficient and transparent processes for infrastructure delivery	Infrastructure delivery management (IDM) toolkit institutionalised in infrastructure delivery improvement programme departments	2012/13 High-level training on IDM toolkit conducted for all infrastructure delivery improvement programme departments	2013/14 Develop and pilot IDM programme course through higher education institution	2014/15 Develop and accredit IDM programme course through higher education institution	2015/16 Develop and pilot advanced IDM programme courses through higher education institution
Effective implementation of annual Division of Revenue Act and conditions stipulated for conditional grants	Number of workshops and training on Division of Revenue Act requirements	2012/13 Seven division of revenue workshops Two business planning training courses 400 officials trained	2013/14 Six division of revenue workshops each year		
Performance assessments for conditional grants programmes	Number of conditional grant programmes assessed and conditional grant performance annually	2012/13 Six conditional grant programmes comprehensively assessed	2013/14 Eight conditional grant programmes assessed 48 conditional grant performance reviewed	2014/15 10 conditional grant programmes assessed 48 conditional grant performance reviewed	2015/16 12 conditional grant programmes assessed 48 conditional grant performance reviewed
					2016/17 12 conditional grant programmes assessed 48 conditional grant performance reviewed

PROGRAMME 3: PUBLIC FINANCE AND BUDGET MANAGEMENT - cont

OUTPUTS AND TARGETS - continued

Strategic objective	Performance indicator	Previous year target	Current year target	Medium-term targets	2016/17
Sub-programme: Intergovernmental Relations					
Building capacity in provincial treasuries	Development and implementation of capacity-building programme for provincial treasuries	Develop draft blueprint per provincial treasury	Implement programme in all nine provinces		
	Number of provincial treasuries trained in budget assessment and in-year monitoring		Budget assessment and in-year monitoring workshops for all provinces	Train nine provincial treasuries in budget assessment and in-year monitoring	
Building budgetary capacity in provincial departments	Number of people trained on budget formulation and budget analysis courses	To be commissioned externally			
Roll out municipal budget and reporting regulations	Number of municipalities complying with new formats	Budgets of all 278 municipalities in accordance with formats	Budgets of all 278 municipalities in accordance with formats and focus on quality and narrative information		
Municipal budget assessment	Benchmark engagements with all municipalities		Assess budgets for all non-delegated municipalities to determine funding, credibility and sustainability	Conduct budget benchmark assessments for all municipalities between April and May of each year for non-delegated municipal (National Treasury) and delegated (provincial treasury) municipalities	Provincial treasuries to submit consolidated report on budget assessment for each municipality to National Treasury
Publication of municipal non-financial information	Annual publication of non-financial information with focus on quality and scope	Prepare and develop reporting formats	Publish non-financial information for 278 municipalities each year	Publish non-financial information for 278 municipalities each year, with focus on information quality to aid better policy decision-making	

PROGRAMME 3: PUBLIC FINANCE AND BUDGET MANAGEMENT - cont

OUTPUTS AND TARGETS - continued

Strategic objective	Performance indicator	Previous year target	Current year target	Medium-term targets	2015/16	2016/17
Funding compliance methodology implemented in line with sections 17 and 18 of Municipal Finance Management Act (MFMA)	Number of municipalities using methodology	2012/13 Apply to 17 non-delegated municipalities	2013/14 Provincial treasuries to oversee application of methodology to all other municipalities Provincial treasuries to submit consolidated report on funding compliance analysis and results for each municipality	2014/15	2015/16	2016/17
Mid-year budget and performance assessment in line with section 72 of MFMA	Number of municipalities assessed and corresponding reports sent to the municipalities	Conduct mid-year budget and performance assessments for all non-delegated municipalities by March	Conclude mid-year assessment for non-delegated municipalities by March each year Provincial treasuries to submit a consolidated report on mid-year performance assessment for each municipality			
Development of SCOA for municipalities	Project progress against plan	Regulating chart and implementation	Finalise SCOA regulations and conduct related legislative consultation process	Pilot in selected municipalities and finalise parallel systems research and development before implementation	Conduct training and implement SCOA in all municipalities	All 278 municipalities using SCOA
Publication of municipal non-financial information	Quarterly publication of non-financial information	Pilot performance reporting in metros	Revise service delivery and budget implementation plan formats Publish non-financial information for metros and 19 secondary cities			Publish non-financial information for 278 municipalities each year, focusing on quality and linking information to policy decisions
Municipal budget benchmarking engagement	Number of municipalities involved in mid-year benchmarking exercise	Assess budgets for all non-delegated municipalities to determine adequacy of funding, credibility and sustainability				
Monitoring of conditional grants	Number of municipalities correctly verifying their conditional grants expenditure	Apply to all 278 municipalities Monitor expenditure on conditional grants to ensure improved spending aligned to grant conditions				

PROGRAMME 3: PUBLIC FINANCE AND BUDGET MANAGEMENT - cont

OUTPUTS AND TARGETS - continued

Strategic objective	Performance indicator	Previous year target	Current year target	Medium-term targets	2015/16	2016/17
Sub-programme: Intergovernmental Relations						
Provincial and local government budgets and expenditure reviews	Publish provincial and local government budget reviews with focus on quality and scope	Publish provincial government budgets and expenditure review in August 2012	Publish provincial budgets and expenditure review in August 2013	Create and verify database for publication of provincial budgets and expenditure review	Publish provincial budgets and expenditure review in August 2015	Create and verify database for publication of provincial budgets and expenditure review
		Publish updated local government data in October 2012	Publish local government budgets and expenditure review by end of October 2013	Collect and verify database for publication of local government budgets and expenditure review	Publish local government budgets and expenditure review by end of August 2015	Collect and verify database for publication of local government budgets and expenditure review
Publication of provincial and local government expenditure reports in terms of Public Finance Management Act (section 32), MFMA (section 71) and Division of Revenue Act (section 44(3))	Timely and accurate reports	Publish provincial quarterly reports a month after quarter-end Publish municipal reports 45 days after each quarter-end	Publish provincial quarterly reports a month after quarter-end each year			
	Coverage and reliability of municipal and provincial information	Maintain coverage at 278 municipalities Improve reliability of data Maintain coverage of 120 departments in nine provinces	Maintain coverage at 278 municipalities each year Improve reliability of data each year			

PROGRAMME 3: PUBLIC FINANCE AND BUDGET MANAGEMENT - cont

QUARTERLY TARGETS FOR 2013/14

Performance indicator	Reporting period	Annual target	Quarterly targets			
		2013/14	Q 1 (Apr – Jun)	Q 2 (Jul – Sep)	Q 3 (Oct – Dec)	Q 4 (Jan – Mar)
Sub-programme: Programme Management						
Timely completion of budget documents Effective coordination of budget process	Annual	Publish October MTBPS and February Budget Budget framework consistent with government's fiscal policy guidelines and public expenditure priorities, with draft completed by end-September each year Division of revenue between national, provincial and local government aligned with budget framework and medium-term expenditure priorities, with draft completed by end-September	Preliminary overview of budget framework and expenditure issues	Prepare budget framework, MTEC recommendations and draft division of revenue	Publish October MTBPS	Publish February Budget
Sub-programme: Public Finance						
Departmental correspondence, reports and publications	Annually	Timely and relevant analysis and advice Selected expenditure reviews of sectoral programmes and public entities	Timely and relevant analysis and advice Initiate expenditure review work	Timely and relevant analysis and advice Expenditure reviews for MTEF and Ministers' Committee on the Budget	Timely and relevant analysis and advice	Timely and relevant analysis and advice
Monthly and quarterly monitoring of expenditure, analysis of expenditure trends	Quarterly	Complete quarterly expenditure reports within six weeks of quarter-end Phase in consolidated departmental and agency estimates and expenditure reports	Complete quarterly expenditure reports within six weeks of each quarter-end			

PROGRAMME 3: PUBLIC FINANCE AND BUDGET MANAGEMENT - cont

QUARTERLY TARGETS FOR 2013/14 - continued

Performance indicator	Reporting period	Annual target	Quarterly targets	Q 1 (Apr – Jun)	Q 2 (Jul – Sep)	Q 3 (Oct – Dec)	Q 4 (Jan – Mar)
Sub-programme: Public Finance							
Inputs on departmental budget submissions to MTEC. Estimates of National Expenditure chapters, with improved budget programme structures	Annually	Submit preliminary recommendations to MTEC based on prior consultation with departments Align budget submissions and recommendations with improved programme structure Phase in expenditure estimates and programme information for public entities as part of MTEC process Introduce longer-term expenditure estimates for selected programmes and entities	Preliminary review of departmental spending issues	Prepare MTEC reports	Departmental allocation letters	ENE chapters	
Social security policy framework and implementation road-map	Annually	Phased implementation of contributory social security reforms and retirement industry legislative amendments	Prepare social security report for publication	Consultation with social security stakeholders			
Capital projects analysis and advisory reports	Quarterly	Analyse, evaluate and monitor policy and financing recommendations of major infrastructure projects in energy and transport Develop guidelines and best practice analysis of infrastructure projects Develop funding mechanism for renewable energy Assist with review of tendering system's impact on infrastructure delivery	Complete energy pricing work and framework for biofuels subsidy	Issue guidelines and best practice notes for discussion Inputs for MTEC and 2014 Budget on capital projects	Analyse, evaluate and monitor policy and financing recommendations of major infrastructure projects		

PROGRAMME 3: PUBLIC FINANCE AND BUDGET MANAGEMENT - cont

QUARTERLY TARGETS FOR 2013/14 - continued

Performance indicator	Reporting period	Annual target	Quarterly targets			
			Q 1 (Apr – Jun)	Q 2 (Jul – Sep)	Q 3 (Oct – Dec)	Q 4 (Jan – Mar)
Sub-programme: Budget Office						
Number of national votes provided with allocations in line with government priorities and fiscal framework per year	Annually	38 votes		Baseline allocations	Allocation letters	Appropriation Bill
Allocations to other spheres of government in line with government priorities and fiscal framework per year	Annually	Provincial and local government		Preliminary framework	Division of revenue	Division of Revenue Bill
Number of budget documents designed, coordinated and published per year	Quarterly	ENE AENE Appropriation Bill Adjustments Appropriation Bill			AENE Adjustments Appropriation Bill	ENE Appropriation Bill
Budget documents and guidelines issued	Quarterly	MTBPS Budget Review MTEF, ENE, AENE guidelines		MTEF guideline	MTBPS	Budget Review
A well-coordinated budget process that government organisations participate in and are knowledgeable about	Annually	Coordinated budget process		Budget process plan and guidelines	MTEC programme	ENE preparation, Budget Review, budget finalisation
Public finance statistics presented according to function and economic classification for consolidated general government guidance to departments and entities on classification of revenue expenditure	Quarterly	Extend coverage of consolidated accounts to whole of general government issue classification circulars and guidelines Roll out South African Qualifications Authority accredited training programme on SCOA		Prepare baseline estimates	Issue classification circulars and guidelines used by departments for transactional classification guidance	Roll out training Consolidated accounts for MTEC and budget
Improved quality of capital planning leading to more efficient budget allocations and capital expenditure	Quarterly	Regulatory framework for capital projects		Capital project guidelines	Regulatory framework Review of capital projects	Input into MTEC and budget process
		Develop broad infrastructure planning course		Develop infrastructure course	Introduce infrastructure course	

PROGRAMME 3: PUBLIC FINANCE AND BUDGET MANAGEMENT - cont

QUARTERLY TARGETS FOR 2013/14 - continued

Performance indicator	Reporting period	Annual target	Quarterly targets	Q 1 (Apr – Jun)	Q 2 (Jul – Sep)	Q 3 (Oct – Dec)	Q 4 (Jan – Mar)
Sub-programme: Budget Office							
Enhanced alignment of budget documentation to fiscal guidelines based on principles of countercyclicality, debt sustainability and intergenerational equity	Annually	Long-term report should provide overview of economic, demographic, revenue and expenditure trends to encourage public discussion and parliamentary oversight of social commitments and long-term costs of programmes	Prepare long-term report for publication	Revision and consultation	Input into 2014 Budget process	Input into 2014 Budget	Input into 2014 Budget
Alignment of ODA funding decisions with budget process	Annually	Support improvements of delivery in ODA-funded programmes and greater compliance with global commitments Enhance accountability for ODA receipts through improved monitoring and dissemination of information	Improve ODA compliance and reporting	ODA inputs into budget process	Improve ODA compliance and reporting	Improve ODA compliance and reporting	Improve ODA compliance and reporting
Implement governance and financial management monitoring and compliance system in public entities	Annually	Broaden institutional budgeting, reporting and support to public entities (national and provincial) Assist entities with change management and improved business processes Assist public entities to improve compliance and governance	Improve ODA compliance and reporting	Review financial, human resource and administrative frameworks in public entities including Treasury regulations	Submit recommendations to Cabinet on frameworks applicable to public entities	Submit recommendations to Cabinet on frameworks applicable to public entities	Submit recommendations to Cabinet on frameworks applicable to public entities
Reports on remuneration analysis	Annually	Templates for periodic reports Cost-of-living allowance model Database for remuneration policy changes Monthly, quarterly and yearly remuneration reports Mandated Committee report Inputs to Budget Review, ENE and Budget Speech	Template for periodic reports	Prepare inputs for annual budget process	Analyse remuneration issues for 2014 Budget	Analyse remuneration issues for 2014 Budget	Inputs for 2014 Budget

PROGRAMME 3: PUBLIC FINANCE AND BUDGET MANAGEMENT - cont

QUARTERLY TARGETS FOR 2013/14 - continued

Performance indicator	Reporting period	Annual target	Quarterly targets			
			Q 1 (Apr – Jun)	Q 2 (Jul – Sep)	Q 3 (Oct – Dec)	Q 4 (Jan – Mar)
Sub-programme: Intergovernmental Relations						
Provincial and local government budget frameworks	Annually	Provincial and local government frameworks by September each year 2013/14			Send preliminary provincial allocation letters for 2014 MTEF to provincial treasuries Table provincial and local government fiscal frameworks for 2014 MTEF as part of 2014 Budget	Send final provincial allocation letters for 2014 MTEF to provincial treasuries Table provincial and local government fiscal frameworks for 2014 MTEF as part of 2014 Budget
Timely publication and quality of Division of Revenue Bill and explanatory memorandum (Annexure W1) and Division of Revenue Amendment Bill	Semiannually	Provincial and local government frameworks by September each year Table Division of Revenue Bill on Budget day with no errors Table Division of Revenue Amendment Bill with 2013 MTBPS with no errors	Gazette local government allocations and conditional grant frameworks for 2013 act within 14 days of approval		Table 2013 Division of Revenue Amendment Bill with 2013 MTBPS	Table 2014 Division of Revenue Bill and supporting documentation on 2014 Budget Day
Funding gaps in existing formulas addressed	Annually	Annual update of provincial equitable share formula Annual update of local government equitable share formula	Obtain and analyse updated data for provincial equitable share formula	Update provincial equitable share formula	Present updated provincial equitable share allocations for 2014 MTEF to Budget Council	Present updated provincial equitable share allocations for 2014 MTEF to Budget Council
			Approve project outline for review Meeting with relevant stakeholders		Obtain and analyse updated data for local government equitable share formula	Obtain and analyse updated data for local government equitable share formula
		Review local government infrastructure conditional grant system to improve its efficacy			Table initial report on review outcome at 2013 Budget Forum	Introduce initial reforms to local government infrastructure conditional grant system as part of 2014 budget

PROGRAMME 3: PUBLIC FINANCE AND BUDGET MANAGEMENT - cont

QUARTERLY TARGETS FOR 2013/14 - continued

Performance indicator	Reporting period	Annual target	Quarterly targets			
		2013/14	Q 1 (Apr – Jun)	Q 2 (Jul – Sep)	Q 3 (Oct – Dec)	Q 4 (Jan – Mar)
Sub-programme: Intergovernmental Relations						
Amendments to act to support reforms to municipal own revenues and ease of implementation of act	Annually	Review municipal own-revenue sources	Approve terms of reference for review of municipal own revenues	Consult with relevant stakeholders to action tasks in terms of reference		Approve draft report with initial reforms on municipal own revenues
Support improved infrastructure planning and management of built environment in cities Support improved performance of infrastructure grants	Semiannually	Implement cities support programme in eight metros	Complete built environment performance indicators and baseline survey in all eight metros	Prepare cities support programme participation agreements for eight metros	City leadership course on public transport and spatial planning	Identify integration zones for focusing public interventions and leveraging spatial impacts and private investment in the cities
	Semiannually	Implement planning phase of integrated city development grant	Finalise grant guidelines	Formal council agreement for participation	Identify sub-metropolitan integration zones	Draft guidelines for second phase of grant implementation
Improved performance in infrastructure delivery for cities	Annually	Assess built environment performance plans for all metros	Assess final built environment performance plans in May 2013 Municipal benchmark exercise	Engage with metros through quarterly provincial and municipal delivery performance reviews	Engage with metros through quarterly provincial and municipal delivery performance reviews	Mid-year budget assessment visits
Improved performance in infrastructure delivery for selected provincial departments	Semiannually	Assess all education and health provincial infrastructure plans and provide feedback to provincial treasuries		Assess user asset management plans for all education and health departments		Assess infrastructure programme management plans for all education and health departments
Capacity building in provincial treasuries	Quarterly	Budget assessment and in-year monitoring workshops per province Verify all information for various publications and reports	Conduct assessment training for all nine provincial treasuries Workshop MFMA budget circular	Provide guidance and advice and participate in local government forums and committees as convened at provincial level in Q2, Q3 and Q4		

PROGRAMME 3: PUBLIC FINANCE AND BUDGET MANAGEMENT - cont

QUARTERLY TARGETS FOR 2013/14 - continued

Performance indicator	Reporting period	Annual target	Quarterly targets	Q 1 (Apr – Jun)	Q 2 (Jul – Sep)	Q 3 (Oct – Dec)	Q 4 (Jan – Mar)
IDM toolkit is institutionalised in infrastructure delivery improvement programme departments	Quarterly	2013/14 All infrastructure delivery improvement programme departments implement principles of IDM toolkit	Three infrastructure delivery improvement programme departments implement principles of IDM toolkit	Five infrastructure delivery improvement programme departments implement principles of IDM toolkit	Seven infrastructure delivery improvement programme departments implement principles of IDM toolkit	All infrastructure delivery improvement programme departments implement principles of IDM toolkit	Six division of revenue workshops
Number of workshops and courses in terms of compliance to annual Division of Revenue Act as it relates to conditional grants	Annually	Six division of revenue workshops					
Number of conditional grant programmes assessed	Annually	Eight conditional grant programmes assessed	12	12	12	12	12
Number of conditional grant performance reviewed per quarter	Quarterly	48					
Number of sector-specific performance data published on National Treasury website	Quarterly	Three sectors (health, social development and agriculture)	Three sectors (health, social development and agriculture)				
Publication of timely and accurate reports	Quarterly	Four reports published a month after quarter-end	Three sectors (health, social development and agriculture)				
Number of municipalities complying with municipal budget benchmarking formats	Annually	Budgets for all 278 municipalities in accordance with formats and focus on quality and narrative information	Compliance assessment of all 278 municipalities draft budgets	System compliance assessment of all 278 municipalities adopted budgets			
Benchmark engagements with all municipalities	Annually	Assess budgets for all non-delegated municipalities to determine adequacy of funding, credibility and sustainability	Conduct budget benchmark assessments for all municipalities between April and May of each year for non-delegated (National Treasury) and delegated (provincial treasuries) municipalities	Provincial treasuries to submit consolidated report on budget assessment for each municipality to National Treasury			

PROGRAMME 3: PUBLIC FINANCE AND BUDGET MANAGEMENT - cont

QUARTERLY TARGETS FOR 2013/14 - continued

Performance indicator	Reporting period	Annual target	Quarterly targets	Q 1 (Apr – Jun)	Q 2 (Jul – Sep)	Q 3 (Oct – Dec)	Q 4 (Jan – Mar)
Sub-programme: Intergovernmental Relations							
Funding compliance methodology implemented in line with sections 17 and 18 of MFMA	Annually	Apply to 17 non-delegated municipalities and oversee application of methodology to all other municipalities by provincial treasuries	17 non-delegated municipalities with funded budgets pass funding compliance test				Follow through on recommendations arising from funding compliance assessment
Number of municipalities assessed in line with section 72 of MFMA – mid-year budget and financial assessment visits	Annually	Mid-year budget and performance assessments conducted for all municipalities between February and March of each year for non-delegated (National Treasury) and delegated (provincial treasuries) Provincial treasuries submit consolidated report on mid-year performance assessment for each municipality					Perform 2013/14 Mid-Year Budget and Financial Performance Assessment for the 17 non-delegated municipalities
Project progress on development of SCOA	Annually	Finalise SCOA regulations and conduct related legislative consultations process	Finalise and publish SCOA regulations	Formal consultations of SCOA regulations and district-wide road shows Identify pilot municipalities to participate in rollout of SCOA Consider inputs from formal public consultations and conclude final regulations	Issue requests for proposals for systems solution Enact SCOA regulations		Engage pilot municipalities as part of implementation process
Quarterly publication of non-financial information with focus on quality and scope	Quarterly	Revise service delivery and budget implementation plan formats Publish non-financial information for metros and 19 secondary cities	Eight metros and 19 secondary cities to submit quarterly reports				Eight metros submit quarterly reports

PROGRAMME 3: PUBLIC FINANCE AND BUDGET MANAGEMENT - cont

QUARTERLY TARGETS FOR 2013/14 - continued

Performance indicator	Reporting period	Annual target	Quarterly targets	Q 2 (Jul – Sep)	Q 3 (Oct – Dec)	Q 4 (Jan – Mar)
Number of municipalities involved in municipal budget benchmarking engagement	Annually	2013/14	Q 1 (Apr – Jun) Perform 2013/14 municipal budget benchmark exercise for 17 non-delegated municipalities	Final editing and publication of 2013 local government budgets and expenditure review	Table in Parliament and launch in provinces	Publish 2nd quarter performance results on 25 February 2014
Publish local government budgets and expenditure review	Semiannually	Publish local government budgets and expenditure review by end of August 2013	Complete first drafts of chapters and initial round of editing	Publish 4th Quarter performance results on 26 August 2013	Publish 1st quarter performance results on 25 November 2013	
Publish section 71 reports in line with MFMA	Quarterly	Maintain coverage at 278 municipalities Improve data reliability	Publish 3rd quarter performance results on 27 May 2013			

PROGRAMME 3: PUBLIC FINANCE AND BUDGET MANAGEMENT - cont

EXPENDITURE ESTIMATES

Subprogrammes	Audited Outcome			Adjusted Appropriation	Medium-term expenditure estimate		
	2009/10	2010/11	2011/12		2013/14	2014/15	2015/16
R million							
Programme Management for Public Finance and Budget Management	162	122	146	45,1	22,7	24,2	25,2
Public Finance	39,1	46,1	58,4	64,0	72,1	75,5	77,9
Budget Office and Coordination	32,8	36,1	42,3	52,4	61,6	63,5	66,2
Intergovernmental Relations	30,7	34,4	48,1	48,7	57,2	58,0	59,9
Financial and Fiscal Commission	26,6	31,4	33,0	37,3	38,8	39,5	40,9
Total	145,4	160,3	196,4	247,3	252,3	260,8	270,2
Change to 2012 Budget Estimate	-	-	-	19,8	10,2	6,1	3,8
Economic classification							
Current payments	116,6	128,1	160,5	208,1	212,3	220,1	228,0
Compensation of employees	91,8	109,6	130,8	148,3	172,8	182,2	191,0
Goods and services	24,8	18,5	29,7	59,8	39,5	37,9	37,0
of which:							
Computer services	0,7	0,3	0,6	0,5	1,4	1,1	1,0
Consultants and professional services: Business and advisory services	8,3	4,7	12,1	38,8	16,8	14,2	11,7
Operating leases	0,3	0,2	0,2	0,4	0,4	0,4	0,4
Travel and subsistence	4,6	4,5	7,4	7,4	7,4	7,5	7,6
Transfers and subsidies	27,8	31,4	35,3	37,4	38,8	39,5	40,9
Departmental agencies and accounts	26,6	31,4	35,0	37,3	38,8	39,5	40,9
Higher education institutions	0,5	-	-	-	-	-	-
Households	0,8	-	0,3	0,2	-	-	-
Payments for capital assets	0,9	0,8	0,6	1,8	1,2	1,2	1,3
Machinery and equipment	0,9	0,8	0,6	1,8	1,2	1,2	1,3
Payments for financial assets	0,0	0,0	0,0	-	-	-	-
Total	145,4	160,3	196,4	247,3	252,3	260,8	270,2

PROGRAMME 3: PUBLIC FINANCE AND BUDGET MANAGEMENT - cont

DETAIL OF TRANSFERS AND SUBSIDIES	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16
Recipient	Audited outcome	Audited outcome	Audited outcome	Adjusted Appropriation	Revised Baseline	Revised Baseline	Revised Baseline
R million							
Details of selected transfers and subsidies							
Departmental agencies and accounts							
Financial and Fiscal Commission	26.6	31.4	33.0	37.3	38.8	39.5	40.9
South African Local Government Association	-	-	2.0	-	-	-	-

EXPENDITURE TRENDS

The spending focus over the medium term will be on building capacity within the programme, mainly at the senior management level to provide better support to the national, provincial and local spheres of government with regard to financial management, including budgeting and expenditure management. In support of programme objectives, medium term outputs will include the technical implementation support to cities and relevant national departments as part of the rollout of the cities support programme aimed at enabling cities to manage their built environment and ensuring that all member departments of the infrastructure development improvement programme implement the principles of the infrastructure delivery management toolkit. The Public Finance, Budget Office and Coordination and Intergovernmental Relations subprogrammes together account for more than 70 per cent of this programme's expenditure and budget allocations, with more than 80 per cent of that budget allocated to spending on compensation of employees and goods and services, mainly for consultants, stationery and printing, and travel and subsistence.

Over the medium term, spending on compensation of employees is expected to increase by R42.7 million to provide for improved conditions of service and increases in filled positions to support the three spheres of government. Over the same period, spending on goods and services is expected to decrease by R22.8 million, mainly because of a R26.3 million reduction in spending on consultants as a result of the anticipated completion of the section 100 interventions.

PROGRAMME 4: ASSET AND LIABILITY MANAGEMENT

OUTPUTS AND TARGETS

Strategic objective	Performance indicator	Previous year target	Current year target	Medium-term targets		
		2012/13	2013/14	2014/15	2015/16	2016/17
Sub-programme: Oversight and Governance of State-owned Enterprises						
Exercise oversight over state-owned enterprises to enable the achievement of government policy objectives in a financially sustainable manner	Analysis of corporate plans, shareholder compacts and annual reports of state-owned companies (SOCs), development finance institutions (DFIs) and Water Boards	Complete reports on analysis of corporate plans, shareholder compacts and annual reports of 46 SOCs, DFIs and Water Boards	<ul style="list-style-type: none"> Analyse and submit reports annually on all corporate plans, shareholder compacts and annual reports of SOCs, DFIs and Water Boards Review annual reports of public enterprises reporting to National Treasury – Public Investment Corporation (PIC), South African Special Risks Insurance Association (SASRIA), Development Bank of Southern Africa (DBSA) and Land Bank – and prepare for submission to Parliament 			
	Monitoring and reporting of infrastructure spending and borrowing by SOCs, DFIs and Water Boards	Submit quarterly report on SOCs, DFIs and Water Board infrastructure spending and borrowing	Submit quarterly report on SOCs, DFIs and Water Board infrastructure spending and borrowing			
Strengthening regulatory environment and oversight of SOCs, Water Boards and DFIs	Report on compliance of major SOCs, DFIs and Water Boards to Public Finance Management Act (PFMA), Companies Act, King III Code and Treasury regulations	Report on compliance of major SOCs, DFIs and Water Boards to Public Finance Management Act (PFMA), Companies Act, King III Code and Treasury regulations	Finalise memorandum of incorporation for PIC and SASRIA and facilitate applications for exemptions for DBSA and Land Bank before 30 April 2013	Strengthen regulatory environment and oversight of SOCs, Water Boards and DFIs	Report on compliance of major SOCs, DFIs and Water Boards to PFMA, Companies Act, King III Code and Treasury regulations	
	Review of PFMA submissions and applications for guarantees, funding, borrowing limits and Municipal Finance Management Act (MFMA) tariff increases	Review all PFMA submissions and applications for guarantees, funding, borrowing limits and respond to MFMA section 42 water and electricity tariff applications	<ul style="list-style-type: none"> Annually report on remuneration of SOCs, DFIs and Water Board in terms of King III Report on Corporate Governance and Remuneration Guidelines Amendment of Treasury regulations pertaining to SOCs Water Boards and DFIs to strengthen regulatory oversight Compile submission on PFMA section 54(2) applications from SOCs, DFIs and Water Boards within 30 days of receipt of comprehensive information Compile submission on guarantee and borrowing limit applications from SOCs in stipulated timeframes Compile submission on funding requests from SOCs in stipulated timeframes Compile submission on MFMA section 42 applications for amendments to water and electricity tariffs within 40 working days of application receipt 			

PROGRAMME 4: ASSET AND LIABILITY MANAGEMENT - cont

OUTPUTS AND TARGETS - continued

Strategic objective	Performance indicator	Previous year target 2012/13	Current year target 2013/14	Medium-term targets		
				2014/15	2015/16	2016/17
	Reporting on landscape of provincial DFIs and compilation of coordinated development finance policy framework for all DFIs	Report on desktop assessment of landscape and financial positions of eight provincial DFIs	Complete report on review of provincial DFIs	Implement recommendation subject to Cabinet approval		
				Review existing development finance policy to achieve enhanced coordination and submit to Cabinet		
	Updating and review of treasury management policies of SOCs, DFIs and Water Boards	<ul style="list-style-type: none"> Review process of establishing new treasury operations of two SOCs Facilitate bringing one outsourced treasury division of an SOC in-house Monitor adherence by 19 SOCs to Treasury review report 	<ul style="list-style-type: none"> Annually review and update guideline statements on Treasury best practice Annually report on adherence to guidelines 			
	Monitoring of guarantees provided to SOCs					<ul style="list-style-type: none"> Report quarterly on guarantees provided to Eskom, South African Broadcasting Corporation (SABC), Denel, South African Airways (SAA), South African Express Airways (SAX), South African National Roads Agency Limited (SANRAL) and Autopax Provide an annual report to Cabinet on status of government's contingent liabilities
	Influencing legislation, policy, regulations and sector and SOC strategies, drawing on industry and sector research	Research reports on key issues relating to public enterprises (regulation and administered prices, industry structure, sector policies, sector trends, infrastructure requirements, regional integration and financing) as required				Analyse and compile submissions on amendments to legislation, policies, regulations and strategies related to SOCs (focusing on broadband, electricity, rail, aviation, water and defence sectors)

PROGRAMME 4: ASSET AND LIABILITY MANAGEMENT - cont

OUTPUTS AND TARGETS - continued

Strategic objective	Performance indicator	Previous year target	Current year target	Medium-term targets		
		2012/13	2013/14	2014/15	2015/16	2016/17
Sub-programme: Government Debt Management						
Optimal debt management and funding of government borrowing requirement	Annual total government borrowing needs met	Gross issuance of R219.2 billion	Gross issuance of R215.5 billion	Gross issuance of R211.7 billion	Gross issuance of R182.9 billion	Meet government's borrowing requirement
	Active debt management		Switch R11.9 billion	No switch planned	No switch planned	
	Ensure timely and accurate payment of interest and redemptions	<ul style="list-style-type: none"> Pay R131.3 billion Figures include Treasury bonds (TBs) 	<ul style="list-style-type: none"> Pay R137.2 billion Figures include TBs 	<ul style="list-style-type: none"> Pay R153.3 billion Figures include TBs 	<ul style="list-style-type: none"> Pay R149.2 billion 	
	Diversification of funding instruments	Issue 75% in fixed rate debt and 25% in inflation-linked bonds (ILBs)	Issue 77% in fixed rate debt and 23% in ILBs	Issue 78% in fixed rate debt and 22% in ILBs	Issue 80% in fixed rate debt and 20% in ILBs	
	Retain current investors and attract new ones	Conduct two domestic and two foreign road shows	Conduct two domestic and two foreign road shows	Conduct two domestic and two foreign road shows		
Sub-programme: Financial Operations						
Ensure sound management of government's cash resources	Government's liquidity requirements met every time	Forecast of daily and medium-term cash flows totalling R3.1 trillion	Forecasting of daily and medium-term cash flows totalling R3.4 trillion	Forecasting of daily and medium-term cash flows totalling R3.6 trillion	Forecasting of daily and medium-term cash flows totalling R3.8 trillion	Forecasting of daily and medium-term cash flows
	Investment of surplus cash at market-related returns	<ul style="list-style-type: none"> Quarterly analysis and review of investment returns Ongoing adherence to investment benchmarks 	<ul style="list-style-type: none"> Quarterly analysis and review of investment returns Ongoing adherence to investment benchmarks 	<ul style="list-style-type: none"> Quarterly analysis and review of investment returns Ongoing adherence to investment benchmarks 	<ul style="list-style-type: none"> Quarterly analysis and review of investment returns Ongoing adherence to investment benchmarks 	
	Optimal use of public-sector cash	Sufficient pool of public-sector surplus cash accessible for bridging finance by national and provincial governments at lower rates than commercial banks	Sufficient pool of public-sector surplus cash accessible for bridging finance by national and provincial governments at lower rates than commercial banks	Sufficient pool of public-sector surplus cash accessible for bridging finance by national and provincial governments at lower rates than commercial banks	Sufficient pool of public-sector surplus cash accessible for bridging finance by national and provincial governments at lower rates than commercial banks	Sufficient pool of public-sector surplus cash accessible for bridging finance by national and provincial governments at lower rates than commercial banks

PROGRAMME 4: ASSET AND LIABILITY MANAGEMENT - cont

OUTPUTS AND TARGETS - continued

Strategic objective	Performance indicator	Previous year target	Current year target	Medium-term targets		
		2012/13	2013/14	2014/15	2015/16	2016/17
	Timely and accurate reporting on national government debt operations	<ul style="list-style-type: none"> Compile annual financial information as required by PFMA by 31 May Monthly dissemination of information to the public, financial markets and international institutions 	<ul style="list-style-type: none"> Compile annual financial information as required by PFMA by 31 May Monthly dissemination of information to the public, financial markets and international institutions 	<ul style="list-style-type: none"> Compile annual financial information as required by PFMA by 31 May Monthly dissemination of information to the public, financial markets and international institutions 	<ul style="list-style-type: none"> Compile annual financial information as required by PFMA by 31 May Monthly dissemination of information to the public, financial markets and international institutions 	<ul style="list-style-type: none"> Compile annual financial information as required by PFMA by 31 May Monthly dissemination of information to the public, financial markets and international institutions
	Maintenance and development of debt and debt-services cost forecasting model	Implement Commonwealth's public debt analytical tool	Test and implement Commonwealth's public debt analytical tool	Forecast debt and debt-service cost using Commonwealth's public debt analytical tool		
	Reliable, automated and integrated systems to be implemented	Implement retail bonds module on new treasury management system (new retail bond products)	Implement retail bonds module (migrate and archive domestic debt data off mainframe)	Fully implement retail bond and money market modules of treasury management system (decommission mainframe applications)		
		Implement new interfaces for retail bonds website and correspondence module to new treasury management system retail bonds module	Prepare specifications for Programme 4's information communication technology (ICT) solution requirements (related to Programme 1 objective: Business aligned technologies and solutions deployed)	Implement solutions according to business priorities and available resources		
		Finalise systems requirements for consolidating public sector debt for reporting to World Bank				

PROGRAMME 4: ASSET AND LIABILITY MANAGEMENT - cont

OUTPUTS AND TARGETS - continued

Strategic objective	Performance indicator	Previous year target	Current year target	Medium-term targets		
		2012/13	2013/14	2014/15	2015/16	2016/17
Sub-programme: Financial Operations						
		Implement improved operational controls	Contribute to and align with consolidated departmental ICT governance framework (related to Programme 1 strategic objective: Effective ICT governance)			Contribute to and align with consolidated departmental ICT governance framework (related to Programme 1 strategic objective: Effective ICT governance)
Sub-programme: Strategy and Risk Management						
Minimise and mitigate risks emanating from government's fiscal obligations	<ul style="list-style-type: none"> Performance against benchmarks: <ul style="list-style-type: none"> Non-fixed rate versus fixed rate debt Foreign debt versus domestic debt Address refinancing risk in government's debt portfolio 	<ul style="list-style-type: none"> Implement, monitor and review strategic benchmarks of 70/30 fixed versus non-fixed rate domestic debt and 20% maximum foreign debt exposure as a percentage of total debt Review performance against benchmarks (including cost-at-risk) quarterly and annually 	<ul style="list-style-type: none"> Implement, monitor and review strategic benchmarks of 70/30 fixed versus non-fixed rate domestic debt and 20% maximum foreign debt exposure as a percentage of total debt Review performance against benchmarks (including cost-at-risk) quarterly and annually 	<ul style="list-style-type: none"> Implement, monitor and review strategic benchmarks of 70/30 fixed versus non-fixed rate domestic debt and 20% maximum foreign debt exposure as a percentage of total debt Review performance against benchmarks (including cost-at-risk) quarterly and annually 		<ul style="list-style-type: none"> Implement, monitor and review strategic benchmarks of 70/30 fixed versus non-fixed rate domestic debt and 20% maximum foreign debt exposure as a percentage of total debt Review performance against benchmarks (including cost-at-risk) quarterly and annually
	Setting and adherence to surplus cash benchmark investment ratios and total limits per counterparty	<ul style="list-style-type: none"> Produce semiannual report on exposure of government to counterparties and review of investment ratios and limits per counterparty Produce quarterly reports on adherence to ratios and limits Produce annual report on settlement risk exposure to primary dealers 	<ul style="list-style-type: none"> Produce semiannual reports on exposure of government to counterparties and review of investment ratios and limits per counterparty Produce quarterly reports on adherence to ratios and limits Produce annual reports on settlement risk exposure to primary dealers 	<ul style="list-style-type: none"> Produce semiannual reports on exposure of government to counterparties and review of investment ratios and limits per counterparty Produce quarterly reports on adherence to ratios and limits Produce annual reports on settlement risk exposure to primary dealers 		<ul style="list-style-type: none"> Produce semiannual reports on exposure of government to counterparties and review of investment ratios and limits per counterparty Produce quarterly reports on adherence to ratios and limits Produce annual reports on settlement risk exposure to primary dealers

PROGRAMME 4: ASSET AND LIABILITY MANAGEMENT - cont

OUTPUTS AND TARGETS - continued

Strategic objective	Performance indicator	Previous year target	Current year target	Medium-term targets		
		2012/13	2013/14	2014/15	2015/16	2016/17
	Management of sovereign risk rating process	<ul style="list-style-type: none"> Monthly sovereign risk highlights report Organise and manage sovereign rating review process (Standard & Poor's, Fitch, Moody's and Rating & Information Rating Agency) 	<ul style="list-style-type: none"> Monthly sovereign risk highlights report Organise and manage sovereign rating review process (Standard & Poor's, Fitch, Moody's and Rating & Information Rating Agency) 	<ul style="list-style-type: none"> Monthly sovereign risk highlights report Organise and manage sovereign rating review process (Standard & Poor's, Fitch, Moody's and Rating & Information Rating Agency) 		
	Capping total government debt, provisions plus contingent liabilities at sustainable levels and improving quality of exposure	<ul style="list-style-type: none"> Produce quarterly report to Fiscal Liabilities Committee (FLC) on performance against benchmark of net government debt, provisions and contingent liabilities as a percentage of GDP Produce annual report on quality of government's contingent liability exposure Produce quarterly report on exposure to public-private partnerships (PPP) projects and possible impact on fiscus 	<ul style="list-style-type: none"> Produce quarterly report to FLC on performance against benchmark of net government debt, provisions and contingent liabilities as a percentage of GDP Produce annual report on quality of government's contingent liability exposure Produce quarterly report on exposure to PPP projects and possible impact on fiscus 			

PROGRAMME 4: ASSET AND LIABILITY MANAGEMENT - cont

QUARTERLY TARGETS FOR 2013/14

Performance indicator	Reporting period	Annual target	Quarterly targets	Q1 (Apr – Jun)	Q2 (Jul – Sep)	Q3 (Oct – Dec)	Q4 (Jan – Mar)
Sub-programme: Oversight and Governance of State-owned Enterprises							
Analysis of corporate plans, shareholder compacts and annual reports of SOCs, DFIs and Water Boards	Annually	Analyse and submit reports on all corporate plans, shareholder compacts and annual reports of SOCs, DFIs and Water Boards	Analyse all corporate plans and shareholder compacts of SOCs, DFIs and Water Boards	Finalise corporate plan review memo on SOCs, DFIs and Water Boards	Finalise framework of publication	Analyse and submit reports on all corporate plans, shareholder compacts and annual reports of SOCs, DFIs and Water Boards	Submit publication on status of SOCs, DFIs and Water Boards
Monitoring and reporting of infrastructure spending and borrowing by SOCs, DFIs and Water Boards	Quarterly	Publish a report on financial and policy status of SOCs, Water Boards and DFIs	Report on infrastructure spending and borrowing by SOCs, DFIs and Water Boards	<ul style="list-style-type: none"> Report on infrastructure spending and borrowing by SOCs, DFIs and Water Boards Report weekly on capital market and funding activities of SOCs and DFIs Host quarterly public sector borrower forums 	<ul style="list-style-type: none"> Report on infrastructure spending and borrowing by SOCs, DFIs and Water Boards Report weekly on capital market and funding activities of SOCs and DFIs Host quarterly public sector borrower forums 	<ul style="list-style-type: none"> Report on infrastructure spending and borrowing by SOCs, DFIs and Water Boards Report weekly on capital market and funding activities of SOCs and DFIs Host quarterly public sector borrower forums 	<ul style="list-style-type: none"> Report on infrastructure spending and borrowing by SOCs, DFIs and Water Boards Report weekly on capital market and funding activities of SOCs and DFIs Host quarterly public sector borrower forums
Strengthening regulatory environment and oversight of SOCs, Water Boards and DFIs	Annually	Monitor compliance with PFMA, King III and SOC remuneration standards	<ul style="list-style-type: none"> Coordinate and publish SOC and DFI capital market auction calendar by 1 April 2013 Finalise memorandum of incorporation for PIC and SASRIA and facilitate applications for exemptions for DBSA and Land Bank before 30 April 2013 Provide inputs to OAG on amendment of Treasury regulations pertaining to SOCs, Water Boards and DFIs 	<ul style="list-style-type: none"> Compile remuneration data for schedule 2 SOCs, DFIs as well as PIC and SASRIA 	<ul style="list-style-type: none"> Submit annual report on remuneration of SOCs and DFIs in terms of King III remuneration and remuneration guidelines Compile remuneration data for Water Boards 	<ul style="list-style-type: none"> Submit annual report on remuneration data for Water Boards in terms of King III remuneration guidelines 	<ul style="list-style-type: none"> Submit annual report on remuneration data for Water Boards in terms of King III remuneration guidelines

PROGRAMME 4: ASSET AND LIABILITY MANAGEMENT - cont

QUARTERLY TARGETS FOR 2013/14 - continued

Performance indicator	Reporting period	Annual target	Quarterly targets	Q1 (Apr – Jun)	Q2 (Jul – Sep)	Q3 (Oct – Dec)	Q4 (Jan – Mar)
Review of PFMA submissions and applications for guarantees, funding, borrowing limits and MFMA tariff increases	Continuously	2013/14 <ul style="list-style-type: none"> Complete submission on PFMA section 54(2) applications from SOCs, DFIs and Water Boards within 30 days of receipt of comprehensive information Complete submission on guarantee and borrowing limit applications from SOCs in stipulated timeframes Complete submission on funding requests from SOCs in stipulated timeframes Complete submission on MFMA section 42 applications for amendments to water and electricity tariffs within 40 working days of application receipt 	<ul style="list-style-type: none"> Compile submissions on PFMA, guarantee and borrowing limit applications received Compile submissions on funding requests from SOCs 	<ul style="list-style-type: none"> Compile submissions on PFMA, guarantee and borrowing limit applications received 	<ul style="list-style-type: none"> Compile submissions on PFMA, guarantee and borrowing limit applications received Compile submission on MFMA section 42 applications for amendments to water board tariffs 	<ul style="list-style-type: none"> Compile submissions on PFMA, guarantee and borrowing limit applications received Compile submission on MFMA section 42 applications for amendments to water board tariffs 	<ul style="list-style-type: none"> Compile submissions on PFMA, guarantee and borrowing limit applications received Compile submission on MFMA section 42 applications for amendments to water board tariffs
Reporting on landscape of provincial DFIs and compiling coordinated development finance policy framework for all DFIs	Annually	<ul style="list-style-type: none"> Complete report on Review of the Provincial Development Finance Institutions and submit recommendations to Cabinet (subject to Cabinet approval) Review current development finance policy to achieve enhanced coordination and submit findings and recommendations to Cabinet for approval 	<ul style="list-style-type: none"> Submit terms of reference for Review of the Provincial Development Finance Institutions to Cabinet for approval 	<ul style="list-style-type: none"> Complete consultations with provincial DFIs and other relevant stakeholders (including research, interviews and data gathering) 	<ul style="list-style-type: none"> Analyse and interpret data for first draft report (preliminary findings and recommendations) 	<ul style="list-style-type: none"> Submit report on Review of the Provincial Development Finance Institutions 	<ul style="list-style-type: none"> Consult internal stakeholders to review the current development finance policy for national and provincial DFIs

PROGRAMME 4: ASSET AND LIABILITY MANAGEMENT - cont

QUARTERLY TARGETS FOR 2013/14 - continued

Performance indicator	Reporting period	Annual target	Quarterly targets			
		2013/14	Q1 (Apr – Jun)	Q2 (Jul – Sep)	Q3 (Oct – Dec)	Q4 (Jan – Mar)
Sub-programme: Oversight and Governance of State-owned Enterprises						
Update and review of treasury management policies of SOCs, DFIs and Water Boards	Quarterly	Report on compliance to PFMA, and guideline statements on treasury best practice	Report on compliance to PFMA, and guideline statements on treasury best practice			
Monitoring of guarantees provided to SOCs	Annually	<ul style="list-style-type: none"> Report quarterly on guarantees provided to Eskom, SABC, Denel, SAA, SAX, SANRAL and Autopax Provide an annual report to Cabinet on status of government's contingent liabilities 	Report on guarantees provided to Eskom, SABC, Denel, SAA, SAX, SANRAL and Autopax	<ul style="list-style-type: none"> Report on guarantees provided to Eskom, SABC, Denel, SAA, SAX, SANRAL and Autopax Provide an annual report to Cabinet on status of government's contingent liabilities 	Report on guarantees provided to Eskom, SABC, Denel, SAA, SAX, SANRAL and Autopax	
Influencing legislation, policy, regulations and sector and SOC strategies; drawing on industry and sector research	Quarterly	Analyse and compile submissions on amendments to legislation, policies, regulations and strategies related to SOCs (focus on broadband, electricity, rail, aviation, water and defence sectors)	Analyse and compile submissions responding to amendments to legislation, policies, regulations and strategies related to SOCs			
Influencing legislation, policy, regulations and sector and SOC strategies; drawing on industry and sector research	Quarterly	Analyse and compile submissions on amendments to legislation, policies, regulations and strategies related to SOCs (focus on broadband, electricity, rail, aviation, water and defence sectors)	Analyse and compile submissions responding to amendments to legislation, policies, regulations and strategies related to SOCs			

PROGRAMME 4: ASSET AND LIABILITY MANAGEMENT - cont

QUARTERLY TARGETS FOR 2013/14 - continued

Performance indicator	Reporting period	Annual target	Quarterly targets	Q1 (Apr – Jun)	Q2 (Jul – Sep)	Q3 (Oct – Dec)	Q4 (Jan – Mar)
Sub-programme: Government Debt Management							
Meeting annual total government borrowing needs	Quarterly	Gross issuance of R215.5 billion	Issue R12.4 billion in foreign markets, R67.3 billion in domestic market and use cash balances	Issue R51.5 billion in domestic market and use cash balances	Issue R45.9 billion in domestic market and use cash balances	Issue R22.5 billion in domestic market and use cash balances	
Active debt management	Annual, with quarterly reporting	Switch R11.9 billion from R201	Switch R11.9 billion from R201				
Timely and accurate payment of interest and redemptions	Annual, with quarterly reporting	Pay R137.2 billion in total Interest: R99.7 billion Redemption: R37.5 billion	Pay R34.6 billion in total Interest: R19.5 billion Redemption: R15.1 billion	Pay R31.8 billion in total Interest: R29.8 billion Redemption: R2 billion	Pay R20.7 billion in total Interest: R18.3 billion Redemption: R2.4 billion	Pay R50.1 billion in total Interest: R32.1 billion Redemption: R18 billion	
Diversification of funding instruments	Annual	Issue 77% in fixed rate bonds and 23% in ILBs	Issue 77% in fixed rate bonds and 23% in ILBs				
Retention of current investors and attraction of new ones	Annual	Conduct two domestic and two foreign road shows annually Timely dissemination of reliable information	Undertake domestic and international road shows after Budget			Undertake domestic and international road shows after Medium Term Budget Policy Statement	

PROGRAMME 4: ASSET AND LIABILITY MANAGEMENT - cont

EXPENDITURE ESTIMATES

Subprogrammes	Audited Outcome				Adjusted Appropriation	Medium-term expenditure estimate		
	2009/10	2010/11	2011/12	2012/13		2013/14	2014/15	2015/16
R million								
Programme Management for Asset and Liability Management	12.0	13.3	12.9	15.6	18.3	15.3	14.8	
State Owned Entity Financial Management and Governance	13.9	19.1	21.8	25.7	27.3	28.9	30.3	
Government Debt Management	11.2	13.7	14.9	16.6	17.8	18.8	19.6	
Financial Operations	10.1	13.9	14.8	16.5	17.1	17.5	18.3	
Strategy and Risk Management	6.0	7.3	7.5	8.4	9.7	10.2	10.6	
Financial Investments	31,000.0	20,746.7	750.0	200.0	2,905.0	3,252.0	3,024.0	
Total	31,053.2	20,813.9	821.9	282.8	2,995.2	3,342.6	3,117.7	
Change to 2012 Budget Estimate	-	-	-	(3.8)	2,604.9	2,752.3	3,023.3	
Economic classification								
Current payments	53.1	66.5	71.5	82.1	89.6	90.4	93.1	
Compensation of employees	38.1	47.5	53.5	61.5	66.0	69.7	73.1	
Goods and services of which:	15.0	19.1	18.0	20.6	23.6	20.6	20.0	
Computer services	2.1	6.6	5.2	7.7	8.2	7.0	5.3	
Consultants and professional services: Business and advisory services	6.5	7.7	8.1	6.7	7.9	5.8	6.6	
Operating leases	0.2	0.2	0.1	0.2	0.3	0.3	0.3	
Travel and subsistence	1.9	2.4	2.0	2.4	3.2	3.5	3.7	
Transfers and subsidies	-	0.0	0.1	-	-	-	-	
Households	-	0.0	0.1	-	-	-	-	
Payments for capital assets	0.1	0.6	0.3	0.7	0.6	0.2	0.6	
Machinery and equipment	0.1	0.6	0.3	0.7	0.6	0.2	0.6	
Payments for financial assets	31,000.0	20,746.7	750.0	200.0	2,905.0	3,252.0	3,024.0	
Total	31,053.2	20,813.9	821.9	282.8	2,995.2	3,342.6	3,117.7	

PROGRAMME 4: ASSET AND LIABILITY MANAGEMENT - cont

EXPENDITURE TRENDS

The spending focus over the medium term will be on providing funding of R800 million for the further recapitalisation of the Land and Agricultural Development Bank of South Africa, R481 million for the recapitalisation of Postbank and R7.9 billion for the recapitalisation of the Development Bank of Southern Africa through the Financial Investments subprogramme, which supports the function and objective of oversight of public enterprises. The medium term focus will also be on enhancing the programme's human capital, skills and systems capacity.

Over the medium term, expenditure is expected to increase by R2.8 billion due to the introduction of initiatives to recapitalise the Development Bank of Southern Africa and Postbank. Excluding the allocations to the Land and Agricultural Development Bank of South Africa, the Development Bank of Southern Africa and Postbank, the programme's operational expenditure is expected to increase marginally by R11 million. The bulk of this projected growth is concentrated in spending on compensation of employees, which is expected to increase by R11.6 million with an additional R967 000 being allocated for improved conditions of service and the 14 posts that are to be filled over the medium term to provide sectoral oversight for state owned entities.

PROGRAMME 5: FINANCIAL ACCOUNTING AND REPORTING

OUTPUTS AND TARGETS

Strategic objective	Performance indicator	Previous year target	Current year target	Medium-term targets		
				2014/15	2015/16	2016/17
Sub-programme: Supply Chain Management (SCM) Policy						
<ul style="list-style-type: none"> Modernise state procurement by leveraging information technology Maintain corporate reference data 	<ul style="list-style-type: none"> Fully specified SCM user requirement statement (URS) to support systems functionality and requirements Enhanced URS to support new system development requirements (e.g. services procurement module) Procurement catalogue developed 	<ul style="list-style-type: none"> Maintain and enhance SCM URS on ongoing basis Implement services procurement module per revised roll-out plan Implement services procurement module per revised roll-out plan Annual review of catalogue and populate new items where required 	<ul style="list-style-type: none"> Maintain and enhance SCM URS on ongoing basis Implement services procurement module per revised roll-out plan Annual review of catalogue and populate new items where required 	<ul style="list-style-type: none"> Maintain and enhance SCM URS on ongoing basis Implement services procurement module per revised roll-out plan Annual review of catalogue and populate new items where required 	<ul style="list-style-type: none"> Maintain and enhance SCM URS on ongoing basis Implement services procurement module per revised roll-out plan Annual review of catalogue and populate new items where required 	<ul style="list-style-type: none"> Maintain and enhance SCM URS on ongoing basis Implement services procurement module per revised roll-out plan Annual review of catalogue and populate new items where required
	<ul style="list-style-type: none"> Develop competence of procurement officials through provision of education, training and development solutions 	<ul style="list-style-type: none"> Strategic sourcing course material revised National Qualifications Framework 5 certificate in SCM developed and delivered Capacity development strategy and plan National SCM forum 	<ul style="list-style-type: none"> Increase training capacity through accreditation of service providers through Public Administration Leadership and Management Academy 	<ul style="list-style-type: none"> Revise strategic sourcing course materials Develop National Qualifications Framework 5 certificate in SCM Develop capacity development strategy and plan for SCM officials (including training plan) Coordinate national SCM forum biannually 	<ul style="list-style-type: none"> Revise strategic sourcing course materials Support delivery of certificate in SCM to 500 learners Implement annual capacity development plan Coordinate national SCM forum semiannually 	<ul style="list-style-type: none"> Revise strategic sourcing course materials Support delivery of certificate in SCM to 500 learners Implement annual capacity development plan Coordinate national SCM forum semiannually

PROGRAMME 5: FINANCIAL ACCOUNTING AND REPORTING - cont

OUTPUTS AND TARGETS - continued

Strategic objective	Performance indicator	Previous year target	Current year target	Medium-term targets		
				2013/14	2014/15	2015/16
Sub-programme: Supply Chain Management (SCM) Policy						
Alignment of preferential procurement with aims of Broad-Based Black Economic Empowerment Act and its related strategy	Percentage of procurement spend on suitably qualified black economic empowerment service providers	2012/13	2013/14	2014/15	2015/16	2016/17
		Monitor and report on percentage spend on suitably qualified black economic empowerment service providers				
All departments have approved preferential procurement policies	Approved preferential procurement policies	Monitor implementation of revised preferential procurement regulations	<ul style="list-style-type: none"> Determine national percentage spend on suitably qualified black economic empowerment service providers Assess number of departments with developed and approved preferential procurement policies in place Issue instruction notes for five sectors designated in terms of preferential procurement regulations 	<ul style="list-style-type: none"> All departments have approved preferential procurement policies Issue instruction notes for 10 sectors designated in terms of preferential procurement regulations 		
Enhance state procurement system, including architecture, policy and regulations, to be aligned and responsive to government policy	<ul style="list-style-type: none"> SCM system developed (framework, policies, standard operating procedures) Central supplier database implemented Revised statutory framework promulgated 	Draft revised framework for SCM	<ul style="list-style-type: none"> Develop good-practice SCM standard operating procedures Develop central supplier database Promulgate revised SCM framework 	<ul style="list-style-type: none"> Revise SCM standard operating procedures Implement central supplier database Promulgate revised statutory framework 	<ul style="list-style-type: none"> Maintain SCM standard operating procedures Maintain central supplier database Implement revised statutory framework 	
Monitor SCM performance	Government departments' compliance with SCM processes improved	Complete annual reports on identified gaps and weaknesses in SCM processes and introduce remedial actions when required	Assess 39 national departments annually			

PROGRAMME 5: FINANCIAL ACCOUNTING AND REPORTING - cont

OUTPUTS AND TARGETS - continued

Strategic objective	Performance indicator	Previous year target	Current year target	Medium-term targets		
		2012/13	2013/14	2014/15	2015/16	2016/17
Sub-programme: Supply Chain Management (SCM) Policy						
	Capability maturity results		Analyse and report on capability maturity results for SCM			
	SCM performance		Develop good-practice SCM performance improvement plan			
Pilot modernisation of procurement system in departments and provinces	Establish well-functioning procurement system in government		Implement pilot in national Department of Public Works, Eastern Cape departments of health and public works, and Limpopo departments of health and public works		Roll out to rest of government where gaps have been identified	
Ensure value for money in procurement of common goods and services	System of price referencing established		Develop system of price referencing	Implement system of price referencing	Maintain system of price referencing	
Facilitation and management of transversal term contracts	Transversal contracts renewed on due dates	35 transversal term contracts due for renewal during 2012/13	20 transversal term contracts due for renewal during 2013/14	15 transversal term contracts due for renewal during 2014/15	20 transversal term contracts due for renewal during 2015/16	15 transversal term contracts due for renewal during 2016/17
	Contracts under management		Increase rand value of contracts under management by 20%	Increase rand value of contracts under management by 30% annually		
Sub-programme: Financial Systems						
Maintenance of current transversal systems: Basic Accounting System (BAS), financial management system (FMS), Logis, Peral and Vulindlela	Availability of systems during working hours	Provide 98% availability	Provide 98% availability			

PROGRAMME 5: FINANCIAL ACCOUNTING AND REPORTING - cont

OUTPUTS AND TARGETS - continued

Strategic objective	Performance indicator	Previous year target	Current year target	Medium-term targets		
				2014/15	2015/16	2016/17
Develop outstanding integrated financial management system (IFMS) modules and roll out integrated solutions to national and provincial departments	<ul style="list-style-type: none"> Configure and customise human resource module (HRM) and procurement management module (PMM) solutions in lead sites Develop inventory management module (IMM) Develop specifications for IMM, Payroll, FinCore, master data management (MDM) and business intelligence (BI) solution 	2012/13 <ul style="list-style-type: none"> Roll out to rest of national and provincial government Complete development of IMM, financial management module and payroll module 	2013/14 <ul style="list-style-type: none"> Roll out to rest of national and provincial government Complete development of IMM, financial management module and payroll module 	2014/15 <ul style="list-style-type: none"> Roll out to rest of national and provincial government Test and quality check Payroll, FinCore, MDM, BI and IMM 	2015/16 <ul style="list-style-type: none"> Roll out to rest of national and provincial government Roll out Payroll, FinCore, MDM, BI and IMM to national and provincial government 	2016/17 <ul style="list-style-type: none"> Roll out to rest of national and provincial government Roll out Payroll, FinCore, MDM, BI and IMM to national and provincial government
	Roll out IFMS to government departments NOTE: Rate of implementation is subject to State Information Technology Agency's implementation capacity for this purpose	Implement PMM, HRM, asset management module and BI in national and provincial departments ¹	Continue to implement PMM, HRM, asset management module and BI in national and provincial departments ¹	Continue to implement PMM, HRM, asset management module and BI in national and provincial departments ¹	Continue to implement PMM, HRM, asset management module and BI in national and provincial departments ¹	Continue to implement PMM, HRM, asset management module and BI in national and provincial departments ¹
		Implement IMM in national and provincial departments ¹	<ul style="list-style-type: none"> Continue to implement IMM in national and provincial departments¹ Implement financial management module in national and provincial departments¹ Implement financial management module in national and provincial departments¹ 	<ul style="list-style-type: none"> Continue to implement IMM in national and provincial departments¹ Implement financial management module in national and provincial departments¹ Implement payroll module in national and provincial departments¹ 	<ul style="list-style-type: none"> Continue to implement IMM in national and provincial departments¹ Implement financial management module in national and provincial departments¹ Implement payroll module in national and provincial departments¹ 	<ul style="list-style-type: none"> Continue to implement IMM in national and provincial departments¹ Implement financial management module in national and provincial departments¹ Implement payroll module in national and provincial departments¹

PROGRAMME 5: FINANCIAL ACCOUNTING AND REPORTING - cont

OUTPUTS AND TARGETS - continued

Strategic objective	Performance indicator	Previous year target	Current year target	Medium-term targets		
				2013/14	2014/15	2015/16
Sub-programme: Financial Management Policy and Compliance Improvement						
Enforce compliance with public-sector financial management legislation in each sphere of government	Monitoring improvement of financial management in national and provincial institutions and submission of progress reports to parliamentary oversight committees	30 September 2012	30 September of each year			
	Fraud and corruption investigations	13 projects (Jan 13) 4 x Limpopo provincial departments: Education, Transport and Roads, Health and Public Works 1 x Kouga municipality 1 x Mbizana municipality 1 x Government Communication Information System and Stats SA Census 2010 1 x Gauteng – DID Stadia 1 x National Department of Rural Development (support to department) 1 x Karoo Hoogland municipality 1 x National Correctional Services consultant 1 x Eastern Cape – Department of Health (11 business cases)	Eight departments/ projects per year			12 departments/projects per year

PROGRAMME 5: FINANCIAL ACCOUNTING AND REPORTING - cont

OUTPUTS AND TARGETS - continued

Strategic objective	Performance indicator	Previous year target	Current year target	Medium-term targets		
				2014/15	2015/16	2016/17
	Performance audits, promotion of economic procurement of goods and services, and effective and efficient use of state resources	2012/13 10 projects (Jan 13) 1 x Free State Office of Premier 1 x Electronic health record system: State Information and Technology Agency and National Health 1 x KZN – Health – National Health Laboratory Service billing system 1 x GP – Health – National Health Laboratory Service billing system 1 x East and Southern Africa Association of Accountants-General – National Treasury 1 x Department of Home Affairs (CAE performance) 1 x National Treasury Luke-Pro Consulting 1 x National Correctional Services (23 fencing projects) 1 x National Correctional Services (contract employee fraud) 1 x National Department of Transport (tender irregularities)	2013/14 Four targeted departments/projects per year	2014/15 Four targeted departments/projects per year	2015/16 Eight targeted departments/projects per year	2016/17 Eight targeted departments/projects per year

PROGRAMME 5: FINANCIAL ACCOUNTING AND REPORTING - cont

OUTPUTS AND TARGETS - continued

Strategic objective	Performance indicator	Previous year target	Current year target	Medium-term targets		
				2013/13	2013/14	2014/15
				Sub-programme: Financial Management Policy and Compliance Improvement		
	Implementation of multi-agency working group recommendations and support of anti-corruption task team (ACTT) targets	45 cases (Jan 13) - 80% support of ACTT targets 1 x North West Department of Education (support NPA to formulate charges) 1 x DBSA (ACTT support for investigation strategy) 1 x KZN – Human Settlement (Treasury affidavits to support SAPS) 1 x NC – ACTT (support investigation) 38 x criminal cases out of 24 forensic reports Limpopo provincial departments 1 x EC – Department of Education BAS fraud (support EC Commercial Crime unit) 1 x FS – SAPS SCM processes (support criminal investigation) 1 x Department of Correctional Services: support SA Police Service with information	Refer 20 cases for criminal proceedings			

PROGRAMME 5: FINANCIAL ACCOUNTING AND REPORTING - cont

OUTPUTS AND TARGETS - continued

Strategic objective	Performance indicator	Previous year target	Current year target	Medium-term targets		
				2014/15	2015/16	2016/17
	Internal control breakdown reviews in financial systems for procurement processes and transversal systems	2012/13 Six projects (Jan 13) 1 x EC – provincial Treasury (ABSA Bank duplicate payments) 1 x DTI BAS fraud 4 x By-pass BAS payments to FNB online processing: Limpopo provincial departments Premier's office, Transport, Education and Public Works	2013/14 Four cases per year	2014/15	2015/16	2016/17
				Eight cases per year		
Support public-sector institutions to execute financial management functions effectively, efficiently, economically and transparently	Framework for annual financial statement reporting by national and provincial departments	Publish reporting framework by 31 March	Publish reporting framework by 31 March	Publish reporting framework by 31 March each year		
	Guidelines of generally recognised accounting practice (GRAP) standards	<ul style="list-style-type: none"> Develop new guidelines by 31 March Maintain and enhance existing guides 	<ul style="list-style-type: none"> Develop new guides by 31 March Maintain and enhance existing guides 	<ul style="list-style-type: none"> Develop new guides annually by 31 March Maintain and enhance existing guides 		
	Policies, frameworks and practices in line with approved reporting frameworks	<ul style="list-style-type: none"> Develop new policies, frameworks and practices by 31 March Maintain and enhance existing new policies, frameworks and practices 	<ul style="list-style-type: none"> Develop new policies, frameworks and practices by 31 March Maintain and enhance existing new policies, frameworks and practices 	<ul style="list-style-type: none"> Develop new policies, frameworks and practices annually by 31 March Maintain and enhance existing new policies, frameworks and practices 		
	Guidelines to strengthen monitoring and oversight responsibilities of parliamentarians	Develop guidelines by 31 March 2013	Maintain and enhance guidelines			

PROGRAMME 5: FINANCIAL ACCOUNTING AND REPORTING - cont

OUTPUTS AND TARGETS - continued

Strategic objective	Performance indicator	Previous year target	Current year target	Medium-term targets		
				2012/13	2013/14	2014/15
				Sub-programme: Financial Management Policy and Compliance Improvement		
	Fraud and corruption prevention frameworks	<ul style="list-style-type: none"> Conduct research to develop framework Maintain register of fraud and corruption cases 	<ul style="list-style-type: none"> Approve fraud and corruption prevention framework by 31 March 2014 Promote awareness of criminal charges based on Public Finance Management Act (PFMA) and Treasury regulations and civil recovery Empower law enforcement agencies in investigation and prosecution of public procurement fraud corruption 	<ul style="list-style-type: none"> Hold four workshops for fraud and corruption prevention awareness Promote awareness of criminal charges based on PFMA and Treasury regulations and civil recovery Empower law enforcement agencies in investigation and prosecution of public procurement fraud and corruption 	<ul style="list-style-type: none"> Hold eight workshops for fraud and corruption prevention awareness Promote awareness of criminal charges based on PFMA and Treasury regulations and civil recovery Empower law enforcement agencies in investigation and prosecution of public procurement fraud and corruption 	
	Improved coordination of Municipal Finance Management Act (MFMA) implementation across government	Convene and attend meetings and workshops of stakeholders to address implementation challenges	Convene and attend meetings and workshops of stakeholders to address implementation challenges	Convene and attend meetings and workshops of stakeholders to address implementation challenges		
	Develop and maintain MFMA regulations, supporting circulars and guides	Maintain and enhance regulations, supporting circulars and guides	Maintain and enhance regulations, supporting circulars and guides	Maintain and enhance regulations, supporting circulars and guides		
	Maintain MFMA helpdesk	Conclude 75% of responses within 30 days	Conclude 75% of responses within 30 days	Conclude 75% of responses within 30 days		
	Maintain and enhance financial management capability maturity model (FMCMM)	Maintain and enhance FMCMM for all spheres of government	Maintain and enhance FMCMM for all spheres of government	Maintain and enhance FMCMM for all spheres of government		

PROGRAMME 5: FINANCIAL ACCOUNTING AND REPORTING - cont

OUTPUTS AND TARGETS - continued

Strategic objective	Performance indicator	Previous year target 2012/13	Current year target 2013/14	Medium-term targets		
				2014/15	2015/16	2016/17
	Maintain and enhance Treasury regulations and instructions	Conduct maintenance and enhancement of Treasury regulations and instructions	Conduct ongoing maintenance and enhancement of Treasury regulations and instructions	Conduct ongoing maintenance and enhancement of Treasury regulations and instructions		
	Review and respond to requests for development of financial recovery plans	Prepare recovery plans within 90 days	Prepare recovery plans within 90 days	Prepare recovery plans within 90 days		
	Municipal financial management improvement programme support to provincial treasuries and municipalities	Render technical assistance to provinces and municipalities that request support	Render technical assistance to provinces and municipalities requesting support			
	Management of municipal finance conditional grant programme	Effect transfer by 31 March consistent with division of revenue frameworks	Effect transfer by 31 March consistent with division of revenue frameworks			
	Support to provincial treasuries for preparation of provincial consolidated financial statements, provincial revenue fund statements and implementation of GRAP standards	200 trainees in provincial treasuries, municipalities and public entities	200 trainees in provincial treasuries, municipalities and public entities	200 trainees in provincial treasuries, municipalities and public entities	100 trainees in provincial treasuries, municipalities and public entities	

PROGRAMME 5: FINANCIAL ACCOUNTING AND REPORTING - cont

OUTPUTS AND TARGETS - continued

Strategic objective	Performance indicator	Previous year target 2012/13	Current year target 2013/14	Medium-term targets		
				2014/15	2015/16	2016/17
Sub-programme: Financial Management Policy and Compliance Improvement						
	Workshops/information sessions to empower oversight structures to fulfil responsibilities ¹	Conduct when required	Conduct when required	Conduct when required		
	Internal audit and state of readiness for quality assurance reviews to assess compliance with PFMA, MFMA, international standards for the professional practice of internal audit and adoption of best practice	Conduct at 12 institutions	Conduct at eight institutions	Conduct at eight institutions		
	Strategic support plans (SSPs) to support financial management improvement in priority institutions	SSPs to be signed off by head of department and Accountant-General by September 2012	SSPs to be signed off by head of department and Accountant-General by September of each year			
	Quarterly interim financial statement reviews in selected priority departments		Perform nine reviews and provide relevant departments with report for financial year ending 31 March 2014	Perform 12 reviews and provide relevant departments with report for financial year		
Facilitate capacity development for enhancement of skills and competency levels across each sphere of government	Financial management capacity development strategy	Institutionalise PFM talent management by 31 March 2013	Implement PFM education, training and development model and PFM skills needs analysis framework	Support development and delivery of PFM-related occupational qualifications by 31 March 2015	Develop central PFM knowledge and information system and implement by 31 March 2016	Raise professionalism of financial management, internal audit and risk management in public sector

PROGRAMME 5: FINANCIAL ACCOUNTING AND REPORTING - cont

OUTPUTS AND TARGETS - continued

Strategic objective	Performance indicator	Previous year target 2012/13	Current year target 2013/14	Medium-term targets		
				2014/15	2015/16	2016/17
		Develop and issue guidelines on structures for chief financial officer's (CFO's) office, SCM, internal audit and enterprise risk management by 31 March 2013	Review departmental CFO's office, SCM, internal audit and enterprise risk management structures by 31 March 2014	Support implementation and enhancement of performance management and development system for PFM by 31 March 2015	Establish mechanisms to institutionalise HR planning for PFM by 31 March 2016	Establish uniform performance management criteria for PFM practitioners
		Develop and implement PFM internship and learnership programmes by 31 March 2013	Develop and implement PFM skills development programmes for current and new employees by 31 March 2014	Establish and maintain PFM learning networks by 31 March 2015	Develop and implement talent pipeline for PFM-related disciplines	Establish accelerated training programmes
	Implementation of academic support programme for chartered accountants academy and other accountants in government	20 participants	24 participants	25 participants annually		
	Facilitate knowledge sharing in financial management practices through formal platforms	300 participants	300 participants	300 participants annually		
	Facilitate opportunities for relevant officials to attain financial management competencies in municipalities	1 000 learners	1 000 learners	1 000 learners	1 000 learners	1 000 learners

PROGRAMME 5: FINANCIAL ACCOUNTING AND REPORTING - cont

OUTPUTS AND TARGETS - continued

Strategic objective	Performance indicator	Previous year target	Current year target	Medium-term targets		
		2012/13	2013/14	2014/15	2015/16	2016/17
Sub-programme: Financial Reporting for National Account						
Support public-sector institutions to execute financial management effectively, efficiently, economically and transparently	Timely and accurate publication of monthly statements of actual revenue and actual expenditure for National Revenue Fund	Reports published on last working day of every month	Reports published on last working day of every month			
	Banking services for national government	<ul style="list-style-type: none"> Daily bank reconciliation of National Revenue Fund Electronic verification of supplier banking details within four working days 	<ul style="list-style-type: none"> Daily bank reconciliation of National Revenue Fund Electronic verification of supplier banking details within four working days 			
	Tabling of consolidated annual financial statements for national departments, public entities and Reconstruction and Development Programme Fund	Annually on 31 October				

PROGRAMME 5: FINANCIAL ACCOUNTING AND REPORTING - cont

QUARTERLY TARGETS FOR 2013/14

Performance indicator	Reporting period	Annual target	Quarterly targets	Q 1 (Apr – Jun)	Q 2 (Jul – Sep)	Q 3 (Oct – Dec)	Q 4 (Jan – Mar)		
Sub-programme: Supply Chain Management (SCM) Policy									
<ul style="list-style-type: none"> Fully specified SCM URS to support systems functionality and requirements Enhanced URS to support new system development requirements; e.g. services procurement module Procurement catalogue developed 	Annually	<ul style="list-style-type: none"> Maintain and enhance SCM URS on ongoing basis Implement services procurement module per revised roll-out plan Annually review catalogue and populate new items where required 	<ul style="list-style-type: none"> Implement new enhancement of SCM URS, e.g. Preferential Procurement Policy Framework Act regulation requirements Initiate codification of items at Department of Health Finalise review of charter with Department of Defence Implement services procurement model Populate items 	<ul style="list-style-type: none"> Facilitate training on strategic sourcing principles for institutions as per training plan 	<ul style="list-style-type: none"> Facilitate training on strategic sourcing principles for institutions per training plan Revise strategic sourcing course materials 	<ul style="list-style-type: none"> Facilitate training on strategic sourcing principles for institutions per training plan Support development and review of National Qualifications Framework 5 certificate in SCM unit standards 	<ul style="list-style-type: none"> Facilitate training on strategic sourcing principles for institutions per training plan Support development and review of National Qualifications Framework 5 certificate in SCM unit standards 	<ul style="list-style-type: none"> Ongoing maintenance Update service URS Finalise codification at Department of Defence Implement services procurement model Populate items 	<ul style="list-style-type: none"> Ongoing maintenance Implement services procurement model Populate items
<ul style="list-style-type: none"> Strategic sourcing course material revised 	Annually	<ul style="list-style-type: none"> Revise strategic sourcing course materials 	<ul style="list-style-type: none"> Facilitate training on strategic sourcing principles for institutions as per training plan 	<ul style="list-style-type: none"> Facilitate training on strategic sourcing principles for institutions per training plan Revise strategic sourcing course materials 	<ul style="list-style-type: none"> Facilitate training on strategic sourcing principles for institutions per training plan Support development and review of National Qualifications Framework 5 certificate in SCM unit standards 	<ul style="list-style-type: none"> Facilitate training on strategic sourcing principles for institutions per training plan Support development and review of National Qualifications Framework 5 certificate in SCM unit standards 	<ul style="list-style-type: none"> Facilitate training on strategic sourcing principles for institutions per training plan Support development and review of National Qualifications Framework 5 certificate in SCM unit standards 	<ul style="list-style-type: none"> Ongoing maintenance Implement services procurement model Populate items 	<ul style="list-style-type: none"> Ongoing maintenance Implement services procurement model Populate items

PROGRAMME 5: FINANCIAL ACCOUNTING AND REPORTING - cont

QUARTERLY TARGETS FOR 2013/14 - continued

Performance indicator	Reporting period	Annual target	Quarterly targets	Q 1 (Apr – Jun)	Q 2 (Jul – Sep)	Q 3 (Oct – Dec)	Q 4 (Jan – Mar)
Sub-programme: Supply Chain Management (SCM) Policy							
<ul style="list-style-type: none"> SCM National Qualifications Framework 5 certificate in SCM developed and delivered Capacity development strategy and plan National SCM forum 		<ul style="list-style-type: none"> Develop National Qualifications Framework 5 certificate in SCM Develop capacity development strategy and plan for SCM officials (including training plan) Coordinate national SCM forum biannually 	<ul style="list-style-type: none"> Support development and review of National Qualifications Framework 5 certificate in SCM unit standards 	<ul style="list-style-type: none"> Support development and review of National Qualifications Framework 5 certificate in SCM unit standards Develop draft capacity development strategy and plan for SCM officials (including training plan) Facilitate annual SCM forum 	<ul style="list-style-type: none"> Consult with stakeholders 	<ul style="list-style-type: none"> Finalise capacity development strategy and plan for SCM officials (including training plan) Facilitate annual SCM forum 	
Percentage spend on suitably qualified black economic empowerment service providers	Annually	Determine annual percentage spend suitably qualified black economic empowerment service providers	Identify data requirements and sources	Collate data	Perform analysis	Prepare reports	
Assess number of departments that have developed and approved preferential procurement policies in place	Annually	Assess number of departments that have developed and approved preferential procurement policies in place	Identify data requirements and sources	Collate data	Perform analysis	Prepare reports	
Approved preferential procurement policies	Annually	Issue instruction notes for five sectors designated in terms of preferential procurement regulations	Identify priority sectors	Draft instruction notes	Consult with stakeholders	Issue instruction notes	
SCM system developed (framework, policies, standard operating procedures)	Annually	Develop good-practice SCM standard operating procedures	Review draft SCM standard operating procedures	Finalise and adopt SCM standard operating procedures			
Central supplier database implemented	Annually	Develop central supplier database	Develop URS	Commission information technology development	Review and test information technology functionality	Deliver final central supplier database solution	

PROGRAMME 5: FINANCIAL ACCOUNTING AND REPORTING - cont

QUARTERLY TARGETS FOR 2013/14 - continued

Performance indicator	Reporting period	Annual target	Quarterly targets			
		2013/14	Q 1 (Apr – Jun)	Q 2 (Jul – Sep)	Q 3 (Oct – Dec)	Q 4 (Jan – Mar)
Revised statutory framework promulgated	Annually	Promulgate revised SCM framework	Draft revised SCM framework	Consult with stakeholders	Finalise SCM framework	Coordinate promulgation of SCM framework
Government departments' compliance with SCM instruction notes improved	Annually	Complete annual reports on identified gaps and weaknesses in SCM processes and introduce remedial actions when required	Assess six national departments	Assess 11 national departments each quarter		
SCM performance improvement plans	Annually	Develop good-practice SCM performance improvement plan	Analyse and report on capability maturity results for SCM		Develop and roll out good-practice SCM performance improvement plan	
System of price referencing developed	Annually	Develop system of price referencing	Identify data requirements and sources	Develop price referencing system URS	Develop price referencing system	Test and finalise price referencing system
Transversal contracts renewed on due dates	Annually	20 transversal term contracts due for renewal during 2013/14	12 transversal term contracts	No transversal term contracts	One transversal term contract	Seven transversal term contracts
Contracts under management	Annually	Increase rand value of contracts under management by 20%	Determine value of contracts under management and identify common goods and services for new contracts	Initiate contract process	Finalise new contracts	Monitor value of contracts under management
Sub-programme: Financial Systems						
Percentage availability of systems during working hours	Semiannually	Provide 98% availability of systems during working hours		Draw report from mainframe and calculate quarterly systems availability		Draw report from mainframe and calculate quarterly systems availability

PROGRAMME 5: FINANCIAL ACCOUNTING AND REPORTING - cont

QUARTERLY TARGETS FOR 2013/14 - continued

Performance indicator	Reporting period	Annual target	Quarterly targets	Q 1 (Apr – Jun)	Q 2 (Jul – Sep)	Q 3 (Oct – Dec)	Q 4 (Jan – Mar)
Sub-programme: Financial Systems							
<ul style="list-style-type: none"> Configure and customise human resource module and procurement management module solution in lead sites Develop IMM Develop specifications for IMM, Payroll, FinCore, MDM and BI solution Roll out IFMS to lead and other sites <p>NOTE: The rate of implementation is subject to State Information Technology Agency's implementation capacity for this purpose</p>	Semiannually	<ul style="list-style-type: none"> Roll out to rest of national and provincial government Complete development of IMM, financial management module and payroll module 	Test inventory management solution	Prepare implementation of inventory management system at selected lead site			
	Annually	Implement PMM at national and provincial departments ¹	Roll out at Department of Defence				
	Annually	Implement HRM at national and provincial departments ¹	Roll out at Free State Department of Education				
	Annually	Implement asset management at national and provincial departments ¹	Roll out at Department of Defence				
	Semiannually	Implement BI at national and provincial departments ¹	Complete system testing and resolution of emerging issues	Begin roll-out at selected lead site			
	Sub-programme: Financial Management Policy and Compliance Improvement						
Monitoring improvement of financial management in national and provincial institutions and submission of progress reports to parliamentary oversight committees	Annually	30 September 2012			30 September 2013		

PROGRAMME 5: FINANCIAL ACCOUNTING AND REPORTING - cont

QUARTERLY TARGETS FOR 2013/14 - continued

Performance indicator	Reporting period	Annual target	Quarterly targets	Q 1 (Apr – Jun)	Q 2 (Jul – Sep)	Q 3 (Oct – Dec)	Q 4 (Jan – Mar)
Monitoring and reporting on municipal financial management to inform support initiatives and interventions for affected municipalities	Annually	2013/14 Continue review and roll-out of monitoring tools and report on progress annually to minister and provinces					28 February 2014
Fraud and corruption investigations	Quarterly	Eight (departments/municipalities/public entities)	Two departments/projects				
Performance audits, promoting economic procurement of goods and services and effective and efficient use of state resources	Quarterly	Four targeted departments per year	One department/project				
Implementation of multi-agency working group recommendations and support for ACTT targets	Quarterly	<ul style="list-style-type: none"> Produce forensic and performance reports to support criminal investigations and targets of ACTT and SAPS Refer 20 cases for criminal proceedings per year 	Refer five cases for criminal proceedings each year				
Internal control breakdown reviews in financial systems for procurement processes	Quarterly	Four systems of control breakdown case reviews per year	One case per quarter				
Framework for annual financial statement reporting by national and provincial departments	Annually	Publish reporting framework for 2014/15 by 31 March 2014				Publish draft supporting guides/tools for 2014/15 framework for comment	Finalise and publish supporting guides/tools 2014/15 framework

PROGRAMME 5: FINANCIAL ACCOUNTING AND REPORTING - cont

QUARTERLY TARGETS FOR 2013/14 - continued

Performance indicator	Reporting period	Annual target	Quarterly targets			
		2013/14	Q 1 (Apr – Jun)	Q 2 (Jul – Sep)	Q 3 (Oct – Dec)	Q 4 (Jan – Mar)
Sub-programme: Financial Management Policy and Compliance Improvement						
Guidelines on standards of GRAP	Annually	<ul style="list-style-type: none"> Develop new guides by 31 March 2014 Ongoing maintenance and enhancement of existing guides 	Research and identify amendments to existing GRAP guides	Finalise identified enhancements to existing GRAP guides	Research and develop new GRAP guides where identified	Finalise and publish new GRAP guides
Policies, frameworks and practices in line with approved reporting frameworks	Annually	<ul style="list-style-type: none"> Develop new policies, frameworks and practices by 31 March 2014 Ongoing maintenance and enhancement of existing new policies, frameworks and practices 		Research and identify amendments to existing policies, frameworks and practices	Research and identify amendments to existing policies, frameworks and practices	Finalise and publish enhanced policies, frameworks and practices
Guidelines to strengthen monitoring and oversight responsibilities of parliamentarians	Annually	Develop guides by 31 March 2013	Ongoing maintenance and enhancement of guides			
Fraud and corruption prevention frameworks	Annually	<ul style="list-style-type: none"> Develop framework by 31 March 2013 Increase criminal charges based on PFMA and Treasury regulations and civil recovery Empower law enforcement agencies in investigation and prosecution of public procurement fraud and corruption 	Submit 1st draft of fraud and corruption prevention framework	Submit 2nd draft of fraud and corruption prevention framework	Submit 3rd draft of fraud and corruption prevention framework	Final approval of fraud and corruption prevention framework

PROGRAMME 5: FINANCIAL ACCOUNTING AND REPORTING - cont

QUARTERLY TARGETS FOR 2013/14 - continued

Performance indicator	Reporting period	Annual target	Quarterly targets	Q 2 (Jul – Sep)	Q 3 (Oct – Dec)	Q 4 (Jan – Mar)
Improvement in coordination of MFMA implementation across government	Annually	2013/14 Convene and attend quarterly sessions with key stakeholders	Q 1 (Apr – Jun)	Q 2 (Jul – Sep)	Q 3 (Oct – Dec)	Q 4 (Jan – Mar)
MFMA regulations, supporting circulars and guides	Annually	Maintain and enhance regulations, supporting circulars and guides	<ul style="list-style-type: none"> Finalise financial misconduct regulations Develop circular 	Consult on circular	Publish circular	Obtain comments on implementation challenges
MFMA helpdesk	Semiannually	Conclude 75% of responses within 30 days		Report by 30 September		Report by 31 March 2014
FMCMM maintenance and enhancement	Annually	Maintain and enhance FMCMM	<ul style="list-style-type: none"> Finalise monitoring tools pilot and commence municipal roll-out Finalise review of questions and architecture of FMCMM for PFMA-compliant institutions 	<ul style="list-style-type: none"> Roll out monitoring tools for municipalities Roll out FMCMM to selected PFMA-compliant institutions, conduct analysis of results and finalise progress report to relevant parliamentary committees 	Roll out monitoring tools for municipalities	Report on progress of municipalities
Maintenance and enhancement of Treasury regulations and instructions	Annually	Maintain and enhance Treasury regulations and instructions	Issue two Treasury instructions on matters related to PFMA	Issue two Treasury instructions a quarter on matters related to PFMA		
Development of local and international standards on accounting, auditing and risk management	Quarterly	<ul style="list-style-type: none"> Submit reports on all International Public Standards Board meetings attended within seven days of return Submit comment letters on 100% of financial accounting and reporting documents published for comment 	<ul style="list-style-type: none"> One report According to work-plan of International Public Sector Accounting Standards Board/ Accounting Standards Board 			

PROGRAMME 5: FINANCIAL ACCOUNTING AND REPORTING - cont

QUARTERLY TARGETS FOR 2013/14 - continued

Performance indicator	Reporting period	Annual target	Quarterly targets	Q 1 (Apr – Jun)	Q 2 (Jul – Sep)	Q 3 (Oct – Dec)	Q 4 (Jan – Mar)
Sub-programme: Financial Management Policy and Compliance Improvement							
Requests for development of financial recovery plans	Quarterly	Prepare recovery plans within 90 days	Report on progress by 30 June	Report on progress by 30 September	Report on progress by 10 December	Report on progress by 31 March	Report on progress by 31 March
Municipal financial management improvement programme support to provincial treasuries and municipalities	Quarterly	Respond to requests for assistance within 30 days		Report on progress by 30 September	Report on progress by 31 March	Report on progress by 31 March	Report on progress by 31 March
Management of municipal finance conditional grant programme	Annually	Transfers made by 31 March 2014	Finalise preparation for transfers in second quarter	Make transfers to all eligible municipalities	Make transfers to all eligible municipalities	Make transfers to all eligible municipalities	Conclude all transfers
Support to provincial treasuries for preparation of provincial consolidated financial statements, provincial revenue fund statements and implementation of GRAP standards	Annually	Support provincial treasuries for preparation of provincial consolidated financial statements, provincial revenue fund statements and implementation of GRAP standards	50 trainees in provincial treasuries, municipalities and public entities	50 trainees	50 trainees	50 trainees	50 trainees
Workshops/information sessions to empower oversight structures to fulfil their responsibilities	Annually	As required	As required				
Conduct internal audit and state of readiness quality assurance reviews to assess compliance with PFMA, MFMA, international standards for the professional practice of internal audit and adoption of best practice	Annually	Eight institutions	Two institutions each quarter				

PROGRAMME 5: FINANCIAL ACCOUNTING AND REPORTING - cont

QUARTERLY TARGETS FOR 2013/14 - continued

Performance indicator	Reporting period	Annual target	Quarterly targets	Q 1 (Apr – Jun)	Q 2 (Jul – Sep)	Q 3 (Oct – Dec)	Q 4 (Jan – Mar)
SSPs to support financial management improvement in priority institutions	Annually	SSPs signed off by head of department and Accountant-General by September 2012	Quarterly progress report	Quarterly progress report	Quarterly progress report	Quarterly progress report	Quarterly progress report
Perform quarterly interim financial statement reviews on selected prioritised departments	Annually	Perform nine reviews and provide relevant departments with report for financial year ended 31 March 2014	Design review approach, procedures and perform client selection	Perform interim annual financial statements review for three departments in each quarter	Perform interim annual financial statements review for three departments in each quarter	Perform interim annual financial statements review for three departments in each quarter	Perform interim annual financial statements review for three departments in each quarter
Implement PFM education, training and development model and PFM skills needs analysis frameworks	Annually	Implement education, training and development delivery model	Consult with stakeholders on education, training and development models leading to development of framework	Pilot model	Pilot model	Apply model and use findings to conduct research on PFM skills needs analysis	Review progress and publish results of skills analysis
Review departmental CFO's office, SCM, internal audit and enterprise risk management structures by 31 March 2014	Annually	Coordinate and influence regularisation of generic structure for CFO's office	Develop directive and supporting guidelines to implement CFO, internal audit and enterprise risk management structures	Develop directive and guidelines for implementation of CFO, internal audit and enterprise risk management generic functional structures	Develop directive and guidelines for implementation of CFO, internal audit and enterprise risk management generic functional structures	Coordinate consultation process (engagements) with national and provincial departments in collaboration with Department of Public Service and Administration	Ongoing guidance and implementation
Develop and implement PFM skills development programmes for current and new employees by 31 March 2014	Annually	Develop two PFM programmes	Develop course materials for two programmes	Design delivery model for two programmes	Design delivery model for two programmes	Design delivery model for two programmes	Pilot roll-out of two programmes
Implementation of academic support programme for chartered accountants academy and other accountants in government	Annually	24 participants	<ul style="list-style-type: none"> Identify and procure services of appropriate training provider Identify candidates who qualify for support programme 	Start classes	Start classes	Conclude classes in second week of November 2013	N/A

PROGRAMME 5: FINANCIAL ACCOUNTING AND REPORTING - cont

QUARTERLY TARGETS FOR 2013/14 - continued

Performance indicator	Reporting period	Annual target	Quarterly targets	Q 1 (Apr – Jun)	Q 2 (Jul – Sep)	Q 3 (Oct – Dec)	Q 4 (Jan – Mar)
Sub-programme: Financial Management Policy and Compliance Improvement							
Facilitate knowledge sharing in financial management practices through formal platforms	Annually	1 000 learners	250 participants each quarter				
Facilitate opportunities for relevant officials to attain financial management competencies in municipalities	Annually	1 000 learners	250 participants each quarter				
Sub-programme: Financial Reporting for National Account							
Timeous and accurate publication of monthly statements of actual revenue and actual expenditure for National Revenue Fund	Monthly	Reports published on last working day of each month	Ongoing				
Banking services for national government	<ul style="list-style-type: none"> • Daily • As required 	<ul style="list-style-type: none"> • Daily bank reconciliation of National Revenue Fund • Electronic verification of supplier banking details within four working days 	Ongoing				
Tabling of consolidated annual financial statements for national departments and for public entities as well as annual financial statements for Reconstruction and Development Programme fund	Annually	31 October 2012				Timely tabling in Parliament	

PROGRAMME 5: FINANCIAL ACCOUNTING AND REPORTING - cont

EXPENDITURE ESTIMATES

Subprogrammes	Audited Outcome			Adjusted Appropriation	Medium-term expenditure estimate		
	2009/10	2010/11	2011/12		2012/13	2013/14	2014/15
R million							
Programme Management for Financial Systems and Accounting	11.7	7.2	8.3	10.5	9.8	10.2	10.4
Supply Chain Policy	30.6	31.6	34.1	35.9	40.6	44.6	45.2
Financial Systems	373.4	362.0	279.1	408.6	430.8	447.4	462.0
Financial Reporting for National Accounts	64.8	71.1	78.1	80.4	86.2	91.1	94.8
Financial Management Policy and Compliance Improvement	42.4	65.7	75.4	120.5	116.1	121.5	125.3
Audit Statutory Bodies	19.6	21.4	29.9	30.2	40.8	41.2	41.9
Service Charges: Commercial Banks	0.2	0.1	-	0.2	0.2	0.2	0.2
Total	542.7	559.1	504.9	686.3	724.6	756.2	779.8
Change to 2012 Budget Estimate	-	-	-	0.0	(24.9)	(24.4)	(36.7)
Economic classification							
Current payments	310.2	325.1	350.1	433.3	471.8	492.9	508.1
Compensation of employees	90.4	108.5	125.7	141.5	156.7	168.0	176.4
Goods and services of which:	219.8	216.6	224.4	291.8	315.1	324.9	331.7
Computer services	183.1	173.5	181.9	208.6	240.5	247.2	253.1
Consultants and professional services: Business and advisory services	11.6	18.9	18.9	49.9	42.1	42.5	42.7
Operating leases	0.5	0.4	0.4	0.6	0.6	0.7	0.7
Travel and subsistence	5.6	6.2	6.3	8.2	8.3	9.3	10.2
Transfers and subsidies	52.8	62.2	73.4	72.5	83.6	86.0	88.3
Departmental agencies and accounts	52.8	61.7	73.2	71.9	83.6	86.0	88.3
Households	-	0.5	0.2	0.6	-	-	-
Payments for capital assets	179.7	171.9	80.4	180.6	169.2	177.3	183.4
Machinery and equipment	2.2	2.2	0.8	3.4	3.0	3.1	3.1
Software and other intangible assets	177.5	169.7	79.6	177.1	166.2	174.1	180.3
Payments for financial assets	0.0	0.0	0.9	-	-	-	-
Total	542.7	559.1	504.9	686.3	724.6	756.2	779.8

PROGRAMME 5: FINANCIAL ACCOUNTING AND REPORTING - cont

EXPENDITURE TRENDS

The spending focus over the medium term will continue to be on: improving the regulatory framework for national, provincial and local government, and entities; building the capacity to implement and support financial accounting and reporting policies; promoting compliance with the legislation and regulatory frameworks; enhancing financial systems in government; enhancing capacity in the special audit services unit; and developing the integrated financial management system project. Most of these activities are carried out through the Financial Systems subprogramme, which uses the bulk of the programme's budget across the seven-year period. Spending in this subprogramme is mainly on computer services and software, and other intangible assets for the development of the integrated financial management system and the maintenance and operation of legacy systems.

Over the medium term, expenditure is expected to increase moderately due to the capacity of the special audit services unit being enhanced through the department's recruitment processes and the ongoing development of the integrated financial management system. The special audit services unit is allocated R128.3 million over the medium term to support effective governance through measures to reduce corruption in government. In addition, R10.5 million is allocated to this programme for improved conditions of service.

PROGRAMME 6: INTERNATIONAL FINANCIAL RELATIONS

OUTPUTS AND TARGETS

Strategic objective	Performance indicator	Previous year target	Current year target	Medium-term targets		
				2014/15	2015/16	2016/17
<p>Sub-programme: International Economic Cooperation</p>						
Advance South Africa's interests specifically, and those of Africa more generally, through regular strategic analysis, engagement and negotiation at financial and economic forums	Demonstrated influence in shifting multilateral and plurilateral public policy agendas	<ul style="list-style-type: none"> Revise approach to setting agenda at World Economic Forum (WEF) Africa Support Ministry in coordinating SAs participation 	<ul style="list-style-type: none"> Consolidate and integrate messaging by government for WEF (Davos) and WEF Africa Support Ministry in preparing processes and content for WEF Africa in Cape Town 	<ul style="list-style-type: none"> Support Ministry in coordinating WEF Africa, which will take place annually in SA 		
		<ul style="list-style-type: none"> Structure and process to improve coordination between Treasury, Reserve Bank and government broadly to improve messaging on Group of 20 (G20) matters Structure and process for interdepartmental cooperation Support Presidency role as co-chair of G20 development working group Elevate issue of long-term investment in infrastructure to G20 finance ministers and central bank governors G20 agreement that members should exchange experiences in mobilising financial resources to mitigate climate change 	<ul style="list-style-type: none"> Conclude shared National Treasury-Reserve Bank strategy on international issues Establish relationships with other line departments working on G20 issues, including Energy, Trade and Industry, Presidency, International Relations and Cooperation and South African Revenue Service (SARS) to promote South African interests Conclude G20 strategy Cabinet memorandum Support G20 study group on long-term investment and ensure it focuses on SA and African concerns 	<ul style="list-style-type: none"> Develop position papers for G20 finance track Support work of G20 development working group and deepen relationship with relevant departments Work to include domestic resource mobilisation on G20 agenda Participate actively in study group on finance for investment Organise G20 outreach activities on margins of WEF Africa and African Development Bank (AfDB) annual meetings 	<ul style="list-style-type: none"> Represent South Africa's interests in the finance track of G20 Support G20 development working group and maintain relationships with government departments Support work being done on domestic resource mobilisation Support work being done on long-term investment Continue outreach activities 	

PROGRAMME 6: INTERNATIONAL FINANCIAL RELATIONS - cont

OUTPUTS AND TARGETS - continued

Strategic objective	Performance indicator	Previous year target	Current year target	Medium-term targets		
				2014/15	2015/16	2016/17
Sub-programme: International Economic Cooperation						
		<ul style="list-style-type: none"> Review structure and process to improve coordination between finance institutions on cooperation with Brazil, Russia, India, China, South Africa (BRICS) Reach agreement by BRICS technical working group on the feasibility of a new development bank Reach agreement in principle on value of reserve pool arrangement between BRICS countries Reach agreement in principle on BRICS reinsurance processes/mechanism 	<ul style="list-style-type: none"> Continue to improve coordination among finance institutions on areas of cooperation with BRICS countries As BRICS chair for 2013-2014, lead talks to bring BRICS-led new development bank to operational readiness Work with Reserve Bank to ensure SA's interests are recognised in negotiations to establish contingent reserve arrangement Work with private sector to ensure a feasibility report on a reinsurance pool that serves public- and private-sector interests is presented to 2014 BRICS Summit 			
	Agreement on World Bank country partnership strategy for South Africa	<ul style="list-style-type: none"> Structure and process to improve World Bank-Treasury coordination in developing country partnership strategy Meeting with new World Bank president and Cabinet to discuss how Bank can add value to South Africa 	<ul style="list-style-type: none"> Conclude agreement on country partnership strategy Conclude agreement on form and content of knowledge hub for South Africa 	Support implementation of country partnership strategy with agreed modifications	Obtain government views on role of World Bank in SA in preparation for a revised country partnership strategy	

PROGRAMME 6: INTERNATIONAL FINANCIAL RELATIONS - cont

OUTPUTS AND TARGETS - continued

Strategic objective	Performance indicator	Previous year target	Current year target	Medium-term targets		
				2013/14	2014/15	2015/16
	AfDB country strategy paper for SA	Finalise new country strategy paper	Monitor implementation of country strategy paper			
	Conclude International Monetary Fund (IMF)-SA Article IV consultation	Meet all key deadlines in good time and manage risk	Improve quality of Treasury-Reserve Bank seminar at margins of Article IV consultation			
	Play prominent role in regional capacity-building initiatives	Provide support to Collaborative Africa Budget Reform Initiative in establishing itself as an independent, stand-alone institution	<ul style="list-style-type: none"> Ensure Collaborative Africa Budget Reform Initiative becomes autonomous Ensure government continues to host initiative and provide additional support 			
Increase Africa's voice and enhance South Africa's contribution to and participation in international institutions and forums	IMF reform	Table issue of 3 rd chair for sub-Saharan Africa on IMF executive board as constituency position of 22-member Africa Group 1 constituency	Obtain BRICS support for 3 rd chair	Next cycle of quota review delivers greater voice and participation for SA and Africa		
	World Bank reform	Table working group report to International Development Association deputies recommending mainstreaming of "inclusive growth" as key theme in IDA17 replenishment	Develop policy proposals for next round of World Bank reforms in close cooperation with Africa Group 3 (SA, Nigeria, Angola) constituency office	Build support for SA's position	More voice and participation for SA and Africa	

PROGRAMME 6: INTERNATIONAL FINANCIAL RELATIONS - cont

OUTPUTS AND TARGETS - continued

Strategic objective	Performance indicator	Previous year target	Current year target	Medium-term targets		
				2013/14	2014/15	2015/16
Sub-programme: International Economic Cooperation						
Lead reform of governance and administration structures of African institutions	Improve use of resources made available by Organisation for Economic Cooperation and Development (OECD)	Recruit official to represent interests of SA finance institutions at OECD	<ul style="list-style-type: none"> Successfully place official at OECD headquarters Develop tools and methodologies to ensure efficiency of use of resources made available by OECD 	Ensure more effective use of resources made available by OECD		
	Number of governance and administrative reforms that lead to greater efficiency and effectiveness	Improve alignment of Southern African Development Community (SADC) expenditure with regional integration priorities	Use role within SADC finance committee to address spending inefficiencies and ensure alignment of resource allocation with regional priorities			
Increased voice and enlarged shareholding for SA in African multilateral institutions		Finalise arrangement on permanent management of Southern African Customs Union (SACU) common revenue pool and conclude memorandum of understanding (MOU)	Common revenue pool established as stand-alone account with Reserve Bank	Introduce improvements to management of common revenue pool		
		Purchase relinquished AfDB shares as they become available to attain target as directed by Cabinet	Advise Minister and Cabinet on Treasury's efforts to increase its shareholding in AfDB	Increase SA shareholding to more than 6% of total AfDB shares		
		Facilitate establishment of AfDB Regional Resource Centre	Official launch of the Southern Africa Regional Resource Centre		Increase number of AfDB-funded projects in SA and Southern Africa and Southern African region	

PROGRAMME 6: INTERNATIONAL FINANCIAL RELATIONS - cont

OUTPUTS AND TARGETS - continued

Strategic objective	Performance indicator	Previous year target 2012/13	Current year target 2013/14	Medium-term targets		
				2014/15	2015/16	2016/17
Promote integration and strengthen links with Africa by creating an enabling environment for economic activity		Finalise South Africa's policy position on a revised revenue-sharing formula	Finalise negotiations with all SACU member countries	Review effectiveness of new revenue-sharing formula		
	Reformed SACU revenue-sharing formula	Coordinate SA's alignment with Finance and Investment Protocol and facilitate regional implementation				
	Implementation of SADC's Finance and Investment Protocol	Develop one-stop border post policy and submit to Cabinet for approval	Finalise one-stop border post policy	Pilot implementation of policy		
	Support regional trade facilitation	Finalise SA membership in Africa Export-Import Bank	Enhance SA's membership and shareholding in Africa Export-Import Bank	Review SA's membership and shareholding		
		Develop policy on financial and technical assistance to other African countries				
		<ul style="list-style-type: none"> Establish domestic forum for exchange of information on key African economies Develop policy on financial and technical assistance to African countries 	<ul style="list-style-type: none"> Ensure forum advances South Africa's priorities on the continent Identify areas of closer cooperation with African economies in accordance with South Africa's strategic priorities Implement policy 			
	Increase number of bilateral financial engagements with strategic economies					

PROGRAMME 6: INTERNATIONAL FINANCIAL RELATIONS - cont

QUARTERLY TARGETS FOR 2013/14

Performance indicator	Reporting period	Annual target	Quarterly targets	Q 1 (Apr – Jun)	Q 2 (Jul – Sep)	Q 3 (Oct – Dec)	Q 4 (Jan – Mar)
Sub-programme: International Economic Cooperation							
Demonstrate influence in shifting multilateral and plurilateral public policy agenda	Quarterly	<ul style="list-style-type: none"> Consolidate and integrate government messaging for WEF (Davos) and WEF Africa Support Ministry with process and content for WEF Africa (Cape Town, 8-10 May) 	<ul style="list-style-type: none"> Participate in technical working group Assist with messaging and briefing notes for WEF Africa 	None	Support Ministry in preparation for WEF Davos	Support Ministry during WEF Davos	
	Quarterly	Conclude shared Treasury-Reserve Bank strategy on international issues	Present proposal to Minister of Finance and Reserve Bank Governor	Strategy approved			
	Annually	Conclude G20 strategy Cabinet memorandum	Submit memo to Cabinet				
	Quarterly	<ul style="list-style-type: none"> Lead negotiations on technical and operational aspects of BRICS-led new development bank Coordinate Treasury input on contingent reserve arrangement negotiations towards initiative's establishment Lead BRICS-level government process on reinsurance initiative feasibility study 	<ul style="list-style-type: none"> Lead negotiations on technical and operational aspects of new development bank Coordinate Treasury input on contingent reserve arrangement negotiations towards initiative's establishment Lead BRICS-level government process on reinsurance initiative feasibility study 			<ul style="list-style-type: none"> Lead negotiations and finalise report to leaders on technical and operational aspects of new development bank Coordinate Treasury's input and get political approval for report to leaders on contingent reserve arrangement Finalise report to leaders on reinsurance initiative feasibility study 	
Agreement on World Bank country partnership strategy for South Africa	Quarterly	<ul style="list-style-type: none"> Conclude agreement on country partnership strategy Conclude agreement on form and content of knowledge hub for South Africa 	<ul style="list-style-type: none"> MOU between Treasury and World Bank establishing knowledge hub 	Draft concept note establishing knowledge hub	Stakeholder consultation on draft concept note	Final report and recommendation on establishing knowledge hub	

PROGRAMME 6: INTERNATIONAL FINANCIAL RELATIONS - cont

QUARTERLY TARGETS FOR 2013/14 - continued

Performance indicator	Reporting period	Annual target	Quarterly targets			
		2013/14	Q 1 (Apr – Jun)	Q 2 (Jul – Sep)	Q 3 (Oct – Dec)	Q 4 (Jan – Mar)
AfDB country strategy paper for South Africa	Annually	Monitor implementation of country strategy paper	Monitor implementation of country strategy paper			
Conclude IMF-SA Article IV consultation	Quarterly	<p>Improve quality of Treasury-Reserve Bank seminar at margins of Article IV consultation</p>	<ul style="list-style-type: none"> Reach agreement at spring meetings on key dates and host consultation Present concluding statement on Article IV report to Cabinet 	Conduct preparations for staff visit	Host staff visit in November	Begin discussing process and content of next cycle with IMF resident representative
Play prominent role in regional capacity-building initiatives	Quarterly	<ul style="list-style-type: none"> Provide support to Collaborative Africa Budget Reform Initiative secretariat to plan and manage 8th annual seminar in Bamako, Mali Support projects and programmes approved by initiative's management committee 	Conduct successful annual seminar	Establish Collaborative Africa Budget Reform Initiative as an independent entity separate from Treasury		
IMF reform	Annually	Get BRICS support for a 3 rd chair for sub-Saharan Africa on IMF executive board	Lobby for inclusion of proposal in key communiqués at Spring meetings			Report on outcome
Governance and administrative reforms that lead to greater efficiency and effectiveness	Annually	Improve alignment of SADC expenditure with regional integration priorities	Effectively participate in SADC finance committee and subcommittees to prioritise spending on programmes that support regional integration		Ensure SADC budget is more reflective of regional integration priorities	

PROGRAMME 6: INTERNATIONAL FINANCIAL RELATIONS - cont

QUARTERLY TARGETS FOR 2013/14 - continued

Performance indicator	Reporting period	Annual target	Quarterly targets	Q 1 (Apr – Jun)	Q 2 (Jul – Sep)	Q 3 (Oct – Dec)	Q 4 (Jan – Mar)
Sub-programme: International Economic Cooperation							
Increased South African voice and enlarged shareholding in multilateral development banks and institutions	Quarterly	Finalise arrangements on permanent management of common revenue pool and conclude MOU	<ul style="list-style-type: none"> Reach agreement with Reserve Bank (hosting common revenue pool account) and SARS (transfer into the revenue pool) Reach agreement with SACU secretariat on its role Finalise and sign MOU 	New arrangement comes into effect			
	Quarterly	Develop South African position on governance and administration of Africa Union (AU) Commission in consultation with relevant stakeholders	Obtain approval for South Africa's position	Draft terms of reference to guide a South African mission to AU head offices in Addis Ababa	Conduct South African mission to AU head offices		
New SACU revenue-sharing formula operational	Annually	Purchase relinquished shares as they become available to attain the target as directed by Cabinet	Obtain Minister's approval to purchase additional shares as they become available in accordance with Cabinet's target of 6% of total AfDB shares				
	Quarterly	Official launch of Southern Africa Regional Resource Centre	Support resource centre in identifying projects and programmes for implementation	Monitor implementation of projects identified	Review projects under way and identify new projects		
	Annually	Finalise South Africa's policy position on new revenue-sharing formula	Determine South Africa's policy position	Obtain Cabinet approval for SA position			
	Annually	Finalise negotiations with SACU partners	Begin negotiations on new formula	Begin negotiations on new formula	Begin bilateral negotiations		
	Quarterly		Identify common ground with Botswana, Lesotho, Namibia and Swaziland on new formula				

PROGRAMME 6: INTERNATIONAL FINANCIAL RELATIONS - cont

QUARTERLY TARGETS FOR 2013/14 - continued

Performance indicator	Reporting period	Annual target	Quarterly targets	Q 1 (Apr – Jun)	Q 2 (Jul – Sep)	Q 3 (Oct – Dec)	Q 4 (Jan – Mar)
	Annually	2013/14	Reach in-principle agreement on new formula	Coordinate SA's alignment with protocol and facilitate regional implementation		Reach formal agreement on new formula	Implement new arrangement
Implementation of SADC's Finance and Investment Protocol	Annually	Coordinate SA's alignment with protocol and facilitate regional implementation					
Develop SA position on SADC's Regional Development Fund	Annually	Finalise South African position on Regional Development Fund	Develop policy position through consultations	Obtain approval for policy position			
Support regional trade facilitation	Annually	Develop one-stop border post policy and submit to Cabinet for approval	Finalise terms of reference and appoint a consultant	Undertake national consultation	Obtain Cabinet approval		
	Quarterly	Finalise SA's membership in Africa Export-Import Bank	Obtain ministerial approval	Begin ratification and budgetary processes	Finalise ratification, signatories and budgetary processes		
Increase number of bilateral financial engagements with strategic economies	Annually	Negotiate with Angola on areas of closer cooperation	Convene task team on implementation of Angola Declaration of Intent				
	Quarterly	Identify pilot projects for implementation		Identify possible areas of cooperation and suggest pilot projects			
	Annually	Develop policy on financial and technical assistance to other African countries	Begin internal consultation and draft policy			Submit draft policy to Minister of Finance	
		Increase dissemination of knowledge on regional developments to key national stakeholders	Biannually	Establish formal forum to exchange information		Establish structure, process and agenda for first meeting of forum	Convene first forum meeting and obtain feedback on its effectiveness
	Annually	Increase knowledge sharing in key African economies and among stakeholders	Biannually	Establish roundtable with key African finance ministries to exchange policy information		Establish structure, process and agenda for first roundtable discussion	Establish structure, process and agenda for first roundtable discussion

PROGRAMME 6: INTERNATIONAL FINANCIAL RELATIONS - cont

EXPENDITURE ESTIMATES

Subprogrammes	Audited Outcome				Adjusted Appropriation	Medium-term expenditure estimate		
	2009/10	2010/11	2011/12	2012/13		2013/14	2014/15	2015/16
R million								
Programme Management for International Financial Relations	2.7	6.2	6.6	8.5	10.3	9.1	9.5	
International Economic Cooperation	19.9	20.4	19.3	21.5	26.9	26.3	27.5	
Common Monetary Area Compensation	409.9	397.8	450.3	602.1	653.9	706.6	725.1	
Financial and Technical Support	-	-	-	6.7	5.7	13.0	28.2	
African Development Bank and African Development Fund	57.3	55.1	244.3	241.9	268.6	284.7	297.8	
World Bank Group	68.0	68.0	124.7	142.5	129.5	148.5	155.3	
Collaborative Africa Budget Reform Initiative	-	1.1	1.2	1.3	1.3	1.4	1.5	
Commonwealth Fund for Technical Cooperation	3.5	3.0	3.8	4.7	5.0	5.3	5.5	
International Funding Facility for Immunisation	7.5	7.1	7.5	10.0	10.0	10.0	10.5	
Investment Climate Facility	7.6	-	-	-	-	-	-	
African Regional Technical Assistance Centre for Southern Africa	-	-	-	0.4	0.4	0.4	0.4	
Infrastructure Consortium for Africa	-	-	-	1.0	1.0	1.0	-	
Total	576.4	558.7	857.8	1,040.5	1,112.5	1,206.2	1,261.3	
Change to 2012 Budget Estimate	-	-	-	2.3	(0.8)	(3.1)	(3.6)	
Economic classification								
Current payments	22.5	26.5	25.8	29.8	37.2	35.3	36.9	
Compensation of employees	14.3	16.5	17.6	19.7	25.0	26.4	27.6	
Goods and services of which:	8.2	10.0	8.1	10.1	12.1	8.9	9.3	
Computer services	0.1	0.0	0.0	0.0	0.0	0.0	0.0	
Consultants and professional services: Business and advisory services	0.5	0.5	0.2	0.3	2.2	0.3	0.2	
Operating leases	0.0	0.0	0.0	0.0	-	-	-	
Travel and subsistence	4.8	5.3	4.5	4.9	5.6	5.4	5.7	
Transfers and subsidies	553.8	532.1	831.9	1,010.5	1,075.3	1,170.8	1,224.2	
Foreign governments and international organisations	553.8	532.1	831.9	1,010.5	1,075.3	1,170.8	1,224.2	
Households	-	-	0.1	0.0	-	-	-	
Payments for capital assets	0.1	0.1	0.1	0.2	0.1	0.1	0.1	
Machinery and equipment	0.1	0.1	0.1	0.2	0.1	0.1	0.1	
Payments for financial assets	0.0	0.0	-	-	-	-	-	
Total	576.4	558.7	857.8	1,040.5	1,112.5	1,206.2	1,261.3	

PROGRAMME 6: INTERNATIONAL FINANCIAL RELATIONS - cont

EXPENDITURE TRENDS

The spending focus over the medium term will be on directing funds to international obligations to manage South Africa's interests in shaping regional and global policies to advance the economic, financial and developmental objectives of the country and the rest of Africa. This includes enhancing South Africa's membership and shareholding in the Africa Export Import Bank, the permanent management by South Africa of the Southern African Customs Union common revenue pool, and the use of the role within the finance committee to address spending inefficiencies and ensure the alignment of resource allocation with regional priorities. 96.8 per cent of this programme's expenditure over the seven-year period goes towards transfer payments to foreign governments and international organisations to meet the country's international obligations.

Over the medium term, expenditure is expected to increase to R1.3 billion, mainly because of the international commitments for the recapitalisation of the African Development Bank and the expected increase in the circulation of rand related to the common monetary area compensation agreement. Spending on compensation of employees is expected to increase by R7.9 million over the medium term due to the filling of 8 funded vacant positions.

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

OUTPUTS AND TARGETS

Strategic objective	Performance indicator	Sub-programme 1, 2 & 3: Civil Pensions and Contributions to Funds (post-retirement medical benefits, injury on duty, special pensions and other benefits)			
		Previous year target 2012/13	Current year target 2013/14	2014/15	2015/16
Ensure the timely and accurate payment of benefits	Benefits paid accurately (audited)	Pay 80% of subsidies accurately	Pay 80% of quality-assured payment samples accurately	Pay 90% of benefits accurately	
	Benefits paid within 60 days	Pay 75% of benefits within timeframe	Pay 78% of benefits within timeframe and 80% better than agreed time: post-retirement medical benefits – 30 days, injury on duty – 45 days, special pension – 60 days	Pay 85% of all benefits within timeframe and 100% better than agreed time	Pay 90% of all benefit within timeframe and 100% better than agreed time
Reduce backlog	Reduction in backlog (> 60 days) baseline	Reduce backlog to 50% of baseline from exit date	Reduce backlog to 30% of baseline from exit date	Reduce backlog to 20% of baseline from exit date	Reduce backlog to 10% of baseline from exit date
Improve customer experience Query, complaint or request (QCR)	Call centre service levels in line with service level agreements (SLAs)	80% of calls meet SLA requirements	80% of calls meet SLA requirements	85% of calls meet SLA requirements	90% of calls meet SLA requirements
	QCR response time	Process 80% within two days	Process 80% within two days	Process 85% within two days	Process 90% within two days
	QCR resolution time	Resolve 80% within two days	Resolve 80% within two days	Resolve 85% within two days	Resolve 90% within two days

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

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OUTPUTS AND TARGETS - continued

Strategic objective	Performance indicator	Previous year target	Current year target	Medium-term targets		
				2014/15	2015/16	2016/17
Achieve unmodified external audit opinion with no matter of emphasis	Reduction in findings	Resolve 90% of significant audit findings timeously	Resolve 90% of significant audit findings timeously	Resolve 90% of significant audit findings timeously		
	Reduction in findings	Resolve 85% of internal audit (IA) findings timeously	Resolve 90% of IA findings	Resolve 90% of IA findings	Resolve 95% of IA findings	
	Budget variance	2% budget variance	2% budget variance			
	Risk mitigation	Mitigate 60% of top risks	Mitigate 70%	Mitigate 80%		
	Reduction in fraud	Reduce 40% of open cases	Reduce 50%	Reduce 60%	Reduce 70%	Reduce 80%
	Implementation of business continuity plan	80% compliance with set recovery point objective (RPO) and recovery time objective (RTO) in exercises in at least two disaster recovery site tests	80% compliance with set RPO and RTO in exercises in at least two disaster recovery site tests	80% compliance with RPO and RTO in exercises in at least two disaster recovery site tests	90% compliance with set RPO and RTO in exercises in at least two disaster recover site tests	
Comply with stakeholder SLAs	Compliance with Government Employees Pension Fund SLA performance requirements	90% compliance	90% compliance	90% compliance		
	Compliance with Treasury SLA performance requirement	90% compliance	90% compliance	90% compliance		
Institutionalise key account management	Response time to stakeholder complaints	Two days taken to respond	Two days taken to respond	Two days taken to respond		
	Resolution of stakeholder complaints	Seven working days	Six working days			

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

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OUTPUTS AND TARGETS - continued

Strategic objective	Performance indicator	Previous year target	Current year target	Medium-term targets		
		2012/13	2013/14	2014/15	2015/16	2016/17
Sub-programme 1, 2 & 3: Civil Pensions and Contributions to Funds (post-retirement medical benefits, injury on duty, special pensions and other benefits)						
Ensure efficient and managed processes	Core business processes mapped	60% core business processes mapped	60% core business processes mapped	70% mapped	80% mapped	85% mapped
Deploy applicable technology to automate processes	Core processes automated	50% core business processes automated	50% core business processes automated	60% automated	70% automated	80% automated
Maintain efficient organisational structure	Align organisational structure with automated processes	20% of structure aligned to automated processes	20% of structure aligned to automated processes	40% of structure aligned to automated processes	60% of structure aligned to automated processes	70% of structure aligned to automated processes
Build capability for delivering professional and effective administration	Development of capability enhancement programmes	<ul style="list-style-type: none"> Three EDP enrolments 15 MDP enrolments 70% PDP training complete 	<ul style="list-style-type: none"> Three EDP enrolments 15 MDP enrolments 65% PDP training complete 	<ul style="list-style-type: none"> Four EDP enrolments 20 MDP enrolments 70% PDP training complete 	<ul style="list-style-type: none"> Four EDP enrolments 25 MDP enrolment 80% PDP training complete 	<ul style="list-style-type: none"> Four EDP enrolments 30 MDP enrolments 85% PDP training complete
Be an employer of choice	Employee satisfaction	45%	45%	45%	48%	60%
Ensure an appropriate reward and recognition system is in place						

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

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OUTPUTS AND TARGETS - continued

Strategic objective	Performance indicator	Previous year target	Current year target	Medium-term targets		
		2012/13	2013/14	2014/15	2015/16	2016/17
Ensure that all departments are compliant with pensions and other benefit-related matters	Performance management plan compliance	70% compliance	70% compliance	80% compliance	85% compliance	
	Employer department staff trained	50% trained	50% trained	60% trained	65% trained	70% trained
Conclude and manage formalised agreements	Department of Public Service and Administration – employee department practice notes; pension and benefits regulations	10 formalised agreements to support benefit process automation	10 formalised agreements to support benefit process automation	20 formalised agreements	30 formalised agreements	
	Implement joint member awareness and empowerment programmes	Six initiatives	Six initiatives	Six initiatives		

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

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QUARTERLY TARGETS FOR 2013/14

Performance indicator	Reporting period	Annual target	Quarterly targets			
			Q1 (Apr – Jun)	Q2 (Jul – Sep)	Q3 (Oct – Dec)	Q4 (Jan – Mar)
Sub-programme 1, 2 & 3: Civil pensions and contributions to funds (post-retirement medical benefits, injury on duty, special pensions and other benefits)						
Benefits paid accurately (audited)	Quarterly	80%	75%	80%		
Benefits paid within 60 days	Quarterly	78%	75%	78%		
Reduction in backlog (> 60 days) baseline.	Quarterly	Reduce to 30% of baseline	Reduce to 50%	Reduce to 45%	Reduce to 40%	Reduce to 30%
Call centre service levels	Quarterly	80% of calls responded to within SLA	80% of calls responded to within SLA			
QCR response time	Quarterly	80% response within two days	80% response within two days			
QCR resolution time	Quarterly	80% resolved within seven days	60% resolved within two days	65% resolved within two days	70% resolved within two days	80% resolved within seven days
Reduction in findings	Quarterly	90%	None	10%	50%	90%
Reduction in findings	Quarterly	90%	20%	30%	60%	90%
Risks mitigated	Quarterly	70%	40%	50%	60%	70%
Reduction of fraud cases	Quarterly	50% reduction of open cases	20% reduction	30% reduction	40% reduction	50% reduction
Implementation of business continuity plan	Quarterly	80% compliance with set RPO and RTO in exercises in at least two disaster recovery site tests	80% compliance with set RPO and RTO in exercises in at least two disaster recovery site tests			
Compliance with Government Employees Pension Fund SLA performance requirements	Quarterly	90% compliance	90% compliance			

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

QUARTERLY TARGETS FOR 2013/14 - continued

Performance indicator	Reporting period	Annual target	Quarterly targets			
			Q1 (Apr – Jun)	Q2 (Jul – Sep)	Q3 (Oct – Dec)	Q4 (Jan – Mar)
Compliance with Treasury SLA performance requirement	Quarterly	2013/14 90% compliance	90% compliance			
Stakeholder complaints response time	Quarterly	Two days	Two days			
Stakeholder complaints resolution time	Quarterly	Seven working days	Seven working days			
Core business processes mapped	Quarterly	60% mapped	20% mapped	40% mapped	50% mapped	60% mapped
Core processes automated	Quarterly	50% automated	20% automated	30% automated	40% automated	50% automated
Align organisational structure with automated processes	Quarterly	20% of structure aligned to automated processes	5% alignment	10% alignment	15% alignment	20% alignment
Develop capability enhancement programmes	Quarterly	Three EDP enrolments 15 MDP enrolments 65% PDP training complete	Three EDP enrolments 15 MDP enrolments 65% PDP training complete	Three EDP enrolments 15 MDP enrolments 65% PDP training complete	Three EDP enrolments 15 MDP enrolments 65% PDP training complete	Three EDP enrolments 15 MDP enrolments 65% PDP training complete
Employee satisfaction	Annual	45% employee satisfaction	--	--	--	45% employee satisfaction
Compliance with performance management plan	Quarterly	70% compliance	55% compliance	60% compliance	70% compliance	
Employer department staff training	Quarterly	50% of employer department staff trained	10%	20%	35%	50%
Department of Public Service and Administration – employer department practice notes; pension and benefits regulations	Quarterly	10 formalised agreements to support the benefit process automation	Two formalised agreements	Two formalised agreements	Two formalised agreements	Four formalised agreements
Number of member awareness and empowerment initiatives	Quarterly	Six	None	Two	Two	Two

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

EXPENDITURE ESTIMATES

Subprogrammes	Audited Outcome				Adjusted Appropriation	Medium-term expenditure estimate		
	2009/10	2010/11	2011/12	2012/13		2013/14	2014/15	2015/16
R million								
Programme Management for Civil and Military Pensions, Contributions to Funds and Other Benefits	-	-	1.0	-	-	-	-	-
Government Pensions Administration Agency	25.5	38.0	63.9	43.9	51.9	55.6	50.7	
Civil Pensions and Contributions to Funds	4,767.7	2,495.2	3,068.3	2,910.9	2,936.6	3,143.9	3,377.5	
Military Pensions and Other Benefits	161.9	164.6	180.9	391.1	508.6	523.3	539.8	
Total	4,955.1	2,697.8	3,314.2	3,345.9	3,497.0	3,722.8	3,967.9	
Change to 2012 Budget Estimate	-	-	-	(2.4)	(20.2)	(5.4)	68.2	
Economic classification								
Current payments	25.3	37.9	65.0	43.9	51.9	55.6	50.7	
Compensation of employees	-	-	1.0	-	-	-	-	
Goods and services of which:	25.3	37.9	63.9	43.9	51.9	55.6	50.7	
Consultants and professional services; Business and advisory services	25.3	37.9	63.9	43.9	51.9	55.6	50.7	
Transfers and subsidies	4,929.6	2,659.8	3,249.1	3,302.0	3,445.2	3,667.2	3,917.3	
Foreign governments and international organisations	1.4	1.6	2.0	2.2	2.1	2.2	2.3	
Non-profit institutions	0.1	-	0.1	0.1	-	-	-	
Households	4,928.2	2,658.2	3,247.1	3,299.7	3,443.0	3,665.0	3,915.0	
Payments for financial assets	0.2	0.2	0.2	-	-	-	-	
Total	4,955.1	2,697.8	3,314.2	3,345.9	3,497.0	3,722.8	3,967.9	

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

EXPENDITURE TRENDS

The spending focus over the medium term will be on providing administrative support to the department in terms of managing the post-retirement pension pay out, medical subsidies and other benefits including special pensions. The support will be provided through the automation of core processes to enhance service delivery and, concurrently, the reduction of backlogs on the different benefits such as the injury on duty and special pensions. 98.6 per cent of this programme's expenditure over the seven-year period is in the form of transfer payments to households, 46.2 per cent of which goes towards post-retirement medical scheme contributions, 15 per cent for the political office bearers pension fund, 13.8 per cent for injury on duty payments and 12.8 per cent for special pensions.

Over the medium term, expenditure is expected to increase by R622 million due to additional allocations of R300 million for implementing the benefit equalisation for political office bearers and the eradication of the backlog on injury on duty claims. The backlog has thus far been reduced from 700 to 329 cases, and steps are being taken to appoint a client liaison officer to follow up on documents that employers had not yet submitted, and to develop a system to reduce the processing time of finalised claims payments.

PROGRAMME 8: TECHNICAL SUPPORT AND DEVELOPMENT FINANCE

OUTPUTS AND TARGETS

Strategic objective	Performance indicator	Previous year target	Current year target	Medium-term targets	
		2012/13	2013/14	2014/15	2015/16 2016/17
	<p>Sub-programme: Technical Support and Development Finance Programme Management</p> <ul style="list-style-type: none"> Build public-sector client capacity by offering a combination of diagnostic services, organisation development and programme and project implementation support over the medium-term expenditure framework period Improve capacity in public-private partnerships and capital projects planning and oversight by providing advisory support to all public-private partnerships and large capital projects in development and implementation Support the regulatory functions of other National Treasury programmes relating to public-private partnerships and capital projects as and when requested Build sustainable capacity in selected municipalities and provincial departments of health, education and public works to improve infrastructure delivery through the implementation of the infrastructure delivery improvement and city support programmes over the medium term 				
Establishment of programme management office and government technical advisory centre (GTAC)	<ul style="list-style-type: none"> Programme office development Governance and programme reports 	Interim management committee	Establish programme office and governance and reporting framework	<ul style="list-style-type: none"> Strengthen programme office and coordinate budget and donor funding Comply with governance and reporting requirements 	
	GTAC established	Gazette GTAC	Establish operational GTAC	Further develop GTAC's financial independence	
Technical support: institutional strengthening and project management	Project appraisals and economic assessment of policy and programmes	Electricity pricing and biofuel incentive	Perform three-to-five project appraisals and two expenditure reviews	<ul style="list-style-type: none"> Perform five-to-10 project and policy appraisals Strengthen public expenditure review capacity 	
	Number of technical assistance projects supported	90	90	100	100
	% of clients who have observed capacity improvement	85%	85%	85%	90%
Support for public-private partnerships and major capital project transactions	Number of knowledge products related to capacity building	10 knowledge products (learning networks, communities of practice, case studies, learning sessions and knowledge exchange)			
	Project preparation methodology for public-private partnerships and major capital projects	Develop and pilot extended project preparation guidelines	Develop and pilot extended project preparation guidelines	Test and implement revised project preparation and project oversight guidelines and methods	

PROGRAMME 8: TECHNICAL SUPPORT AND DEVELOPMENT FINANCE - cont

OUTPUTS AND TARGETS - continued

Strategic objective	Performance indicator	Previous year target	Current year target	Medium-term targets		
				2014/15	2015/16	2016/17
Registered public-private partnerships and capital project transactions	Number of projects reaching financial close	2012/13	2013/14	2014/15	2015/16	2016/17
		<ul style="list-style-type: none"> Passenger Rail Agency of South Africa rolling stock Renewable energy independent power producers 	<ul style="list-style-type: none"> Passenger Rail Agency of South Africa rolling stock Renewable energy independent power producers Hospital revitalisation 	To be determined	To be determined	To be determined
Infrastructure delivery capacity improvement in provinces	Number of technical assistants deployed in participating departments	36 plus five	<ul style="list-style-type: none"> Renewable energy independent power producers (round 1) 	<ul style="list-style-type: none"> Passenger Rail Agency of South Africa rolling stock and black economic empowerment Renewable energy independent power producers (round 2) 	To be determined	To be determined
		<ul style="list-style-type: none"> Train 10 people per province and 40 senior government officials on IDM toolkit Use 40% of IDM toolkit 	<ul style="list-style-type: none"> Deploy 36 long-term technical assistants (four per province) across all nine provinces Deploy one technical assistant to Department of Basic Education Deploy two technical assistants to Department of Health Appoint two technical assistants to National Treasury 	<ul style="list-style-type: none"> Provinces use 100% of IDM toolkit 	<ul style="list-style-type: none"> Provinces use 100% of IDM toolkit 	<ul style="list-style-type: none"> Provinces use 100% of IDM toolkit
Infrastructure skills development in municipalities	Number of technical graduates trained per relevant statutory body requirements in engineering, town planning, geographic information systems and project management	200 graduates	250 graduates	Train 450 graduates over medium term		

PROGRAMME 8: TECHNICAL SUPPORT AND DEVELOPMENT FINANCE - cont

OUTPUTS AND TARGETS - continued

Strategic objective	Performance indicator	Previous year target 2012/13	Current year target 2013/14	2014/15	2015/16	2016/17
Sub-programme: Local Government Financial Skills Development Strengthen the capacity of municipalities to fully implement the Municipal Finance Management Act (MFMA) and associated financial reforms by appointing graduate financial management interns to support them						
Municipal financial skills development and capacity building to support implementation of MFMA	Appropriately skilled chief financial officers appointed in municipalities	278	278	278	278	278
	Number of interns appointed to municipalities	1 390	1 390	1 390	1 390	1 390
	Audit action plans developed and implemented	278	278	All municipalities		
	Municipal compliance with Budget and Treasury Office, supply chain management, internal audit and audit committee requirements	258 municipalities with audit committees	Develop compliance assessment tool	Implement municipal financial management capacity assessment		
Sub-programme: Neighborhood Development Partnership Grant Promote and mobilise public- and private-sector investment in community and economic infrastructure by supporting municipalities in planning and implementing integrated neighbourhood development programmes in townships over the medium term						
Support for neighbourhood development planning and projects that provide catalytic infrastructure that attracts third-party investment in township development	Old indicator: Total number of long term township regeneration programmes registered (cumulative)	52				
	Total number of long-term urban regeneration programmes registered (cumulative)	10	13	15	20	

PROGRAMME 8: TECHNICAL SUPPORT AND DEVELOPMENT FINANCE - cont

OUTPUTS AND TARGETS - continued

Strategic objective	Performance indicator	Previous year target 2012/13	Current year target 2013/14	Medium-term targets		
				2014/15	2015/16	2016/17
	Total number of catalytic projects approved (cumulative)	280	300	320	340	360
	Number of Neighbourhood Development Partnership Grant projects under construction	57	40	40	40	40
	Estimated third-party investment leveraged (cumulative)	R1 500 million	R2 000 million	R2 500 million	R3 000 million	R3 500 million
Sub-programme: Gautrain Loan						
Loan to Gauteng Province as contribution to financing of Gautrain project	Loan repaid		1st repayment instalment due			Repayment complete by 2017
Sub-programme: Municipal Finance Improvement Programme						
Support for municipal financial management capacity and improved provincial oversight of municipalities	Number of municipalities assisted	75	85			95
	Number of provinces assisted	8	9			9
	Ensure programme relevance and effectiveness		Analyse and report on programme effectiveness		Conduct independent review of programme performance and effectiveness	Actions to be determined on basis of review

PROGRAMME 8: TECHNICAL SUPPORT AND DEVELOPMENT FINANCE - cont

OUTPUTS AND TARGETS - continued

Strategic objective	Performance indicator	Medium-term targets			
		2012/13	2013/14	2014/15	2015/16
<p>Sub-programme: Employment Creation Facilitation</p> <p>Improve the long-term employment prospects for unemployed people, particularly youth and women, by promoting innovative and partnership-based approaches to job creation and business opportunities, and supporting project development in the implementation of the Jobs Fund over the medium term</p>					
Jobs Fund: Support for 150 projects and creation of 150 000 sustainable jobs	Number of projects approved (cumulative)	54	90	120	150
	<ul style="list-style-type: none"> Value of grant funding approved (cumulative) Value of matched funding 	<ul style="list-style-type: none"> R3 150 million R3 750 million 	<ul style="list-style-type: none"> R5 000 million R5 500 million 	<ul style="list-style-type: none"> R7 500 million R8 000 million 	<ul style="list-style-type: none"> R9 000 million R10 000 million
Contribution to learning and innovation in development, employment creation and inclusive growth	<ul style="list-style-type: none"> New jobs contracted Training placements contracted 	<ul style="list-style-type: none"> 65 121 105 499 	<ul style="list-style-type: none"> 90 000 120 000 	<ul style="list-style-type: none"> 120 000 150 000 	<ul style="list-style-type: none"> 150 000 180 000
	Value of grant funding disbursed (in-year)	R500 million	R1 200 million	R1 800 million	R2 500 million
Contribution to learning and innovation in development, employment creation and inclusive growth	Jobs Fund evaluation reports documented and learning on effective approaches to job creation disseminated	1st Jobs Fund evaluation report	<ul style="list-style-type: none"> Three-to-five project case studies One learning intervention 	<ul style="list-style-type: none"> Three-to-five project case studies One learning intervention 1st review of Jobs Fund 	<ul style="list-style-type: none"> Three-to-five project case studies One learning intervention
	Employment, income distribution and inclusive growth research project	Memorandum of agreement with Southern Africa Labour and Development Research Unit	<ul style="list-style-type: none"> Establish three research programmes Initiate econ3x3 	<ul style="list-style-type: none"> 10-to-15 research papers Three-to-five conferences/workshops 	<ul style="list-style-type: none"> 10-to-15 research papers Three-to-five conferences/workshops
					<ul style="list-style-type: none"> Final Jobs Fund evaluation report One learning intervention
					Complete research programme

PROGRAMME 8: TECHNICAL SUPPORT AND DEVELOPMENT FINANCE - cont

OUTPUTS AND TARGETS - continued

Strategic objective	Performance indicator	Previous year target 2012/13	Current year target 2013/14	Medium-term targets		
				2014/15	2015/16	2016/17
Sub-programme: Integrated City Development Grant						
Assistance to metropolitan municipalities to develop more inclusive, productive built environments	Number of spatial transformation zones identified in participating municipalities		Programme inception: city plans to be developed and targets to be identified	To be identified		
	Number of projects within identified zones identified for planning			To be identified		
	Number of integrated city development projects under implementation			To be identified		

PROGRAMME 8: TECHNICAL SUPPORT AND DEVELOPMENT FINANCE - cont

QUARTERLY TARGETS FOR 2013/14

Performance indicator	Reporting period	Annual target	Quarterly targets	Q 1 (Apr – Jun)	Q 2 (Jul – Sep)	Q 3 (Oct – Dec)	Q 4 (Jan – Mar)
Sub-programme: Technical Support and Development Finance Programme Management							
<ul style="list-style-type: none"> Programme office development Governance and programme reports 	Quarterly	<ul style="list-style-type: none"> Establish programme office and governance and reporting framework 	Programme office	Establish quarterly reporting			
GTAC established	Quarterly	<ul style="list-style-type: none"> Establish operational GTAC 	GTAC initial phase	Operationalise organisational component			
Project appraisals and economic assessment of policy and programmes	Quarterly	<ul style="list-style-type: none"> Three-to-five project appraisals Two expenditure reviews 	Initiate expenditure review	Preliminary project reports	Input for 2014 Budget	Input for 2014 Budget	Input for 2014 Budget
Number of technical assistance projects supported	Quarterly	90	30	20	20	20	20
% of clients who have observed capacity improvement	Annually	85%	85%	85%	85%	90%	90%
Number of knowledge products related to capacity building (learning networks, communities of practice, case studies, learning sessions and knowledge exchange)	Quarterly	10 knowledge products	Two	Two	Three	Three	Three
Project preparation methodology for public-private partnerships and major capital projects	Annually	Develop and pilot extended project preparation guidelines	Pilot project preparation guidelines				

PROGRAMME 8: TECHNICAL SUPPORT AND DEVELOPMENT FINANCE - cont

QUARTERLY TARGETS FOR 2013/14 - continued

Performance indicator	Reporting period	Annual target	Quarterly targets	Q 1 (Apr – Jun)	Q 2 (Jul – Sep)	Q 3 (Oct – Dec)	Q 4 (Jan – Mar)
Registered public-private partnerships and capital project transactions	Annually	2013/14 <ul style="list-style-type: none"> Passenger Rail Agency of South Africa rolling stock Renewable energy independent power producers Hospital revitalisation 	Five-to-10 projects annually				
Number of projects reaching financial close	Annually	<ul style="list-style-type: none"> Passenger Rail Agency of South Africa rolling stock and black economic empowerment Renewable energy independent power producers (round 2) 	To be determined				
Number of technical support teams deployed	Quarterly	<ul style="list-style-type: none"> Deploy 36 long-term technical assistants (four per province) across all nine provinces Deploy one technical assistant to Department of Basic Education Deploy two technical assistants to Department of Health Appoint two technical assistants to National Treasury 	36 plus five				

PROGRAMME 8: TECHNICAL SUPPORT AND DEVELOPMENT FINANCE - cont

QUARTERLY TARGETS FOR 2013/14 - continued

Performance indicator	Reporting period	Annual target	Quarterly targets			
		2013/14	Q 1 (Apr – Jun)	Q 2 (Jul – Sep)	Q 3 (Oct – Dec)	Q 4 (Jan – Mar)
Sub-programme: Technical Support and Development Finance Programme Management						
Number of people trained per province, and proportion of IDM toolkit used	Annually	<ul style="list-style-type: none"> Train 10 people per province Hold IDM workshop for 40 senior government officials Provinces use 70% of IDM toolkit 	Train 10 government officials per province			
				Hold IDM workshop for 40 senior government officials		
Number of technical graduates trained per relevant statutory body requirements in engineering, town planning, geographic information systems and project management	Annually	250 graduates	200 graduates	250 graduates	250 graduates	250 graduates
Sub-programme: Local Government Financial Skilled Development						
Appropriately skilled chief financial officers appointed in municipalities	Annually	278	278			
Number of interns appointed to municipalities	Quarterly	1 390	900	1 000	1 200	1 390
Audit action plans developed and implemented	Annually	278	278			
Municipal compliance with Budget and Treasury Office, supply chain management, internal audit and audit committee requirements	Annually	Develop compliance assessment tool	Develop and introduce compliance assessment tool			

PROGRAMME 8: TECHNICAL SUPPORT AND DEVELOPMENT FINANCE - cont

QUARTERLY TARGETS FOR 2013/14 - continued

Performance indicator	Reporting period	Annual target	Quarterly targets	Q 1 (Apr – Jun)	Q 2 (Jul – Sep)	Q 3 (Oct – Dec)	Q 4 (Jan – Mar)
Sub-programme: Neighbourhood Development Partnership Grant							
Total number of long-term urban regeneration programmes registered (cumulative)	Annually	10	10				
Total number of catalytic projects approved (cumulative)	Quarterly	300	260	280	290	300	
Number of Neighbourhood Development Partnership Grant projects under construction	Quarterly	40	8	20	30	40	
Estimated third-party investment leveraged (cumulative)	Annually	R2 000 million	R2 000 million				
Sub-programme: Gautrain Loan							
Loan repaid	Annually	1st repayment instalment due					
Sub-programme: Municipal Financial Improvement Programme							
Number of municipalities assisted	Annually	85	85				
Number of provinces assisted	Annually	9	9				
Ensure relevance and effectiveness of programme	Annually	Analyse and report on programme effectiveness	Complete draft report on programme effectiveness	Consult internally with relevant stakeholders and submit to Minister of Finance			

PROGRAMME 8: TECHNICAL SUPPORT AND DEVELOPMENT FINANCE - cont

QUARTERLY TARGETS FOR 2013/14 - continued

Performance indicator	Reporting period	Annual target	Quarterly targets	Q 1 (Apr – Jun)	Q 2 (Jul – Sep)	Q 3 (Oct – Dec)	Q 4 (Jan – Mar)
Sub-programme: Employment Creation Facilitation							
Number of projects approved (cumulative)	Quarterly	90	60	70	80	90	
<ul style="list-style-type: none"> Value of grant funding approved (cumulative) Value of matched funding 	Quarterly	<ul style="list-style-type: none"> R5 000 million R5 500 million 	<ul style="list-style-type: none"> R3 500 million R4 000 million 	<ul style="list-style-type: none"> R4 000 million R4 500 million 	<ul style="list-style-type: none"> R4 500 million R5 000 million 	<ul style="list-style-type: none"> R5 000 million R5 500 million 	
<ul style="list-style-type: none"> New jobs contracted Training placements contracted 	Quarterly	<ul style="list-style-type: none"> 90 000 120 000 	<ul style="list-style-type: none"> 70 000 100 000 	<ul style="list-style-type: none"> 75 000 105 000 	<ul style="list-style-type: none"> 80 000 110 000 	<ul style="list-style-type: none"> 90 000 120 000 	
Value of grant funding disbursed (in-year)	Quarterly	R1 200 million	R600 million	R800 million	R1 000 million	R1 200 million	
Jobs Fund evaluation reports documented and learning on effective approaches to job creation disseminated	Annually	<ul style="list-style-type: none"> Three-to-five project case studies One learning intervention 	<ul style="list-style-type: none"> Three-to-five project case studies One learning intervention 				
Employment, income distribution and inclusive growth research project	Annually	<ul style="list-style-type: none"> Establish three research programmes Initiate econ3x3 	<ul style="list-style-type: none"> Establish three research programmes Initiate econ3x3 				
Sub-programme: Integrated City Development Grant							
Number of spatial transformation zones identified in participating municipalities	Annually	Programme inception: city plans to be developed and targets to be identified					
Number of projects within identified zones identified for planning	Annually						
Number of integrated city development projects under implementation	Annually						

PROGRAMME 8: TECHNICAL SUPPORT AND DEVELOPMENT FINANCE - cont

EXPENDITURE ESTIMATES

Subprogrammes	Audited Outcome				Adjusted Appropriation	Medium-term expenditure estimate		
	2009/10	2010/11	2011/12	2012/13		2013/14	2014/15	2015/16
R million								
Programme Management for Technical Support and Development Finance	144.1	124.2	169.1	161.4	181.9	191.5	199.0	
Local Government Financial Management and Skills Development Grant	300.0	364.6	423.6	478.2	523.3	603.6	649.0	
Neighbourhood Development Partnership Grant	578.1	881.8	808.4	658.1	653.0	649.5	665.0	
Gautrain Loan	4,200.0	-	-	-	-	-	-	
Municipal Finance Improvement Programme	88.5	100.7	100.0	110.0	121.5	128.8	134.7	
Post-disaster recovery and reconstruction	-	-	-	-	-	-	-	
Employment Creation Facilitation Fund	-	-	272.5	591.9	1,258.0	1,900.0	1,318.0	
Infrastructure Grant to Provinces	-	-	1,089.7	-	-	-	-	
Integrated Cities Development Grant	-	-	-	-	40.0	150.0	150.0	
Total	5,310.7	1,471.3	2,863.3	1,999.6	2,777.8	3,623.3	3,115.8	
Change to 2012 Budget Estimate	-	-	-	(405.1)	(1,204.0)	96.8	33.3	
Economic classification								
Current payments	125.0	101.4	153.3	148.2	161.4	170.0	176.3	
Compensation of employees	30.9	34.3	35.7	40.9	46.5	48.9	50.8	
Goods and services of which:	94.1	67.1	117.6	107.4	114.9	121.0	125.5	
Computer services	0.1	0.7	0.0	0.6	0.8	0.6	0.6	
Consultants and professional services: Business and advisory services	87.1	60.4	104.4	88.9	96.5	102.4	105.9	
Operating leases	0.2	0.2	0.3	0.3	0.4	0.4	0.5	
Travel and subsistence	2.7	2.4	3.3	4.3	4.4	4.4	4.7	
Transfers and subsidies	5,185.5	1,369.4	2,709.5	1,850.4	2,615.7	3,452.8	2,938.7	
Provinces and municipalities	5,008.1	1,196.4	2,251.7	1,056.3	1,161.3	1,344.7	1,399.0	
Departmental agencies and accounts	88.9	72.4	218.0	139.5	126.5	133.5	143.6	
Higher education institutions	-	-	-	9.0	10.0	12.0	12.5	
Public corporations and private enterprises	88.5	100.7	239.7	645.5	1,317.9	1,962.5	1,383.5	
Households	-	-	0.1	0.0	-	-	-	
Payments for capital assets	0.2	0.3	0.4	1.0	0.8	0.6	0.8	
Machinery and equipment	0.2	0.3	0.4	1.0	0.8	0.6	0.8	
Payments for financial assets	0.0	0.1	0.1	-	-	-	-	
Total	5,310.7	1,471.3	2,863.3	1,999.6	2,777.8	3,623.3	3,115.8	

PROGRAMME 8: TECHNICAL SUPPORT AND DEVELOPMENT FINANCE - cont

EXPENDITURE TRENDS

The spending focus over the medium term will be on supporting job creation initiatives in the country by funding transfers through the Employment Creation Facilitation Fund subprogramme to the Development Bank of Southern Africa for the Jobs Fund, and infrastructure development through the city support programme, the neighbourhood development partnership grant and the infrastructure delivery improvement programme. Over the medium term, 150 000 job opportunities are to be created through the implementation of projects in the Employment Creation Facilitation Fund subprogramme. By providing funding to the neighbourhood development partnership grant and the local financial management and skills development grant, the department expects that capacity will be built to support the financial reforms in local and provincial government, enable infrastructure development and promote public private partnership objectives. The programme receives an additional R462.1 million over the medium term, mainly for the integrated cities development grant and the infrastructure skills development grant.

Over the medium term, expenditure in this programme is expected to increase by R1.1 billion, with a significant portion of the growth occurring in the transfer payments to the Development Bank of Southern Africa and municipalities. These transfers are projected to increase by R713.3 million and R342.7 million over the medium term respectively. These increases are mainly due to the implementation of the local government financial management and infrastructure skills development grants; the introduction and full implementation of the city support programme to enhance governance, especially on infrastructure, for the metropolitan municipalities; as well as the activities of the Employment Creation Facilitation Fund subprogramme.

Spending on the local government financial management grant increases by R169.8 million over the seven-year period to allow all municipalities to receive support through initiatives such as the rollout of graduate interns to the municipalities to enhance their finance function capacity. The newly established infrastructure skills development grant, which received its first allocation in 2012/13, is projected to increase by R103.7 million over the medium term. The grant is to provide for approximately 675 graduates and interns training in infrastructure with the intention to be registered as professional artisans, technicians, engineers and other specialists in line with the national development plan of professionalising local government and creating capable staff.

ANNEXURE

ABBREVIATIONS

ACTT	Anti-corruption task team	MDM	Master data management
AENE	Adjusted estimates of National Expenditure	MFMA	Municipal Finance Management Act
Afdb	African Development Bank	MTBPS	Medium Term Budget Policy Statement
AU	African Union	MTEC	Medium-term Expenditure Committee
BAS	Basic Accounting System	MOU	Memorandum of understanding
BI	Business intelligence	OAG	Office of the Accountant-General
BRICS	Brazil, Russia, India, China, South Africa	OECD	Organisation for Economic Cooperation and Development
DBSA	Development Bank of Southern Africa	OLA	Operations-level agreement
DFI	Development finance institution	PFMA	Public Finance Management Act
DPSA	Department of Public Service and Administration	PIC	Public Investment Corporation
CFO	Chief financial officer	PMM	Procurement management module
ENE	Estimates of National Expenditure	PPP	Public-private partnership
FLC	Fiscal Liabilities Committee	QAR	Quality assessment review
FMCM	Financial management capability maturity model	RPO	Recovery point objective
FMS	Financial management system	RTO	Recovery time objective
G20	Group of Twenty	SAA	South African Airways
GDP	Gross domestic product	SABC	South African Broadcasting Corporation
GEPF	Government Employees Pension Fund	SACU	Southern African Customs Union
GRAP	Generally recognised accounting practice	SADC	Southern African Development Community
GTAC	Government technical advisory centre	SANRAL	South African National Roads Agency Limited
HR	Human resources	SARS	South African Revenue Service
HRM	Human resources module	SASRIA	South African Special Risks Insurance Association
IA	Internal audit	SAX	South African Express Airways
ICT	Information and communications technology	SCM	Supply Chain management
IDM	Infrastructure delivery management	SCOA	Standard chart of accounts
IFMS	Integrated financial management system	SISP	Strategic information systems plan
IIA	Institute of Internal Auditors	SLA	Service-level agreement
ILB	Inflation-linked bonds	SOC	State-owned company
IMF	International Monetary Fund	SSP	Strategic support plans
IMM	Inventory management module	TB	Treasury bond
ISPIIA	International standards for the professional practice of internal audit	URS	User requirement statement
IT	Information technology	WEF	World Economic Forum
KM	Knowledge management		

National Treasury
ANNUAL PERFORMANCE PLAN
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UPDATE

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