

National Treasury
ANNUAL PERFORMANCE PLAN
2015/19



national treasury

Department:
National Treasury
REPUBLIC OF SOUTH AFRICA

National Treasury

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2015/19

The 2015/19 National Treasury Annual Performance Plan is compiled with the latest available information from departmental and other sources. Some of this information is unaudited or subject to revision.

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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



national treasury

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REPUBLIC OF SOUTH AFRICA

SITUATIONAL ANALYSIS

ECONOMIC ENVIRONMENT

A weak global economic recovery is projected for the next several years, with growth forecast to rise from 3.3 per cent in 2014 to 3.5 per cent in 2015 and 3.7 per cent in 2016. These projections have been revised downwards in recent months and are likely to have consequences for all developing economies.

Among advanced economies, growth is picking up in the United States but economic activity remains tepid in Europe and Japan. Weak domestic demand and falling inflation expectations have prompted the central banks of Europe and Japan to introduce additional monetary stimuli, which should support growth rates slightly above 2014 levels.

Despite lower commodity prices, the growth outlook for sub-Saharan Africa remains robust, averaging an annual 5 per cent over the next three years. Economies in the region have diversified over the past decade, attracting increased foreign direct investment and benefiting from rising investment in ports, electricity capacity and transportation. Buoyant growth in agriculture and services has also broadened economic activity. For net oil importers, the decline in oil prices should offset lower non-oil commodity export prices in the short term. However, the region faces significant risks. These include uncertainty about the consequences of lower commodity prices on investment; unresolved security issues; and weak European demand.

ELECTRICITY SUPPLY AND THE ECONOMY

The South African economy faces a difficult few years. Some of the difficulties are the result of a weak global outlook while others have to do with the structure of our economy. The net result is that economic growth is likely to remain subdued over the medium term, rising from a projected 2 per cent of GDP in 2015 to 3 per cent in 2017.

Inadequate electricity supply will be a serious constraint to output and exports over the short term. Government is working with Eskom to limit the impact of power cuts. Measures include stepping up maintenance to ensure reliability of supply; renewing existing co-generation agreements with private firms and entering into new ones; and expediting the completion of new power stations. At the end of 2014, government invited independent power producers to build coal-fired power stations providing up to 2 500MW of electricity. Efforts are also under way to secure additional supply from gas and renewable sources. Together, these efforts will improve the availability of electricity over the medium term, and plans are under way to ensure that the country can generate sufficient energy to power its economy over the long term.

Enhanced tax incentives will promote greater energy efficiency. Interventions such as the solar water heating initiative and grants to municipalities under the Energy Efficiency and Demand Side Management programme will encourage households to use energy more efficiently. The evolution towards cost-reflective electricity prices will encourage firms to reduce consumption and to direct investment towards less energy-intensive sectors.

ENSURING FISCAL SUSTAINABILITY

Since 2012, government has pointed out that a deterioration of the economic environment would warrant a reconsideration of expenditure and revenue plans. Despite the implementation of a spending ceiling, weak economic growth has produced a persistently large budget deficit.

SITUATIONAL ANALYSIS - continued

While fiscal policy has supported the economy for the past seven years, this countercyclical approach has reached its limits. The budget deficit is largely structural and cannot be reduced through a cyclical upturn in revenues. Accordingly, the 2015 Budget proposals will:

- Reduce the expenditure ceiling by R25 billion over the next two years, compared with the 2014 Budget baseline
- Increase personal income tax rates and the general fuel levy, raising an additional R16.8 billion in 2015/16
- Strengthen budget preparation and expenditure controls to improve the efficiency of resource allocation and the composition of spending
- Withhold additional resources for changes to personnel numbers
- Ensure that the financing of state-owned companies does not increase national government's budget deficit.

Given weak economic conditions, these proposals have been designed to limit the dampening effect on growth in the short term. The slowdown in spending growth is less pronounced in 2015/16, with the weight of expenditure consolidation shifted to the second year of the framework.

To support the economy, development finance institutions plan to expand their loan books by 33 per cent over the next two years. From 2017/18, real expenditure growth will be more closely aligned with long-term average real GDP growth. This reform will bolster fiscal sustainability while allowing the budget to play a more predictable role in stabilising the economy.

The main budget expenditure ceiling has been in place since 2012 and remains a cornerstone of the fiscal framework. Government is on track to achieve the 2014/15 spending target set in the 2014 Medium Term Budget Policy Statement (MTBPS). Between 2003/04 and 2009/10, growth in real expenditure averaged 9 per cent. This is projected to stand at 2.5 per cent in 2015/16 and to decline to 0.7 per cent in 2016/17.

BUILDING CRITICAL INFRASTRUCTURE AND RAISING PRODUCTIVITY

The public-sector infrastructure programme has begun to reduce constraints to growth. Transnet's seven-year R310 billion capital investment programme is modernising the freight logistics network, introducing more than 1 000 new locomotives and upgrading railways, ports and the pipeline infrastructure. Sixty trains now run daily between Durban and Johannesburg, compared with fewer than 20 a decade ago.

Telecommunications investments in the construction and upgrading of fibre-optic and mobile networks, and the introduction of municipal WiFi, will boost information technology access and affordability. Faster, cheaper and more accessible broadband is critical to support small businesses and overall competitiveness.

EMPLOYMENT CREATION AND BUILDING SKILLS

Various incentives and programmes have been introduced to assist job seekers and to build skills. In 2013/14, the Expanded Public Works Programme created over 1 million jobs of varying duration. To date, the Jobs Fund has created 30 701 permanent jobs and trained 75 163 work seekers. In December 2014, the Employment Tax Incentive supported the employment of over 216 000 young workers, from a peak of 268 000 in August. Expanding education is key to developing

SITUATIONAL ANALYSIS - continued

the skills required in the modern economy, and over the past three years 92 new schools have been built as part of the accelerated school infrastructure development initiative and two new universities opened their doors last year.

REGULATORY AND BUSINESS ENVIRONMENT

A number of regulatory reforms and administrative improvements have been put in place to enhance business conditions and confidence. These include the South African Revenue Service customs modernisation programme; streamlined company registration processes; amendments to the Competition Amendment Act (2009) which increase penalties for anticompetitive behaviour; the regulator's recent reductions in mobile telecommunication rates; and government's One Environmental System, which will shorten the process of obtaining mining, environmental and water licences. Draft legislation to establish a transport economic regulator, to be tabled in 2015, should promote greater competition in the sector.

INCENTIVES, NEW SECTORS AND NEW BUSINESS

The establishment of special economic zones, a range of tax incentives and grant funding for upgrading equipment and processes should help local companies to become more competitive. The turnover tax and venture capital tax incentives were revised in 2014. In 2013/14, the Research and Development Incentive approved 428 projects valued at R2.9 billion. Operation Phakisa (Hurry up) has established "delivery labs" to cut red tape and speed up rollout. The first two such labs focused on the ocean economy (offshore fishing, oil, marine transport and aquaculture) and health services. As a result of the first lab, Transnet National Ports Authority announced R9.65 billion in infrastructure projects at Saldanha Bay.

Important structural changes are under way in agriculture, manufacturing and mining and are expected to boost long-term growth potential.

- Since 2010, manufacturing has increased gross fixed-capital formation by a compound annual average of 10.3 per cent, with a focus on replacing or upgrading machinery and equipment. This has improved local firms' international competitiveness and boosted exports
- In clothing, footwear and textiles, new production and clustering systems enable firms to respond flexibly, with short lead times, to local demand. Such changes could substantially boost job creation
- Mining production and investment have shifted towards newer, better-performing export sectors such as iron ore, coal and manganese
- Agriculture has become more export focused. Labour-intensive horticultural exports (such as grapes, citrus and tree nuts) are growing as a share of output, replacing highly mechanised grain exports such as maize. Investment growth has averaged over 10 per cent since 2010.

There are notable developments in emerging sectors such as oil and gas. The port of Saldanha has seen significant increases in rig-repair and fabrication work, with new operators and private investors. A planned oil servicing zone in the Saldanha Industrial Development Zone will service and supply the African industry, and government will encourage exploration of shale and offshore gas. Recent investment in the country by Google and Amazon suggest the potential to expand entrepreneurial and technology-based firms, demonstrating the sophistication of the economy and possible avenues for future growth.

SITUATIONAL ANALYSIS - continued

ORGANISATIONAL ENVIRONMENT

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

Key organisational focus areas over the medium-term include:

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

Expected increases in spending on compensation of employees, from R689 million in 2014/15 to R825 million in 2017/18, are mainly attributable to cost of living adjustments. The department has heeded the call to curb excessive growth on compensation of employees and has implemented Cabinet-approved budget reductions of R40.5 million, R42.1 million and R46.4 million respectively over the medium term. This has led to a sharper focus when evaluating funded positions in the establishment, carefully prioritising posts which are critically important to fill.

Amongst the notable additions to the National Treasury structure to be filled over the period ahead are those described below.

FINANCIAL SECTOR POLICY

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

Enabling legislation for the Twin Peaks model for regulation and oversight in the financial sector was introduced in 2013/14. In terms of this model, the financial services industry and related structures will have two regulators: a prudential regulator, which will operate within the Reserve Bank; and a new market conduct regulator, which will be established within a restructured Financial Services Board. A new unit will be created to focus on providing analysis of financial market conduct in line with the Twin Peaks model of regulating the financial sector.

SITUATIONAL ANALYSIS - continued

INTEGRATED FINANCIAL MANAGEMENT SYSTEM (IFMS)

After Cabinet's endorsement of a change in direction of the IFMS project, considerable work has been undertaken by the National Treasury, Department of Public Service and Administration and the State Information Technology Agency to lay the foundation for this change.

The project has gained momentum and the team has grown, primarily with the establishment of a programme management office. The Office of the Accountant-General then identified the need to establish dedicated institutional capacity to ensure that the positive momentum continues and that the myriad of matters arising as a result are addressed appropriately.

The unit, which is now partially staffed, is expected to evolve functionally in line with project progress over time. Initially it is focused on procurement and planning. Once successfully implemented, the stress will shift towards matters of transition and implementation and, several years later, towards maintenance and on-going systems improvements.

OFFICE OF THE CHIEF PROCUREMENT OFFICER

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

To increase centralised coordination of procurement in government, particularly of commodities commonly procured in small volumes by most departments, the capacity of the unit coordinating transversal contracts will be increased considerably.

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

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

SITUATIONAL ANALYSIS - continued

STRATEGIC OUTCOME ORIENTED GOALS OF THE INSTITUTION

PROGRAMME 1: ADMINISTRATION

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

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

This programme aims to improve South Africa's macroeconomic and microeconomic framework through on-going analysis, research and policy advisory services. The programme supports economic growth, employment and macroeconomic stability and retirement reform by:

- developing tax policy proposals and supporting tax legislation for the annual budget
- monitoring the collection of revenue through on-going consultation with relevant stakeholders, and analysing the factors determining tax collection.

PROGRAMME 3: PUBLIC FINANCE AND BUDGET MANAGEMENT

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

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

PROGRAMME 4: ASSET AND LIABILITY MANAGEMENT

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

SITUATIONAL ANALYSIS - continued

PROGRAMME 5: FINANCIAL ACCOUNTING AND SUPPLY CHAIN MANAGEMENT SYSTEMS

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

PROGRAMME 6: INTERNATIONAL FINANCIAL RELATIONS

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

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

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

PROGRAMME 8: TECHNICAL AND MANAGEMENT SUPPORT AND DEVELOPMENT FINANCE

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

PROGRAMME 9: REVENUE ADMINISTRATION

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

PROGRAMME 10: FINANCIAL INTELLIGENCE AND STATE SECURITY

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

VOTE 7: NATIONAL TREASURY RESOURCE PLAN

BUDGET SUMMARY

R million	2015/16					2016/17		2017/18	
	Total	Current payments	Transfers and subsidies	Payments for capital assets	Payments for financial assets	Total	Total	Total	Total
MTEF allocation									
Administration	366.7	353.8	3.6	9.2	–	379.5	398.8	398.8	398.8
Economic Policy, Tax, Financial Regulation and Research	133.9	105.9	27.6	0.5	–	142.6	153.8	153.8	153.8
Public Finance and Budget Management	257.0	215.1	40.6	1.3	–	275.8	294.8	294.8	294.8
Asset and Liability Management	3 116.9	92.3	–	0.6	3 024.0	98.1	104.5	104.5	104.5
Financial Accounting and Supply Chain Management Systems	751.4	664.6	82.0	4.7	–	825.4	883.0	883.0	883.0
International Financial Relations	1 247.4	48.9	851.8	0.1	346.7	1 314.4	1 380.2	1 380.2	1 380.2
Civil and Military Pensions, Contributions to Funds and Other Benefits	3 962.9	61.2	3 901.8	–	–	4 173.2	4 381.9	4 381.9	4 381.9
Technical Support and Development Finance	3 143.9	406.3	2 737.6	–	–	3 278.2	3 331.7	3 331.7	3 331.7
Revenue Administration	9 434.4	–	9 434.4	–	–	10 433.5	11 415.6	11 415.6	11 415.6
Financial Intelligence and State Security	4 542.8	–	4 542.8	–	4 793.0	5 033.7	5 033.7	5 033.7	5 033.7
Subtotal	26 957.3	1 948.1	21 622.1	16.4	3 370.7	25 713.8	27 378.2	27 378.2	27 378.2
Direct charge against the National Revenue Fund									
Provincial equitable share	382 673.5	–	382 673.5	–	–	405 264.6	428 892.5	428 892.5	428 892.5
Debt service costs	126 440.4	126 440.4	–	–	–	140 970.9	153 376.0	153 376.0	153 376.0
General fuel levy sharing with metropolitan municipalities	10 658.9	–	10 658.9	–	–	11 223.8	11 785.0	11 785.0	11 785.0
National Revenue Fund payments	1 210	–	–	–	121.0	–	–	–	–
Total expenditure estimates	546 851.1	128 388.5	414 954.5	16.4	3 491.7	583 173.1	621 431.7	621 431.7	621 431.7

VOTE 7: NATIONAL TREASURY RESOURCE PLAN - continued

SELECTED PERFORMANCE INDICATORS BY PROGRAMME AND RELATED OUTCOMES

Indicator	Programme	Outcome	Past			Current	Projections		
			2011/12	2012/13	2013/14		2014/15	2015/16	2016/17
Net loan debt as a percentage of GDP	Asset and Liability Management	Outcome 4: Decent employment through inclusive economic growth	32.1% (R989.7bn)	35.5% (R1 181.6bn)	38.2% (R1 379.5bn)	40.8% (R1 584.0bn)	42.5% (R1 781.3bn)	43.1% (R1 958.1bn)	43.7% (R2 151.7bn)
Value of government gross annual borrowing	Asset and Liability Management		R163.7bn	R209.4bn	R201.3bn	R229.1bn	R204.5bn	R213.4bn	R246.5bn
Cost to service debt as a percentage of GDP	Asset and Liability Management	Outcome 12: An efficient, effective and development oriented public service	2.5% (R76.5bn)	2.6% (R88.1bn)	2.8% (R101.2bn)	3.0% (R115.0bn)	3.0% (R126.4bn)	3.1% (R140.9bn)	3.1% (R153.4bn)
Number of active training providers delivering the municipal regulated minimum competency levels programme per year	Financial Accounting and Supply Chain Management Systems		46	72	24	40	43	43	43
Percentage of identified transversal contracts with strategic sourcing principles introduced per year	Financial Accounting and Supply Chain Management Systems	Outcome 9: A responsive, accountable, effective and efficient developmental local government system	59% (19)	70% (14)	90% (18)	100% (15)	100% (19)	100% (14)	100% (23)
Number of individuals trained per year to assist with the implementation of financial management reforms	Financial Accounting and Supply Chain Management Systems		3 142	3 547	267	700	760	750	740
Number of neighbourhood development partnership grant projects under construction per year	Technical Support and Development Finance	Outcome 8: Sustainable human settlements and improved quality of household life	70	86	83	40	40	40	40
Total estimated third party investment leveraged ¹	Technical Support and Development Finance		-1	R1,458bn	R1,868bn	R2,500bn	R3,000bn	R3,500bn	R4,000bn
Total number of new jobs contracted for approved and active projects in the Jobs Fund	Technical Support and Development Finance	Outcome 4: Decent employment through inclusive economic growth	-1	65 121	143 914	110 000	140 000	150 000	150 000

VOTE 7: NATIONAL TREASURY RESOURCE PLAN - continued

SELECTED PERFORMANCE INDICATORS BY PROGRAMME AND RELATED OUTCOMES - CONTINUED

Indicator	Programme	Outcome	Past			Current 2014/15	Projections			
			2011/12	2012/13	2013/14		2015/16	2016/17	2017/18	
Number of long term urban regeneration programmes ² registered per year	Technical Support and Development Finance	Outcome 8: Sustainable human settlements and improved quality of household life	-2	-2	18	18	18	18	18	20
Number of training placements contracted for with active private companies in the Jobs Fund per year ¹	Technical Support and Development Finance	Outcome 4: Decent employment through inclusive economic growth	-1	105 499	160 651	140 000	160 000	160 000	160 000	160 000

1. Previous data is not available as investments and projects began in 2012/13.

2. The urban regeneration programme was only launched in 2013/14.

VOTE 7: NATIONAL TREASURY RESOURCE PLAN - continued

EXPENDITURE ANALYSIS

The National Development Plan charts a growth trajectory to reduce poverty and inequality, and envisages a country in which all citizens have the required capabilities to seize available opportunities. These capabilities include education and skills, decent accommodation, nutrition, safe communities, social security and transport, facilitated by a capable state and a growing, resilient economy. Government's 2014-2019 medium term strategic framework directs government to invest in infrastructure development, create jobs, transform South Africa to a low carbon economy, and bring about social transformation and unity.

National Treasury will contribute to these objectives over the medium term by focusing on the following priorities: managing national budget processes to direct public funds towards inclusive economic growth and long term financial stability; promoting a tax policy and administration that ensures sustainable growth and job creation; facilitating infrastructure development and building economically integrated cities; supporting the creation of sustainable employment; improving, modernising and monitoring procurement across government to improve value for public money; and improving government financial management and financial systems to build capability at all levels of government.

The Treasury is responsible for the main statutory transfers to provincial governments. It provides for servicing government debt and is responsible for the distribution of the general fuel levy to metropolitan municipalities. These are regarded as a direct charge against the National Revenue Fund and collectively account for 95.3 per cent of the department's budget over the MTEF period. Cabinet approved budget reductions of R4.96 billion in 2015/16, R6.4 billion in 2016/17 and R5.2 billion in 2017/18 will be effected on the main statutory transfers to provincial governments. Cabinet approved additional allocations of R1.8 billion in 2016/17 and R6.6 billion in 2017/18 are for higher debt service costs.

DIRECTING PUBLIC FUNDS TOWARDS INCLUSIVE GROWTH AND LONG TERM ECONOMIC STABILITY

Over the medium term, the Treasury will assess public expenditure and align the Budget to achieving the outcomes of the 2014-2019 medium term strategic framework. A comprehensive review of public expenditure is in progress and will be finalised over the medium term. The 20-year review of the South African fiscal policy framework has been completed, and its recommendations will be included in the 2015 Budget to ensure sustainable levels of spending. These activities are funded through the *Public Finance and Budget Management* programme. Spending over the medium term is projected at R827.5 million.

TAX POLICY AND ADMINISTRATION FOR SUSTAINABLE GROWTH AND JOB CREATION

National Treasury promotes a tax policy framework and tax administration system that ensures sustainable growth and that is able to deliver on government's mandate to address the needs of all South Africans, including tax proposals that support environmental sustainability and youth employment. The department established the Davis Tax Committee in 2013 to enquire into the role of the tax system in the promotion of inclusive economic growth, employment creation, development and fiscal sustainability. The committee will make recommendations on the various tax streams, which may be incorporated into tax policy. Over the medium term, the department will continue to lead the process to

VOTE 7: NATIONAL TREASURY RESOURCE PLAN - continued

develop a carbon tax intended to discourage or penalise environmentally unfriendly practices in the economy. The department will also monitor the implementation of the Employment Tax Incentive Act (2013), which came into effect on 1 January 2014. The act incentivises job creation, including youth employment. Spending on these activities is projected at R78.5 million over the medium term in the *Tax Policy* subprogramme in the *Economic Policy, Tax, Financial Regulation and Research* programme.

SUSTAINABLE EMPLOYMENT

Over the medium term, National Treasury will support the creation of sustainable employment through the Jobs Fund. Established by government in 2011, the Jobs Fund supports initiatives that generate employment in innovative ways. The fund offers once-off grants for enterprise development, infrastructure, support for work seekers and institutional capacity building. Project partners are required to share risk and costs by matching the grant. The total budget for the programme is R9 billion, of which R4 billion is allocated to the *Employment Creation Facilitation* subprogramme in the *Technical Support and Development Finance* programme. By 2016/17, the fund is expected to have increased approved projects from 89 to 129, and it is anticipated that the fund will have contracted 150 000 jobs when the projects are concluded. The Jobs Fund will be managed through the Government Technical Advisory Centre.

INFRASTRUCTURE DEVELOPMENT AND ECONOMICALLY INTEGRATED CITIES AND COMMUNITIES

To support the development of infrastructure and economically integrated cities and communities, National Treasury provides subsidies, technical assistance, and training for infrastructure planning and development. The support is channelled through the neighbourhood development partnership grant, the integrated cities development grant, and the infrastructure delivery improvement programme in the *Infrastructure Development Support* and the *Urban Development and Support* subprogrammes in the *Technical Support and Development Finance* programme.

To provide catalytic infrastructure that attracts third-party investment and assists metropolitan municipalities to develop more inclusive and productive built environments, spending in the *Urban Development and Support* subprogramme of R2.8 billion over the medium term is projected for neighbourhood development planning and projects. Twenty six township urban hubs across 18 identified municipalities have been prioritised for strategic integrated development, and 18 spatial transformation zones will be identified for development by 2015/16. Twenty integrated city development projects will be implemented over the medium term, and a further estimated R1.5 billion is expected to be leveraged over the medium term through third-party investment in targeted locations by catalytic investments through the neighbourhood development programmes.

Temporary specialist consultants provide technical assistance for planning infrastructure development and supporting implementation across government when it is not efficient for full time Treasury staff to perform these functions. The department's overall spending on consultants will increase from R550.1 million in 2015/16 to R600.2 million in 2017/18, mainly to provide for these consultants and also for forensic investigations in the Office of the Accountant-General, among others.

The infrastructure delivery improvement programme is a capacity building programme that aims to improve the delivery of public sector infrastructure through institutionalising best practice and building capacity. The programme

VOTE 7: NATIONAL TREASURY RESOURCE PLAN - continued

supports provincial departments that deliver infrastructure. Over the medium term, R452.7 million in the *Infrastructure Development Support* subprogramme is projected to be spent to deploy 36 long term technical assistants to train provincial officials on the infrastructure delivery management toolkit.

TRANSFORMING GOVERNMENT PROCUREMENT

Over the medium term, National Treasury will focus on transforming government procurement to make it more cost effective, transparent and equitable, through the Office of the Chief Procurement Officer, established in 2013/14. Wide ranging changes will be made to procurement systems across government, including: developing generic structures for supply chain management functions in budget and treasury offices in municipalities; implementing the supply chain management education, training and development framework; reviewing the bid evaluation and adjudication minutes of key government contracts; visiting government projects to ensure delivery; and implementing a price referencing system on a nationally accessible platform so that strategic goods can be bought at the best price. Expenditure on these activities is projected at R155 million over the medium term in the *Financial Accounting and Supply Chain Management Systems* programme, including R18.6 million reprioritised from within the department.

STRENGTHENING GOVERNMENT FINANCIAL MANAGEMENT

The Treasury's medium term focus on improving government financial management and financial systems is reflected in projected spending of R1.5 billion over the medium term period in the *Financial Systems* subprogramme in the *Financial Accounting and Supply Chain Management Systems* programme. Activities include accelerating the deployment of the integrated financial management systems to all government departments. Local government will be supported to build their financial management capacity through the local government financial management grant and the municipal finance improvement programme in the *Local Government Financial Management Support* subprogramme in the *Technical Support and Development Finance* programme. Transfers are projected to grow from R449.1 million in 2014/15 to R502 million in 2017/18. Spending on goods and services is projected to grow from R98.8 million in 2014/15 to R148.9 million in 2017/18. Local governments will use the funds to train interns, and finance experts will be deployed to assist municipalities, including to address issues detected through auditing processes.

VOTE 7: NATIONAL TREASURY RESOURCE PLAN - continued

EXPENDITURE ESTIMATES

Programme	Expenditure estimates by programme and economic classification									
	Revised estimate	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/total: Average (%)		
	2014/15	2011/12 - 2014/15	2014/15	2015/16	2016/17	2017/18	2014/15 - 2017/18			
R million										
• 1. Administration	369.1	9.5%	0.1%	366.7	379.5	398.8	2.6%	0.1%		
• 2. Economic Policy, Tax, Financial Regulation and Research	127.1	-17.8%	0.0%	133.9	142.6	153.8	6.6%	0.0%		
• 3. Public Finance and Budget Management	252.4	6.3%	0.1%	257.0	275.8	294.8	5.3%	0.0%		
• 4. Asset and Liability Management	3 091.4	55.3%	0.4%	3 116.9	98.1	104.5	-67.7%	0.3%		
• 5. Financial Accounting and Supply Chain Management Systems	756.1	5.3%	0.1%	751.4	825.4	883.0	5.3%	0.1%		
• 6. International Financial Relations	1 192.6	13.4%	0.2%	1 247.4	1 314.4	1 380.2	5.0%	0.2%		
• 7. Civil and Military Pensions, Contributions to Funds and Other Benefits	3 717.8	-0.5%	0.8%	3 962.9	4 173.2	4 381.9	5.6%	0.7%		
• 8. Technical and Management Support and Development Finance	2 684.8	-8.9%	0.5%	3 143.9	3 278.2	3 331.7	7.5%	0.5%		
• 9. Revenue Administration	9 440.3	2.9%	2.0%	9 434.4	10 433.5	11 415.6	6.5%	1.8%		
• 10. Financial Intelligence and State Security	4 366.3	5.2%	0.9%	4 542.8	4 793.0	5 033.7	4.9%	0.8%		
Subtotal	25 997.8	4.5%	5.1%	26 957.3	25 713.8	27 378.2	1.7%	4.7%		
Direct charge against the National Revenue Fund	485 439.0	9.0%	94.9%	519 893.8	557 459.3	594 053.5	7.0%	95.3%		
Provincial equitable share	359 921.8	7.5%	71.6%	382 673.5	405 264.6	428 892.5	6.0%	69.7%		
Debt-service costs	115 016.2	14.4%	21.0%	126 440.4	140 970.9	153 376.0	10.1%	23.7%		

VOTE 7: NATIONAL TREASURY RESOURCE PLAN - continued

EXPENDITURE ESTIMATES - continued

Programme	Revised estimate	Expenditure estimates by programme and economic classification			Medium-term expenditure estimate	Average growth rate (%)	Expenditure/total: Average (%)	
		2014/15	2011/12 - 2014/15	2015/16				2016/17
R million	2014/15	2011/12 - 2014/15	2015/16	2016/17	2017/18	2014/15 - 2017/18	2014/15 - 2017/18	
General fuel levy sharing with metropolitan municipalities	10 190.2	5.9%	2.1%	10 658.9	11 223.8	11 785.0	5.0%	1.9%
National Revenue Fund payments	310.9	-	0.3%	1 210	-	-	-100.0%	0.0%
Total	511 436.8	8.7%	100.0%	546 851.1	583 173.1	621 431.7	6.7%	100.0%
Change to 2014 Budget estimate			(3 279.5)	(2 415.5)	4 877.6			
Economic classification								
Current payments	1 116 807.4	14.1%	21.4%	1 283 388.5	1 433 052.9	1 555 575.7	10.0%	24.0%
Compensation of employees	676.5	4.0%	0.1%	725.5	774.8	825.0	6.8%	0.1%
Goods and services	1 114.7	-0.8%	0.2%	1 222.6	1 307.1	1 374.8	7.2%	0.2%
of which:								
Administrative fees	3.3	-69.8%	0.0%	3.1	3.2	3.8	4.7%	0.0%
Advertising	3.3	-0.2%	0.0%	2.4	2.9	3.0	-2.7%	0.0%
Assets less than the capitalisation threshold	1.2	-23.1%	0.0%	1.0	1.1	1.1	-0.5%	0.0%
Audit costs: External	16.7	17.4%	0.0%	13.5	14.2	15.1	-3.3%	0.0%
Bursaries: Employees	6.1	31.8%	0.0%	6.0	5.8	6.0	-0.6%	0.0%
Catering: Departmental activities	1.7	-14.2%	0.0%	2.4	2.5	2.6	15.1%	0.0%
Communication	8.7	6.9%	0.0%	8.9	9.2	9.7	3.8%	0.0%
Computer services	423.0	2.4%	0.1%	445.4	496.7	523.3	7.4%	0.1%
Consultants and professional services: Business and advisory services	450.7	1.6%	0.1%	550.1	571.6	600.2	10.0%	0.1%
Consultants and professional services: Legal costs	12.9	8.5%	0.0%	11.3	11.9	12.6	-0.9%	0.0%
Contractors	3.2	0.8%	0.0%	3.0	3.2	3.3	0.4%	0.0%
Agency and support / outsourced services	9.7	-14.1%	0.0%	9.8	10.4	10.9	4.0%	0.0%
Entertainment	0.4	-9.8%	0.0%	0.5	0.5	0.5	13.2%	0.0%
Fleet services (including government motor transport)	2.3	-	0.0%	2.0	2.1	2.2	-1.3%	0.0%
Consumable supplies	3.3	6.1%	0.0%	3.5	3.6	4.0	6.7%	0.0%

VOTE 7: NATIONAL TREASURY RESOURCE PLAN - continued

EXPENDITURE ESTIMATES - continued

Programme	Expenditure estimates by programme and economic classification									
	Revised estimate	Average growth rate	Expenditure/total: Average (%)	2014/15	2015/16	2016/17	2017/18	Average growth rate	Expenditure/total: Average (%)	
R million	2014/15	2011/12 - 2014/15	2014/15	2015/16	2016/17	2017/18	2014/15 - 2017/18	2014/15 - 2017/18	2014/15 - 2017/18	
<i>Consumables: Stationery, printing and office supplies</i>	14.5	-3.2%	0.0%	12.7	13.7	14.1	-0.9%	0.0%		
<i>Operating leases</i>	61.8	22.8%	0.0%	56.1	57.8	60.9	-0.5%	0.0%		
<i>Property payments</i>	19.1	15.9%	0.0%	13.8	15.6	16.7	-4.3%	0.0%		
<i>Travel and subsistence</i>	48.4	-1.1%	0.0%	48.0	51.1	53.8	3.6%	0.0%		
<i>Training and development</i>	9.3	-5.7%	0.0%	9.1	9.7	10.1	2.9%	0.0%		
<i>Operating payments</i>	6.0	7.8%	0.0%	3.3	3.8	4.0	-12.2%	0.0%		
<i>Venues and facilities</i>	9.4	-4.6%	0.0%	16.6	16.5	16.9	21.7%	0.0%		
<i>Interest and rent on land</i>	115 016.2	14.4%	21.0%	126 440.4	140 970.9	153 376.0	10.1%	23.7%		
Transfers and subsidies	390 905.3	7.1%	77.9%	414 954.5	439 761.9	465 477.7	6.0%	75.6%		
Provinces and municipalities	371 511.7	7.5%	73.9%	394 767.6	417 975.0	442 275.9	6.0%	71.9%		
Departmental agencies and accounts	14 101.7	3.9%	3.0%	15 420.4	16 747.2	17 913.2	8.3%	2.8%		
Higher education institutions	5.8	-	0.0%	-	-	-	-100.0%	0.0%		
Foreign governments and international organisations	771.7	-0.6%	0.2%	854.1	920.5	964.1	7.7%	0.2%		
Public corporations and private enterprises	852.2	-24.2%	0.1%	11.4	12.0	12.6	-75.5%	0.0%		
Households	3 662.2	-0.6%	0.7%	3 900.9	4 107.3	4 311.9	5.6%	0.7%		
Payments for capital assets	26.4	8.6%	0.0%	16.4	12.8	13.2	-20.7%	0.0%		
Machinery and equipment	26.4	15.7%	0.0%	16.4	12.8	13.2	-20.7%	0.0%		
Payments for financial assets	3 697.7	70.2%	0.7%	3 491.7	3 45.5	365.1	-53.8%	0.3%		
Total	511 436.8	8.7%	100.0%	546 851.1	583 173.1	621 431.7	6.7%	100.0%		

VOTE 7: NATIONAL TREASURY RESOURCE PLAN - continued

PERSONNEL INFORMATION

Personnel numbers and cost by salary level and programme¹

Programmes	Number and cost ² of personnel posts filled / planned for on funded establishment												Number						
	Number of posts estimated for 31 March 2015		Actual 2013/14		Revised estimate 2014/15		2015/16		2016/17		2017/18		Average growth rate (%)	Salary level/total: Average (%)					
	Number of funded posts	Number of posts additional to the establishment	No.	Unit Cost	No.	Unit Cost	No.	Unit Cost	No.	Unit Cost	No.	Unit Cost	2014/15 - 2017/18	2014/15 - 2017/18					
National Treasury	1252	33	1 161	602.1	0.5	1 301	676.5	0.5	1 153	725.5	0.6	1 153	774.8	0.7	1 153	825.0	0.7	-3.9%	100.0%
Salary level																			
1-6	66	4	77	13.7	0.2	71	14.8	0.2	69	15.0	0.2	69	16.1	0.2	69	17.2	0.2	-0.9%	5.8%
7-10	532	5	510	161.8	0.3	549	176.7	0.3	503	189.4	0.4	503	204.1	0.4	503	219.0	0.4	-2.9%	43.2%
11-12	351	6	301	179.2	0.6	347	202.5	0.6	298	209.3	0.7	298	225.5	0.8	298	242.1	0.8	-4.9%	26.1%
13-16	301	18	271	244.1	0.9	332	278.5	0.8	281	307.6	1.1	281	324.7	1.2	281	341.9	1.2	-5.4%	24.7%
Other	2	-	2	3.3	1.7	2	4.0	2.0	2	4.2	2.1	2	4.5	2.3	2	4.8	2.4	-	0.2%

1. Administration
2. Economic Policy, Tax, Financial Regulation and Research
3. Public Finance and Budget Management
4. Asset and Liability Management
5. Financial Accounting and Supply Chain Management Systems
6. International Financial Relations
7. Civil and Military Pensions, Contributions to Funds and Other Benefits
8. Technical Support and Development Finance
9. Revenue Administration
10. Financial Intelligence and State Security

VOTE 7: NATIONAL TREASURY RESOURCE PLAN - continued

Number of posts estimated for 31 March 2015		Personnel numbers and cost by salary level and programme ¹												Number					
Number of funded posts	Number of posts additional to the establishment	Number and cost ² of personnel posts filled / planned for on funded establishment												Average growth rate (%)	Salary level/total: Average (%)				
		Actual			Revised estimate			2015/16			2016/17					2017/18			2014/15 - 2017/18
		2013/14		2014/15		2015/16		2016/17		2017/18		2014/15 - 2017/18							
		No.	Cost	Unit Cost	No.	Cost	Unit Cost	No.	Cost	Unit Cost	No.	Cost	Unit Cost	No.	Cost	Unit Cost	Average growth rate (%)	Salary level/total: Average (%)	
National Treasury		1 161	602.1	0.5	1 301	676.5	0.5	1 153	725.5	0.6	1 153	774.8	0.7	1 153	825.0	0.7	-3.9%	100.0%	
Salary level	1 252	33	1 161	602.1	0.5	1 301	676.5	0.5	1 153	725.5	0.6	1 153	774.8	0.7	1 153	825.0	0.7	-3.9%	100.0%
Programme 1	391	7	385	144.3	0.4	397	166.5	0.4	366	188.9	0.5	366	197.0	0.5	366	204.8	0.6	-2.7%	31.4%
Programme 2	131	-	96	66.7	0.7	131	69.8	0.5	106	79.1	0.7	106	85.1	0.8	106	91.4	0.9	-6.8%	9.4%
Programme 3	270	13	263	157.0	0.6	300	174.9	0.6	267	185.0	0.7	267	199.2	0.7	267	213.8	0.8	-3.8%	23.1%
Programme 4	116	1	112	62.8	0.6	117	70.6	0.6	111	73.6	0.7	111	79.2	0.7	111	85.0	0.8	-1.7%	9.5%
Programme 5	303	10	265	149.5	0.6	313	167.9	0.5	263	167.7	0.6	263	180.8	0.7	263	194.2	0.7	-5.6%	23.2%
Programme 6	41	2	40	21.8	0.5	43	26.8	0.6	40	31.4	0.8	40	33.5	0.8	40	35.8	0.9	-2.4%	3.4%

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

2. Rand million.

PROGRAMME 1: ADMINISTRATION

1.1 PURPOSE

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

1.2 STRATEGIC OBJECTIVES

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

1.3 SUB-PROGRAMME OVERVIEW

1.3.1 OFFICE OF THE MINISTER AND DEPUTY MINISTER

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

1.3.2 OFFICE OF THE DIRECTOR-GENERAL

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

1.3.3 MANAGEMENT

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

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

PROGRAMME 1: ADMINISTRATION - continued

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

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

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

1.3.4 CORPORATE SERVICES

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

Human Resources (HR) Management ensures transactional and transformational HR support to the department, thereby attracting, developing and retaining skills to deliver on the objectives and mandate.

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

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

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

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

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

PROGRAMME 1: ADMINISTRATION - continued

OUTPUTS AND TARGETS - continued

Performance indicator	Strategic Target	Previous year target			Current year target 2015/16	Medium-term targets		
		2012/13	2013/14	2014/15		2016/17	2017/18	2018/19
Strategic Objective 1.2: Provide integrated business solutions								
1.2.3	Retain appropriately skilled personnel	92% positions filled and 87% retention rate	N/A	92% of positions filled	92% of positions filled	92% of positions filled	92% of positions filled	92% of positions filled
	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			85% retention rate	87% retention rate	89% retention rate	90% retention rate	90% retention rate
1.2.4	Business Continuity Management (BCM) facility established and fully functional (people, systems and assets).	Effective and reliable support services	N/A	Provide a temporary life recovery solution for Assets and Liabilities Management division's new back office system	Provide a temporary live recovery solution for Assets and Liabilities Management division's new back office system	Provide a permanent live recovery solution for Assets and Liabilities Management division's new back office system	Provide a permanent recovery site for NT	Test, maintain and review the permanent recovery site for NT
Strategic Objective 1.3: To ensure good governance and a sound control environment								
1.3.1	Implement Enterprise Risk Management (ERM) strategy and vetting of identified employees	Effective and reliable support services	N/A	100% implementation of enterprise risk management strategy and 50% vetting of identified employees	25% implementation of enterprise risk management strategy and 60% vetting of identified employees	50% implementation of enterprise risk management strategy and 70% vetting of identified employees	75% implementation of enterprise risk management strategy and 80% vetting of identified employees	100% implementation of enterprise risk management strategy and 95% vetting of identified employees

PROGRAMME 1: ADMINISTRATION - continued

QUARTERLY TARGETS FOR 2015/16

Performance Indicator	Reporting Frequency	Annual Target 2015/16	QUARTERLY TARGETS			
			Q1 (Apr – Jun)	Q2 (Jul – Sep)	Q3 (Oct – Dec)	Q4 (Jan – Mar)
Strategic Objective 1.2: Provide integrated business solutions						
1.2.1	Quarterly	Savings in goods and services	Saving of 1% on goods and services	Saving of 1.5% on goods and services	Saving of 1% on goods and services	Saving of 1.5% on goods and services
1.2.2	Quarterly	Provide an effective and efficient ICT service	20% of approved ICT solutions deployed with 95% compliance to SLA/OLA	40% of approved ICT solutions deployed with 95% compliance to SLA/OLA	60% of approved ICT solutions deployed with 95% compliance to SLA/OLA	80% of approved ICT solutions deployed with 95% compliance to SLA/OLA
1.2.3	Quarterly	Retain appropriately skilled personnel	• 89% of positions filled • 95% retention rate	• 91% of positions filled • 93% retention rate	• 90% of positions filled • 90% retention rate	• 92% of positions filled • 87% retention rate
1.2.4	Quarterly	BCM facility established and fully functional (people, systems and assets)	80% of the continuity site fully operational	90% of the continuity site fully operational	100% of the continuity site fully operational	100% of the continuity site fully operational

PROGRAMME 1: ADMINISTRATION - continued

QUARTERLY TARGETS FOR 2015/16 - continued

Performance Indicator	Reporting Frequency	Annual Target 2015/16	QUARTERLY TARGETS			
			Q1 (Apr – Jun)	Q2 (Jul – Sep)	Q3 (Oct – Dec)	Q4 (Jan – Mar)
Strategic Objective 1.3: To ensure good governance and a sound control environment						
1.3.1	Quarterly	100% implementation of enterprise risk management strategy and 50% vetting of identified employees	25% implementation of enterprise risk management strategy and 10% vetting of identified employees	50% implementation of enterprise risk management strategy and 25% vetting of identified employees	75% implementation of enterprise risk management strategy and 30% vetting of identified employees	100% implementation of enterprise risk management strategy and 50% vetting of identified employees
1.3.2	Quarterly	Implement, monitor and evaluate piloted projects Integrated records management in NT	Pilot knowledge assets harvesting methodology within identified divisions Research and identification of best practice for policy review in accordance with National Archives and Records Service (NARS)	Training and facilitation of knowledge assets harvesting workshops in the identified divisions Review and update Records Management Policy	Training and facilitation of knowledge assets harvesting workshops in the identified divisions Develop records management procedures and process models for Integrated Document and Records Management System (IDMS)	Monitoring and evaluation of pilot projects to assess the level of usage and adoption of KM principles Submit draft policy and procedures for approval
1.3.3	Quarterly	Tabling of public entities strategic and annual performance plans Public entities quarterly report submissions to Minister	1 st draft to be submitted to Public Entity Oversight Unit (PEOU) in the 2 nd quarter. Public entities 1 st quarter report submissions to Minister	Engagements with and reviews of public entities: 1 st draft of strategic and annual performance plans Public entities 2 nd quarter report submissions to Minister	Engagements with and reviews of public entities: 2 nd draft of strategic and annual performance plans Public entities 3 rd quarter report submissions to Minister	Public entities strategic and annual performance plans submitted to Minister for approval and tabling Public entities 4 th quarter report submissions to Minister
1.3.4	Quarterly	100% implementation of the annual Risk-based Internal Audit Plan	30% implementation of the annual Risk-based Internal Audit Plan	60% implementation of the annual Risk-based Internal Audit Plan	80% implementation of the annual Risk-based Internal Audit Plan	100% implementation of the annual Risk-based Internal Audit Plan

PROGRAMME 1: ADMINISTRATION - continued

EXPENDITURE TRENDS AND ESTIMATES - continued

Sub-programme	Administration expenditure trends and estimates by sub-programme and economic classification										
	Audited outcome		Adjusted appropriation		Average growth rate (%)	Expenditure/ Total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/ Total: Average (%)
	2011/12	2012/13	2013/14	2014/15	2011/12 - 2014/15	2014/15	2015/16	2016/17	2017/18	2014/15 - 2017/18	2014/15 - 2017/18
R thousand											
Consultants and professional services: legal costs	7 324	9 891	10 679	11 407	15.9%	11 345	11 949	12 565		3.3%	3.1%
Contractors	1 570	1 404	2 175	3 507	30.7%	2 815	2 925	3 023		-4.8%	0.8%
Agency and support / outsourced services	6 808	8 825	10 368	9 487	11.7%	9 819	10 353	10 871		4.6%	2.7%

PROGRAMME 1: ADMINISTRATION - continued

EXPENDITURE TRENDS AND ESTIMATES - continued

Sub-programme	Administration expenditure trends and estimates by sub-programme and economic classification												
	Audited outcome		Adjusted appropriation		Average growth rate (%)		Expenditure/Total: Average (%)		Medium-term expenditure estimate		Average growth rate (%)		Expenditure/Total: Average (%)
	2011/12	2012/13	2013/14	2014/15	2014/15	2014/15	2014/15	2015/16	2016/17	2017/18	2014/15 - 2017/18	2014/15 - 2017/18	2014/15 - 2017/18
Entertainment	42	66	59	119	41.5%	-	133	142	150	150	8.0%	8.0%	-
Fleet services (including government motor transport)	295	356	1 608	2 222	96.0%	0.4%	1 949	2 044	2 138	2 138	-1.3%	-1.3%	0.6%
Consumable supplies	2 560	2 429	2 850	2 569	0.1%	0.8%	2 563	2 678	3 033	3 033	5.7%	5.7%	0.7%
Consumables: stationery, printing and office supplies	3 403	3 113	3 116	4 052	6.0%	1.1%	3 635	3 630	3 764	3 764	-2.4%	-2.4%	1.0%
Operating leases	37 454	39 555	39 490	59 675	16.8%	14.2%	53 706	55 270	58 146	58 146	-0.9%	-0.9%	14.9%
Property payments	11 306	11 420	12 026	19 055	19.0%	4.3%	13 774	15 566	16 677	16 677	-4.3%	-4.3%	4.3%
Travel and subsistence	11 449	15 806	15 189	11 611	0.5%	4.3%	11 906	12 525	13 242	13 242	4.5%	4.5%	3.2%
Training and development	3 222	2 612	2 026	4 026	7.7%	1.0%	3 535	3 776	3 986	3 986	-0.3%	-0.3%	1.0%
Operating payments	730	885	431	627	-4.9%	0.2%	479	565	639	639	0.6%	0.6%	0.2%
Venues and facilities	274	594	130	329	6.3%	0.1%	319	367	409	409	7.5%	7.5%	0.1%
Transfers and subsidies	2 417	2 635	3 541	4 157	19.8%	1.0%	3 590	3 703	3 832	3 832	-2.7%	-2.7%	1.0%
Departmental agencies and accounts	482	533	1 866	2 358	69.8%	0.4%	2 090	2 123	2 077	2 077	-4.1%	-4.1%	0.6%
Households	1 935	2 102	1 675	1 799	-2.4%	0.6%	1 500	1 580	1 755	1 755	-0.8%	-0.8%	0.4%
Payments for capital assets	6 470	14 292	17 199	11 503	21.1%	4.0%	9 231	5 272	5 164	5 164	-23.4%	-23.4%	2.1%
Buildings and other fixed structures	-	615	-	-	-	-	-	-	-	-	-	-	-
Machinery and equipment	6 470	13 677	17 199	11 503	21.1%	3.9%	9 231	5 272	5 164	5 164	-23.4%	-23.4%	2.1%
Payments for financial assets	24	4	274	-	-100.0%	-	-	-	-	-	-	-	-
Total	254 534	296 743	319 596	372 382	13.5%	100.0%	366 665	379 529	398 847	398 847	2.3%	2.3%	100.0%
Proportion of total programme expenditure to vote expenditure	1.3%	1.4%	1.3%	1.4%	-	-	1.4%	1.5%	1.5%	1.5%	-	-	-

PROGRAMME 1: ADMINISTRATION - continued

PERSONNEL INFORMATION

Number of posts estimated for 31 March 2015		Administration personnel numbers and cost by salary level ¹												Number						
Number of funded posts	Number of posts additional to the establishment	Actual			Revised estimate			2015/16			2016/17			2017/18			Average growth rate (%)	2014/15 - 2017/18		
		No.	Cost	Unit	No.	Cost	Unit	No.	Cost	Unit	No.	Cost	Unit	No.	Cost	Unit				
Administration	391	7	385	144.3	0.4	397	166.5	0.4	366	188.9	0.5	366	197.0	0.5	366	204.8	0.6	-2.7%	100.0%	
Salary level																				
1-6	52	-	57	9.6	0.2	51	10.8	0.2	49	10.7	0.2	49	11.4	0.2	49	12.1	0.2	-1.3%	13.2%	
7-10	230	2	224	58.6	0.3	231	68.6	0.3	216	72.2	0.3	216	77.8	0.4	216	83.6	0.4	-2.2%	58.8%	
11-12	63	-	54	31.8	0.6	62	34.5	0.6	54	37.0	0.7	54	39.9	0.7	54	42.9	0.8	-4.5%	15.0%	
13-16	44	5	48	41.0	0.9	51	48.6	1.0	45	64.8	1.4	45	63.4	1.4	45	61.4	1.4	-4.1%	12.4%	
Other	2	-	2	3.3	1.7	2	4.0	2.0	2	4.2	2.1	2	4.5	2.3	2	4.8	2.4	-	0.5%	

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

2. Rand million.

PROGRAMME 1: ADMINISTRATION - continued

Most of the programme's allocation over the medium term will be spent in the Corporate Services, Office Accommodation, Financial Administration and Management sub-programmes. The main cost drivers for the programme are compensation of employees, office accommodation, computer services, travel, legal fees and audit fee costs. The programme is responsible for corporate costs of the department that include information and communication technology, office accommodation and legal costs.

Over the medium term, the programme will continue to invest in the capacity of Internal Audit (IA) to fully resource the unit and establish the capability to perform more of the functions included in the annual IA plan. The programme will make transfers to the Finance and Accounting Services Sector Education and Training institution (FASSET) and households for bursaries for non-employees. Expenditure will also be directed towards upgrading and strengthening the ICT infrastructure of the department in the first year of the MTEF and some funds will be spent to enable occupation of the 38 Church Square building whose refurbishment is expected to be completed by the end of 2014/15.

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

1.1 PURPOSE

This programme aims to improve South Africa's macroeconomic and microeconomic framework by conducting on-going work and research, and by developing policy advisory services.

1.2 STRATEGIC OBJECTIVES

STRATEGIC OBJECTIVE	OBJECTIVE STATEMENT	SUB-PROGRAMMES
SO 2.1 Build economic research capacity in academic research institutions with the objective of promoting relevant research	Promoting economic research capacity in academic/ research institutions through funding research relevant to the public interest. The research function provides information on topics relating to macroeconomic stability, poverty alleviation, retirement reform and financial sector development	Research
SO 2.2 Provide policy advice on the financial sector	Providing policy advice on the financial sector in relation to the regulatory framework and supporting legislation. This includes implementing regulatory reforms on savings and retirement policies that lead to increased levels of national savings and enable legislation that builds a more stable financial sector	Financial Sector Policy
SO 2.3 Provide advice and input into tax policy, frameworks and legislation	Providing tax policy advice, tax revenue analysis, tax revenue forecasting and drafting the annual tax legislation as a part of the budget. The programme is responsible for developing a tax administrative system that ensures sustainable growth of the economy and improved environmental sustainability	Tax Policy
SO 2.4 Provide input into economic policy, related frameworks and strategies	Providing advice on macro and microeconomic policy, macroeconomic projections and modelling, monetary policy framework and economic sector strategies	Economic Policy

1.3 SUB-PROGRAMMES

1.3.1 PROGRAMME MANAGEMENT FOR ECONOMIC POLICY, TAX, FINANCIAL REGULATION AND RESEARCH

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

1.3.2 RESEARCH

This sub-programme promotes economic research institutions through the funding of economic research in the public interest, as well as more dedicated research on behalf of the department. This includes promoting macroeconomic stability, poverty alleviation, retirement reform and financial sector development. Most funding is for longer term agreements with institutions such as the Centre for Research into Economics and Finance in Southern Africa, and for ad hoc economic research related projects.

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

1.3.3 FINANCIAL SECTOR POLICY

This sub-programme is responsible for developing policy on the regulation of the financial sector in South Africa, developing policies to broaden access to financial services by all South Africans, and developing policies to improve the national savings rate through reforms to the legislative framework governing the savings industry, including work being undertaken towards the implementation of retirement reform proposals. Enabling legislation for the Twin Peaks model for regulation and oversight in the financial sector was introduced in 2013/14. Under the Twin Peaks model, the financial services industry and related structures will have two regulators: a prudential regulator, which will operate within the Reserve Bank; and a new market conduct regulator, which will be established within a restructured Financial Services Board.

1.3.4 TAX POLICY

This sub-programme is responsible for drafting annual tax legislation as part of the national budget. It promotes an effective, equitable and efficient tax policy framework and tax administrative system that ensures sustainable growth and delivery on government's mandate to address the needs of all South Africans. This includes providing tax proposals towards improved environmental sustainability. The unit has prepared draft legislation on the carbon tax policy, which is expected to be implemented by January 2015.

1.3.5 ECONOMIC POLICY

This sub-programme provides macroeconomic and microeconomic forecasts, policy analysis on microeconomic and regulatory issues, economic impact assessments and scenario modelling to provide sound policy advice on the economic environment for the annual budget and other government processes. Policy advice is mainly focused on creating decent employment through inclusive economic growth. This sub-programme also provides analytical work and policy advice on a wide range of issues including: inflation management; electricity pricing; economic growth; structural budget balances; industrial policy; small, medium and microenterprise (SMME) policy; and the exchange rate. Activities over the medium term include reviewing the electricity pricing methodology and providing advice on the economic impacts of alternative models for restructuring the energy sector and freight logistics systems to improve economic efficiency.

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

OUTPUTS AND TARGETS

Performance indicator	Strategic Target	Previous year target		Current year target 2015/16	Medium-term targets		
		2012/13	2013/14		2016/17	2017/18	2018/19
2.1.1	Number of papers published by research institutions and internally	<p>Strategic Objective 2.1: Build economic research capacity in academic research institutions with the objective of promoting relevant research</p>					
	Relevant and focused research output	50 working papers published by Economic Research Southern Africa (ERSA) since April 2011	<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	Academic and research institutions publish 44 papers and department publishes four papers each year		

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

OUTPUTS AND TARGETS - continued

Performance indicator	Strategic Target	Previous year target			Current year target	Medium-term targets	
		2012/13	2013/14	2014/15		2016/17	2017/18
Strategic Objective 2.2: Provide policy advice on the financial sector							
2.2.1	Implement Twin Peaks model legislation	N/A	Implement Twin Peaks model of regulatory oversight of financial sector	Introduce enabling legislation for Twin Peaks model	Legislation to establish Twin Peaks regulators to be introduced to Parliament in 2015		
2.2.2	Implement savings and retirement policies	Discussion document ready for release before the end of the financial year	<p>Policy papers published:</p> <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 	<p>Public consultations and drafting legislation</p>	Introduce legislation and implement regulatory reforms		

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

OUTPUTS AND TARGETS - continued

Performance indicator	Strategic Target	Previous year target			Current year target 2015/16	Medium-term targets	
		2012/13	2013/14	2014/15		2016/17	2017/18
Strategic Objective 2.3: Provide advice and input into tax policy, frameworks and legislation							
2.3.1	Ensuring sustainable economic growth	Published on Budget Day 2012	Published on Budget Day 2013	Published on budget day each year	Publish on budget day each year		
2.3.2	Promoting environmental sustainability	Preparation of final policy document on carbon tax, announced on Budget day 2012	Respond to comments received on December 2010 carbon tax policy paper	Finalise legislation	Carbon tax policy is implemented.		Implement, monitor and evaluate effectiveness of legislation
Strategic Objective 2.4: Provide input into economic policy and frameworks							
2.4.1	Sustainable and inclusive economic growth	Including the impact of the global crisis and its implications for South Africa, youth employment incentive, policy options to achieve higher growth and employment, structural and microeconomic reform, manufacturing competitiveness	Develop divisional capacity and quality benchmarking	Reports on and analysis of key macroeconomic trends and variables	Reports and analysis on key macroeconomic trends and variables within two days of publication.		Reviews and economic assessment of government policy proposals within three weeks of request
	Provide economic analysis and assessment of government policy proposals			<ul style="list-style-type: none"> • Reports on and analysis of key macroeconomic trends and variables • Reviews and economic assessment of government policy proposals • Economic advice based on reports and analysis • Reports on key sectors and growth related microeconomic constraints • Inter-departmental and private stakeholder consultation on economic policy related issues. 			

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

OUTPUTS AND TARGETS - continued

Performance indicator	Strategic Target	Previous year target		Current year target	Medium-term targets	
		2012/13	2013/14		2016/17	2017/18
Strategic Objective 2.4: Provide input into economic policy and frameworks						
2.4.2	Development and maintenance of economic models	Sustainable and inclusive economic growth	Quarterly macroeconomic model Computable General Equilibrium (CGE) model	Economic models that facilitate policy-making through sound economic analysis	Quarterly updates to various models as required	
2.4.3	Develop quarterly economic forecasts based on high-quality policy and scenario modelling	Sustainable and inclusive economic growth	Macroeconomic forecast published in Medium Term Budget Policy Statement (MTBPS) and on Budget Day	Comprehensive in-house macroeconomic analysis and forecasting	Comprehensive in-house macroeconomic analysis and forecasting	Develop quarterly economic forecasts based on high-quality policy and scenario modelling
2.4.4	Develop economic policy analysis, research, assessment and advice on macroeconomics	<ul style="list-style-type: none"> Sustainable and inclusive economic growth Stable and competitive real exchange rate 	Assessment of exchange rate and capital flow trends, impact of exchange rate volatility and strength	Monitor progress of package of measures implemented in 2010 MTBPS	Assessment of exchange rate and capital flow trends, impact of exchange rate volatility and strength	
2.4.5	Develop economic policy analysis, research, assessment and advice on microeconomics	Sustainable and inclusive economic growth	Creation of Manufacturing Competitiveness Enhancement Programme (MCEP), assessment of energy policy	N/A	Assessment of Industrial Policy, SMME Policy, assessment of ports and harbours regulation and pricing	

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

QUARTERLY TARGETS FOR 2015/16

Performance Indicator	Reporting Frequency	Annual Target 2015/16	QUARTERLY TARGETS			
			Q1 (Apr – Jun)	Q2 (Jul – Sep)	Q3 (Oct – Dec)	Q4 (Jan – Mar)
Strategic Objective 2.1: Build economic research capacity in academic research institutions with the objective of promoting relevant research						
Number of papers published by research institutions and internally	Quarterly	Academic and research institutions publish 40 papers and department publishes 4 papers each year	10 academic and research institution papers	10 academic and research institution papers	10 academic and research institution papers	10 academic and research institution papers
2.1.1			1 department published paper	1 department published paper	1 department published paper	1 department published paper
Strategic Objective 2.2: Provide policy advice on the financial sector						
Implement Twin Peaks model legislation	Annual	Implement legislation to establish Twin Peaks regulators	Enabling legislation to be introduced to parliament during 2015 legislative cycle			
Implement savings and retirement policies	Annual	Introduce legislation and implement regulatory reforms	Manage regulatory reform process through further discussions of NT reform proposals with stakeholders			
Strategic Objective 2.3: Provide advice and input into tax policy, frameworks and legislation						
2.3.1 Publish tax proposals in annual budget review	Annual	Proposals published on budget day.				Proposals published on budget day
2.3.2 Implement, monitor and evaluate environmentally sustainable tax legislation	Annual	Implement, monitor and evaluate effectiveness of legislation				
Strategic Objective 2.4: Provide input into economic policy and frameworks						
2.4.1 Provide economic analysis and assessment of government policy proposals	Monthly, quarterly and as required	<ul style="list-style-type: none"> Reports and analysis on key macroeconomic trends and variables Reviews and economic assessment of government policy proposals within acceptable turnaround times 	<ul style="list-style-type: none"> Economic reports reflecting the number of statistical releases of key economic data, within two days of publication Reports on policy developments completed within three weeks of request 	<ul style="list-style-type: none"> Economic reports reflecting the number of statistical releases of key economic data, within two days of publication Reports on policy developments completed within three weeks of request 	<ul style="list-style-type: none"> Economic reports reflecting the number of statistical releases of key economic data, within two days of publication Reports on policy developments completed within three weeks of request 	<ul style="list-style-type: none"> Economic reports reflecting the number of statistical releases of key economic data, within two days of publication Reports on policy developments completed within three weeks of request
2.4.2 Development and maintenance of economic models	Quarterly	Quarterly updates to various models as required	Model updates	Model updates	Model updates	Model updates

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

QUARTERLY TARGETS FOR 2015/16 - continued

Performance Indicator	Reporting Frequency	Annual Target 2015/16	QUARTERLY TARGETS			
			Q1 (Apr – Jun)	Q2 (Jul – Sep)	Q3 (Oct – Dec)	Q4 (Jan – Mar)
Strategic Objective 2.4: Provide input into economic policy and frameworks						
2.4.3 Develop quarterly economic forecasts based on high-quality policy and scenario modelling	Quarterly	<ul style="list-style-type: none"> Publish Budget Review and MTBPS every year Develop policy scenarios as required to inform internal National Treasury analysis Conduct policy analysis using suitable economic models Assist other government departments with economic modelling and analysis 	Unpublished forecast	Unpublished forecast	MTBPS forecast	Budget Review forecast
2.4.4 Develop economic policy analysis, research, assessment and advice on macroeconomics	Daily and as required	Assessment of exchange rate and capital flow trends, impact of exchange rate volatility and strength	Daily indicators, weekly and monthly dashboards and in-depth reports as required	Daily indicators, weekly and monthly dashboards and in-depth reports as required	Daily indicators, weekly and monthly dashboards and in-depth reports as required	Daily indicators, weekly and monthly dashboards and in-depth reports as required

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

EXPENDITURE TRENDS AND ESTIMATES

Sub-programme	Audited outcome				Adjusted appropriation	Average growth rate (%)	Expenditure/ Total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/ Total: Average (%)
	2011/12	2012/13	2013/14	2014/15				2015/16	2016/17	2017/18		
R thousand												
Programme Management for Economic Policy, Tax, Financial Regulation and Research	19 736	19 351	20 220	21 068		2.2%	15.8%	22 778	24 346	25 746	6.9%	16.6%
Research	9 749	7 493	16 657	10 700		3.2%	8.7%	12 648	13 318	13 984	9.3%	9.0%
Financial Sector Policy	61 487	21 393	25 110	33 558		-18.3%	27.7%	30 345	32 619	34 954	1.4%	23.3%
Tax Policy	23 026	24 233	23 401	23 705		1.0%	18.5%	24 309	26 178	28 066	5.8%	18.1%
Economic Policy	17 159	22 764	22 473	28 489		18.4%	17.8%	27 636	29 702	31 822	3.8%	20.8%
Cooperative Banks Development Agency	9 310	16 000	16 236	16 838		21.8%	11.4%	16 176	16 472	19 275	4.6%	12.2%
Total	140 467	111 234	124 097	134 358		-1.5%	100.0%	133 892	142 635	153 847	4.6%	100.0%
Change to 2014 Budget estimate				(4 562)				(12 445)	(13 055)	(10 854)		
Economic classification												
Current payments	119 550	84 521	97 122	106 152		-3.9%	79.8%	105 881	113 613	121 407	4.6%	79.2%
Compensation of employees	56 188	62 226	66 731	75 327		10.3%	51.1%	79 057	85 132	91 425	6.7%	58.6%
Goods and services of which:	63 362	22 295	30 391	30 825		-21.4%	28.8%	26 824	28 481	29 982	-0.9%	20.6%
Administrative fees	43 377	714	134	404		-79.0%	8.7%	228	277	292	-10.3%	0.2%
Advertising	363	384	343	581		17.0%	0.3%	395	382	400	-11.7%	0.3%
Assets less than the capitalisation threshold	18	23	16	63		51.8%	-	68	105	117	22.9%	0.1%
Bursaries: Employees	182	299	819	737		59.4%	0.4%	438	328	341	-22.7%	0.3%
Catering: Departmental activities	154	151	147	167		2.7%	0.1%	200	187	197	5.7%	0.1%
Communication	317	424	351	455		12.8%	0.3%	445	460	490	2.5%	0.3%
Computer services	40	102	37	108		39.2%	0.1%	26	12	32	-33.3%	-

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

EXPENDITURE TRENDS AND ESTIMATES - continued

Sub-programme	Audited outcome					Adjusted appropriation	2011/12 - 2014/15		2015/16		2016/17		2017/18		Average growth rate (%)	Expenditure/ Total: Average (%)
	2011/12	2012/13	2013/14	2014/15	2015/16		2016/17	2017/18	Average growth rate (%)	Expenditure/ Total: Average (%)	2014/15 - 2017/18					
R thousand																
<i>Consultants and professional services; Business and advisory services</i>	11 083	8 330	17 121	15 171		10.1%	10.1%	13 885	14 618	15 375				0.4%	10.5%	
<i>Contractors</i>	3	54	8	1		-30.7%	-	-	-	-				-100.0%	-	
<i>Entertainment</i>	15	26	18	45		44.2%	-	63	65	66				13.6%	-	
<i>Fleet services (including government motor transport)</i>	-	410	3	-		-	0.1%	-	-	-				-	-	
<i>Consumable supplies</i>	-	6	71	103		-	-	177	184	207				26.2%	0.1%	
<i>Consumables: Stationery, printing and office supplies</i>	687	859	884	1 142		18.5%	0.7%	937	1 012	1 071				-2.1%	0.7%	
<i>Operating leases</i>	98	133	202	306		46.2%	0.1%	293	306	322				1.7%	0.2%	
<i>Travel and subsistence</i>	5 091	5 652	5 448	6 359		7.7%	4.4%	6 542	7 075	7 456				5.4%	4.9%	
<i>Training and development</i>	550	618	562	634		4.9%	0.5%	681	739	760				6.2%	0.5%	
<i>Operating payments</i>	1 284	3 117	4 012	3 873		44.5%	2.4%	2 214	2 530	2 663				-11.7%	2.0%	
<i>Venues and facilities</i>	100	993	215	676		89.1%	0.4%	232	201	193				-34.2%	0.2%	
Transfers and subsidies	20 498	26 191	26 531	27 653		10.5%	19.8%	27 560	28 471	31 861				4.8%	20.5%	
Departmental agencies and accounts	9 310	16 000	16 236	16 838		21.8%	11.4%	16 176	16 472	19 275				4.6%	12.2%	
Public corporations and private enterprises	11 000	10 000	9 900	10 780		-0.7%	8.2%	11 384	11 999	12 586				5.3%	8.3%	
Households	188	191	395	35		-42.9%	0.2%	-	-	-				-100.0%	-	
Payments for capital assets	408	522	443	553		10.7%	0.4%	451	551	579				1.5%	0.4%	
Machinery and equipment	408	522	443	553		10.7%	0.4%	451	551	579				1.5%	0.4%	
Payments for financial assets	11	-	1	-		-100.0%	-	-	-	-				-	-	
Total	140 467	111 234	124 097	134 358		-1.5%	100.0%	133 892	142 635	153 847				4.6%	100.0%	

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

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

PERSONNEL INFORMATION

Number of posts estimated for 31 March 2015		Number and cost ² of personnel posts filled / planned for on funded establishment												Number			
Economic Policy, Tax, Financial Regulation and Research personnel numbers and cost by salary level ¹		Actual			Revised estimate			Medium-term expenditure estimate						Average growth rate (%)	Salary level/total: Average (%)		
Number of funded posts	Number of posts additional to the establishment	2013/14			2014/15			2015/16		2016/17		2017/18		2014/15 - 2017/18			
		No.	Cost	Unit Cost	No.	Cost	Unit Cost	No.	Cost	No.	Cost	No.	Cost	Unit Cost	Rate (%)	Average (%)	
131	-	96	66.7	0.7	131	69.8	0.5	106	79.1	0.7	106	85.1	0.8	106	91.4	0.9	100.0%
1-6	-	1	0.2	0.2	1	0.2	0.2	1	0.2	0.2	1	0.2	0.2	1	0.3	0.3	-
7-10	-	25	11.0	0.4	35	10.9	0.3	29	12.0	0.4	29	12.9	0.4	29	13.9	0.5	-6.1%
11-12	-	32	21.0	0.7	43	21.3	0.5	35	24.5	0.7	35	26.4	0.8	35	28.4	0.8	-6.6%
13-16	-	38	34.6	0.9	52	37.4	0.7	41	42.3	1.0	41	45.6	1.1	41	48.9	1.2	-7.6%

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

2. Rand million.

The bulk of the programme's medium term allocation is directed towards the Financial Sector, Tax and Economic Policy sub-programmes. Expenditure on compensation of employees, consultancy services, and travel and subsistence will form the bulk of the cost base.

The programme's main focus continues to be on enabling economic growth and financial stability by funding analysis of the country's economic and financial environment through targeted research and development of economic policies and financial frameworks. A new chief directorate will be created to focus specifically on analysing financial market conduct in line with the Twin Peaks model of regulating the financial sector. Spending is expected to grow to R153.8 million in 2017/18.

Spending on compensation of employees is expected to grow within the projected inflation and possible performance-related adjustments. Spending increases on procurement are estimated to remain modest, reflecting the programme's commitment to containing expenditure growth. Thus the medium term plans have factored in a cost-saving element. This is in line with Treasury's instruction to cut costs that are non-essential.

Transfers and subsidies are expected to grow to R31.9 million in 2017/18. This increase is mainly attributable to the increase in the allocation to the Cooperative Banks Development Agency (CBDA) for cost-of-living adjustments and inflation. However, the entity has requested funding for a banking platform project that will enable the sector to access the national payments system and the stabilisation fund, created through funds accumulating over the MTEF period. The stabilisation fund will be used to assist Cooperative Financial Institutions (CFIs) facing difficulties and to reduce risk in the sector by conducting investigations as deemed necessary.

PROGRAMME 3: PUBLIC FINANCE AND BUDGET MANAGEMENT

1.1 PURPOSE

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

1.2 STRATEGIC OBJECTIVES

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

PROGRAMME 3: PUBLIC FINANCE AND BUDGET MANAGEMENT - continued

1.3 PUBLIC FINANCE AND BUDGET MANAGEMENT

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

1.3.1 BUDGET OFFICE

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

1.3.2 PUBLIC FINANCE

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

1.3.3 INTERGOVERNMENTAL RELATIONS

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

PROGRAMME 3: PUBLIC FINANCE AND BUDGET MANAGEMENT - continued

OUTPUTS AND TARGETS

Performance indicator	Strategic Target	Previous year target		Current year target	Medium-term targets				
		2012/13	2013/14		2014/15	2015/16	2016/17	2017/18	2018/19
Strategic Objective 3.1: Developing and implementing South Africa's fiscal policy and related frameworks									
3.1.1	In line with the MTEF, the expenditure proposed in the Budget tabled does not exceed the main budget non-interest expenditure level determined	Sustainable national expenditure management	N/A	N/A	2014 MTEF: R3.09 trillion main budget non-interest expenditure announced in the 2013 MTEF + R230 billion in terms of the fiscal policy stance = R3.32 trillion	2015 MTEF: main budget non-interest expenditure announced in the 2014 MTEF + amendment in terms of the fiscal policy stance	2016 MTEF: main budget non-interest expenditure announced in the 2015 MTEF + amendment in terms of the fiscal policy stance	2017 MTEF: main budget non-interest expenditure announced in the 2016 MTEF + amendment in terms of the fiscal policy stance	2018 MTEF: main budget non-interest expenditure announced in the 2017 MTEF + amendment in terms of the fiscal policy stance
3.1.2	Ensure enhanced alignment of budget documentation with fiscal guidelines based on principles of countercyclicality, debt sustainability and intergenerational equity	Improve transparency and communication of budgets to a wide audience	Produced a long-term fiscal report in 2014, providing an overview of economic, demographic, revenue and expenditure trends to encourage public discussion and parliamentary oversight of fiscal commitments over next several decades	Develop measures of fiscal risk, in line with international best practice, that cover the public sector	Review measures and engage with relevant stakeholders	Monitor and refine the approach where necessary	Monitor and refine the approach where necessary	Monitor and refine the approach where necessary	Monitor and refine the approach where necessary

PROGRAMME 3: PUBLIC FINANCE AND BUDGET MANAGEMENT - continued

OUTPUTS AND TARGETS - continued

Performance indicator	Strategic Target	Preparation of the national budget				Medium-term targets		
		2012/13	2013/14	2014/15	Current year target 2015/16	2016/17	2017/18	2018/19
Strategic Objective 3.2: Preparation of the national budget								
3.2.1	Timely preparation and completion of a well-coordinated and communicated budget process, culminating in the making of well-considered and appropriate revenue and spending proposals to Cabinet	Coordinating a robust budget process that considers all spending proposals equally rigorously. Outcomes to be a well-considered and appropriate set of recommendations to Cabinet	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	<ul style="list-style-type: none"> MTEF guidelines issued in July Scheduling of committees' meeting process in July Cabinet endorsement of national government expenditure allocations in December 			
3.2.2	Submitting timely inputs on departmental budget submissions to MTEC and the Ministers' Committee on the Budget (MinComBud)	Contributing to transparent budgeting process	Inputs delivered as per the dates in MTEF guidelines	Inputs delivered as per the dates in MTEF guidelines	As per MTEF guidelines			
3.2.3	Compile chapters of the ENE and Adjusted Estimates of National Expenditure (AENE)	Maintaining wide access to budget information	Inputs as per the parliamentary programme	Inputs as per the parliamentary programme	Coordinated for completion prior to deadlines specified in the parliamentary programme			

PROGRAMME 3: PUBLIC FINANCE AND BUDGET MANAGEMENT - continued

OUTPUTS AND TARGETS - continued

Performance indicator	Strategic Target	Previous year target		Current year target	Medium-term targets		
		2012/13	2013/14		2014/15	2016/17	2017/18
Strategic Objective 3.3: Publication of the national budget							
3.3.1	Design, produce and publish guidelines and related budget documents	Ensuring a robust drafting process that results in high-quality documentation supporting transparency, accountability and the effective utilisation of public resources	N/A	<ul style="list-style-type: none"> • ENE published before the end of February each year • Budget Review published before the end of February each year • ENE published before the end of February each year • AENE published by the end of October each year • Appropriation Bill tabled before the end of February each year • Adjustments Appropriation Bill tabled before the end of October each year • AENE chapter guidelines issued in August every year • ENE chapter guidelines issued in November every year 			
3.3.2	Presenting public finance statistics according to function and economic classification for consolidated government	Presenting high-quality statistics for a wide audience	<ul style="list-style-type: none"> • Extend coverage of consolidated account to whole of general government • Issue classification circulars and guidelines • Roll out South African Qualifications Authority (SAQA) accredited training programme on Standard Chart of Accounts (SCOA) 	<ul style="list-style-type: none"> • Compile public finance statistics in line with local and international standards • Extend coverage of consolidated accounts to include information on consolidated accounts and borrowing of all general government • Move the data used in the compilation of financial statistics for the budget to an appropriate storage platform 			

PROGRAMME 3: PUBLIC FINANCE AND BUDGET MANAGEMENT - continued

OUTPUTS AND TARGETS - continued

Performance indicator	Strategic Target	Previous year target				Current year target	Medium-term targets			
		2012/13	2013/14	2014/15	2015/16		2016/17	2017/18	2018/19	
Strategic Objective 3.3: Publication of the national budget										
3.3.3	Providing guidance to departments and entities on the classification of expenditure	Maintaining consistency and coherence of data sources for public finance statistics	N/A	<ul style="list-style-type: none"> Issue classification circulars and guidelines Roll out SAQA-accredited training programme on the Standard Chart of Accounts (SCOA) 	<ul style="list-style-type: none"> Issue classification circulars and guidelines used by departments Roll out SAQA-accredited training programme on SCOA Provide advice on the interpretation of the SCOA and reference guide on economic classification 	<ul style="list-style-type: none"> Issue classification circulars and guidelines used by departments for transactional classification guidance Roll out SAQA-accredited training programme on SCOA Provide advice on the interpretation of the SCOA and reference guide on economic classification 				
Strategic Objective 3.4: Monitoring and analysis of public expenditure and service delivery										
3.4.1	Provide timely sectoral analysis and advice for policy framework development	Proactive national expenditure management	<ul style="list-style-type: none"> Comments on Cabinet memoranda to reach the Ministry one day before the relevant Cabinet meeting Responses to departmental requests within four weeks of receipt of request for administrative submissions and within 12 weeks for ministerial concurrence / policy feedback 	<ul style="list-style-type: none"> Same as previous year Same as previous year 	<ul style="list-style-type: none"> Same as previous year Same as previous year 	<ul style="list-style-type: none"> Comments on Cabinet memoranda to reach the Ministry one day before the relevant Cabinet meeting Responses to departmental requests within four weeks of receipt of request for administrative submissions and within 12 weeks for ministerial concurrence / policy feedback 				

PROGRAMME 3: PUBLIC FINANCE AND BUDGET MANAGEMENT - continued

OUTPUTS AND TARGETS - continued

Performance indicator	Strategic Target	Strategic Objective 3.4: Monitoring and analysis of public expenditure and service delivery				Medium-term targets		
		2012/13	Previous year target 2013/14	2014/15	Current year target 2015/16	2016/17	2017/18	2018/19
3.4.2	Providing monthly expenditure feedback to departments	Within 30 days of the end of the previous month	Within 30 days of the end of the previous month	Within 30 days of the end of the previous month	Within 30 days of the end of the previous month			
3.4.3	Compile and submit quarterly expenditure reports to the Standing Committee on Appropriations	Within eight weeks of the end of the previous quarter	Within eight weeks of the end of the previous quarter	Within eight weeks of the end of the previous quarter	Within six weeks of the end of the previous quarter			
3.4.4	Undertake selected expenditure and performance reviews	Six per year	Six per year	Six per year	Six per year	Six per year	Six per year	Six per year
3.4.5	Development of a cost-of-living adjustment (COLA) costing model to improve the National Treasury's understanding of the implications of the remuneration policy and wage settlements for the public sector wage bill	N/A	Implement the COLA costing model		Review, improve and continue to implement the COLA costing model			

PROGRAMME 3: PUBLIC FINANCE AND BUDGET MANAGEMENT - continued

OUTPUTS AND TARGETS - continued

Performance indicator	Strategic Target	Previous year target		Current year target	Medium-term targets		
		2012/13	2013/14		2014/15	2016/17	2017/18
3.4.6	Improve public sector governance						
Implement a governance and financial management monitoring and compliance system in public entities							
		Strategic Objective 3.4: Monitoring and analysis of public expenditure and service delivery					
		N/A	<ul style="list-style-type: none"> Continue institutional budgeting reforms and support to national and provincial public entities 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 to Cabinet on frameworks and memoranda applicable to public entities Assist public entities to improve compliance and governance 	<ul style="list-style-type: none"> Continue institutional budgeting reforms and support to national and provincial public entities 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 to Cabinet on frameworks and memoranda applicable to public entities Assist public entities to improve compliance and governance 	<ul style="list-style-type: none"> Continue institutional budgeting reforms and support to national and provincial public entities 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 to Cabinet on frameworks and memoranda applicable to public entities Assist public entities to improve compliance and governance 	<ul style="list-style-type: none"> Continue institutional budgeting reforms and support to national and provincial public entities 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 to Cabinet on frameworks and memoranda applicable to public entities Assist public entities to improve compliance and governance 	<ul style="list-style-type: none"> Continue institutional budgeting reforms and support to national and provincial public entities 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 to Cabinet on frameworks and memoranda applicable to public entities Assist public entities to improve compliance and governance

PROGRAMME 3: PUBLIC FINANCE AND BUDGET MANAGEMENT - continued

OUTPUTS AND TARGETS - continued

Performance indicator	Strategic Target	Previous year target		Current year target	Medium-term targets		
		2012/13	2013/14		2016/17	2017/18	2018/19
Strategic Objective 3.5: Coordinating international development cooperation							
3.5.1	Ensure the alignment of development cooperation to government policy and priorities	Enhance coordination of public spending	N/A	Align ODA funding decisions with the budget process	Manage General Budget Support (GBS) allocation process for National Treasury. Monitor GBS programme delivery	<ul style="list-style-type: none"> Manage GBS allocation process on behalf of government Monitor GBS programme delivery Monitor and support GBS programmes	Administer all ODA programmes that fall outside the GBS process
3.5.2	Manage and coordinate development cooperation in South Africa	Enhance coordination of public spending	N/A	Align ODA funding decisions with the budget process	<ul style="list-style-type: none"> Manage development partner ODA engagements for South Africa Finalise ODA programming with development partners Provide support to ODA programmes with implementation challenges 	<ul style="list-style-type: none"> Manage development partner ODA engagements for South Africa Finalise ODA programming with development partners Provide support to ODA programmes with implementation challenges 	Monitor and evaluate the ODA programmes

PROGRAMME 3: PUBLIC FINANCE AND BUDGET MANAGEMENT - continued

OUTPUTS AND TARGETS - continued

Performance indicator	Strategic Target	Previous year target			Current year target	Medium-term targets	
		2012/13	2013/14	2014/15		2016/17	2017/18
Strategic Objective 3.6: Coordinating Intergovernmental relations							
3.6.1	Publish Division of Revenue Bill and Division of Revenue Amendment Bill annually	To provide for the equitable division of nationally raised revenue	Division of Revenue Bill tabled on budget day with no errors	Division of Revenue Bill tabled on budget day with no errors	Division of Revenue Bill tabled on budget day with no errors	Division of Revenue Amendment Bill tabled with MTEF	<ul style="list-style-type: none"> Division of Revenue Bill tabled on budget day with no errors Division of Revenue Amendment Bill tabled with MTEF
3.6.2	Introduce reforms to enhance provincial and local government fiscal frameworks	To enable provinces and municipalities to support service delivery and the achievement of government priorities	N/A	Review of local government infrastructure grant system based on Census 2011.	Introduce initial reforms as part of phasing-in of new local government infrastructure conditional grant system	Introduce initial reforms as part of phasing-in of new local government infrastructure conditional grant system	Continue phase-in of new formula over a period of five years, ending in 2017/18
				Review of municipal own revenue	Draft amendment to the Municipal Fiscal Powers and Functions Act	Draft amendment to the Municipal Fiscal Powers and Functions Act	<ul style="list-style-type: none"> Amendment to the Municipal Fiscal Powers and Functions Act tabled in parliament Implement amendment act

PROGRAMME 3: PUBLIC FINANCE AND BUDGET MANAGEMENT - continued

OUTPUTS AND TARGETS - continued

Performance indicator	Strategic Target	Strategic Objective 3.6: Coordinating Intergovernmental relations				
		2012/13	Previous year target 2013/14	2014/15	Current year target 2015/16	Medium-term targets 2016/17 2017/18 2018/19
3.6.3	Promote on-going improvement in infrastructure planning and built environment management in cities and provinces	N/A	Assess built environment plans for all metros to support the Integrated City Development Grant	Support the development of built environment plans for the eight metros and review performance in relation to the plans	Review performance of the built environment performance plans using the built environment indicators and incentivise planning and implementation through conditional grants	
3.6.4	Promote on-going performance improvements in the built environment	N/A	Assess infrastructure plans for selected provincial departments and report on performance	Assessment of all provincial health and education infrastructure plans	Assessment of all provincial health and education infrastructure plans and incentivise improved planning through conditional grants	

PROGRAMME 3: PUBLIC FINANCE AND BUDGET MANAGEMENT - continued

OUTPUTS AND TARGETS - continued

Performance indicator	Strategic Target	Strategic Objective 3.6: Coordinating Intergovernmental relations						
		2012/13	Previous year target 2013/14	2014/15	Current year target 2015/16			
3.6.5	Facilitate training of officials on budget formulation, conditional grants framework assessment, analysis and on infrastructure delivery management	N/A	<ul style="list-style-type: none"> Nine provincial treasuries trained in budget assessment and in-year monitoring 500 provincial staff members trained in budget formulation and analysis 150 government officials trained in infrastructure delivery management course 	<ul style="list-style-type: none"> One workshop to capacitate nine provincial treasuries trained in budget assessment and in-year monitoring 400 provincial staff members trained on budget formulation and budget analysis 150 Government officials trained on infrastructure delivery management course 	<ul style="list-style-type: none"> One workshop to capacitate nine provincial treasuries trained in budget assessment and in-year monitoring 300 provincial staff members trained on budget formulation and budget analysis 150 Government officials trained on infrastructure delivery management course 	<ul style="list-style-type: none"> One workshop to capacitate nine provincial treasuries trained in budget assessment and in-year monitoring 200 provincial staff members trained on budget formulation and budget analysis 150 Government officials trained on infrastructure delivery management course 	<ul style="list-style-type: none"> One workshop to capacitate nine provincial treasuries trained in budget assessment and in-year monitoring 100 provincial staff members trained on budget formulation and budget analysis 150 Government officials trained on infrastructure delivery management course 	2018/19

PROGRAMME 3: PUBLIC FINANCE AND BUDGET MANAGEMENT - continued

OUTPUTS AND TARGETS - continued

Performance indicator	Strategic Target	Previous year target		Current year target	Medium-term targets		
		2012/13	2013/14		2014/15	2016/17	2017/18
3.6.6	Monitoring and budget assessment of municipalities and provinces	N/A					
Benchmarking and conducting mid-year engagements with all municipalities and timely publication of reports	<ul style="list-style-type: none"> Conduct and report on budget benchmark assessments for non-delegated municipalities between April and May of each year to determine adequacy of funding, credibility and sustainability Conclude and report on mid-year assessment for non-delegated municipalities by March each year Publication of expenditure reviews and section 71 Municipal Finance Management Act (MFMA) reports 	<ul style="list-style-type: none"> Conduct and report on budget benchmark assessments for non-delegated municipalities between April and May of each year to determine adequacy of funding, credibility and sustainability Conclude and report on mid-year assessment for non-delegated municipalities by March each year Publication of expenditure reviews and section 71 MFMA reports 	<ul style="list-style-type: none"> Conduct and report on budget benchmark assessments for non-delegated municipalities between April and May of each year to determine adequacy of funding, credibility and sustainability Conclude and report on mid-year assessment for non-delegated municipalities by March each year Publication of expenditure reviews and section 71 MFMA reports 	<ul style="list-style-type: none"> Conduct and report on budget benchmark assessments for non-delegated municipalities between April and May of each year to determine adequacy of funding, credibility and sustainability Conclude and report on mid-year assessment for non-delegated municipalities by March each year Publication of expenditure reviews and section 71 MFMA reports 	<ul style="list-style-type: none"> Conduct and report on budget benchmark assessments for non-delegated municipalities between April and May of each year to determine adequacy of funding, credibility and sustainability Conclude and report on mid-year assessment for non-delegated municipalities by March each year Publication of expenditure reviews and section 71 MFMA reports 	<ul style="list-style-type: none"> Conduct and report on budget benchmark assessments for non-delegated municipalities between April and May of each year to determine adequacy of funding, credibility and sustainability Conclude and report on mid-year assessment for non-delegated municipalities by March each year Publication of expenditure reviews and section 71 MFMA reports 	
Strategic Objective 3.6: Coordinating Intergovernmental relations							

PROGRAMME 3: PUBLIC FINANCE AND BUDGET MANAGEMENT - continued

OUTPUTS AND TARGETS - continued

Performance indicator	Strategic Target	Strategic Objective 3.6: Coordinating Intergovernmental relations				
		2012/13	Previous year target 2013/14	2014/15	Current year target 2015/16	Medium-term targets 2016/17 2017/18 2018/19
3.6.7 Benchmarking and conducting mid-year engagements with all provinces and timely publication of reports	Improved provincial financial management	N/A	<ul style="list-style-type: none"> Publication of expenditure reviews and section 32 PFMA Conduct budget benchmarking sessions for each of the nine provinces before mid-February Provide comprehensive parliamentary briefings in respect of at least three provincial governments, and three programmes funded through conditional grants 	<ul style="list-style-type: none"> Publication of expenditure reviews and section 32 PFMA Conduct budget benchmarking sessions for each of the nine provinces before mid-February Provide comprehensive parliamentary briefings in respect of at least three provincial governments, and three programmes funded through conditional grants 	<ul style="list-style-type: none"> Publication of expenditure reviews and section 32 PFMA Conduct budget benchmarking sessions for each of the nine provinces before mid-February Provide comprehensive parliamentary briefings in respect of at least three provincial governments, and three programmes funded through conditional grants 	<ul style="list-style-type: none"> Publication of expenditure reviews and section 32 PFMA Conduct budget benchmarking sessions for each of the nine provinces before mid-February Provide comprehensive parliamentary briefings in respect of at least three provincial governments, and three programmes funded through conditional grants

PROGRAMME 3: PUBLIC FINANCE AND BUDGET MANAGEMENT - continued

OUTPUTS AND TARGETS - continued

Performance indicator	Strategic Target	Previous year target		Current year target	Medium-term targets		
		2012/13	2013/14		2014/15	2016/17	2017/18
3.6.8	Implementation of SCOA for local government Planning and reporting in line with the SCOA regulations	Strategic Objective 3.6: Coordinating Intergovernmental relations					
		Design of SCOA and identification of municipalities for SCOA pilot sites to budget in line with the SCOA classification framework	<ul style="list-style-type: none"> First phase of piloting in nine local and district municipalities and three metropolitan municipalities Technical specification finalisation of SCOA during piloting phase resulting in the issuance of final SCOA tables (SCOA classification framework) Development of training material 	<ul style="list-style-type: none"> Second phase of piloting – remaining metropolitan municipalities Implementation plan for the migration of non-piloting municipalities through provincial treasuries (migration project plan) Roll-out of training strategy across all municipalities through the-trainer and certification (accreditation) of training providers 	<ul style="list-style-type: none"> Monitoring of SCOA implementation and compliance enforcement against regulatory date of 1 July 2017 Alignment of local government reporting framework and initiation of reconfigured local government database 		

PROGRAMME 3: PUBLIC FINANCE AND BUDGET MANAGEMENT - continued

QUARTERLY TARGETS FOR 2015/16

Performance Indicator	Reporting Frequency	Annual Target 2015/16	QUARTERLY TARGETS			
			Q1 (Apr – Jun)	Q2 (Jul – Sep)	Q3 (Oct – Dec)	Q4 (Jan – Mar)
Strategic Objective 3.1: Developing and implementing South Africa's fiscal policy and related frameworks						
3.1.1	Annual	2015 MTEF: Main budget non-interest expenditure announced in the 2014 MTEF + amendment in terms of the fiscal policy stance			2015 MTEF budget expenditure amount announced in nominal rand terms in the MTBPS	2015 MTEF budget expenditure amount tabled for parliamentary approval
3.1.2	Annual	Ensure enhanced alignment of budget documentation with fiscal guidelines based on principles of countercyclicality, debt sustainability and intergenerational equity	Design fiscal risks measures. Convene meetings with stakeholders across Treasury	Complete first draft of fiscal risks write-up	Convene meetings with stakeholders across Treasury. Edit write-up to reflect comments and feedback	Provide final endorsed fiscal risk measures
Strategic Objective 3.2: Preparation of the national budget						
3.2.1	Annual	Timely preparation and completion of a well-coordinated and communicated budget process, culminating in the making of well-considered and appropriate revenue and spending proposals to Cabinet	<ul style="list-style-type: none"> MTEF guidelines issued in July Scheduling of committees' meeting process in July Cabinet endorsement of national government expenditure allocations in December 	<ul style="list-style-type: none"> MTEF guidelines issued Committees' meeting programme adopted 	Cabinet endorses expenditure allocations to national government votes	

PROGRAMME 3: PUBLIC FINANCE AND BUDGET MANAGEMENT - continued

QUARTERLY TARGETS FOR 2015/16 - continued

Performance Indicator	Reporting Frequency	Annual Target 2015/16	QUARTERLY TARGETS			
			Q1 (Apr – Jun)	Q2 (Jul – Sep)	Q3 (Oct – Dec)	Q4 (Jan – Mar)
Strategic Objective 3.2: Preparation of the national budget						
3.2.2	Annual	Meet 100% of targets as set by the Secretariat for the MTEC		<ul style="list-style-type: none"> Make submissions to MTEC as required, including baseline analyses, in-year spending estimates, sector priorities and re-prioritisation proposals Complete processing of rollover submissions and unforeseen and unavoidable expenditure submissions 	Complete MTEF funding recommendations and other submissions, as required in terms of the budget process	
3.2.3		Complete ENE and AENE				<ul style="list-style-type: none"> As per parliamentary programme

PROGRAMME 3: PUBLIC FINANCE AND BUDGET MANAGEMENT - continued

QUARTERLY TARGETS FOR 2015/16 - continued

Performance Indicator	Reporting Frequency	Annual Target 2015/16	QUARTERLY TARGETS			
			Q1 (Apr – Jun)	Q2 (Jul – Sep)	Q3 (Oct – Dec)	Q4 (Jan – Mar)
Strategic Objective 3.3: Publication of the national budget						
3.3.1 Design, produce and publish guidelines and related budget documents	Annual	<ul style="list-style-type: none"> ENE published before the end of February Budget Review published before the end of February AENE published before the end of October Appropriation Bill tabled before the end of February Adjustments Appropriation Bill tabled before the end of October AENE chapter guidelines issued in August ENE chapter guidelines issued in November 	Issue AENE guidelines in August	<ul style="list-style-type: none"> Publish AENE in October. Table Adjustments Appropriation Bill in October Issue ENE guidelines in November 	<ul style="list-style-type: none"> Publish ENE in February. Publish Budget Review in February Table Appropriation Bill in February 	
3.3.2 Presenting public finance statistics according to function and economic classification for consolidated government	Quarterly	<ul style="list-style-type: none"> Extend coverage of consolidated accounts to include information on consolidated accounts and borrowing of all general government Move the data used in the compilation of financial statistics for the budget to an appropriate storage platform 	<ul style="list-style-type: none"> Prepare baseline estimates Preliminary outcomes report data Preliminary annual financial statements (AFS) numbers update. Distribute public entities quarterly reporting template Move in-year monitoring (YM) data to storage 	<ul style="list-style-type: none"> Development/ revision of budget templates for Budget 2015 Presentations in budget workshops Roll out of quarterly reporting for public entities Move YM, preliminary AFS and MTEC data to storage 	<ul style="list-style-type: none"> Consolidate accounts for MTBPS 2014 Final financial statements numbers update Roll out of quarterly reporting for public entities Move YM, final AFS and ENE data to storage 	<ul style="list-style-type: none"> Consolidate accounts for Budget Review 2015 Presentations in budget workshops Move YM and ENE data to storage

PROGRAMME 3: PUBLIC FINANCE AND BUDGET MANAGEMENT - continued

QUARTERLY TARGETS FOR 2015/16 - continued

Performance Indicator	Reporting Frequency	Annual Target 2015/16	QUARTERLY TARGETS			
			Q1 (Apr – Jun)	Q2 (Jul – Sep)	Q3 (Oct – Dec)	Q4 (Jan – Mar)
Strategic Objective 3.3: Publication of the national budget						
3.3.3	Quarterly	Extend coverage of consolidated accounts to include information on consolidated accounts and borrowing of all general government	<ul style="list-style-type: none"> Issue at least three classification circulars and classification guidelines Issue training material for the updated SCOA Respond to SCOA requests within two weeks Convene monthly SCOA user forums 	<ul style="list-style-type: none"> Roll out SCOA training Issue at least three classification circulars Issue training material for the updated SCOA Convene monthly SCOA user forums 	<ul style="list-style-type: none"> Roll out SCOA training Issue training material for the updated SCOA Convene monthly SCOA user forums 	<ul style="list-style-type: none"> Roll out SCOA training Issue training material for the updated SCOA Convene monthly SCOA user forums
Strategic Objective 3.4: Monitoring and analysis of public expenditure and service delivery						
3.4.1	Quarterly	Provide timely sectoral analysis and advice for policy framework development	<ul style="list-style-type: none"> 100% of Cabinet memoranda to reach Ministry at least one day in advance of the relevant Cabinet meeting 	<ul style="list-style-type: none"> 100% of Cabinet memoranda to reach Ministry at least one day in advance of the relevant Cabinet meeting 	<ul style="list-style-type: none"> 100% of Cabinet memoranda to reach Ministry at least one day in advance of the relevant Cabinet meeting 	<ul style="list-style-type: none"> 100% of Cabinet memoranda to reach Ministry at least one day in advance of the relevant Cabinet meeting
3.4.2	Monthly	Providing monthly expenditure feedback to departments	<ul style="list-style-type: none"> Responses to departmental requests within four weeks of receipt of request for administrative submissions and within 12 weeks for ministerial concurrence / policy feedback 12, each within 30 days after month-end 	<ul style="list-style-type: none"> 100% achieved with respect to turnaround times specified for submissions received 	<ul style="list-style-type: none"> 100% achieved with respect to turnaround times specified for submissions received 	<ul style="list-style-type: none"> 100% achieved with respect to turnaround times specified for submissions received

PROGRAMME 3: PUBLIC FINANCE AND BUDGET MANAGEMENT - continued

QUARTERLY TARGETS FOR 2015/16 - continued

Performance Indicator	Reporting Frequency	Annual Target 2015/16	QUARTERLY TARGETS			
			Q1 (Apr – Jun)	Q2 (Jul – Sep)	Q3 (Oct – Dec)	Q4 (Jan – Mar)
Strategic Objective 3.4: Monitoring and analysis of public expenditure and service delivery						
3.4.3 Compile and submit quarterly expenditure reports to the Standing Committee on Appropriations	Quarterly	Four, each within six weeks after the end of the quarter	One, within six weeks after the end of the quarter	One, within six weeks after the end of the quarter	One, within six weeks after the end of the quarter	One, within six weeks after the end of the quarter
3.4.4 Undertake selected expenditure and performance reviews	Annual	Six per year	0	0	0	6
3.4.5 Development of a COLA costing model to improve the National Treasury's understanding of the implications of the remuneration policy and wage settlements on the public sector wage bill	Monthly and quarterly	Review, improve and continue to implement the COLA costing model	Review the COLA costing model to introduce a specific focus on the education sector	Improve model by introducing the education sector sub-module	Pilot model for adjustment budget process	Implement the COLA costing model for the 2016 MTEF Budget

PROGRAMME 3: PUBLIC FINANCE AND BUDGET MANAGEMENT - continued

QUARTERLY TARGETS FOR 2015/16 - continued

Performance Indicator	Reporting Frequency	Annual Target 2015/16	QUARTERLY TARGETS			
			Q1 (Apr – Jun)	Q2 (Jul – Sep)	Q3 (Oct – Dec)	Q4 (Jan – Mar)
Strategic Objective 3.4: Monitoring and analysis of public expenditure and service delivery						
3.4.6 Implement a governance and financial management monitoring and compliance system in public entities	Quarterly	<ul style="list-style-type: none"> Continue institutional budgeting reforms and support to national and provincial public entities Assist entities with implementation of change management and improved business processes Review financial, HR and administrative frameworks in public entities, including Treasury regulations Submit recommendations to Cabinet on frameworks and memoranda applicable to public entities Assist public entities to improve compliance and governance 	Develop questionnaire to support board remuneration categorisation determinations	Develop presentation/ guideline for public entity board inductions	Presentation of public entity board and CEO remuneration trends	Updated list of public entities in terms of the PFMA
Strategic Objective 3.5: Coordinating in international development cooperation						
3.5.1 Ensure the alignment of development cooperation to government policy and priorities	Quarterly	<ul style="list-style-type: none"> Manage GBS allocation process on behalf of government Monitor GBS programme delivery 	Inclusion of GBS criteria in MTEF guidelines for consideration during budget process	Receive GBS proposals; shortlist, select and present to budget group for discussion and decision making	Make GBS allocations to recommendations to MinComBud	Provide allocated GBS project information to be included in allocation letters

PROGRAMME 3: PUBLIC FINANCE AND BUDGET MANAGEMENT - continued

QUARTERLY TARGETS FOR 2015/16 - continued

Performance Indicator	Reporting Frequency	Annual Target 2015/16	QUARTERLY TARGETS			
			Q1 (Apr – Jun)	Q2 (Jul – Sep)	Q3 (Oct – Dec)	Q4 (Jan – Mar)
Strategic Objective 3.5: Coordinating international development cooperation						
3.5.1	Annual	Administer all ODA programmes that fall outside the GBS process	Guide programming and support implementation where necessary			
	Quarterly	Monitor and evaluate ODA programmes	Monitor and review project progress	Guide programming and support implementation where necessary		
3.5.2	Annual	<ul style="list-style-type: none"> Manage the development partner ODA engagements for South Africa Finalise ODA programming with development partners Provide support to ODA programmes with implementation challenges 	<ul style="list-style-type: none"> Negotiate high level ODA agreements for South Africa Programme with development partners and South African department Coordinate legal agreement finalization Monitor/review disbursement rates and challenges Provide appropriate support to programmes experiencing implementation challenges 	<ul style="list-style-type: none"> Negotiate high level ODA agreements for South Africa Programme with development partners and South African departments Coordinate legal agreement finalization Monitor/review disbursement rates and challenges Provide appropriate support to programmes experiencing implementation challenges 	<ul style="list-style-type: none"> Negotiate high level ODA agreements for South Africa Programme with development partners and South African departments Coordinate legal agreement finalization Monitor/review disbursement rates and challenges Provide appropriate support to programmes experiencing implementation challenges 	<ul style="list-style-type: none"> Negotiate high level ODA agreements for South Africa Programme with development partners and South African departments Coordinate legal agreement finalization Monitor/review disbursement rates and challenges Provide appropriate support to programmes experiencing implementation challenges
Strategic Objective 3.6: Coordinating Intergovernmental relations						
3.6.1	Bi-annual	Accurate Division of Revenue Bill tabled on budget day and tabled with Medium Term Strategic Framework	Gazetting of local government allocations and conditional grant frameworks for 2015 Act within 14 days of approval	2015 Division of Revenue Amendment Bill tabled together with 2015 MITBPS	2016 Division of Revenue Bill and supporting documentation tabled on 2016 budget day	

PROGRAMME 3: PUBLIC FINANCE AND BUDGET MANAGEMENT - continued

QUARTERLY TARGETS FOR 2015/16 - continued

Performance Indicator	Reporting Frequency	Annual Target 2015/16	QUARTERLY TARGETS			
			Q1 (Apr – Jun)	Q2 (Jul – Sep)	Q3 (Oct – Dec)	Q4 (Jan – Mar)
Strategic Objective 3.6: Coordinating Intergovernmental Relations						
3.6.2	Quarterly	Introduce reforms to enhance provincial and local government fiscal frameworks	<ul style="list-style-type: none"> Gazette changes to public transport grant Begin consultations on detailed changes to other local government infrastructure grants 	<ul style="list-style-type: none"> Present progress to Budget Forum 	<ul style="list-style-type: none"> Further changes agreed by Budget Forum and announced in MTBPS 	<ul style="list-style-type: none"> Changes included in 2016 Division of Revenue Bill
	Quarterly	Submission of draft amendment to the Municipal Fiscal Powers and Functions Act to cabinet	Consultation on draft amendment to the Municipal Fiscal Powers and Functions Act (MFPFA)	Submission of draft amendment to MFPFA to cabinet	Update draft amendment to MFPFA, if necessary	
3.6.3	Quarterly	Promote on-going improvement in infrastructure planning and built environment management in cities and provinces	Review performance of the built environment performance plans using the built environment indicators, and incentivise planning and implementation through conditional grants	Facilitate engagement of metros with relevant national and provincial departments and state owned entities (SOEs) on their 2014/15 built environment performance plans (BEPPs)	Review the implementation of the 2014/15 BEPP	Facilitate metros' engagement with relevant national and provincial departments and SOEs on their 2015/16 BEPPs
3.6.4	Quarterly	Promote on-going performance improvements in the built environment	Assessment of all provincial health and education infrastructure plans and incentivising of improved planning through conditional grants	Issue guidelines for the assessment approach for infrastructure plans	Conduct a review and moderation process on 18 asset management plans	Assess project proposals for all new projects in preparation for provincial MTECs
3.6.5	Annual	Facilitate training of officials on budget formulation, conditional grants framework assessment, analysis and infrastructure delivery management	Number of workshops held to capacitate provincial treasuries in budget assessment and in-year monitoring		One workgroup meeting held	

PROGRAMME 3: PUBLIC FINANCE AND BUDGET MANAGEMENT - continued

QUARTERLY TARGETS FOR 2015/16 - continued

Performance Indicator	Reporting Frequency	Annual Target 2015/16	QUARTERLY TARGETS			
			Q1 (Apr – Jun)	Q2 (Jul – Sep)	Q3 (Oct – Dec)	Q4 (Jan – Mar)
3.6.5		400 provincial staff members trained in budget formulation and analysis 150 Government officials trained on infrastructure delivery management course	200 provincial staff trained		200 provincial staff trained	
		Strategic Objective 3.6: Coordinating Intergovernmental relations				
		Division of Revenue Act (DORA) implementation workshops with national departments and the provincial treasuries	Seven national departments and nine provincial treasuries trained by targeting 200 officials	Seven national departments and nine provincial treasuries trained by targeting 200 officials	Seven national departments and nine provincial treasuries trained by targeting 80 officials	Seven national departments and nine provincial treasuries trained by targeting 80 officials
3.6.6	Annual	Benchmark and report on assessments for all municipalities between April and May of each year for non-delegated municipalities to determine adequacy of funding, credibility and sustainability	Conduct budget benchmark assessments for municipalities between April and May of each year for 17 non-delegated municipalities			
	Annual	Conclude and report on mid-year assessment for non-delegated municipalities by March each year				Conclude mid-year assessment reports for the 17 non-delegated municipalities by March each year

PROGRAMME 3: PUBLIC FINANCE AND BUDGET MANAGEMENT - continued

QUARTERLY TARGETS FOR 2015/16 - continued

Performance Indicator	Reporting Frequency	Annual Target 2015/16	QUARTERLY TARGETS			
			Q1 (Apr – Jun)	Q2 (Jul – Sep)	Q3 (Oct – Dec)	Q4 (Jan – Mar)
Strategic Objective 3.6: Coordinating Intergovernmental relations						
3.6.6	Quarterly	Publication of expenditure reviews and section 71 MFMA reports and section 44 (3) of the DORA	Quarterly publication in terms of Section 71 of the MFMA and section 44 (3) of the DORA	Quarterly publication in terms of Section 71 of the MFMA and section 44 (3) of the DORA	Quarterly publication in terms of Section 71 of the MFMA and section 44 (3) of the DORA	Quarterly publication in terms of Section 71 of the MFMA and section 44 (3) of the DORA
3.6.7	Quarterly	Publication of quarterly reports in terms of section 32 of the PFMA	Publication of 2014/15 4th quarter report	Publication of 2015/16 1st quarter report	Publication of 2015/16 2nd quarter report	Publication of 2015/16 3rd quarter report
	Annual	Conduct budget benchmarking sessions for each of the nine provinces before mid-February			Conduct benchmarking sessions for all nine provinces	Conduct benchmarking sessions for all nine provinces
	Biannual	Provide comprehensive parliamentary briefings in respect of at least three provincial governments, and three programmes funded through conditional grants	Conduct parliamentary briefings for three provinces and conditional grant programmes			Conduct parliamentary briefings for three provinces and conditional grant programmes
3.6.8	Annual	Implementation of the SCOA at the pilot municipalities	Roll-out of the SCOA project with piloting municipalities and the vendors	Continue with conducting research and development with piloting municipalities	Testing SCOA, in-year reporting framework and functionality of local government database	Testing SCOA, in-year reporting framework and functionality of local government database
			Change management initiatives across all municipalities, including capacity building and institutionalising forums with various stakeholders	Testing of Budget Reporting Framework; IYM and audited financial statement formats	Roll out of accredited training materials to all municipalities	Roll out of accredited training materials to all municipalities
			Continue with conducting research and development with piloting municipalities			

PROGRAMME 3: PUBLIC FINANCE AND BUDGET MANAGEMENT - continued

EXPENDITURE TRENDS AND ESTIMATES

Sub-programme	Public Finance and Budget Management expenditure trends and estimates by subprogramme and economic classification											
	Audited outcome			Adjusted appropriation	Average growth rate (%)	Expenditure/ Total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/ Total: Average (%)	
	2011/12	2012/13	2013/14				2014/15	2011/12 - 2014/15	2015/16			2016/17
R thousand	2011/12	2012/13	2013/14	2014/15	Average growth rate (%)	Expenditure/ Total: Average (%)	2015/16	2016/17	2017/18	Average growth rate (%)	Expenditure/ Total: Average (%)	
Programme Management for Public Finance and Budget Management	14 626	33 781	17 322	22 092	14.7%	9.5%	19 690	21 152	22 518	0.6%	7.9%	
Public Finance	45 092	46 601	47 486	54 760	6.7%	21.0%	56 691	61 120	65 369	6.1%	21.9%	
Budget Office and Coordination	43 283	47 593	52 429	59 014	10.9%	21.9%	59 897	64 439	69 093	5.4%	23.2%	
Intergovernmental Relations	69 373	67 515	70 763	79 523	4.7%	31.0%	80 131	86 513	92 612	5.2%	31.2%	
Financial and Fiscal Commission	33 036	37 268	39 567	44 488	10.4%	16.7%	40 556	42 559	45 204	0.5%	15.9%	
Total	205 410	232 758	227 567	259 877	8.2%	100.0%	256 965	275 783	294 796	4.3%	100.0%	
Change to 2014 Budget estimate				(2 948)			(19 769)	(19 291)	(17 815)			

Economic classification	Public Finance and Budget Management expenditure trends and estimates by subprogramme and economic classification											
	Audited outcome			Adjusted appropriation	Average growth rate (%)	Expenditure/ Total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/ Total: Average (%)	
	2011/12	2012/13	2013/14				2014/15	2011/12 - 2014/15	2015/16			2016/17
Current payments	171 369	193 157	185 294	213 654	7.6%	82.5%	215 109	231 727	247 990	5.1%	83.5%	
Compensation of employees	142 774	152 151	157 011	180 921	8.2%	68.4%	184 987	199 171	213 767	5.7%	71.6%	
Goods and services	28 595	41 006	28 283	32 733	4.6%	14.1%	30 122	32 556	34 223	1.5%	11.9%	
of which:												
Administrative fees	887	759	485	674	-8.7%	0.3%	532	651	700	1.3%	0.2%	
Advertising	346	570	417	603	20.3%	0.2%	544	592	633	1.6%	0.2%	
Assets less than the capitalisation threshold	71	56	129	167	33.0%	-	130	198	192	4.8%	0.1%	
Bursaries: Employees	409	664	586	965	33.1%	0.3%	1 012	937	792	-6.4%	0.3%	
Catering: Departmental activities	431	462	445	460	2.2%	0.2%	652	702	738	17.1%	0.2%	
Communication	656	757	828	742	4.2%	0.3%	808	857	896	6.5%	0.3%	
Computer services	603	244	662	1 430	33.4%	0.3%	920	961	1 010	-10.9%	0.4%	

PROGRAMME 3: PUBLIC FINANCE AND BUDGET MANAGEMENT - continued

EXPENDITURE TRENDS AND ESTIMATES - continued

Sub-programme	Public Finance and Budget Management expenditure trends and estimates by subprogramme and economic classification												
	Audited outcome					Medium-term expenditure estimate					Expenditure/ Total: Average (%)		
	2011/12	2012/13	2013/14	2014/15	Adjusted appropriation	Average growth rate (%)	2011/12 - 2014/15	2015/16	2016/17	2017/18		Average growth rate (%)	2014/15 - 2017/18
R thousand													
Consultants and professional services; Business and advisory services	7 243	19 702	8 463	8 028	8 028	3.5%	4.7%	7 825	8 471	9 176	4.6%	3.1%	
Contractors	5	17	8	39	39	98.3%	-	23	22	23	-16.1%	-	
Agency and support / outsourced services	-	-	-	112	112	-	-	-	-	-	-100.0%	-	
Entertainment	46	49	50	95	95	27.3%	-	148	170	177	23.1%	0.1%	
Fleet services (including government motor transport)	-	8	1	11	11	-	-	8	8	8	-10.1%	-	
Consumable supplies	3	9	308	450	450	431.3%	0.1%	451	456	476	1.9%	0.2%	
Consumables: Stationery, printing and office supplies	5 864	7 171	5 714	7 221	7 221	7.2%	2.8%	6 073	6 828	6 896	-1.5%	2.5%	
Operating leases	250	352	488	561	561	30.9%	0.2%	800	780	950	19.2%	0.3%	
Travel and subsistence	8 771	9 581	8 590	9 527	9 527	2.8%	3.9%	9 017	9 616	10 228	2.4%	3.5%	
Training and development	2 452	318	331	931	931	-27.6%	0.4%	465	547	543	-16.4%	0.2%	
Operating payments	153	40	194	169	169	3.4%	0.1%	115	130	137	-6.8%	0.1%	
Venues and facilities	405	247	584	548	548	10.6%	0.2%	599	630	648	5.7%	0.2%	
Transfers and subsidies	33 341	38 093	41 366	44 577	44 577	10.2%	17.0%	40 556	42 559	45 204	0.5%	15.9%	
Departmental agencies and accounts	33 036	37 268	39 567	44 488	44 488	10.4%	16.7%	40 556	42 559	45 204	0.5%	15.9%	
Households	305	825	1 799	89	89	-33.7%	0.3%	-	-	-	-100.0%	-	
Payments for capital assets	682	1 398	897	1 646	1 646	34.1%	0.5%	1 300	1 497	1 602	-0.9%	0.6%	
Machinery and equipment	682	1 398	897	1 646	1 646	34.1%	0.5%	1 300	1 497	1 602	-0.9%	0.6%	
Payments for financial assets	18	110	10	-	-	-100.0%	-	-	-	-	-	-	
Total	205 410	232 758	227 567	259 877	259 877	8.2%	100.0%	256 965	275 783	294 796	4.3%	100.0%	

PROGRAMME 3: PUBLIC FINANCE AND BUDGET MANAGEMENT - continued

PERSONNEL INFORMATION

		Public Finance and Budget Management personnel numbers and cost by salary level ¹												Number				
Number of posts estimated for 31 March 2015		Number and cost ² of personnel posts filled / planned for on funded establishment												Average growth rate (%)				
Number of funded posts	Number of posts additional to the establishment	Actual			Revised estimate			2015/16			2016/17			2014/15 - 2017/18				
		No.	Cost	Unit Cost	No.	Cost	Unit Cost	No.	Cost	Unit Cost	No.	Cost	Unit Cost	Average	Salary level/total: Average (%)			
Public Finance and Budget Management																		
Salary level	270	263	157.0	0.6	300	174.9	0.6	267	185.0	0.7	267	199.2	0.7	267	213.8	0.8	-3.8%	100.0%
1 – 6	2	2	0.4	0.2	2	0.4	0.2	2	0.5	0.2	2	0.5	0.3	2	0.5	0.3	-	0.7%
7 – 10	86	88	29.6	0.3	98	31.1	0.3	89	34.5	0.4	89	37.1	0.4	89	39.8	0.4	-3.2%	33.2%
11 – 12	96	92	51.5	0.6	107	62.0	0.6	93	64.0	0.7	93	68.9	0.7	93	74.0	0.8	-4.6%	35.1%
13 – 16	86	81	75.4	0.9	93	81.3	0.9	83	86.1	1.0	83	92.6	1.1	83	99.4	1.2	-3.7%	31.1%

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

2. Rand million.

During the MTEF, this programme will continue to support and coordinate the national budgeting process, promote sound fiscal relations amongst the spheres of government and provide monitoring and analysis of public spending with the main aim of directing expenditure towards service delivery, infrastructure spending and economic growth.

Expenditure is expected to increase to R294.8 million in 2017/18. Compensation of employees is expected to grow to R213.8 million in 2017/18 as a result of cost-of-living adjustments.

Spending on goods and services is expected to increase marginally to R34.2 million. These funds are spent on commissioning of independent consultants and professional service providers to support various short term assignments over the period ahead. Such assignments may, for example, include research on various issues influencing water pricing levels.

Transfer payments are mainly allocated to the Financial Fiscal Commission (FFC) and are expected to increase to R 45.2 million in 2017/18.

PROGRAMME 4: ASSET AND LIABILITY MANAGEMENT

1.1 PURPOSE

Manage government's annual funding programme in a manner which ensures prudent cash management and an optimal portfolio of debt and other fiscal obligations. Promote and enforce prudent financial management of state owned entities through financial analysis and oversight.

1.2 STRATEGIC OBJECTIVES

STRATEGIC OBJECTIVE	OBJECTIVE STATEMENT	SUB-PROGRAMMES
SO 4.1 Exercise oversight of state-owned enterprises	Exercise oversight of state-owned enterprises to enable them to achieve government's policy objectives in a financially sustainable manner by <ul style="list-style-type: none"> - Reviewing the corporate plans and annual financial statements of state-owned enterprises regularly; - Tracking progress on capital expenditure programmes on an ongoing basis; - Reviewing applications for funding, guarantees and borrowing limits in terms of the PFMA (1999), and monitoring progress on an ongoing basis 	State-owned Enterprise Financial Management and Governance
SO 4.2 Optimal debt management and funding of government borrowing requirement	Government's funding requirement to be met while ensuring the debt service costs remain sustainable	Government Debt Management
SO 4.3 Ensure sound management of government's cash resources	Ensure that government's liquidity requirements are consistently met through effective cash management by making sound cash flow forecasts on an ongoing basis	Financial Operations
SO 4.4 Minimise and mitigate risks emanating from government's fiscal obligations	Minimise and mitigate risks emanating from the debt portfolio, sovereign credit rating and financial contingent liabilities	Strategy and Risk Management

1.3 SUB-PROGRAMMES

1.3.1 PROGRAMME MANAGEMENT FOR ASSET AND LIABILITY MANAGEMENT

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

1.3.2 STATE-OWNED ENTERPRISE FINANCIAL MANAGEMENT AND GOVERNANCE

This sub-programme is responsible for overseeing state-owned enterprises and enabling them to meet government's policy objectives in a financially and fiscally sustainable manner. The sub-programme is also responsible for promoting sound corporate governance. Over the medium term, the unit will continue to compile submissions and review applications for borrowing limits in state-owned companies. To strengthen regulatory compliance, the unit will report on the compliance of major state-owned companies with the PFMA (1999), the Companies Act (2008), National Treasury regulations and the King III code of corporate governance.

PROGRAMME 4: ASSET AND LIABILITY MANAGEMENT - continued

1.3.3 GOVERNMENT DEBT MANAGEMENT

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

1.3.4 FINANCIAL OPERATIONS

This sub-programme provides for government's short-term funding needs, the prudent management of cash, the efficient accounting for debt and investment transactions, the supply of reliable systems and the provision of quality information.

1.3.5 STRATEGY AND RISK MANAGEMENT

This sub-programme develops and maintains a risk management framework for the debt and contingent liabilities of government and state-owned companies, and implements debt management and sovereign credit rating enhancement strategies that minimise the government's exposure to contingent liabilities and the risk of an adverse credit rating outcome.

1.3.6 FINANCIAL INVESTMENTS

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

PROGRAMME 4: ASSET AND LIABILITY MANAGEMENT - continued

OUTPUTS AND TARGETS

Performance indicator	Strategic Target	Previous year targets			Current year target	Medium-term targets		
		2012/13	2013/14	2014/15		2016/17	2017/18	2018/19
Strategic objective 4.1: Exercise oversight of state-owned enterprises								
4.1.1	Verify adherence to specific aspects of corporate governance and proactively manage fiscal risks posed by SOCs	Complete reports on analysis of corporate plans, shareholder compacts and annual reports of 46 SOCs, DFIs and Water Boards						
4.1.2	Manage risks by verifying PFMA compliance, coordinating and monitoring guarantee applications and processing MFMA Section 42 applications	Review all PFMA submissions and applications for guarantees, funding and borrowing limits and respond to MFMA section 42 water and electricity tariff applications	<ul style="list-style-type: none"> Submission to relevant committees on PFMA section 54(2) applications within 30 days of receipt of comprehensive information from SOCs and DFIs Submission on guarantee, funding and borrowing limit applications from SOCs as per stipulated timeframes Monitoring of approved guarantees, funding and borrowing limits to SOCs Update memorandum to Cabinet with the status update on compliance to guarantee conditions Submission on MFMA section 42 applications for amendments to water and electricity tariffs within 40 working days of receipt of application from SOCs and DFIs 					
4.1.3	To optimise legislative and policy environment for SOCs / DFIs	Report on desktop assessment of landscape and financial positions of eight provincial DFIs	Submit draft Treasury Regulation amendments	<ul style="list-style-type: none"> Review Treasury Regulations and Treasury Best Practice Guidelines Publish instruction notes relating to the amendments to the Treasury Regulations Analyse and compile responses to legislation, policies, sector responses and strategies being introduced or amended in terms of their impact on SOCs/DFIs 				
Strategic objective 4.2: Manage funding of government borrowing requirements and debt servicing costs optimally								
4.2.1	Ensure availability of funds to meet government's annual financial commitments	Gross issuance of R209.0 billion	Gross issuance of R201.5 billion	Financing of gross borrowing of R204.5 billion using various debt instruments	Financing of gross borrowing of R213.4 billion using various debt instruments	Financing of gross borrowing of R246.5 billion using various debt instruments	Meet government's borrowing requirement	

PROGRAMME 4: ASSET AND LIABILITY MANAGEMENT - continued

OUTPUTS AND TARGETS - continued

Performance indicator	Strategic Target	Previous year targets			Current year target 2015/16	Medium-term targets		
		2012/13	2013/14	2014/15		2016/17	2017/18	2018/19
Strategic objective 4.2: Manage funding of government borrowing requirements and debt servicing costs optimally								
4.2.2	Ensure timely and accurate payment of interest and redemptions	Fulfill government's financial obligations in respect of the sovereign debt portfolio <ul style="list-style-type: none"> Pay R131.7 billion Figures include Treasury bonds (TBs) 	Pay R142.0 billion including Treasury Bonds (TBs)	Pay R163.3 billion including TBs	Pay R157.9 billion including TBs	Pay R210.4 billion including TBs	Pay R244.4 billion including TBs	Pay interest and redemption amount in a timely and accurate manner
4.2.3	Retain current, and attract new investors	Position South Africa as an attractive investment destination	Conduct two domestic and two foreign road shows	Conduct two domestic and two foreign road shows	<ul style="list-style-type: none"> Conduct two domestic and two foreign road shows per year Conduct retail bond promotions in all nine provinces 			
Strategic objective 4.3: Ensure government's liquidity requirements are consistently met within credit risk guidelines								
4.3.1	Ensure government's liquidity requirements met at all times	Forecast and manage government's short and medium term cash flows to ensure provision for its short and medium term commitments	Forecast of daily and medium-term cash flows totalling R3.1 trillion	Forecasting and managing daily and medium-term cash flows totalling R3.4 trillion	Forecasting and managing daily and medium-term cash flows totalling R4.8 trillion	Forecasting and managing daily and medium-term cash flows totalling R5.1 trillion	Forecasting and managing daily and medium-term cash flows totalling R5.3 trillion	Forecast and manage daily and medium-term cash flows
4.3.2	Forecasting debt and debt-service costs, and reporting of national government debt operations	Uphold the principles of transparency and accountability by reporting on national government debt operations in terms of the PFMA and applicable reporting standards	Implement Commonwealth's public debt analytical tool	Test and implement the public debt analytical tool (Horizon)	<ul style="list-style-type: none"> Forecast debt and debt-service costs Adhere to the PFMA reporting requirements and disseminate information to the public, financial markets and international institutions Maintain the public debt analytical tool (Horizon) 			

PROGRAMME 4: ASSET AND LIABILITY MANAGEMENT - continued

OUTPUTS AND TARGETS - continued

Performance indicator	Strategic Target	Previous year targets		Current year target	Medium-term targets		
		2012/13	2013/14		2014/15	2016/17	2017/18
Strategic objective 4.4: To minimise and mitigate risks emanating from government's fiscal obligations							
4.4.1	Performance assessment against market and refinancing risks benchmarks	Maintain awareness of the sovereign debt position	<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 report on the performance of government's debt portfolio against the strategic risk benchmarks as follows: <ul style="list-style-type: none"> Share of domestic debt maturing within one year (TBs only) not to exceed a limit of 15% Share of domestic debt maturing within five years (excluding TBs) not to exceed a limit of 25% Share of gross foreign debt not to exceed 15% of total government debt Average time to maturity of fixed rate debt (including TBs) not to exceed a range of 10 to 14 years Average time to maturity of inflation linked debt (including revaluations) not to exceed a range of 14 to 17 years 			
4.4.2	Prudent strategies to manage counterparty risk and ensure effective relations with the credit rating agencies	Minimise risk of a sovereign credit rating downgrade	<ul style="list-style-type: none"> Proactively monitor and communicate credit rating exposures Effectively organise and manage the sovereign credit rating review processes of Standard & Poor's (S&P), Fitch Ratings, Moody's Investors Service and Rating & Investment Information Inc. 	<ul style="list-style-type: none"> Daily and weekly monitoring and communication of sovereign risk developments Monthly monitoring and communication of key economic, financial, socio-economic and political developments as well as policy interventions Monthly monitoring and communication of government's probability of default based on the Credit Default Swap (CDS) 	<ul style="list-style-type: none"> Monitor and research sovereign credit rating exposures and produce the following reports: <ul style="list-style-type: none"> Daily and weekly sovereign risk reports Monthly sovereign risk highlights reports Monthly CDS credit evaluation and probability of default reports Bi-annual internal forward looking risk analysis and rating reports, which also compare South Africa to peers Effectively manage and organise the sovereign credit rating review process by formulating strategic interventions for addressing rating weaknesses as well as strategic responses that should be communicated during engagements with the credit rating agencies 		

PROGRAMME 4: ASSET AND LIABILITY MANAGEMENT - continued

OUTPUTS AND TARGETS - continued

Performance indicator	Strategic Target	Previous year targets			Current year target 2015/16	Medium-term targets		
		2012/13	2013/14	2014/15		2016/17	2017/18	2018/19
4.4.2		Strategic objective 4.4: To minimise and mitigate risks emanating from government's fiscal obligations						
			<ul style="list-style-type: none"> On bi-annual basis analyse and forecast government risk rating with the focus on how South Africa performs on selected economic, financial, socio-economic and political indicators compared to its peers Manage the bi-annual and annual sovereign credit rating review process 					
4.4.3	Management of contingent liabilities	Prudent management of contingent liabilities	Quarterly assessment of government contingent liabilities	Quarterly assessment of government contingent liabilities	Quarterly and annual assessment of the state of government contingent liabilities			

PROGRAMME 4: ASSET AND LIABILITY MANAGEMENT - continued

QUARTERLY TARGETS FOR 2015/16

Performance Indicator	Reporting Frequency	Annual Target 2015/16	QUARTERLY TARGETS			
			Q1 (Apr – Jun)	Q2 (Jul – Sep)	Q3 (Oct – Dec)	Q4 (Jan – Mar)
4.1.1	Annually	<p>Analyse and submit reports annually on all corporate plans, shareholder compacts and annual reports of SOCs and DFIs</p> <ul style="list-style-type: none"> Exercise oversight over SOCs/DFIs reporting to the Minister of Finance Compile information and report on SOCs/DFIs borrowing and infrastructure expenditure Review and report on SOC/DFI remuneration 	<ul style="list-style-type: none"> Submit report on analysis of corporate plans and shareholder compacts of SOCs and DFIs Disseminate a bulletin on quarter 4 infrastructure spending by SOCs/DFIs Submit business plan for review of the Land Bank 	<ul style="list-style-type: none"> Submit report on analysis of corporate plans of water boards Compile and disseminate a bulletin on quarter 1 infrastructure spending by SOCs/DFIs Engage all the relevant stakeholders 	<ul style="list-style-type: none"> Submit report on analysis of annual reports of SOCs and DFIs Compile and disseminate a bulletin on quarter 2 infrastructure spending by SOCs/DFIs Provide first draft for the review of the Land Bank 	<ul style="list-style-type: none"> Submit report on analysis of annual reports of water boards Compile and disseminate a bulletin on quarter 3 infrastructure spending by SOCs/DFIs Provide second and final draft recommendations and the implementation plan
4.1.2	On-going	<ul style="list-style-type: none"> Submission on PFMA section 54(2) applications within 30 days of receipt of comprehensive information from SOCs and DFIs to relevant committees Submission on guarantee, funding and borrowing limit applications from SOCs as per stipulated timeframes Monitoring of approved guarantees, funding and borrowing limits to SOCs Submission on MFMA section 42 applications for amendments to water and electricity tariffs within 40 working days of receipt of application from SOCs and DFIs 	<ul style="list-style-type: none"> Compile submissions on PFMA, guarantee and borrowing limit applications 	<ul style="list-style-type: none"> Compile submissions on PFMA, guarantee and borrowing limit applications Compile submissions on funding requests from SOCs Update memorandum to Cabinet with the status of compliance to guarantee conditions 	<ul style="list-style-type: none"> Compile submissions on PFMA, guarantee and borrowing limit applications 	<ul style="list-style-type: none"> Compile submissions on PFMA, guarantee and borrowing limit applications Compile submissions on MFMA section 42 applications for amendments to water board tariffs

PROGRAMME 4: ASSET AND LIABILITY MANAGEMENT - continued

QUARTERLY TARGETS FOR 2015/16 - continued

Performance Indicator	Reporting Frequency	Annual Target 2015/16	QUARTERLY TARGETS			
			Q1 (Apr – Jun)	Q2 (Jul – Sep)	Q3 (Oct – Dec)	Q4 (Jan – Mar)
Strategic Objective 4.1: Exercise oversight of state-owned enterprises						
4.1.3	Annually	<ul style="list-style-type: none"> Review Treasury Regulations and Treasury Best Practice Guidelines Publish instruction notes relating to the amendments to the Treasury Regulations Analyse and compile responses to legislation, policies, sector responses and strategies being introduced or amended in terms of their impact on SOCs/DFIs Analyse and compile responses to legislation, policies, sector responses and strategies being introduced or amended in terms of their impact on SOCs/DFIs 	Analyse and compile responses to legislation, policies and their impact on SOCs/DFIs	Analyse and compile responses to legislation, policies and their impact on SOCs/DFIs	<ul style="list-style-type: none"> Review Treasury Best Practice Guidelines Analyse and compile responses to legislation, policies and their impact on SOCs/DFIs 	<ul style="list-style-type: none"> Publish Instruction Notes upon approval of the amended Treasury Regulations Analyse and compile responses to legislation, policies and their impact on SOCs/DFIs
Strategic objective 4.2: Manage funding of government borrowing requirements and debt servicing costs optimally						
4.2.1	Annually	Financing of gross borrowing of R204.5 billion using various debt instruments	R70.1 billion (cumulative)	R156.7 billion (cumulative)	R196.4 billion (cumulative)	R204.5 billion (cumulative)
4.2.2	Annually	Pay R157.9 billion including TBs	R22.2 billion (cumulative)	R89.8 billion (cumulative)	R111.9 billion (cumulative)	R157.9 billion (cumulative)
4.2.3	Semi-annually	Retain current, and attract new investors	Conduct one domestic and one foreign road show		Conduct one domestic and one foreign road show	
Strategic objective 4.3: Ensure government's liquidity requirements are consistently met within credit risk guidelines						
4.3.1	Annually/quarterly	Ensure government's liquidity requirements met at all times	Forecasting and managing daily and medium-term cash flows totalling R4.6 trillion	Forecasting and managing daily and medium term cash flows totalling R1.1 trillion	Forecasting and managing daily and medium term cash flows totalling R1.2 trillion	Forecasting and managing daily and medium term cash flows totalling R1.2 trillion

PROGRAMME 4: ASSET AND LIABILITY MANAGEMENT - continued

QUARTERLY TARGETS FOR 2015/16 - continued

Performance Indicator	Reporting Frequency	Annual Target 2015/16	QUARTERLY TARGETS			
			Q1 (Apr – Jun)	Q2 (Jul – Sep)	Q3 (Oct – Dec)	Q4 (Jan – Mar)
4.3.2	Quarterly, monthly	<ul style="list-style-type: none"> Forecast debt and debt-service costs Adherence to the PFMA reporting requirements and disseminating information to the public, financial markets and international institutions Maintenance of the public debt analytical tool (Horizon) 	<ul style="list-style-type: none"> Complete annual financial information for the Asset and Liability Management division (government debt and cash balances) as source documents for the financial statements of National Treasury and the National Revenue Fund Reporting on guarantees and government's borrowing programme, outstanding debt and borrowing cost 	<ul style="list-style-type: none"> Forecast debt and debt-service cost for input into the MTBPS 	<ul style="list-style-type: none"> Forecast debt and debt-service cost for input into the Budget. 	
Strategic objective 4.3: Ensure government's liquidity requirements are consistently met within credit risk guidelines						
4.4.1	Weekly/monthly/quarterly/annually	<ul style="list-style-type: none"> Forecast debt and debt-service costs Adherence to the PFMA reporting requirements and disseminating information to the public, financial markets and international institutions Maintenance of the public debt analytical tool (Horizon) 	<ul style="list-style-type: none"> Reporting on guarantees and government's borrowing programme, outstanding debt and borrowing cost 	<ul style="list-style-type: none"> Forecast debt and debt-service cost for input into the MTBPS 	<ul style="list-style-type: none"> Forecast debt and debt-service cost for input into the Budget. 	
Strategic objective 4.4: To minimise and mitigate risks emanating from government's fiscal obligations						
4.4.1	Weekly/monthly/quarterly/annually	<ul style="list-style-type: none"> Implement, monitor and report on the performance of government's debt portfolio against the strategic risk benchmarks 	<ul style="list-style-type: none"> Reporting on guarantees and government's borrowing programme, outstanding debt and borrowing cost 	<ul style="list-style-type: none"> Forecast debt and debt-service cost for input into the MTBPS 	<ul style="list-style-type: none"> Forecast debt and debt-service cost for input into the Budget. 	

PROGRAMME 4: ASSET AND LIABILITY MANAGEMENT - continued

QUARTERLY TARGETS FOR 2015/16 - continued

Performance Indicator	Reporting Frequency	Annual Target 2015/16	QUARTERLY TARGETS			
			Q1 (Apr – Jun)	Q2 (Jul – Sep)	Q3 (Oct – Dec)	Q4 (Jan – Mar)
Strategic objective 4.4: To minimise and mitigate risks emanating from government's fiscal obligations						
4.4.1			<ul style="list-style-type: none"> Quarterly review of performance against proposed new risk benchmarks Quarterly assessment of yield curve risks and impact on cash flows and cost of borrowing 	<ul style="list-style-type: none"> Quarterly review of performance against proposed new risk benchmarks Quarterly assessment of yield curve risks and impact on cash flows and cost of borrowing 	<ul style="list-style-type: none"> Quarterly review of performance against proposed new risk benchmarks Quarterly assessment of yield curve risks and impact on cash flows and cost of borrowing 	<ul style="list-style-type: none"> Quarterly review of performance against proposed new risk benchmarks Quarterly assessment of yield curve risks and impact on cash flows and cost of borrowing Risk review of the 2014/15 funding strategy Analysis of risk factors and funding recommendations for 2015/16 Annual market risk rating report
4.4.2	Quarterly, semi-annually and annually	<ul style="list-style-type: none"> Quarterly reports on adherence to investment ratios and limits Invest surplus cash according to pre-determined ratios Manage sovereign rating review process 	<ul style="list-style-type: none"> Quarterly report on adherence to investment ratios and limits Semi-annual report on exposure of government to counterparties and review of investment ratios and limits per counterparty Effectively organise and facilitate the annual credit rating review by Rating and Investment Information, Inc. 	<ul style="list-style-type: none"> Quarterly report on adherence to investment ratios and limits Semi-annual report on exposure of government to counterparties and review of investment ratios and limits per counterparty Effectively organise and facilitate the semi-annual credit rating reviews by S&P and Fitch 	<ul style="list-style-type: none"> Quarterly report on adherence to investment ratios and limits Review country risk policy and the internal sovereign risk rating methodology in line with the revised methodologies of the credit rating agencies 	<ul style="list-style-type: none"> Prudent strategies to manage counterparty risk and ensure effective relations with the credit rating agencies

PROGRAMME 4: ASSET AND LIABILITY MANAGEMENT - continued

QUARTERLY TARGETS FOR 2015/16 - continued

Performance Indicator	Reporting Frequency	Annual Target 2015/16	QUARTERLY TARGETS			
			Q1 (Apr – Jun)	Q2 (Jul – Sep)	Q3 (Oct – Dec)	Q4 (Jan – Mar)
4.4.3 Management of government contingent liabilities	Annually	Quarterly report outlining the performance of SOCs	Strategic objective 4.4: To minimise and mitigate risks emanating from government's fiscal obligations			
			<ul style="list-style-type: none"> Quarterly report outlining the performance of SOCs Weekly credit spreads of the SOCs, banking sector Expected Default Frequency (EDF) and foreign bonds issued in foreign denominated currency 	<ul style="list-style-type: none"> Quarterly report outlining the performance of SOCs Weekly credit spreads of the SOCs, banking sector EDF and foreign bonds issued in foreign denominated currency 	<ul style="list-style-type: none"> Quarterly report outlining the performance of SOCs Weekly credit spreads of the SOCs, banking sector EDF and foreign bonds issued in foreign denominated currency Provide inputs that will be incorporated into the cabinet memorandum 	<ul style="list-style-type: none"> Weekly credit spreads of the SOCs, banking sector EDFs and SOCs bonds issued in foreign denominated currency Review of the credit risk internal methodologies in line with international best practices

PROGRAMME 4: ASSET AND LIABILITY MANAGEMENT - continued

EXPENDITURE TRENDS AND ESTIMATES

Sub-programme	Asset and Liability Management expenditure trends and estimates by sub-programme and economic classification														
	Audited outcome				Adjusted appropriation		Average growth rate (%)		Expenditure/Total: Average (%)		Medium-term expenditure estimate		Average growth rate (%)		Expenditure/Total: Average (%)
	2011/12	2012/13	2013/14	2014/15	2011/12 - 2014/15	2015/16	2016/17	2017/18	2014/15 - 2017/18	2011/12 - 2014/15	2015/16	2016/17	2017/18	2014/15 - 2017/18	2014/15 - 2017/18
R thousand															
Programme management for Asset and Liability Management	12 883	14 882	16 419	11 321	-4.2%	10 433	9 465	9 819	-4.6%	0.7%					0.6%
State Owned Entity Financial Management and Governance	21 815	23 691	26 320	29 769	10.9%	32 001	34 524	37 015	7.5%	1.4%					2.0%
Government Debt Management	14 943	15 708	17 316	19 216	8.7%	20 578	22 152	23 538	7.0%	0.9%					1.3%
Financial Operations	14 770	15 875	17 246	20 780	12.1%	20 399	21 760	23 244	3.8%	0.9%					1.3%
Strategy and Risk Management	7 496	8 049	8 622	10 286	11.1%	9 519	10 174	10 893	1.9%	0.5%					0.6%
Financial Investments	750 000	200 000	2 905 000	3 252 000	63.1%	3 024 000	-	-	-100.0%	95.6%					94.2%
Total	821 907	278 205	2 990 923	3 343 372	59.6%	3 116 930	98 075	104 509	-68.5%	100.0%					100.0%
Change to 2014 Budget estimate				1 272		(959)	(1 563)	(1 131)							
Economic classification															
Current payments	71 515	77 684	85 386	90 992	8.4%	92 320	97 433	103 835	4.5%	4.4%					5.8%
Compensation of employees	53 497	58 183	62 791	70 602	9.7%	73 574	79 240	85 040	6.4%	3.3%					4.6%
Goods and services	18 018	19 501	22 595	20 390	4.2%	18 746	18 193	18 795	-2.7%	1.1%					1.1%
of which:															
Administrative fees	172	79	53	50	-33.8%	54	55	60	6.3%	-					-
Advertising	198	198	124	222	3.9%	164	194	194	-4.4%	-					-
Assets less than the capitalisation threshold	10	15	4	51	72.1%	25	27	29	-17.2%	-					-
Audit costs: External	551	585	674	600	2.9%	714	757	802	10.2%	-					-

PROGRAMME 4: ASSET AND LIABILITY MANAGEMENT - continued

EXPENDITURE TRENDS AND ESTIMATES - continued

Sub-programme	Asset and Liability Management expenditure trends and estimates by sub-programme and economic classification										
	Audited outcome					Medium-term expenditure estimate					Expenditure/ Total: Average (%)
R thousand	2011/12	2012/13	2013/14	2014/15	Average growth rate (%)	2011/12 - 2014/15	2015/16	2016/17	2017/18	Average growth rate (%)	2014/15 - 2017/18
<i>Busines: Employees</i>	271	309	499	869	47.5%	-	827	797	888	0.7%	0.1%
<i>Catering: Departmental activities</i>	97	100	100	101	1.4%	-	124	125	125	7.4%	-
<i>Communication</i>	371	280	250	494	10.0%	-	318	334	372	-9.0%	-
<i>Computer services</i>	5 166	8 102	10 491	8 088	16.1%	0.4%	8 813	8 643	8 960	3.5%	0.5%
<i>Consultants and professional services: Business and advisory services</i>	8 128	6 463	6 022	4 663	-16.9%	0.3%	2 919	2 000	2 000	-24.6%	0.2%
<i>Contractors</i>	1	2	8	34	224.0%	-	10	11	12	-29.3%	-
<i>Entertainment</i>	28	33	23	28	-	-	34	35	35	7.7%	-
<i>Fleet services (including government motor transport)</i>	3	9	23	20	88.2%	-	23	24	17	-5.3%	-
<i>Consumable supplies</i>	2	3	23	6	44.2%	-	10	10	-	-100.0%	-
<i>Consumables: Stationery, printing and office supplies</i>	418	462	449	571	11.0%	-	540	569	590	1.1%	-
<i>Operating leases</i>	108	267	326	428	58.2%	-	410	433	455	2.1%	-
<i>Travel and subsistence</i>	2 024	1 800	2 766	3 101	15.3%	0.1%	2 940	3 216	3 242	1.5%	0.2%
<i>Training and development</i>	401	463	426	820	26.9%	-	657	790	845	1.0%	-
<i>Operating payments</i>	23	4	16	80	51.5%	-	40	43	45	-17.5%	-
<i>Venues and facilities</i>	46	327	318	164	52.8%	-	124	130	124	-8.9%	-
Transfers and subsidies	95	44	102	155	17.7%	-	-	-	-	-100.0%	-
<i>Households</i>	95	44	102	155	17.7%	-	-	-	-	-100.0%	-
Payments for capital assets	289	474	430	225	-8.0%	-	610	642	674	44.2%	-
<i>Machinery and equipment</i>	289	474	430	225	-8.0%	-	610	642	674	44.2%	-
Payments for financial assets	750 008	200 003	2 905 005	3 252 000	63.1%	95.6%	3 024 000	-	-	-100.0%	94.2%
Total	821 907	278 205	2 990 923	3 343 372	59.6%	100.0%	3 116 930	98 075	104 509	-68.5%	100.0%

PROGRAMME 4: ASSET AND LIABILITY MANAGEMENT - continued

EXPENDITURE TRENDS AND ESTIMATES - continued

Asset and Liability Management expenditure trends and estimates by sub-programme and economic classification

Sub-programme	Audited outcome			Adjusted appropriation	Average growth rate (%)		Expenditure/ Total: Average (%)		Medium-term expenditure estimate			Average growth rate (%)	Expenditure/ Total: Average (%)
	2011/12	2012/13	2013/14		2014/15	2011/12 - 2014/15	2014/15 - 2017/18	2015/16	2016/17	2017/18			
R thousand	4.1%	1.3%	11.9%	12.5%	-	-	11.6%	0.4%	0.4%	0.4%	-	-	
Proportion of total programme expenditure to vote expenditure													

Details of transfers and subsidies

Households												
Social benefits												
Current	95	44	102	155	17.7%	-	-	-	-	-	-100.0%	-
Employee social benefits	95	44	102	155	17.7%	-	-	-	-	-	-100.0%	-

PROGRAMME 4: ASSET AND LIABILITY MANAGEMENT - continued

PERSONNEL INFORMATION

		Asset and Liability Management personnel numbers and cost by salary level ¹																
Number of posts estimated for 31 March 2015		Number and cost ² of personnel posts filled / planned for on funded establishment						Medium-term expenditure estimate						Average growth rate (%)		Salary level/total: Average (%)		
Number of funded posts	Number of posts additional to the establishment	Actual		Revised estimate		2015/16		2016/17		2017/18		2014/15 - 2017/18		2014/15 - 2017/18				
		No.	Cost	No.	Cost	No.	Cost	No.	Cost	No.	Cost	Unit Cost	Unit Cost	Unit Cost	Unit Cost	Unit Cost	Unit Cost	
Asset and Liability Management																		
116	1	112	62.8	0.6	117	70.6	0.6	111	73.6	0.7	111	79.2	0.7	111	85.0	0.8	-1.7%	100.0%
1-6	-	4	0.8	0.2	4	0.8	0.2	4	0.9	0.2	4	1.0	0.2	4	1.1	0.3	-	3.6%
7-10	1	49	18.1	0.4	50	19.5	0.4	48	20.9	0.4	48	22.5	0.5	48	24.1	0.5	-1.4%	43.1%
11-12	-	35	23.3	0.7	38	26.8	0.7	35	26.8	0.8	35	28.9	0.8	35	31.0	0.9	-2.7%	31.8%
13-16	-	24	20.6	0.9	25	23.5	0.9	24	25.0	1.0	24	26.9	1.1	24	28.9	1.2	-1.4%	21.6%

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

2. Rand million.

The spending focus over the medium term will be directed towards supporting the financing of government's gross borrowing requirement; sound management of cash resources, managing government's financial risks and oversight responsibilities with regard to SOCs.

Spending will increase from R91.4 million in 2014/15 to R104.5 million in 2017/18, which excludes R3.252 billion that is allocated for recapitalisation of SOCs under the oversight of the Minister of Finance. The recapitalisation of these SOCs is expected to end in the first year of the MTEF period.

Compensation of employees is expected to increase from R70.6 million in 2014/15 to R85 million in 2017/18 due to cost-of-living adjustments to the payroll. Spending on goods and services over the MTEF period is expected to decline from R20.4 million in 2014/15 to R18.8 million in 2017/18 mainly due to the completion of the back office modules of the Treasury Management System. However, there are several out of scope items from the original design to the back office system project which will need development over the medium term. These projects are expected to commence once the back office project approaches completion and will be the driver of computer services over the medium term.

Transfer payments of R3.0 billion, classified as payments for financial assets, have been allocated to the Development Bank of Southern Africa (DBSA) and South African Post Office in 2015/16. No further provision has been made for assistance in the form of transfer payments to SOCs over the last two years of the MTEF. Payments for capital assets will be mainly to procure and replace obsolete capital assets.

PROGRAMME 5: FINANCIAL ACCOUNTING AND SUPPLY CHAIN MANAGEMENT SYSTEMS

1.1 PURPOSE

This programme aims to facilitate accountability, governance and oversight by promoting effective, efficient, economic and transparent management of revenue, expenditure, assets and liabilities across all spheres of government and public entities

1.2 STRATEGIC OBJECTIVES

STRATEGIC OBJECTIVE	OBJECTIVE STATEMENT	SUB-PROGRAMMES
SO 5.1 Improve financial management governance and compliance across all spheres and entities in government	<p>Governance and compliance is improved across all spheres of government on an on-going basis by:</p> <ul style="list-style-type: none"> • Providing technical support services to address implementation challenges • Issuing frameworks, guidelines, circulars, treasury instructions and other tools to enable proper implementation of legislation • Monitoring and evaluating financial management, internal audit and risk management across government • Facilitating and undertaking special investigations and performance audits to improve financial governance and compliance 	Financial Management Policy and Compliance Improvement
SO 5.2 Support and facilitate capacity development across all spheres of government in order to improve financial management execution	Support government's financial management capacity building efforts across the three spheres of government by introducing minimum competency profiles and offering graduate internships in financial management annually. This includes providing capacity and support to municipalities on policies relating to accounting and reporting and internal audit on an on-going basis	Financial Reporting for National Accounts and Financial Management Policy and Compliance Improvement
SO 5.3 Manage existing financial systems and renew these as required to exercise comprehensive financial management	<p>Maintain existing financial systems at a level of 98 per cent availability including the provision of reliable, efficient and effective support and user training over the medium term</p> <p>Develop and implement the Integrated Financial Management System (IFMS) in order to replace ageing and fragmented financial, supply chain and human resource management systems across national and provincial departments</p>	Financial Systems
SO 5.4 Modernise supply chain management (SCM) policies and procedures	Comprehensive review of SCM policies to ensure a simplified and modernised SCM environment in government, which involves the amendment of processes and procedures in line with the revised policies	Office of the Chief Procurement Officer
SO 5.5 Develop SCM capacity	Research, develop and implement interventions that will contribute to improved SCM capacity, capability and performance in all three spheres of government, through institutional, organisational, individual and stakeholder development	Office of the Chief Procurement Officer

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

STRATEGIC OBJECTIVE	OBJECTIVE STATEMENT	SUB-PROGRAMMES
SO 5.6 Monitor and evaluate SCM performance	Exercise oversight over SCM policies, procedures, norms and standards. This will entail oversight of: <ul style="list-style-type: none"> • Bid specifications and procurement plans against SCM policies and procedures • Bid evaluation and adjudication to ensure compliance with evaluation criteria/scoring • Implementation of projects against contract specifications and conditions of tender 	Office of the Chief Procurement Officer
SO 5.7 Develop and implement strategic procurement	Conduct the collaborative and structured process of critically analysing government's spend and utilising this information to make better business decisions about acquiring goods and services more effectively and efficiently. Strategic procurement will help government: <ul style="list-style-type: none"> • Optimise performance • Minimise prices • Improve access to business opportunities in line with BBEEE policy • Increase value per rand spent The above objectives will be achieved through the development of a strategic procurement framework, guidelines and tools, as well as the implementation of a sustainable price referencing system (PRS)	Office of the Chief Procurement Officer
SO 5.8 Modernise and automate SCM processes	Modernise ICT to improve SCM performance and reduce the amount of paper in processing transactions	Office of the Chief Procurement Officer

1.3 SUB-PROGRAMMES

1.3.1 PROGRAMME MANAGEMENT FOR FINANCIAL ACCOUNTING AND SUPPLY CHAIN SYSTEMS

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

1.3.2 OFFICE OF THE CHIEF PROCUREMENT OFFICER

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

1.3.3 FINANCIAL SYSTEMS

This sub-programme aims to maintain and improve existing financial management systems and develop and implement the new integrated financial management system (IFMS). The IFMS will replace ageing and fragmented financial, supply chain and human resource management systems across national and provincial departments.

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

1.3.4 FINANCIAL REPORTING FOR NATIONAL ACCOUNTS

The sub-programme provides support to all spheres of government in implementing financial reporting frameworks and preparing consolidated financial statements. Responsibilities include the monthly monitoring of state budgets and expenditure reports according to the Public Finance Management Act (1999).

1.3.5 FINANCIAL MANAGEMENT POLICY AND COMPLIANCE IMPROVEMENT

This sub-programme ensures financial management compliance through the development and implementation of accounting policies, as well as risk management and internal audit frameworks in government. It also supports capacity building in financial management, risk management and internal audit, and provides assistance in investigations of malpractice across all spheres of government.

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

OUTPUTS AND TARGETS

Performance indicator	Strategic Target	Previous year target				Current year target	Medium-term targets		
		2011/12	2012/13	2013/14	2014/15		2015/16	2016/17	2017/18
Strategic objective 5.1: Improve financial management governance and compliance across all spheres and entities in government									
5.1.1	Monitor improvement of financial management in national and provincial institutions	N/A	Submit reports to Parliament by 30 September 2012	Submit reports to Parliament by 30 November of each year	Timeous submission of reports	Timeous submission of reports			
5.1.2	Develop and implement guidelines on new or revised policies, instructions, circulars and regulations	N/A	<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 guidelines annually by 31 March Maintain and enhance existing guidelines 	<ul style="list-style-type: none"> Develop new guidelines annually by 31 March Maintain and enhance existing guidelines 	<ul style="list-style-type: none"> Develop new guidelines annually by 31 March Maintain and enhance existing guidelines 	<ul style="list-style-type: none"> Develop new guidelines annually by 31 March Maintain and enhance existing guidelines 	<ul style="list-style-type: none"> Develop new guidelines annually by 31 March Maintain and enhance existing guidelines 	<ul style="list-style-type: none"> Develop and roll out internal audit guides for audit of performance information, review of financial statements, performance auditing and ICT auditing by 31 March 2016 Publish the revised Public Sector Risk Management Framework by 31 March 2016

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

OUTPUTS AND TARGETS - continued

Performance indicator	Strategic Target	Previous year target			Current year target	Medium-term targets		
		2011/12	2012/13	2013/14		2014/15	2015/16	2016/17
Strategic objective 5.1: Improve financial management governance and compliance across all spheres and entities in government								
5.1.3	Maintain and enhance Treasury regulations and instructions	N/A	N/A	Conduct on-going maintenance and enhancement of Treasury regulations and instructions	Conduct on-going maintenance and instructions	<ul style="list-style-type: none"> Publish the revised Internal Audit Framework by 31 March 2016 		Conduct on-going maintenance and enhancement of Treasury regulations
5.1.4	Improve financial management capability maturity model (FMCMM) in departments	On-going maintenance and enhancement of the FMCMM	Maintain and enhance FMCMM for all spheres of government	Maintain and enhance FMCMM	Attain a level 6, an optimising level, to show continuous learning and improvement in financial management of institutions			
5.1.5	Improve FMCMM in municipalities	On-going maintenance and enhancement of the FMCMM	Maintain and enhance FMCMM for all spheres of government	Maintain and enhance FMCMM	A score of three on each question that is not an N/A item	A score of three on each question that is not an N/A item	A score of three on each question that is not an N/A item	A score of three on each question that is not an N/A item

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

OUTPUTS AND TARGETS - continued

Performance indicator	Strategic Target	Previous year target			Current year target	Medium-term targets		
		2011/12	2012/13	2013/14		2014/15	2015/16	2016/17
Strategic objective 5.2: Support and facilitate capacity development across all spheres of government in order to improve financial management execution								
5.2.1	Research, develop and implement structural and policy reforms to make IA and Risk Management functions more responsive to government challenges	Improve value add of IA and Risk Management functions				Conduct research and analysis of challenges and optimal solutions	Implement stage 1 of policy and structural changes	Implement phase 2 of policy and structural changes
5.2.2	Management of MFEMA helpdesk	Provide financial management support	75 % of responses concluded within 30 days	Conclude 75% of responses within 30 days	Conclude 75% of responses within 30 days	Conclude 75% of responses within 30 days	Conclude 75% of responses within 30 days	Conclude 75% of responses within 30 days
5.2.3	Assist municipalities with the preparation of financial recovery plans	Provide financial management support	All recovery plan issues were handled within 45 days of request for assistance	<ul style="list-style-type: none"> Prepare recovery plans within 90 days Review existing recovery plans and provide guidance within 60 days 	<ul style="list-style-type: none"> Prepare recovery plans within 90 days Review existing recovery plans and provide guidance within 60 days 	<ul style="list-style-type: none"> Prepare recovery plans within 90 days Review existing recovery plans and provide guidance within 60 days 	<ul style="list-style-type: none"> Prepare recovery plans within 90 days Review existing recovery plans and provide guidance within 60 days 	<ul style="list-style-type: none"> Prepare recovery plans within 90 days Review existing recovery plans and provide guidance within 60 days

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

OUTPUTS AND TARGETS - continued

Performance indicator	Strategic Target	Previous year target			Current year target	Medium-term targets		
		2011/12	2012/13	2013/14		2014/15	2015/16	2016/17
Strategic objective 5.2: Support and facilitate capacity development across all spheres of government in order to improve financial management execution								
5.2.4	Support and train representatives across all spheres of government in building financial management competencies	1 024 trainees trained	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	250 trainees in provincial treasuries, municipalities and public entities.	250 trainees in provincial treasuries, municipalities and public entities	250 trainees in provincial treasuries, municipalities and public entities.
5.2.5	Facilitate financial management competencies training opportunities for municipal officials	N/A	1 000 learners	1 000 learners per annum	1 000 learners per annum	760 learners per annum	750 learners per annum	700 learners per annum

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

OUTPUTS AND TARGETS - continued

Performance indicator	Strategic Target	Previous year target				Current year target	Medium-term targets		
		2011/12	2012/13	2013/14	2014/15		2015/16	2016/17	2017/18
5.2.6	Develop and implement Financial Management Capacity Development Strategy	Strategic objective 5.2: Support and facilitate capacity development across all spheres of government in order to improve financial management execution							
	Build financial management capacity	Financial management capacity building strategy developed and consultation with stakeholders	Institutionalise public finance management (PFM) talent management by 31 March 2013	Implement PFM education, training and delivery model and PFM skills needs analysis framework	Support the development and delivery of PFM related qualifications and short learning programmes by 31 March 2015	Develop central PFM knowledge and information system and implement by 31 March 2016	Increase the professionalism of financial management, IA and risk management in the public sector		
	Improve financial management capability		Develop and issue guidelines on structures for Chief Financial Officer's (CFO's) office, SCM, IA and enterprise risk management by 31 March 2013	Review departmental CFO's office, SCM, IA and enterprise risk management structures by 31 March 2014	Support development of occupational profiles, job descriptions and performance agreements for nine PFM disciplines by 31 March 2015	Establish mechanisms to institutionalise HR planning for PFM by 31 March 2016	Establish uniform performance management criteria for PFM practitioners		
5.2.7	Management and Implementation of academic support programme for prospective chartered accountants	18 participants	20 participants	24 participants	25 participants	15 participants	15 participants	15 participants	
	Improve financial management capability		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 learnerships for accounting, IA and supply chain by 31 March 2015	Develop and implement talent pipeline for PFM-related disciplines	Establish accelerated training programmes		

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

OUTPUTS AND TARGETS - continued

Performance indicator	Strategic Target	Previous year target			Current year target	Medium-term targets		
		2011/12	2012/13	2013/14		2014/15	2015/16	2016/17
Strategic objective 5.2: Support and facilitate capacity development across all spheres of government in order to improve financial management execution								
5.2.11	Tabling of consolidated annual financial statements for national departments and public entities. Tabling of annual financial statements for the Reconstruction and Development Programme Fund and the NRF	Financial reporting	Annually by 31 October	Annually by 31 October	Annually by 31 October	Annually by 31 October	Annually by 31 October	Annually by 31 October
Strategic Objective 5.3: Manage existing financial systems and renew these as required to exercise comprehensive financial management								
5.3.1	Manage current transversal systems	Efficient and effective financial management system	Provide 98% availability	Provide 98% availability of systems during working hours or as per SLA	Maintain 98 % availability of systems during working hours or as per SLA	Maintain 98 % availability of systems during working hours or as per SLA	Maintain 98 % availability of systems during working hours or as per SLA	Maintain 98 % availability of systems during working hours or as per SLA

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

OUTPUTS AND TARGETS - continued

Performance indicator	Strategic Target	Previous year target			Current year target	Medium-term targets		
		2011/12	2012/13	2013/14		2014/15	2015/16	2016/17
5.3.2 Delivery and rollout of an Integrated Financial Management System (IFMS) to national and provincial departments	Efficient and effective financial management system	Strategic Objective 5.3: Manage existing financial systems and renew these as required to exercise comprehensive financial management						
		<ul style="list-style-type: none"> Complete generic template in lead sites Complete development specifications Implementation at National Treasury and Department of Defence (DoD) Implementation at Department of Public Service and Administration (DPSA) and Free State DoD Implementation at NT, DoD and 5 Limpopo departments Development of the business intelligence solution completed 	<ul style="list-style-type: none"> Roll out to rest of national and provincial government Complete development of inventory Management Module (IMM), financial management module and payroll module Implement procurement management module, human resources management module, asset management module and business intelligence module in national and provincial departments Implement IMM in national and provincial departments 	<ul style="list-style-type: none"> Conclude programme turnaround and implementation of new strategy Complete procurement and contracting by June 2015 Undertake planning for system rollout 	<ul style="list-style-type: none"> Complete generic template solution configuration and enhancement (customisation) by September 2016 Publish comprehensive implementation strategy 	<ul style="list-style-type: none"> Solution configuration requirements for departments included in rollout 		

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

OUTPUTS AND TARGETS - continued

Performance indicator	Strategic Target	Previous year target			Current year target	Medium-term targets		
		2011/12	2012/13	2013/14		2014/15	2015/16	2016/17
Strategic Objective 5.3: Manage existing financial systems and renew these as required to exercise comprehensive financial management								
		<ul style="list-style-type: none"> Requests for Bids published for Inventory Management, Payroll and Financial Management Module 						
Strategic Objective 5.4: Modernise SCM policies and procedures								
5.4.1	Review Preferential Procurement Policy Framework Act (PPPFA)	Promote an equitable economy in South Africa	Monitor implementation of revised preferential procurement regulations	<ul style="list-style-type: none"> Comprehensive review of the PPPFA Develop terms of reference for the review team. Establish a review team consisting of the Department of Economic Development, the Department of Trade and Industry and the National Treasury 	<ul style="list-style-type: none"> Develop guidelines for exemptions from the existing PPPFA Policy impact analysis of multiple objectives including youth empowerment, women empowerment, SMME development and job creation 	Policy impact analysis on government's multiple socio-economic objectives	Policy impact analysis on government's multiple socio-economic objectives	Policy impact analysis on government's multiple socio-economic objectives

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

OUTPUTS AND TARGETS - continued

Performance indicator	Strategic Target	Previous year target				Current year target	Medium-term targets		
		2011/12	2012/13	2013/14	2014/15		2015/16	2016/17	2017/18
Strategic Objective 5.4: Modernise SCM policies and procedures									
5.4.2	Review government legislative framework and update SCM policy	Relevant and enabling legislation and supporting frameworks	Terms of reference in respect of SCM review	Draft revised framework for SCM	<ul style="list-style-type: none"> Develop standard operating procedures for informal and formal quotations and for emergency procurement Codification of policy 	<ul style="list-style-type: none"> Develop standard operating procedures for informal and formal quotations Apply and implement the policy Develop supplier restriction guidelines Promulgate Treasury regulations and revise the Guide for Accounting Officers 	<ul style="list-style-type: none"> Implement standard operating procedures for SCM Apply and implement the policy Implement regulations Draft SCM Bill 	<ul style="list-style-type: none"> Implement standard operating procedures for SCM Promulgate into an Act through the parliamentary legislative process 	<ul style="list-style-type: none"> Implement standard operating procedures for SCM Implement standard operating procedures for SCM
5.4.3	Simplify and rationalise SCM procedures in line with updated policy	Relevant and enabling legislation and supporting frameworks	N/A	Draft revised framework for SCM	Review general conditions of contracts and standard bidding documents	<ul style="list-style-type: none"> Standardise bidding documents: requests for proposals (RFPs), contracts, procurement plans, standard bidding document (SBD) forms 	<ul style="list-style-type: none"> Revise all SBD forms Standardised and mandatory SCM documents on the Centralised Supplier Database 		

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

OUTPUTS AND TARGETS - continued

Performance indicator	Strategic Target	Previous year target				Current year target	Medium-term targets			
		2011/12	2012/13	2013/14	2014/15		2015/16	2016/17	2017/18	
Strategic objective 5.5: Develop SCM capacity										
5.5.1	Provide SCM Advisory Support Services	<ul style="list-style-type: none"> Accurate and speedy responses Enhanced SCM capacity and performance 					<ul style="list-style-type: none"> SCM helpdesk goes live SCM learning network goes live 	<ul style="list-style-type: none"> Manage the SCM helpdesk Manage the SCM learning network 		
5.5.2	Provide SCM Operational Support Services	Enhanced SCM capacity and performance, and continuous SCM improvement					<ul style="list-style-type: none"> Develop and workshop SCM resource toolkits on demand management, procurement planning, acquisition management, and bid committees Perform SCM improvement planning and provide operational support to four institutions 	<ul style="list-style-type: none"> Develop and workshop additional SCM resource toolkits as required Perform SCM improvement planning and provide operational support to 12 institutions 		
5.5.3	SCM baseline study	Provides intelligence on the profile of SCM officials in all three spheres of government					Develop baseline study survey, collate data and report			

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

OUTPUTS AND TARGETS - continued

Performance indicator	Strategic Target	Previous year target			Current year target	Medium-term targets			
		2011/12	2012/13	2013/14		2014/15	2015/16	2016/17	2017/18
5.5.4	i-Develop (individual development assessment toolkit)	Provides a mechanism to measure skills and competencies, identify skills gaps, and take remedial action	Strategic objective 5.5: Develop SCM capacity			<ul style="list-style-type: none"> Pilot the i-Develop toolkit in 12 institutions i-Develop software solution developed 	Implement the i-Develop toolkit and software solution		
5.5.5	SCM education, training and development (ETD) solutions	Strategically position SCM; improve governance and SCM performance; enhance SCM competencies and skills thereby improving SCM capability and performance	Strategic objective 5.5: Develop SCM capacity			<ul style="list-style-type: none"> Pilot the development and delivery of the Executive SCM Development Programme Skills development programmes developed, delivered and approved: Demand Management, Bid Committees and Contract Management Project initiation, programme customisation and delivery of the SCM Certificate Learnership 	<ul style="list-style-type: none"> Manage the revision and delivery of the Executive SCM Development Programme Additional skills development programmes developed, delivered and approved Manage the SCM Certificate Learnership Programme delivery 		

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

OUTPUTS AND TARGETS - continued

Performance indicator	Strategic Target	Previous year target			Current year target	Medium-term targets			
		2011/12	2012/13	2013/14		2014/15	2015/16	2016/17	2017/18
5.5.6	<p>SCM education, training and development (ETD) and delivery framework</p> <ul style="list-style-type: none"> Provide a structured approach to the development and delivery of SCM ETD solutions A documented body of knowledge aligned to the SCM master learning curriculum 					<ul style="list-style-type: none"> Draft, consult and adopt a SCM ETD framework Develop the Integrated Learning Matrix (ILM) policy, process and prospectus SCM curriculum content for the public sector developed 	<ul style="list-style-type: none"> Implement the SCM ETD framework Maintain and implement the ILM policy, process and prospectus Review and maintain the SCM Curriculum Content 		
5.5.7	Promote SCM organisational and individual capacity development				Develop a draft SCM Human Capital Development Framework	<ul style="list-style-type: none"> SCM Human Capital Development Framework finalised Review, consult, amend and finalise the generic functional structure for metropolitan municipalities 	<ul style="list-style-type: none"> Implement the SCM Human Capital Development Framework with supporting guidelines and tools in all three spheres of government Support the implementation of the generic functional structures 		

Strategic objective 5.5: Develop SCM capacity

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

OUTPUTS AND TARGETS - continued

Performance indicator	Strategic Target	Previous year target			Current year target	Medium-term targets		
		2011/12	2012/13	2013/14		2014/15	2015/16	2016/17
Strategic objective 5.6: Monitor and evaluate SCM performance								
5.6.1	Review bid specifications against SCM policy and applicable procurement instructions	N/A	N/A	120 bid specifications reviewed	150 bid specifications reviewed	200 bid specifications reviewed	150 bid specifications reviewed	120 bid specifications reviewed
5.6.2	Review alignment of procurement plans with the core functions of the organisation	N/A	N/A	150 procurement plans reviewed	200 procurement plans reviewed	80 procurement plans reviewed	200 procurement plans reviewed	150 procurement plans reviewed
5.6.3	Review bid evaluation and adjudication minutes to ensure compliance with evaluation criteria/scoring	N/A	N/A	44 sets of bid evaluation committee (BEC)/bid adjudication committee (BAC) minutes reviewed	300 sets BEC/BAC minutes reviewed	200 sets BEC/BAC minutes reviewed	400 sets BEC/BAC minutes reviewed	400 sets BEC/BAC minutes reviewed
5.6.4	Evaluate implementation of projects against contract specifications and conditions of tender	N/A	N/A		<ul style="list-style-type: none"> 100 projects visited 100 contracts reviewed 	<ul style="list-style-type: none"> 100 projects visited 200 contracts reviewed 	<ul style="list-style-type: none"> 100 projects visited 100 contracts reviewed 	<ul style="list-style-type: none"> 100 projects visited 100 contracts reviewed

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

OUTPUTS AND TARGETS - continued

Performance indicator	Strategic Target	Previous year target			Current year target	Medium-term targets		
		2011/12	2012/13	2013/14		2014/15	2015/16	2016/17
Strategic objective 5.7: Develop and implement strategic procurement								
5.7.1	Develop a Strategic Procurement Framework (SPF), tailored for different forms of procurement	N/A	Increase training capacity through accreditation of service providers through Public Administration Leadership and Management Academy		<ul style="list-style-type: none"> Consultation with key stakeholders Approved and adopted SPF Guideline methodology for strategic procurement 	Maintenance and refinement of strategic procurement (SP) methodology		
5.7.2	Develop sourcing strategies for identified commodities/procurement categories	N/A	N/A		<ul style="list-style-type: none"> Develop sourcing strategy proposals for: <ul style="list-style-type: none"> health, travel and accommodation, cell phone subscriptions, ICT hardware Implement sourcing strategies for: <ul style="list-style-type: none"> Medical equipment, Travel & Accommodation Mobile Communication Develop sourcing strategy proposals for health, education and ICT sectors in government 	Implement and develop sourcing strategy proposals as required		
5.7.3	Implement sustainable price referencing system (PRS)	N/A	N/A	Develop PRS	<ul style="list-style-type: none"> Refine PRS for 20 common items across government Develop implementation strategy 	Implement the PRS on a nationally accessible platform	Maintain and expand the PRS by at least another 20 items	Maintain and expand the PRS by at least another 20 items

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

OUTPUTS AND TARGETS - continued

Performance indicator	Strategic Target	Previous year target			Current year target	Medium-term targets		
		2011/12	2012/13	2013/14		2014/15	2015/16	2016/17
Strategic objective 5.7: Develop and implement strategic procurement								
5.7.4	Maintain existing transversal term contracts and establish the national procurement system	20 transversal term contracts renewed	35 transversal term contracts due for renewal during 2012/13	17 transversal term contracts renewed	19 transversal term contracts renewed	14 transversal term contracts renewed	23 transversal contracts renewed	17 transversal term contracts renewed
Strategic objective 5.8: Modernise and automate SCM processes								
5.8.1	Develop, implement and maintain Central Supplier Database	N/A	N/A	N/A	N/A	Develop and implement a central supplier database	Maintain a central supplier database	Maintain a central supplier database
5.8.2	Establish an e-tender portal	N/A	N/A	N/A	N/A	Develop and implement an e-tender portal	Maintain an e-tender portal	Maintain an e-tender portal
5.8.3	Develop e-procurement specifications	N/A	N/A	N/A	N/A	e-procurement specifications formulated and included in IFMS design	e-procurement featured in IFMS development	e-procurement rolled out in IFMS lead sites
5.8.4	Develop IFMS SCM specifications	N/A	N/A	N/A	N/A	SCM specifications formulated and incorporated in IFMS	SCM specifications developed in IFMS	SCM specifications rolled out in IFMS lead sites
5.8.5	Develop e-Commerce Centre	N/A	N/A	N/A	N/A	Establish an e-Commerce Centre for government	Operate and maintain an e-Commerce Centre for government	Operate and maintain an e-Commerce Centre for government

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

OUTPUTS AND TARGETS - continued

Performance indicator	Strategic Target	Previous year target			Current year target	Medium-term targets		
		2011/12	2012/13	2013/14		2014/15	2015/16	2016/17
Strategic objective 5.8: Modernise and automate SCM processes								
5.8.6	Develop an e-SCM performance management module	N/A	N/A	N/A	N/A	Establish e-SCM performance measurement functionality	Operate and maintain e-SCM performance module	Operate and maintain SCM performance module
5.8.7	Assessment of local government systems	N/A	N/A	N/A	N/A	Conduct an assessment of SCM assessment systems	Standardise SCM functionality for local government systems	Assessment of local government systems

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

QUARTERLY TARGETS FOR 2015/16

Performance indicator	Reporting Frequency	Annual Target 2015/16	QUARTERLY TARGETS			
			Q1 (Apr – Jun)	Q2 (Jul – Sep)	Q3 (Oct – Dec)	Q4 (Jan – Mar)
Strategic objective 5.1: Improve financial management governance and compliance across all spheres and entities in government						
5.1.1 Monitor financial management improvement in national and provincial institutions	Annually	Submit reports to Parliament by 30 November of each year			Submit reports to Parliament by 30 November of each year	
5.1.2 Develop and implement guidelines on new or revised accounting policies and regulations	Quarterly	<ul style="list-style-type: none"> Develop new policies, frameworks, guidelines, regulations and practices by 31 March Maintain and enhance existing new policies, frameworks, guidelines, regulations and practices 	Research and drafting of new policies, frameworks, guidelines, regulations and practices	Research and drafting of new policies, frameworks, guidelines, regulations and practices	Research and drafting of new policies, frameworks, guidelines, regulations and practices	Finalise and publish enhanced policies, frameworks, guidelines, regulations and practices
5.1.3 Maintain and enhance Treasury regulations and instructions	Annually	Conduct on-going maintenance and enhancement of Treasury regulations and instructions	Coordinate the development of Treasury instructions to be issued in terms of the revised Treasury Regulations	Finalise the issuing of all Treasury instructions to be issued in terms of the revised Treasury Regulations	On-going maintenance and enhancement	On-going maintenance and enhancement
5.1.4 Improve FMCMM in departments	Annual	Maintain, enhance and roll out FMCMM for all departments	Enhance and roll out FMCMM, and produce quarterly updates on the results of the FMCMM			
5.1.5 Improve FMCMM in municipalities	Annual	Maintain, enhance and roll out FMCMM for all municipalities	Enhance and roll out FMCMM, and produce quarterly updates on the results of the FMCMM			
5.1.6 Conduct and support forensic investigations to eradicate fraud and corruption	Quarterly	<ul style="list-style-type: none"> Undertake investigations in 20 targeted departments/projects Refer 25 cases for criminal proceedings and civil recovery 	<ul style="list-style-type: none"> Undertake investigations in three departments/projects Refer five cases for criminal proceedings and civil recovery 	<ul style="list-style-type: none"> Undertake investigations in nine departments/projects Refer 12 cases for criminal proceedings and civil recovery 	<ul style="list-style-type: none"> Undertake investigations in 15 departments/projects Refer 20 cases for criminal proceedings and civil recovery 	<ul style="list-style-type: none"> Undertake investigations in 20 departments/projects Refer 25 cases for criminal proceedings and civil recovery
5.1.7 Review the FMG support plans and establish alignment with framework	Annual	Conduct reviews across all 278 municipalities	One report	One report	One report	One report

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

QUARTERLY TARGETS FOR 2015/16 - continued

Performance Indicator	Reporting Frequency	Annual Target 2015/16	QUARTERLY TARGETS			
			Q1 (Apr – Jun)	Q2 (Jul – Sep)	Q3 (Oct – Dec)	Q4 (Jan – Mar)
Strategic objective 5.2: Support and facilitate capacity development across all spheres of government in order to improve financial management execution						
5.2.1 Research, develop and implement structural and policy reforms to make IA and Risk Management functions more responsive to government challenges	Annual	Conduct research and analysis of challenges and optimal solutions	Complete project plan	Collate data, conduct research and analysis		Complete draft report and implementation plan
5.2.2 Management of MFMA helpdesk	Annual	<ul style="list-style-type: none"> Maintain and manage the MFMA helpdesk Conclude 75% of responses within 28 days 	Track and respond to queries and letters within prescribed timeframes	Track and respond to queries and letters within prescribed timeframes	Track and respond to queries and letters within prescribed timeframes	Track and respond to queries and letters within prescribed timeframes
5.2.3 Assist municipalities with the preparation of financial recovery plans	Annual	<ul style="list-style-type: none"> Prepare recovery plans within 90 days Review existing recovery plans and provide guidance within 60 days 	Track and respond to queries and letters within prescribed timeframes	Track and respond to queries and letters within prescribed timeframes		
5.2.4 Support and train representatives across all spheres of government in building financial management competencies	Quarterly	250				60 officials trained per quarter
5.2.5 Facilitate financial management competencies training opportunities for municipal officials	Quarterly	1 000 municipal officials trained				250 municipal officials trained per quarter
5.2.6 Implement Financial Management Capacity Development Strategy	Annual	Support the development of occupational profiles, job descriptions and performance agreements for nine PFM disciplines by 31 March 2015	Coordinate engagements and consultation processes with the national and provincial departments			Implement Financial Management Capacity Development Strategy
	Annual	Establish learnerships for accounting, internal audit and SCM	Initiate recruitment process	Orientation and placement of learners	Work rotation of learners and sign off on competencies	Work rotation of learners and sign off on competencies

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

QUARTERLY TARGETS FOR 2015/16 - continued

Performance Indicator	Reporting Frequency	Annual Target 2015/16	QUARTERLY TARGETS			
			Q1 (Apr – Jun)	Q2 (Jul – Sep)	Q3 (Oct – Dec)	Q4 (Jan – Mar)
Strategic objective 5.2: Support and facilitate capacity development across all spheres of government in order to improve financial management execution						
5.2.7 Management and implementation of academic support programme for prospective chartered accountants	Annual	Secure 15 participants	<ul style="list-style-type: none"> Identify and procure services of an appropriate training provider Identify candidates qualifying for the support programme 	Commencement of classes	Conclusion of classes and writing South African Institute of Chartered Accountants board examinations	
5.2.8 Quarterly interim financial statement reviews in selected priority departments	Annual	Perform 15 reviews and provide relevant department with feedback	Plan review approach and procedures to be performed	Perform five interim AFS reviews	Perform five interim AFS reviews	Perform five interim AFS reviews
5.2.9 Timely and accurate publication of monthly statements of actual revenue and expenditure for the NRF	Monthly	Reports published by the last working day of every month	Monthly reports	Monthly reports	Monthly reports	Monthly reports
5.2.10 Provide banking services for national government	Quarterly	<ul style="list-style-type: none"> Daily bank reconciliations of the NRF Electronic verification of supplier banking details within four working days 	Daily reconciliations and supplier verifications within set timeframe	Daily reconciliations and supplier verifications within set timeframe	Daily reconciliations and supplier verifications within set timeframe	Daily reconciliations and supplier verifications within set timeframe
5.2.11 Tabling of consolidated annual financial statements for national departments and public entities. Tabling of annual financial statements for the Reconstruction and Development Programme (RDP) Fund and the NRF	Annually	Consolidated AFS for national departments and public entities, as well as the annual report for the RDP and NRF tabled by 31 October 2016	On-going	Ongoing	Timeous tabling of AFS in Parliament	Ongoing
Strategic objective 5.3: Manage existing financial systems and renew these as required to exercise comprehensive financial management						
5.3.1 Manage current transversal systems	Quarterly	Provide a minimum of 98% availability	Provide a minimum of 98% availability	Provide a minimum of 98% availability	Provide a minimum of 98% availability	Provide a minimum of 98% availability

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

QUARTERLY TARGETS FOR 2015/16 - continued

Performance Indicator	Reporting Frequency	Annual Target 2015/16	QUARTERLY TARGETS			
			Q1 (Apr – Jun)	Q2 (Jul – Sep)	Q3 (Oct – Dec)	Q4 (Jan – Mar)
Strategic objective 5.3: Manage existing financial systems and renew these as required to exercise comprehensive financial management						
5.3.2 Delivery and rollout of an IFMS to national and provincial departments	Quarterly	<ul style="list-style-type: none"> Complete generic template solution configuration and enhancement (customisation) by September 2015/2016. Publish comprehensive implementation strategy 	Customisation and configuration of systems solution at lead sites	Customisation and configuration of systems solution at lead sites	Readiness assessments completed across government and finalisation of implementation strategy	
Strategic Objective 5.4: Modernise SCM policies and procedures						
5.4.1 Review PPPFA	Quarterly	<ul style="list-style-type: none"> Policy impact analysis on multiple government socioeconomic objectives Develop guidelines for exemptions from the existing PPPFA 	Issue instructions as and when the sectors are designated	Issue instructions as and when the sectors are designated	Issue instructions as and when the sectors are designated	Issue instructions as and when sectors are designated
5.4.2 Review government SCM legislative framework and update SCM policy	Quarterly	<ul style="list-style-type: none"> Conclude the draft standard operating procedures (SOPs) for consultation on informal and formal quotations and for emergency procurement Draft the SCM Bill 	<ul style="list-style-type: none"> Implement the revised SOPs for SCM Consult for legal refinement 	<ul style="list-style-type: none"> Implement the SOPs Publish for public comments 	<ul style="list-style-type: none"> Implement the SOPs Consolidate comments 	<ul style="list-style-type: none"> Implement the SOPs Submit to the parliamentary legislative process for promulgation
5.4.3 Simplify and rationalise SCM procedures in line with updated policy	Quarterly	Standardised and simplified bidding documents: RFPs, contracts, procurement plans, SBD forms	Implement the revised changes to the bidding documents	Implement the revised bidding documents	Implement the revised bidding documents	Implement the revised bidding documents

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

QUARTERLY TARGETS FOR 2015/16 - continued

Performance Indicator	Reporting Frequency	Annual Target 2015/16	QUARTERLY TARGETS			
			Q1 (Apr – Jun)	Q2 (Jul – Sep)	Q3 (Oct – Dec)	Q4 (Jan – Mar)
Strategic objective 5.5: Develop SCM capacity						
5.5.1 SCM Advisory Support Services	Quarterly	<ul style="list-style-type: none"> SCM Helpdesk to go live SCM Learning Network to go live 	<ul style="list-style-type: none"> SCM Helpdesk to go live Develop a SCM learning network business case 	<ul style="list-style-type: none"> Monitor and manage performance Secure resources 	<ul style="list-style-type: none"> Monitor and manage performance Develop SCM learning network 	<ul style="list-style-type: none"> Monitor and manage performance Go live
5.5.2 SCM Operational Support Services	Quarterly	<ul style="list-style-type: none"> Develop and workshop SCM resource toolkits on Demand Management, Procurement Planning, acquisition Management, and Bid Committees Perform SCM improvement planning and provide operational support to 4 institutions 	<ul style="list-style-type: none"> SCM resource toolkits developed 	<ul style="list-style-type: none"> SCM resource toolkit workshops conducted 	<ul style="list-style-type: none"> SCM resource toolkit workshops conducted 	<ul style="list-style-type: none"> SCM resource toolkit workshops conducted
5.5.3 SCM baseline study	Quarterly	<ul style="list-style-type: none"> Develop baseline study survey, collate data and draft report 	<ul style="list-style-type: none"> Phase 1 implementation, organisational data collected 	<ul style="list-style-type: none"> Phase 2 implementation, individual data collected 	<ul style="list-style-type: none"> Baseline study report finalised 	
5.5.4 i-Develop (Individual Development Assessment Toolkit)	Quarterly	<ul style="list-style-type: none"> Pilot the i-Develop toolkit in 12 institutions i-Develop software solution developed 	<ul style="list-style-type: none"> Pilot toolkit implementation in eight institutions 	<ul style="list-style-type: none"> Pilot toolkit implementation in four institutions and finalise toolkit 	<ul style="list-style-type: none"> i-Develop software solution designed 	<ul style="list-style-type: none"> i-Develop software solution designed

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

QUARTERLY TARGETS FOR 2015/16 - continued

Performance Indicator	Reporting Frequency	Annual Target 2015/16	QUARTERLY TARGETS			
			Q1 (Apr – Jun)	Q2 (Jul – Sep)	Q3 (Oct – Dec)	Q4 (Jan – Mar)
5.5.5	Quarterly	Pilot the development and delivery of the Executive SCM Development programme • Skills development programmes developed, delivered and approved • Demand Management, Bid Committees and Contract Management • Project initiation, programme customization and delivery of the SCM Certificate Learnership	Executive SCM Development Programme content delivery • Executive SCM Development Programme delivery	Executive SCM Development Programme delivery • Demand Management revised	Executive SCM Development Programme completed • Bid Committees revised	Contract Management revised
		Develop the ILM policy, process and prospectus	• SCM Certificate Learnership Project initiation – launch, learner selections, learner assessment, and learner registration ILM policy, process and prospectus developed	• SCM Certificate Learnership Programme customisation and delivery ILM policy, process and prospectus maintained	• SCM Certificate Learnership Programme customisation and delivery ILM policy, process and prospectus maintained	• SCM Certificate Learnership Programme customisation and delivery ILM policy, process and prospectus maintained

Strategic objective 5.5: Develop SCM capacity

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

QUARTERLY TARGETS FOR 2015/16 - continued

Performance Indicator	Reporting Frequency	Annual Target 2015/16	QUARTERLY TARGETS			
			Q1 (Apr – Jun)	Q2 (Jul – Sep)	Q3 (Oct – Dec)	Q4 (Jan – Mar)
Strategic objective 5.5: Develop SCM capacity						
5.5.6	Quarterly	<ul style="list-style-type: none"> Draft, consult and adopt SCM ETD framework Develop the ILM policy, process and prospectus SCM curriculum content for the public sector developed 	<ul style="list-style-type: none"> ECM ETD delivery ILM policy, process and prospectus developed Service provider appointed 	<ul style="list-style-type: none"> SCM ETD delivery framework implemented ILM policy, process and prospectus maintained 	<ul style="list-style-type: none"> SCM ETD delivery framework implemented ILM policy, process and prospectus maintained SCM curriculum content developed 	<ul style="list-style-type: none"> SCM ETD delivery framework implemented ILM policy, process and prospectus maintained SCM curriculum content developed
5.5.7	Annual	<ul style="list-style-type: none"> SCM Human Capital Development Framework finalised Review, consult, amend and finalise the generic functional structure for metropolitan municipalities 	<ul style="list-style-type: none"> Refine draft Human Capital Development Framework Review present-state functional structures in municipalities 	<ul style="list-style-type: none"> Consult on changes with relevant stakeholders Formulate initial generic structure proposals 	<ul style="list-style-type: none"> Consult on changes with relevant stakeholders Consult and amend proposals 	<ul style="list-style-type: none"> Finalise SCM Human Capital Development Framework Finalise the generic functional structure for metropolitan municipalities
Strategic objective 5.6: Monitor and evaluate SCM performance						
5.6.1	Quarterly	200	20	40	40	20
5.6.2	Quarterly	80	20	40	40	30
5.6.3	Quarterly	200	20	100	100	80
5.6.4	Quarterly	<ul style="list-style-type: none"> 100 projects visited 200 contracts reviewed 	25 30	25 50	25 60	25 60

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

QUARTERLY TARGETS FOR 2015/16 - continued

Performance Indicator	Reporting Frequency	Annual Target 2015/16	QUARTERLY TARGETS			
			Q1 (Apr – Jun)	Q2 (Jul – Sep)	Q3 (Oct – Dec)	Q4 (Jan – Mar)
Strategic objective 5.7: Develop and implement strategic procurement						
5.7.1 Develop a Strategic Procurement Framework (SPF), tailored for different forms of procurement	Quarterly	Maintenance and refinement of SPF guidelines and tools	Obtain inputs from national departments, provincial treasuries, non-delegated metros for further refinement of SPF	Consolidate inputs from national departments, provincial treasuries, non-delegated metros	Second revision of SPF	
5.7.2 Develop sourcing strategies for identified commodities/procurement categories	Quarterly	Implement sourcing strategies for: - Medical equipment - Travel & Accommodation - Mobile communication Develop sourcing strategy proposals for health, education and ICT sectors in government	Implement sourcing strategies for: • Medical equipment; • Travel & Accommodation; • Mobile communication	Monitor implementation of sourcing strategies	Monitor implementation of sourcing strategies	Initiate benefits tracking of implemented sourcing strategies
5.7.3 Implement sustainable PRS	Quarterly	Implement the PRS on a nationally accessible platform	<ul style="list-style-type: none"> Pilot price referencing with: three provinces (NW, Limp, KZN) One public entity (South African Revenue Service) Three national departments (DoD, Department of Correctional Services, NT) 		<ul style="list-style-type: none"> Refine PRS according to finding from pilot Prepare for national roll-out 	
5.7.4 Maintain existing transversal term contracts and extend the scope of the national procurement system	Quarterly	14 transversal term contracts renewed	Three transversal contracts renewed	Four transversal contracts renewed	Three transversal contracts renewed	Four transversal contracts renewed
Strategic objective 5.8: Modernise and automate SCM processes						
5.8.1 Develop, implement and maintain Central Supplier Database (CSD)	Annually	Whole of government on CSD on compulsory basis 1 April 2017	Migrate departmental information to central database	Register municipal authorities on central database		

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

QUARTERLY TARGETS FOR 2015/16 - continued

Performance Indicator	Reporting Frequency	Annual Target 2015/16	QUARTERLY TARGETS			
			Q1 (Apr – Jun)	Q2 (Jul – Sep)	Q3 (Oct – Dec)	Q4 (Jan – Mar)
Strategic objective 5.8: Modernise and automate SCM processes						
5.8.2	Quarterly	All tenders published centrally by 30 June 2015	Facilitate and oversee the publication of e-tender publication portal			
5.8.3	Quarterly	e-procurement specs available for development by IFMS by June 2015	Finalise research on best e-procurement practise, identify appropriate functionality and develop a specification for e-procurement for South African public sector	Incorporate the e-procurement specification into IFMS implementation specifications Dependency: IFMS services tender to be awarded by this time		Begin development and implementation of SCM functionality
5.8.4	Quarterly	Specifications available for IFMS development July 2015	Conduct business process mapping for SCM	Develop user specifications for SCM	Develop SCM module	Develop SCM module
5.8.5	Quarterly	Functional e-Commerce Centre by 31 March 2016	Conduct research and develop business case for e-Commerce Centre	Develop the functionality for e-Commerce Centre	Develop the functionality for e-Commerce Centre	Change management and testing in preparation for going live on 1 April 2016
5.8.6	Quarterly	e-performance management enabled for national and provincial government by 31 March 2016	Identify and develop performance metrics with internal stakeholders	Develop functionality for the e-performance management module	Develop functionality for the e-performance management module	Change management and testing in preparation for going live on 1 April 2016
5.8.7	Quarterly	Assessment concluded by 30 June 2015	Assessment criteria for local government system	Launch of transversal contract for financial management systems	Oversee use of compliant financial management systems	Oversee use of complaint financial management systems

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

EXPENDITURE TRENDS AND ESTIMATES

Financial Accounting and Supply Chain Management Systems expenditure trends and estimates by sub-programme and economic classification													
Sub-programme	Audited outcome				Adjusted appropriation	Average growth rate (%)		Expenditure/Total: Average (%)		Medium-term expenditure estimate		Average growth rate (%)	Expenditure/Total: Average (%)
	2011/12	2012/13	2013/14	2014/15		2011/12 - 2014/15	2015/16	2016/17	2017/18	2014/15 - 2017/18			
R thousand													
Programme Management for Financial Accounting and Supply Chain Management Systems	8 312	7 262	18 366	16 128	24.7%	1.9%	14 698	20 631	22 294	11.4%	2.3%		
Office of the Chief Procurement Officer	34 078	34 082	33 342	46 915	11.2%	5.7%	48 059	51 547	55 374	5.7%	6.3%		
Financial Systems	279 094	369 593	424 111	429 626	15.5%	57.3%	443 574	496 109	522 755	6.8%	58.6%		
Financial Reporting for National Accounts	78 069	79 393	85 443	88 096	4.1%	12.6%	85 298	88 005	103 108	5.4%	11.3%		
Financial Management Policy and Compliance Improvement	75 394	118 553	105 611	147 755	25.1%	17.1%	117 634	124 748	132 953	-3.5%	16.2%		
Audit Statutory Bodies	29 914	30 308	40 812	41 218	11.3%	5.4%	41 856	44 075	46 278	3.9%	5.4%		
Service Charges: Commercial Banks	-	155	87	297	-	-	243	257	273	-2.8%	-		
Total	504 861	639 346	707 772	770 035	15.1%	100.0%	751 362	825 372	883 035	4.7%	100.0%		
Change to 2014 Budget estimate				8 403			(39 156)	(40 402)	(28 731)				
Economic classification													
Current payments	429 701	563 627	621 054	678 289	16.4%	87.4%	664 639	737 094	780 422	4.8%	88.6%		
Compensation of employees	125 708	135 606	149 541	165 357	9.6%	22.0%	167 704	180 781	194 210	5.5%	21.9%		
Goods and services	303 993	428 021	471 513	512 932	19.1%	65.5%	496 935	556 313	586 212	4.6%	66.6%		
of which:													
Administrative fees	1 302	998	640	936	-10.4%	0.1%	1 029	1 106	1 308	11.8%	0.1%		
Advertising	292	400	514	937	47.5%	0.1%	541	920	955	0.6%	0.1%		
Assets less than the capitalisation threshold	60	165	69	332	76.9%	-	327	375	395	6.0%	-		

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

EXPENDITURE TRENDS AND ESTIMATES - continued

Financial Accounting and Supply Chain Management Systems expenditure trends and estimates by sub-programme and economic classification												
Sub-programme	Audited outcome					Adjusted appropriation	Average growth rate (%)		Medium-term expenditure estimate			Expenditure/ Total: Average (%)
	2011/12	2012/13	2013/14	2014/15	2011/12 - 2014/15		2015/16	2016/17	2017/18	2014/15 - 2017/18		
R thousand	2011/12	2012/13	2013/14	2014/15	2011/12 - 2014/15	Average growth rate (%)	Medium-term expenditure estimate			Average growth rate (%)	2014/15 - 2017/18	
<i>Audit costs: External</i>	2 812	4 064	3 657	4 003	12.5%	4 839	5 064	5 346	10.1%	0.6%		
<i>Bursaries: Employees</i>	1 236	1 644	1 411	1 823	13.8%	2 177	2 176	2 262	7.5%	0.3%		
<i>Catering: Departmental activities</i>	366	363	352	410	3.9%	603	611	624	15.0%	0.1%		
<i>Communication</i>	868	1 046	963	1 240	12.6%	1 315	1 347	1 473	5.9%	0.2%		
<i>Computer services</i>	261 449	348 466	402 948	401 326	15.4%	414 670	465 211	489 834	6.9%	54.8%		
Economic classification	Audited outcome					Adjusted appropriation	Average growth rate (%)		Medium-term expenditure estimate			Expenditure/ Total: Average (%)
R thousand	2011/12	2012/13	2013/14	2014/15	2011/12 - 2014/15	Average growth rate (%)	Medium-term expenditure estimate			Average growth rate (%)	2014/15 - 2017/18	
<i>Consultants and professional services: Business and advisory services</i>	18 866	50 560	41 896	75 315	58.6%	75 315	53 712	57 038	-8.8%	7.2%		
<i>Consultants and professional services: Legal costs</i>	-	-	-	1 500	-	1 500	-	-	-100.0%	-		
<i>Contractors</i>	14	6	190	69	70.2%	69	199	213	45.6%	-		
<i>Entertainment</i>	41	41	62	73	21.2%	73	98	102	11.8%	-		
<i>Fleet services (including government motor transport)</i>	8	-	11	20	35.7%	20	21	21	1.6%	-		
<i>Consumable supplies</i>	3	10	75	236	328.5%	236	271	289	7.0%	-		
<i>Consumables: Stationery, printing and office supplies</i>	1 053	1 142	744	2 040	24.7%	2 040	1 536	1 620	-7.4%	0.2%		
<i>Operating leases</i>	381	422	580	718	23.5%	718	966	1 009	12.0%	0.1%		
<i>Travel and subsistence</i>	6 304	6 803	6 984	12 014	24.0%	12 014	11 745	12 320	0.8%	1.5%		
<i>Training and development</i>	3 928	6 099	2 408	2 832	-10.3%	2 832	3 642	3 796	10.3%	0.4%		

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

EXPENDITURE TRENDS AND ESTIMATES - continued

Financial Accounting and Supply Chain Management Systems expenditure trends and estimates by sub-programme and economic classification												
Sub-programme	Audited outcome				Adjusted appropriation	Average growth rate (%)	Expenditure/ Total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/ Total: Average (%)
	2011/12	2012/13	2013/14	2014/15				2011/12 - 2014/15	2015/16	2016/17		
R thousand												
<i>Operating payments</i>	399	376	905	553	11.5%	0.1%	459	510	533	-1.2%	0.1%	
<i>Venues and facilities</i>	4 611	5 416	7 104	6 555	12.4%	0.9%	6 264	6 803	7 074	2.6%	0.8%	
Transfers and subsidies	73 407	72 881	84 453	86 227	5.5%	12.1%	82 029	83 570	97 635	4.2%	10.8%	
Departmental agencies and accounts	73 199	71 985	83 806	86 045	5.5%	12.0%	82 029	83 570	97 635	4.3%	10.8%	
Households	208	896	647	182	-4.4%	0.1%	-	-	-	-100.0%	-	
Payments for capital assets	807	2 833	2 067	5 519	89.8%	0.4%	4 694	4 708	4 978	-3.4%	0.6%	
Machinery and equipment	807	2 833	2 067	5 519	89.8%	0.4%	4 694	4 708	4 978	-3.4%	0.6%	
Payments for financial assets	946	5	198	-	-100.0%	-	-	-	-	-	-	
Total	504 861	639 346	707 772	770 035	15.1%	100.0%	751 362	825 372	883 035	4.7%	100.0%	
Proportion of total programme expenditure to vote expenditure	2.5%	3.0%	2.8%	2.9%	-	-	2.8%	3.2%	3.2%	-	-	
Details of transfers and subsidies												
Households												
Social benefits												
Current	208	896	647	182	-4.4%	0.1%	-	-	-	-100.0%	-	
Employee social benefits	208	896	647	182	-4.4%	0.1%	-	-	-	-100.0%	-	
Departmental agencies and accounts												
Departmental agencies (non-business entities)												
Current	73 199	71 985	83 806	86 045	5.5%	12.0%	82 029	83 570	97 635	4.3%	10.8%	

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

EXPENDITURE TRENDS AND ESTIMATES - continued

Sub-programme	Financial Accounting and Supply Chain Management Systems expenditure trends and estimates by sub-programme and economic classification									
	Audited outcome		Adjusted appropriation	Average growth rate (%)	Expenditure/ Total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/ Total: Average (%)
R thousand	2011/12	2012/13	2013/14	2014/15	2011/12 - 2014/15	2015/16	2016/17	2017/18	2014/15 - 2017/18	
Accounting Standards Board	8 561	9 469	10 061	10 250	6,2%	10 174	10 517	11 733	4,6%	1,3%
Independent Regulatory Board for Auditors	34 724	32 208	32 933	34 577	-0,1%	29 999	28 978	39 624	4,6%	4,1%
Auditor-General of South Africa	29 914	30 308	40 812	41 218	1,3%	41 856	44 075	46 278	3,9%	5,4%

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

PERSONNEL INFORMATION

Number of posts estimated for 31 March 2015		Financial Accounting and Supply Chain Management Systems personnel numbers and cost by salary level ¹												Number				
		Number of posts funded		Number of posts additional to the establishment		Actual		Revised estimate		Medium-term expenditure estimate		Average growth rate (%)		Salary level/total: Average				
						2013/14		2014/15		2015/16		2016/17		2017/18		2014/15 - 2017/18		
		No.	Cost	No.	Unit Cost	No.	Cost	No.	Unit Cost	No.	Cost	No.	Unit Cost	No.	Cost	Unit Cost	Average growth rate (%)	Salary level/total: Average
Financial Accounting and Supply Chain Management Systems		10	149.5	0.6	313	167.9	0.5	263	167.7	0.6	263	180.8	0.7	263	194.2	0.7	-5.6%	100.0%
Salary level	303																	
1 - 6	7	4	2.6	0.2	12	2.2	0.2	12	2.5	0.2	12	2.7	0.2	12	2.9	0.2	-	4.4%
7 - 10	123	1	41.0	0.4	122	42.8	0.4	109	45.2	0.4	109	48.7	0.4	109	52.3	0.5	-3.7%	40.7%
11 - 12	91	1	43.6	0.6	84	50.6	0.6	69	48.8	0.7	69	52.6	0.8	69	56.5	0.8	-6.3%	26.4%
13 - 16	82	4	62.4	0.9	95	72.3	0.8	73	71.2	1.0	73	76.8	1.1	73	82.6	1.1	-8.4%	28.5%

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

2. Rand million.

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

Over the medium term the Office of the Chief Procurement Officer (OCPO) will focus on overhauling supply chain management systems and fully capacitating the unit. Strategic projects led by the Office of the Accountant-General include development of the IFMS, implementation of the MFMA and all initiatives aimed at strengthening local government financial management capacity to enable reliable national accounting. Thus, expenditure will increase from R770 million in 2014/15 to R883 million in 2017/18.

Spending on compensation of employees will grow from R165.4 million in 2014/15 to R194.2 million in 2017/18 driven mainly by the capacitation of the OCPO and cost of living adjustments. As a recently established division in the department, the OCPO requires substantial funding to be fully resourced and to meet its operational plans which promise to improve and modernise procurement across all of government. Although securing funding to fully capacitate the unit has been a challenge, the department has committed to gradually reprioritise funding to the needs of the division.

Spending on goods and services will grow from R512.9 million in 2014/15 to R586.2 million over the period with the bulk of the expenditure on computer services costs for the IFMS project and consultancy costs to avail of skills to support forensic and related investigations in the OCPO and the Office of the Accountant-General.

The programme also makes transfers to the Accounting Standards Board, the Independent Regulatory Board of Auditors and the Office of the Auditor-General. The amounts to be transferred to these entities over the period ahead are expected to increase moderately.

PROGRAMME 6: INTERNATIONAL FINANCIAL RELATIONS

1.1 PURPOSE

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

1.2 STRATEGIC OBJECTIVES

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

1.3 SUB-PROGRAMMES

1.3.1 PROGRAMME MANAGEMENT FOR INTERNATIONAL FINANCIAL RELATIONS

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

1.3.2 INTERNATIONAL ECONOMIC COOPERATION

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

PROGRAMME 6: INTERNATIONAL FINANCIAL RELATIONS - continued

1.3.3 AFRICAN INTEGRATION AND SUPPORT

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

1.3.4 INTERNATIONAL DEVELOPMENT FUNDING INSTITUTIONS

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

1.3.5 INTERNATIONAL PROJECTS

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

PROGRAMME 6: INTERNATIONAL FINANCIAL RELATIONS - continued

OUTPUTS AND TARGETS

Performance indicator	Strategic Target	Previous year targets			Current year target	Medium-term targets			
		2012/13	2013/14	2014/15		2015/16	2016/17	2017/18	2018/19
Strategic objective 6.1: Advance South Africa's interests specifically, and those of Africa more generally, through regular strategic analysis, engagements and negotiations at regional and global financial and economic forums									
6.1.1 Compile analyses and briefs on current issues and recommendations	Strong presence in debates and informed engagement in pursuit of South Africa's interests	<ul style="list-style-type: none"> Revise agenda setting approach at World Economic Forum (WEF) Africa Support Ministry in coordinating South Africa's participation 	South African position paper for the Davos meeting prepared	<ul style="list-style-type: none"> Prepare South African position paper for the Davos meeting Support Ministry in coordinating WEF Africa, which will take place every two years in South Africa 	<ul style="list-style-type: none"> Expansion of interdepartmental working group structures including formalization of National Treasury and South African Reserve Bank (SARB) working relations Compile analyses and briefs for all regional and international meeting where the division leads or supports participation, including WEF, G20, BRICS, Southern African Development Community (SADC), Southern African Customs Union (SACU), WB, International Monetary Fund (IMF), African Union (AU), United Nations Economic Commission for Africa (UNECA) Group of 24 (G24), Commonwealth meetings Publish internally, 24 issue briefs / snapshots containing country or thematic analyses per year In support of WEF participation, submit annually: <ul style="list-style-type: none"> - stakeholder analysis and submission of recommendations for content appropriate to participation - Content for WEF Davos consistent with national, regional and global assessment In support of G20 participation, annually: <ul style="list-style-type: none"> - Submit progress report to Cabinet - Convene domestic stakeholders for lessons learned in prior year and recommendation of strategy to Cabinet for the following year 				
		<ul style="list-style-type: none"> Improve coordination between Treasury, Reserve Bank and government to improve messaging on Group of 20 (G20) matters Structure and process for interdepartmental cooperation 	<ul style="list-style-type: none"> Implement Group of 20 (G20) finance strategy 	<ul style="list-style-type: none"> Position papers for G20 finance track G20 finance outreach activities nationally and regionally 					

PROGRAMME 6: INTERNATIONAL FINANCIAL RELATIONS - continued

OUTPUTS AND TARGETS - continued

Performance indicator	Strategic Target	Previous year targets			Current year target	Medium-term targets			
		2012/13	2013/14	2014/15		2016/17	2017/18	2018/19	
Strategic objective 6.1: Advance South Africa's interests specifically, and those of Africa more generally, through regular strategic analysis, engagements and negotiations at regional and global financial and economic forums									
6.1.2	Support and monitor implementation of international agreements	<p>Review structure and process to improve coordination between finance institutions and BRICS</p> <p>Reach agreement on:</p> <ul style="list-style-type: none"> technical working group for the feasibility of a new development bank value of reserve pool arrangement BRICS reinsurance processes/mechanism 	<ul style="list-style-type: none"> Implement BRICS finance strategy 	<ul style="list-style-type: none"> Position papers for BRICS finance track. BRICS finance national and regional outreach activities 					
	Ensure that international agreements towards increased cooperation and matters of finance and investment are advanced or implemented effectively	<p>Improve domestic coordination in developing country partnership strategies with multilateral development banks (MDBs)</p>	<ul style="list-style-type: none"> Conclude WB country partnership strategy for South Africa Agreement on BRICS finance Ministers' agenda 	<ul style="list-style-type: none"> Review of WB and African Development Bank (AfDB) bi-lateral programme implementation Progress in the implementation of the SADC Finance and Investment Protocol (FIP) and the evolution of agreement on a new SACU revenue sharing formula Respond to African Export-Import Bank on membership Assess benefit of joining African Risks Capacity Assess the benefit of joining Asian Infrastructure Investment Bank Ratification of BRICS Agreements (New Development Bank and Contingent Reserve Arrangement) by Parliament 					

PROGRAMME 6: INTERNATIONAL FINANCIAL RELATIONS - continued

OUTPUTS AND TARGETS - continued

Performance indicator	Strategic Target	Previous year targets			Current year target	Medium-term targets			
		2012/13	2013/14	2014/15		2015/16	2016/17	2017/18	2018/19
Strategic objective 6.2: Increase influence within key regional, pan African and global governance institutions									
6.2.1	<ul style="list-style-type: none"> Ensure that regional and multilateral organisations of which South Africa is a member give adequate voice to the needs of South Africa and smaller members and utilise the resources with which they are provided efficiently 	<ul style="list-style-type: none"> Firmly anchored third chair for sub-Saharan Africa on IMF executive board 	<ul style="list-style-type: none"> Initial assessment of SADC and AU sources and uses of resources Participation in working groups of International Development Association (IDA) and African Development Fund (ADF) to pursue low income country (LIC) voice (within WB reform) 	<ul style="list-style-type: none"> Improved use of SADC resources Capacity building intervention at the SADC Secretariat Assessment of financial sustainability of the AU Increasing voice and participation by LICs in key development policy processes including IDA, ADF and the G20 Development Working Group 					
6.2.2	<ul style="list-style-type: none"> Ensure that use is made of a range of mechanisms to ensure that South Africa is present in key institutions and structures 	<ul style="list-style-type: none"> Increase shareholding in the AfDB 	<ul style="list-style-type: none"> Increase South African shareholding in AfDB to more than the current levels Process to second NT employee to the OECD concluded 	<ul style="list-style-type: none"> Acquire shares made available to South Africa in the AfDB Review strategies and milestones of the constituency offices representing South Africa in MDBs and IMF in consultation Review the projects and programmes under IDA and ADF in preparation for their mid-term reviews Increased engagement with African middle-income countries and BRICS on the need for a third chair at the IMF Consolidate advantages of secondees to the OECD in improving coordination between government and this institution 					

PROGRAMME 6: INTERNATIONAL FINANCIAL RELATIONS - continued

OUTPUTS AND TARGETS - continued

Performance indicator	Strategic Target	Previous year targets		Current year target	Medium-term targets		
		2012/13	2013/14		2014/15	2016/17	2017/18
Strategic objective 6.3: Support an enabling environment for increased economic activity							
6.3.1	Assessment of initial conditions and projects and plans to accelerate regional integration	Identify the key constraints on economic cooperation and integration					
					<ul style="list-style-type: none"> Develop an Africa strategy Support increased investment in Sub Saharan Africa through analysis of the opportunities and constraints for projects, particularly in infrastructure 		
6.3.2	Expansion of relations with key strategic partners	Identify relationships and decisions necessary to their effective resolution					
					<ul style="list-style-type: none"> Identify strategic partners informed by (inter alia) economic interests and linkages Create opportunities for increased exchange of views and improved alignment of interests Increase outreach and stronger information exchange on current policy debates and issues, particularly with EMDCs, especially in Sub-Saharan Africa 		

PROGRAMME 6: INTERNATIONAL FINANCIAL RELATIONS - continued

QUARTERLY TARGETS FOR 2015/16

Performance Indicator	Reporting Frequency	Annual Target 2015/16	QUARTERLY TARGETS			
			Q1 (Apr – Jun)	Q2 (Jul – Sep)	Q3 (Oct – Dec)	Q4 (Jan – Mar)
Strategic objective 6.1: Advance South Africa's interests specifically, and those of Africa more generally, through regular strategic analysis, engagements and negotiations at regional and global financial and economic forums						
6.1.1	Quarterly	Compile analyses and briefs for all regional and international meetings where the division leads or supports participation, including WEF, G20, BRICSADC, SACU, WB, IMF, AU, UNECA, G24, Commonwealth meetings	As appropriate to each respective meeting	As appropriate to each respective meeting	As appropriate to each respective meeting	As appropriate to each respective meeting
	Quarterly	Publish internally 24 issue briefs / snapshots containing country or thematic analyses per year	Six issue briefs / snapshots	Six issue briefs / snapshots	Six issue briefs / snapshots	Six issue briefs / snapshots
	Annual	Support of WEF participation	Analysis of stakeholders and submission of recommendations for content appropriate to participation		Provision of content for WEF Davos consistent with national, regional and global assessment	
	Quarterly	Support of G20 participation		Progress report to Cabinet		Convening domestic stakeholders for lessons learnt in 2015 and strategy to Cabinet for 2016
	Quarterly	Monitor and support implementation of WB country partnership strategy	<ul style="list-style-type: none"> Finalise the Country Partnership Strategy (CPS) action plans outlining planned activities by the WB local office 	Implementation of the Knowledge Hub	First progress report on the implementation of the CPS	<ul style="list-style-type: none"> Finalise the CPS action plans outlining planned activities by the WB local office. Final report and recommendation on the proposed modalities for the establishment of the Knowledge Hub

PROGRAMME 6: INTERNATIONAL FINANCIAL RELATIONS - continued

QUARTERLY TARGETS FOR 2015/16 - continued

Performance Indicator	Reporting Frequency	Annual Target 2015/16	QUARTERLY TARGETS				
			Q1 (Apr – Jun)	Q2 (Jul – Sep)	Q3 (Oct – Dec)	Q4 (Jan – Mar)	
Strategic objective 6.1: Advance South Africa's interests specifically, and those of Africa more generally, through regular strategic analysis, engagements and negotiations at regional and global financial and economic forums							
6.1.2 Support and monitor implementation of international agreements	Quarterly	Review of WB and AfDB bi-lateral programme implementation	Get project plan for assessment of WB and AfDB progress approved	Convene a workshop to assess experience of implementation of CPS	Submit report to senior policy makers on progress	Engage country office	
	Annual	Assess progress on SADC FIP implementation	Ongoing				
	Annual	Conclude negotiations around SACU reform including new revenue sharing agreement	Ongoing				
	Annual	Assess progress on membership – Africa Export – Import Bank	On-going				
	Annual	Assess structure and value of participation – African Risks Capacity	On-going				
	Annual	BRICS – New Development Bank	Advance work of local steering committee to implement ARC	Advance ratification of the agreement by parliament		Report progress at annual meetings	
	Annual	BRICS Contingency Reserve Agreement: formalise structure in agreement with SARB				Report progress at annual meetings	
Strategic objective 6.2: Increase influence within key regional, pan African and global governance institutions							
6.2.1 Pursuit of institutional reform	Annual	Improved use of SADC resources and improved capacity at the secretariat	Engage relevant stakeholders on current challenges	Engage relevant stakeholders on current challenges	Engage relevant stakeholders on current challenges	Play a prominent role on the SADC Finance Committee	
	Annual	Assessment of financial sustainability at the AU	Engage relevant stakeholders on current challenges	Engage relevant stakeholders on current challenges	Engage relevant stakeholders on current challenges	Engage relevant stakeholders on current challenges	
	Annual	Increased voice of LICs (IDA)	Participate in the Working Group (WG) structure		Participate in the WG structure		

PROGRAMME 6: INTERNATIONAL FINANCIAL RELATIONS - continued

QUARTERLY TARGETS FOR 2015/16 - continued

Performance Indicator	Reporting Frequency	Annual Target 2015/16	QUARTERLY TARGETS			
			Q1 (Apr – Jun)	Q2 (Jul – Sep)	Q3 (Oct – Dec)	Q4 (Jan – Mar)
Strategic objective 6.2: Increase influence within key regional, pan African and global governance institutions						
	Annual	Increased voice of LICs (ADF)	Co-chair WG structure		Co-chair WG structure	
	Annual	Lobby in G20 for implementation of reforms (IMF)	As appropriate			
	Annual	Assessment of prospects for reform in 2016 (WB)			Review with WB staff at the annual meetings	
6.2.2	Annual	Purchase AfDB shares when made available	ongoing			
	Annual	Review of strategies of constituency offices (WB)	Engage AED and advisers on strategy of AG3 for 2015	Make recommendations for changes	Get Governor's approval for areas of emphasis	
	Annual	Build African MIC support (IMF Reform)			Meetings at margins of annual meetings	
	Annual	Consolidate support for OECD staffer	convene IWG	convene IWG	convene IWG	convene IWG
Strategic Objective 6.3: Support an enabling environment for increased economic activity						
6.3.1	Quarterly	Assessment of initial conditions and projects and plans to accelerate regional integration	Review current content of economic relations (SACU)	Report on patterns of trade		
	Quarterly		Review current content of economic relations (SADC)	Report on patterns of trade		
	Quarterly		Assess constraints on PIDA (AU)	Conduct project assessment		
6.3.2	Annual	Expansion of relations with key strategic partners	Identify specific areas of cooperation / bottlenecks and their resolution (South-South)	On-going		

PROGRAMME 6: INTERNATIONAL FINANCIAL RELATIONS - continued

QUARTERLY TARGETS FOR 2015/16 - continued

Performance Indicator	Reporting Frequency	Annual Target 2015/16	QUARTERLY TARGETS			
			Q1 (Apr – Jun)	Q2 (Jul – Sep)	Q3 (Oct – Dec)	Q4 (Jan – Mar)
6.3.2	Annual	Identify specific areas of cooperation / bottlenecks and their resolution (Bilateral)	Strategic Objective 6.3: Support an enabling environment for increased economic activity			
			On-going			

PROGRAMME 6: INTERNATIONAL FINANCIAL RELATIONS - continued

EXPENDITURE TRENDS AND ESTIMATES

Sub-programme	Audited outcome					Adjusted appropriation	Average growth rate (%)		Expenditure/Total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/Total: Average (%)
	2011/12	2012/13	2013/14	2014/15	2011/12 - 2014/15		2015/16	2016/17		2017/18	2014/15 - 2017/18			
R thousand	2011/12	2012/13	2013/14	2014/15	2011/12 - 2014/15	2015/16	2016/17	2017/18	2014/15 - 2017/18					
Programme Management for International Financial Relations	6 586	9 007	19 109	9 203	11.8%	17 826	17 636	18 232	25.6%					1.2%
International Economic Cooperation	19 344	20 961	23 812	27 908	13.0%	31 165	33 256	35 379	8.2%					2.5%
African Integration and Support	451 527	492 340	558 783	644 393	12.6%	717 609	775 934	814 731	8.1%					57.4%
International Development Funding Institutions	369 028	467 516	450 034	501 923	10.8%	463 849	470 240	493 752	-0.5%					37.5%
International Projects	11 302	13 227	16 002	16 290	13.0%	16 993	17 286	18 150	3.7%					1.3%
Total	857 787	1 003 051	1 067 740	1 199 717	11.8%	1 247 442	1 314 352	1 380 244	4.8%					100.0%
Change to 2014 Budget estimate				19 910		12 278	12 100	12 505						
Economic classification														
Current payments	25 763	29 771	42 551	36 957	12.8%	48 874	50 723	53 456	13.1%					3.7%
Compensation of employees	17 619	20 824	21 753	27 460	15.9%	31 356	33 549	35 802	9.2%					2.5%
Goods and services	8 144	8 947	20 798	9 497	5.3%	17 518	17 174	17 654	23.0%					1.2%

PROGRAMME 6: INTERNATIONAL FINANCIAL RELATIONS - continued

EXPENDITURE TRENDS AND ESTIMATES - continued

Sub-programme	International Financial Relations expenditure trends and estimates by sub-programme and economic classification													
	Audited outcome		Adjusted appropriation		Average growth rate (%)		Expenditure/Total: Average (%)		Medium-term expenditure estimate		Average growth rate (%)		Expenditure/Total: Average (%)	
	2011/12	2012/13	2013/14	2014/15	2011/12 - 2014/15	2015/16	2016/17	2017/18	2014/15	2015/16	2016/17	2017/18	2014/15 - 2017/18	2017/18
<i>of which:</i>														
Administrative fees	219	141	107	124	-17.3%	126	133	141	-	126	133	141	4.4%	-
Advertising	46	71	146	70	15.0%	73	85	81	-	73	85	81	5.0%	-
Assets less than the capitalisation threshold	5	13	15	25	71.0%	19	23	22	-	19	23	22	-4.2%	-
Bursaries: Employees	290	129	117	165	-17.1%	163	174	186	-	163	174	186	4.1%	-
Catering: Departmental activities	48	60	61	60	7.7%	63	67	70	-	63	67	70	5.3%	-
Communication	522	567	467	559	2.3%	557	588	621	0.1%	557	588	621	3.6%	-
Computer services	5	4	-	77	148.8%	5	5	5	-	5	5	5	-59.8%	-
Consultants and professional services: Business and advisory services	170	334	1 933	279	18.0%	350	369	390	0.1%	350	369	390	11.8%	-
Contractors	1	-	87	3	44.2%	3	3	3	-	3	3	3	-	-
Agency and support / outsourced services	-	-	5 233	10	-	10	10	11	0.1%	10	10	11	3.2%	-
Entertainment	6	8	4	14	32.6%	17	14	14	-	17	14	14	-	-

PROGRAMME 6: INTERNATIONAL FINANCIAL RELATIONS - continued

EXPENDITURE TRENDS AND ESTIMATES - continued

International Financial Relations expenditure trends and estimates by sub-programme and economic classification													
Sub-programme	Audited outcome				Adjusted appropriation	Average growth rate (%)		Expenditure/Total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/Total: Average (%)
	2011/12	2012/13	2013/14	2014/15		2011/12 - 2014/15	2015/16		2016/17	2017/18	2014/15 - 2017/18		
R thousand													
Payments for capital assets	98	129	259	154	16.3%	117	169	155	0.2%				
Machinery and equipment	98	129	259	154	16.3%	117	169	155	0.2%				
Payments for financial assets	247 959	346 447	314 626	387 652	16.1%	346 684	345 454	365 094	-2.0%				28.1%
Total	857 787	1 003 051	1 067 740	1 199 717	11.8%	1 247 442	1 314 352	1 380 244	4.8%				100.0%
Proportion of total programme expenditure to vote expenditure	4.2%	4.8%	4.3%	4.5%	-	4.6%	5.1%	5.0%	-				
Details of transfers and subsidies													
Households													
Social benefits													
Current	69	68	111	-	-100.0%	-	-	-	-	-	-	-	-
Employee social benefits	69	68	111	-	-100.0%	-	-	-	-	-	-	-	-
Foreign governments and international organisations													
Current	462 829	505 567	574 785	666 675	12.9%	734 602	793 220	832 881	7.7%				58.9%

PROGRAMME 6: INTERNATIONAL FINANCIAL RELATIONS - continued

EXPENDITURE TRENDS AND ESTIMATES - continued

Sub-programme	Audited outcome				Adjusted appropriation	Average growth rate (%)		Medium-term expenditure estimate			Expenditure/Total: Average (%)
	2011/12	2012/13	2013/14	2014/15		2011/12 - 2014/15	2015/16	2016/17	2017/18	2014/15 - 2017/18	
R thousand	450 327	490 719	554 445	640 835	12.5%	51.7%	704 970	801 358	7.7%	56.6%	
Common Monetary Area Compensation											
Collaborative Africa Budget Reform Initiative	1 200	1 260	1 329	1 409	5.5%	0.1%	1 474	1 552	5.0%	0.1%	
Commonwealth Fund for Technical Cooperation	3 838	4 469	5 316	5 290	11.3%	0.5%	5 533	6 117	5.0%	0.4%	
International Finance Facility for Immunisation	7 464	8 758	10 686	11 000	13.8%	0.9%	11 460	12 033	3.0%	0.9%	
African Institute for Economic Development and Planning	-	-	1 659	799	-	0.1%	799	799	1.6%	0.1%	
Africa Regional Technical Assistance Centre for Southern Africa	-	361	350	350	-	-	366	385	4.9%	-	
Infrastructure Consortium for Africa	-	-	1 000	1 000	-	-	-	-	-100.0%	-	
African Export-Import Bank	-	-	-	5 992	-	0.1%	-	-	-100.0%	0.1%	
African Risk Capacity	-	-	-	-	-	-	10 000	10 500	-	0.6%	
Capital	121 069	121 069	135 408	108 279	-3.7%	11.8%	117 165	124 786	5.9%	9.3%	

PROGRAMME 6: INTERNATIONAL FINANCIAL RELATIONS - continued

PERSONNEL INFORMATION

International Financial Relations personnel numbers and cost by salary level ¹																		
Number of posts estimated for 31 March 2015		Number and cost ² of personnel posts filled / planned for on funded establishment																
Number of funded posts	Number of posts additional to the establishment	Actual			Revised estimate			2015/16			2016/17			2017/18			Average growth rate (%)	Number
		No.	Cost	Unit Cost	No.	Cost	Unit Cost	No.	Cost	Unit Cost	No.	Cost	Unit Cost	No.	Cost	Unit Cost		
41	2	40	21.8	0.5	43	26.8	0.6	40	31.4	0.8	40	33.5	0.8	40	35.8	0.9	-2.4%	100.0%
1-6	-	1	0.2	0.2	1	0.2	0.2	1	0.3	0.3	1	0.3	0.3	1	0.3	0.3	-	2.5%
7-10	-	11	3.5	0.3	13	3.8	0.3	12	4.7	0.4	12	5.0	0.4	12	5.4	0.4	-2.6%	30.1%
11-12	-	14	7.9	0.6	13	7.3	0.6	12	8.2	0.7	12	8.8	0.7	12	9.4	0.8	-2.6%	30.1%
13-16	2	14	10.1	0.7	16	15.6	1.0	15	18.2	1.2	15	19.4	1.3	15	20.7	1.4	-2.1%	37.4%

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

2. Rand million.

The medium-term spending focus remains unchanged, continuing to represent South Africa's international and regional interests through activities ranging from engagements with multilateral institutions; completing analyses of international and regional issues; and enabling effective participation in diverse fora through briefings to the Minister of Finance and other stakeholders.

Operational expenditure increases steadily during the MTEF period. The initial steep increase from 2014/15 to 2015/16 is due to the cost of hosting the World Economic Forum and the establishment of a new Chief Directorate for the analysis of global and emerging markets.

The programme transfers South Africa's contributions to international and regional institutions including the Collaborative Africa Budget Reform Initiative (CABRI) and International Funding Facility for Immunisation. It also makes contributions to the World Bank and the African Development Fund and related subscriptions for shares, reflected under payments for financial assets. The increase in the transfer payments is mainly because of the accommodation made for currency exchange rate fluctuations and commitments made for share subscriptions and member contributions. The division also makes payments for Common Monetary Area compensation in terms of which South Africa compensates neighbouring countries for utilisation of this country's currency. Forecasts by the South African Reserve Bank indicate that these contributions will increase at levels above inflation. Payment for capital assets is a marginal expense and is mainly for replacing obsolete equipment.

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

1.1 PURPOSE

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

1.2 STRATEGIC OBJECTIVES

STRATEGIC OBJECTIVE	OBJECTIVE STATEMENT	SUB-PROGRAMMES
SO 7.1 Ensure good governance and a robust control environment for fund administration	Ensure effective administration of funds where funds paid to eligible applicants and recipients are accurate, punctual, and cost effective as per applicable legislation	Civil Pensions and Contributions to Funds, Military Pensions and Other Benefits
SO 7.2 Provide an improved and integrated customer service experience	Improve customer service experience by ensuring that customer service complaints are resolved within agreed timelines and build relationships with employer departments through focused communication initiatives	Civil Pensions and Contributions to Funds, Military Pensions and Other Benefits

1.3 SUB-PROGRAMME OVERVIEW

1.3.1 CIVIL PENSIONS AND CONTRIBUTIONS TO FUNDS

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

1.3.2 MILITARY PENSIONS

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

1.3.3 OTHER BENEFITS

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

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

QUARTERLY TARGETS FOR 2015/16

Performance Indicator	Reporting Frequency	Annual Target 2015/16	QUARTERLY TARGETS			
			Q1 (Apr – Jun)	Q2 (Jul – Sep)	Q3 (Oct – Dec)	Q4 (Jan – Mar)
Strategic objective 7.1: Ensure good governance and a robust control environment for fund administration						
7.1.1	Quarterly	Pay 100% of all benefits within liability date Post-retirement medical benefits paid within 30 days Injury on duty paid within 45 days Military pensions paid within 45 days Special pension paid within 60 days	Pay 100% of all benefits within liability date	Pay 100% of all benefits within liability date	Pay 100% of all benefits within liability date	Pay 100% of all benefits within liability date
7.1.2	Quarterly	95% compliance with National Treasury SLA	95% compliance with National Treasury SLA	95% compliance with National Treasury SLA	95% compliance with National Treasury SLA	95% compliance with National Treasury SLA
7.1.3	Monthly	To consistently improve client data integrity	Complete monthly reviews (electronic data verification) and undertake improvements as opportunities are identified			
Strategic objective 7.2: Provide an improved and integrated customer service experience						
7.2.1	Quarterly	100% customer service complaints are resolved within seven days	100% complaints received are resolved within seven days	100% complaints received are resolved within seven days	100% complaints received are resolved within seven days	100% complaints received are resolved within seven days

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

EXPENDITURE TRENDS AND ESTIMATES

Sub-programme	Audited outcome					Adjusted appropriation	Average growth rate (%)	Expenditure/Total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/Total: Average (%)	
	2011/12	2012/13	2013/14	2014/15	2014/15				2015/16	2016/17	2017/18			2014/15 - 2017/18
R thousand														
Government Pensions Administration Agency	63 937	174 836	57 507	55 633	57 507	55 633	-4.5%	2.5%	61 181	65 038	69 164	69 164	7.5%	1.5%
Civil Pensions and Contributions to Funds	3 068 301	2 621 679	2 673 495	2 721 868	2 673 495	2 721 868	-3.9%	79.8%	3 079 917	3 254 338	3 425 651	3 425 651	8.0%	76.9%
Military Pensions and Other Benefits	180 921	547 088	792 096	940 337	792 096	940 337	73.2%	17.7%	821 843	853 866	887 089	887 089	-1.9%	21.6%
Total	3 313 159	3 343 603	3 523 098	3 717 838	3 523 098	3 717 838	3.9%	100.0%	3 962 941	4 173 242	4 381 904	4 381 904	5.6%	100.0%
Economic classification														
Current payments	63 937	49 741	57 507	55 633	57 507	55 633	-4.5%	1.6%	61 181	65 038	69 164	69 164	7.5%	1.5%
Goods and services	63 937	49 741	57 507	55 633	57 507	55 633	-4.5%	1.6%	61 181	65 038	69 164	69 164	7.5%	1.5%
of which:														
Consultants and professional services: Business and advisory services	63 937	49 741	57 507	55 633	57 507	55 633	-4.5%	1.6%	61 181	65 038	69 164	69 164	7.5%	1.5%
Transfers and subsidies	3 249 072	3 168 767	3 465 577	3 662 205	3 465 577	3 662 205	4.1%	97.5%	3 901 760	4 108 204	4 312 740	4 312 740	5.6%	98.5%

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

EXPENDITURE TRENDS AND ESTIMATES - continued

Sub-programme	Audited outcome						Adjusted appropriation	Average growth rate (%)	Expenditure/Total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/Total: Average (%)
	2011/12	2012/13	2013/14	2014/15	2011/12 - 2014/15	2015/16				2016/17	2017/18	2014/15 - 2017/18		
R thousand														
Foreign governments and international organisations	1 951	1 543	2 109	2 219	4.4%	2 219	0.1%	0.1%	2 322	2 445	2 567	5.0%	0.1%	
Non-profit institutions	71	-	-	-	-100.0%	-	-	-	-	-	-	-	-	
Households	3 247 050	3 167 224	3 463 468	3 659 986	4.1%	3 659 986	97.4%	97.4%	3 899 438	4 105 759	4 310 173	5.6%	98.4%	
Payments for financial assets	150	125 095	14	-	-100.0%	-	0.9%	-	-	-	-	-	-	
Total	3 313 159	3 343 603	3 523 098	3 717 838	3.9%	3 717 838	100.0%	100.0%	3 962 941	4 173 242	4 381 904	5.6%	100.0%	
Proportion of total programme expenditure to vote expenditure	16.3%	15.9%	14.0%	13.9%	-	13.9%	-	-	14.7%	16.2%	16.0%	-	-	

Details of transfers and subsidies

Households														
Social benefits														
Current	3 247 050	3 167 224	3 463 468	3 659 986	4.1%	3 659 986	97.4%	97.4%	3 899 438	4 105 759	4 310 173	5.6%	98.4%	
Contribution to provident funds for associated institutions	464	425	422	423	-3.0%	423	-	-	323	323	323	-8.6%	-	
Parliamentary awards	18	18	20	21	5.3%	21	-	-	23	23	23	3.1%	-	
Other benefits	69 844	74 999	77 775	79 070	4.2%	79 070	2.2%	2.2%	89 070	89 070	89 070	4.0%	2.1%	

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

EXPENDITURE TRENDS AND ESTIMATES - continued

Sub-programme	Civil and Military Pensions, Contributions to Funds and Other Benefits expenditure trends and estimates by sub-programme and economic classification												
	Audited outcome		Adjusted appropriation		Average growth rate (%)		Expenditure/Total: Average (%)		Medium-term expenditure estimate		Average growth rate (%)		Expenditure/Total: Average (%)
R thousand	2011/12	2012/13	2013/14	2014/15	2014/15	2011/12 - 2014/15	2014/15	2015/16	2016/17	2017/18	2014/15 - 2017/18	2014/15 - 2017/18	2014/15 - 2017/18
Current	71	-	-	-	-	-100.0%	-	-	-	-	-	-	-
South African Legion	71	-	-	-	-	-100.0%	-	-	-	-	-	-	-

The spending focus of the programme over the medium term remains unchanged. The Government Pensions Administration Agency, in fulfilling its obligations to the National Treasury, will continue to provide administrative services in respect of post-retirement pensions, medical subsidies and other benefits including special pensions.

Operational improvements will continue to see the automation of core processes to enhance service delivery and reductions in payment and processing backlogs on the different benefits presently under administration. Spending is expected to grow in line with inflation projections at an average 5.6% per annum to R4,382 billion in 2017/18. Forecast expenditure over the medium-term includes payments for the non-statutory forces which the department has committed to pay amounting to a minimum of R737 million per annum.

PROGRAMME 8: TECHNICAL AND MANAGEMENT SUPPORT AND DEVELOPMENT FINANCE

1.1 PURPOSE

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

1.2 STRATEGIC OBJECTIVES

STRATEGIC OBJECTIVE	OBJECTIVE STATEMENT	SUB-PROGRAMMES
SO 8.1 Establishment of the Government Technical Advisory Centre (GTAC) as a centre of excellence in public sector advisory services, transaction support, project management and public finance management	To build public sector capacity through diagnostic and advisory services and support for organisational development, specialised procurement, improved public finance management and programme and project implementation	Government Technical Advisory Centre (GTAC) Technical advisory services Specialised procurement support Fiscal and economic analysis Employment facilitation Independent Power Producer Procurement Programme Account
SO 8.2 Local government financial management improvement	To strengthen public finance management capacity in municipalities and support provincial treasury oversight of local government financial management	Local Government Financial Management Support Financial Management Grant Municipal Finance Improvement Programme
SO 8.3 Promotion of urban integration and neighbourhood development	To promote public and private investment in city development, integrated urban networks and neighbourhood development initiatives	Urban Development and Support Neighbourhood Development Partnership Grant Integrated City Development Grant
SO 8.4 Facilitation of employment creation and inclusive growth	To promote innovative and partnership-based approaches to employment creation, work-seeker support and enterprise development.	Employment Creation Facilitation Jobs Fund REDI3x3 research programme
SO 8.5 Improved infrastructure planning, management and skills development	To support infrastructure planning, implementation and skills development in provinces and municipalities	Infrastructure Development Support Infrastructure Skills Development Grant Infrastructure Delivery Improvement Programme

1.3 SUB-PROGRAMMES

1.3.1 GOVERNMENT TECHNICAL ADVISORY CENTRE (GTAC)

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

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

GTAC's scheduled functions are:

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

The Minister of Finance has transferred the functions of the former Technical Assistance Unit, the National Capital Projects Unit, the Jobs Fund Project Management Unit and the advisory functions of the Public-Private Partnership Unit to GTAC. In undertaking its advisory and project management support activities, GTAC draws on core funding provided by the National Treasury and co-funding by international donor partners, while also partially recovering professional service costs from client departments or entities. Over the MTEF period, regional offices will be established to consolidate GTAC activities in the Eastern Cape, Western Cape and Kwazulu-Natal.

GTAC also coordinates and provides management support for programme 8, and operates a project development facility through which potential PPP projects, neighbourhood development partnership projects and employment facilitation projects are supported.

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

- Advice on the feasibility and financing of major capital projects and the investment requirements of state-owned companies,
- Support for public-private partnership transactions, in keeping with provisions of the PFMA and Treasury regulations,
- Expenditure and performance reviews, undertaken for National Treasury and the Department of Planning, Monitoring and Evaluation,
- Support for budgetary and public finance management reform, enhancing accountability, transparency and effective service delivery,
- Advice on organisational development, strategic planning and operational improvements in public service delivery,
- Support for infrastructure investment, economic development and social service delivery improvements, in line with government's National Development Plan and Medium Term Strategic Framework.

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

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

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

Within the context of government's National Development Plan and medium term strategic framework, GTAC seeks to contribute to building a capable and development-oriented state, while also strengthening capacity to work with the private sector in promoting growth, employment, infrastructure investment and public service delivery.

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

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

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

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

1.3.2 LOCAL GOVERNMENT FINANCIAL MANAGEMENT SUPPORT

The Local Government Financial Management Support sub-programme comprises two activities:

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

The FMG is administered by the MFMA Implementation Unit in the Office of the Accountant-General. It is available to all 278 municipalities. In order to receive the grant, municipalities must submit FMG support plans which identify

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

weaknesses in financial management, to be addressed through the grant allocations. FMG funds can be used towards establishment of municipal budget and treasury offices, improvements in supply chain and audit capacity, appointment of financial management interns, investment in financial management systems, training, and implementation of reforms, amongst others. Progress is monitored through regular reports to National Treasury.

Beginning in 2014/15, the MFIP enters a second phase (MFIP II) which draws on the experience and lessons of the first five-year programme. The MFIP is supervised by the Chief Directorate: Capacity Building in the Office of the Accountant-General, and is administered by a project management unit in GTAC. It includes placement of several municipal finance specialists to support key reform initiatives of the Intergovernmental Relations Division of National Treasury, support for provincial treasuries in their oversight of municipalities and placement of financial advisors at municipalities, based on requests for assistance and identified needs.

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

1.3.3 URBAN DEVELOPMENT AND SUPPORT

Urban Development and Support comprises two programmes:

- *The Neighbourhood Development Partnership Programme*, which supports municipal planning and investment in targeted locations, aimed at attracting and sustaining third-party capital investment and business development to improve the quality of life and access to opportunity in under-served townships or settlements
- *The Integrated City Development Grant*, through which support is provided to metropolitan municipalities to improve spatial targeting and sequencing of infrastructure investments, with a special focus on identified integration zones.

The Neighbourhood Development Partnership Grant (NDPG) was introduced in 2006, with an initial commitment of R10 billion to invest in under-served residential neighbourhoods and to leverage private sector development in these areas. The initial request for proposals led to 35 project approvals, with implementation beginning in 2007. Since its inception, the NDPG has registered a total of 315 projects of which 210 have been completed to the value of over R2.5 billion. In December 2014, 82 Neighbourhood Development Partnership (NDP) projects to the value of R1.7 billion were under construction, of which 21 are in urban hub precincts.

The NDPG has two components – a project development facility which provides planning and technical assistance for potential NDP projects, and a capital grant which contributes to approved investment projects. The NDP targets urban hub precincts with secondary linkages to under-served residential areas, and built environment upgrade projects in urban or rural townships. The programme aims to encourage complementary public and private investment into targeted locations, thereby contributing to the broader goal of liveable, sustainable, resilient, efficient and integrated towns and cities. The NDP's Urban Network Strategy aims to optimise the spatial impact of public infrastructure investment, fiscal and regulatory measures and coordinated urban management in

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

identified transit-oriented urban hubs. NDP projects in rural municipalities are supported in collaboration with the Department of Rural Development and Land Reform.

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

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

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

1.3.4 EMPLOYMENT CREATION FACILITATION

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

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

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

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

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

1.3.5 INFRASTRUCTURE DEVELOPMENT SUPPORT

The Infrastructure Development Support sub-programme comprises two activities:

- *The Infrastructure Skills Development Grant (ISDG)*, through which municipalities are assisted in providing built environment graduates with training and support leading to professional registration
- *The Infrastructure Delivery Improvement Programme (IDIP)*, which provide advisory and technical support to provincial departments of health, education and public works, and to selected municipalities, to improve infrastructure planning, procurement and contract management.

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

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

1.3.6 GAUTRAIN LOAN

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

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

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

OUTPUTS AND TARGETS

Performance indicator	Strategic Target	Previous year target			Current year target	Medium-term targets		
		2012/13	2013/14	2014/15		2016/17	2017/18	2018/19
<p>Strategic objective 8.1 Establishment of the Government Technical Advisory Centre as a centre of excellence in public sector advisory services, transaction support, project management and public finance management</p> <ul style="list-style-type: none"> • Provide leadership and management of the Treasury's technical support and development finance programmes • Establish the Government Technical Advisory Centre (GTAC) as a self-standing government component • Provide regulatory and advisory support to the National Treasury in respect of PPPs, major capital projects and high-impact initiatives, as may be required • Build public-sector client capacity through diagnostic services, organisation development, transaction support and programme and project implementation support 								
8.1.1	Establishment of GTAC and Programme & management office	Sound governance and leadership of technical support, advisory and project management activities	Approval of business case and GTAC establishment notice	Interim management committee and governance and reporting framework	Phasing in of management and administrative support services	Comply with governance and reporting requirements	Continued monitoring and evaluation of programme implementation	Ensure compliance with governance and reporting requirements
8.1.2	Number of technical assistance and transaction advisory projects supported	Public sector capacity building through technical support	90 +	100 +	100 +	100 +	100 +	100 +
8.1.3	Capital project advice and expenditure reviews on behalf of National Treasury	Economic and fiscal analysis & advice	Initiation of economic review & Expenditure and Performance Review programme	>10 projects a year	>10 projects a year	>10 projects a year	>10 projects a year	>10 projects a year

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

OUTPUTS AND TARGETS - continued

Performance indicator	Strategic Target	Previous year target			Current year target 2015/16	Medium-term targets		
		2012/13	2013/14	2014/15		2016/17	2017/18	2018/19
<p>Strategic objective 8.2 Local government financial management improvement</p> <ul style="list-style-type: none"> Strengthen the capacity of municipalities to fully implement the MFMA and associated financial reforms. Support provincial treasuries in their oversight of municipalities. Provide financial assistance to municipalities for MFMA implementation and financial management improvement 								
8.2.1	Number of interns appointed to municipalities	1390	1 390	1 390	1 390	1 390	1 390	1390
8.2.2	Number of municipalities assisted through MFIP	N/A	85	40	40	Strengthen focus on capacity building as MFIP II implemented		
8.2.3	Audit action plans developed and implemented	278	278	All municipalities				
8.2.4	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	Implementation of compliance assessment	Progress in reported and assessed compliance with financial management requirements, against 2015 baseline assessments of municipal financial management capability and maturity			
<p>Strategic objective 8.3 Promotion of urban integration and neighbourhood development</p> <ul style="list-style-type: none"> Promote and mobilise public- and private-sector investment in community and economic infrastructure by supporting municipalities in planning and implementing integrated neighbourhood development projects in townships Support city integration and development 								
8.3.1	Long-term urban regeneration programmes registered (cumulative)	N/A	10	13	15	17	18	
8.3.2	Total number of catalytic projects approved (cumulative)	280	300	320	340	360	380	
8.3.3	Neighbourhood Development Partnership Grant projects under construction	57	40	40	40	40	40	
8.3.4	Estimated third-party investment leveraged (cumulative)	R1 500 million	R2 000 million	R2 500 million	R3 000 million	R3 500 million	R4 000 million	
8.3.5	Number of projects confirmed for planning within identified integration/ spatial transformation zones (per year)	N/A	Programme inception: city plans developed and targets identified	8	10	12	14	

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

OUTPUTS AND TARGETS - continued

Performance Indicator	Strategic Target	Previous year target			Current year target	Medium-term targets		
		2012/13	2013/14	2014/15		2016/17	2017/18	2018/19
Strategic objective 8.3 Promotion of urban integration and neighbourhood development • Promote and mobilise public- and private-sector investment in community and economic infrastructure by supporting municipalities in planning and implementing integrated neighbourhood development projects in townships • Support city integration and development								
8.3.6	Integrated city development projects under implementation (per year)	N/A	2	6	8	10	12	
Strategic objective 8.4 Facilitation of employment creation and inclusive growth • Improve the long-term employment prospects for unemployed people, particularly youth and women, by promoting innovative and partnership-based approaches to job creation and enterprise development • Contribute to learning and innovation in employment and inclusive growth								
8.4.1	Number of Jobs Funds projects approved (cumulative)	54	90	110	125	150	150	
8.4.2	Grant funding approved (cumulative)	R3 000 m	R5 000 m	R6 155 m	R7 950 m	R9 000 m	R9 000 m	
	Matched funding committed (cum)	R3 500 m	R5 500 m	R6 500 m	R8 500 m	R10 000 m	R10 000 m	
8.4.3	New jobs contracted (cumulative)	65 000	90 000	110 000	140 000	150 000	150 000	
	Placements contracted (cum)	35 000	49 000	56 000	70 000	70 000	70 000	
8.4.4	Training contracted (cum)	105 000	128 085	140 000	160 000	160 000	160 000	
	Value of grant funding disbursed (cumulative)	R600 m	R1 200 m	R2 500 m	R3 850 m	R4 850 m	R6 000 m	R9 000 m
8.4.5	Jobs Fund evaluation reports and dissemination of learning	Contribution to learning & policy development	3-5 case studies 1 learning event First JF review	3-5 case studies 1 learning event	3-5 case studies 1 learning event Initiate mid-term evaluation	Mid-term evaluation complete 1 learning event	1 learning event Portfolio of evaluations	Concluding Jobs Fund programme evaluation
8.4.6	Employment, income distribution and inclusive growth research project	Initiation of research programme	Three research programmes & Econ3x3	10-15 papers contracted a year 3-5 conferences/workshops	Publication & completion of research			

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

OUTPUTS AND TARGETS - continued

Performance indicator	Strategic Target	Previous year target			Current year target 2015/16	Medium-term targets		
		2012/13	2013/14	2014/15		2016/17	2017/18	2018/19
Strategic objective 8.5 Improved infrastructure planning, management and skills development • Build sustainable capacity in selected municipalities and provincial departments of health, education and public works to improve infrastructure delivery • Placement of graduate interns in local government to support infrastructure delivery								
8.5.1	Technical assistants (TAs) deployed in participating departments to support the development of capacity in infrastructure delivery	36 long-term TAs (4 per province)	36 TAs 5 TAs in 3 national departments	31	34	34	34	34
8.5.2	Officials trained on the infrastructure delivery management (IDM) toolkit to support infrastructure delivery in provinces	10 people per province and 40 senior officials	150 government officials trained	150	150	170	170	170
8.5.3	Graduates trained for professional registration in engineering, town planning, geographic information systems and project management	200 graduates trained	250 graduates trained	350	400	400	400	400

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

QUARTERLY TARGETS FOR 2015/16

Performance Indicator	Reporting Frequency	Annual Target 2015/16	QUARTERLY TARGETS			
			Q1 (Apr – Jun)	Q2 (Jul – Sep)	Q3 (Oct – Dec)	Q4 (Jan – Mar)
Strategic objective 8.1 Establishment of the Government Technical Advisory Centre as a centre of excellence in public sector advisory services, transaction support, project management and public finance management						
8.1.10 Establishment of GTAC and Programme 8 management office	Quarterly	Compliance with governance and reporting, monitoring and evaluation of implementation	Quarterly reports to the minister			
8.1.2 Number of technical assistance and transaction advisory projects supported	Annual	100 +	100 +			
8.1.3 Capital project advice and expenditure reviews on behalf of National Treasury	Annual	>10 projects a year	>10 projects a year			
Strategic objective 8.2 Local government financial management improvement						
8.2.1 Number of interns appointed to municipalities	Quarterly	1 390	550	800	1 100	1 390
8.2.2 Number of municipalities assisted through MFIP	Quarterly	40	30	40	40	40
8.2.3 Audit action plans developed and implemented	Annual	All municipalities	278			
8.2.4 Municipal compliance with Budget and Treasury Office, supply chain management, internal audit and audit committee requirements	Annual	Progress in compliance with financial management requirements, against 2015 baseline	Progress in reported and assessed compliance with financial management requirements, against 2015 baseline assessments of municipal financial management capability and maturity			
Strategic objective 8.3 Promotion of urban integration and neighbourhood development						
8.3.1 Long-term urban regeneration programmes registered (cumulative)	Annual	15	15			
8.3.2 Total number of catalytic projects approved (cumulative)	Quarterly	340	300	315	325	340
8.3.3 Neighbourhood Development Partnership Grant projects under construction (cumulative)	Quarterly	40	10	20	30	40
8.3.4 Estimated third-party investment leveraged (cumulative)	Annual	R3 000 million	R3 000 million			
8.3.5 Number of projects confirmed for planning within identified integration/ spatial transformation zones (per year)	Annual	10	10			

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

QUARTERLY TARGETS FOR 2015/16 - continued

Performance Indicator	Reporting Frequency	Annual Target 2015/16	QUARTERLY TARGETS			
			Q1 (Apr – Jun)	Q2 (Jul – Sep)	Q3 (Oct – Dec)	Q4 (Jan – Mar)
Strategic objective 8.3 Promotion of urban integration and neighbourhood development						
8.3.6 Integrated city development projects under implementation	Annual	6				6
Strategic objective 8.4 Facilitation of employment creation and inclusive growth						
8.4.1 Number of Jobs Fund projects approved (cumulative)	Annual	125				125
8.4.2 Grant funding approved (cumulative) Matched funding committed (cumulative)	Annual	<ul style="list-style-type: none"> • R7 950 m • R8 500 m 				<ul style="list-style-type: none"> • R7 950 m • R8 500 m
8.4.3 New jobs contracted (cum) Placements contracted (cum) Training contracted (cum)	Annual	<ul style="list-style-type: none"> • 140 000 • 70 000 • 160 000 				<ul style="list-style-type: none"> • 140 000 • 70 000 • 160 000
8.4.4 Value of grant funding disbursed (cumulative)	Quarterly	R3 850 m				R3 850 m
8.4.5 Jobs Fund evaluation reports and dissemination of learning	Annual	<ul style="list-style-type: none"> • 3-5 case studies • 1 learning event • Initiate mid-term evaluation 				<ul style="list-style-type: none"> • 3-5 case studies • 1 learning event • Initiate mid-term evaluation
8.4.6 Employment, income distribution and inclusive growth research project	Annual					
Strategic Objective 8.5 Improved infrastructure planning, management and development						
8.5.1 Technical assistants (TAs) deployed in participating departments to support the development of capacity in infrastructure delivery	Quarterly	34	10	24		Retention or replacement of 34 TAs deployed
8.5.2 Officials trained on the IDM toolkit to support improved infrastructure delivery in provinces	Annual	150 government officials trained on the IDM toolkit				150
8.5.3 Graduates trained for professional registration in engineering, town planning, geographic information systems and project management	Annual	400 graduates trained				400

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

EXPENDITURE TRENDS

Technical Support and Development Finance expenditure trends and estimates by subprogramme and economic classification														
Sub-programme	Audited outcome					Adjusted appropriation	Average growth rate (%)	Expenditure/Total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/Total: Average (%)	
	2011/12	2012/13	2013/14	2014/15	2011/12 - 2014/15				2015/16	2016/17	2017/18			2014/15 - 2017/18
R thousand														
Local Government Financial Management Support	523 667	512 715	546 296	547 926	1.5%	547 926	22.9%	587 203	607 116	650 951	5.9%	18.6%		
Urban Development and Support	808 393	658 132	680 935	904 479	3.8%	904 479	32.9%	884 195	913 014	983 253	2.8%	28.7%		
Employment Creation Facilitation	272 493	589 868	952 883	1 338 913	70.0%	1 338 913	34.0%	1 318 000	1 387 883	1 312 255	-0.7%	41.7%		
Government Technical Advisory Centre	62 093	61 410	69 738	79 752	8.7%	79 752	2.9%	83 609	88 006	89 878	4.1%	2.7%		
Infrastructure Development Support	99 000	160 460	187 465	228 703	32.2%	228 703	7.3%	270 856	282 205	295 357	8.9%	8.4%		
Total	1 765 646	1 982 585	2 437 317	3 099 773	20.6%	3 099 773	100.0%	3 143 863	3 278 224	3 331 694	2.4%	100.0%		
Change to 2014 Budget estimate				(612 409)				(63 082)	(105 813)	(72 397)				
Economic classification														
Current payments	275 233	283 290	275 241	307 359	3.7%	307 359	12.3%	406 267	415 806	433 647	12.2%	12.2%		
Goods and services	275 233	283 290	275 241	307 359	3.7%	307 359	12.3%	406 267	415 806	433 647	12.2%	12.2%		
of which:														
Consultants and professional services: Business and advisory services	275 233	283 290	275 241	307 359	3.7%	307 359	12.3%	406 267	415 806	433 647	12.2%	12.2%		

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

EXPENDITURE TRENDS - continued

Sub-programme	Technical Support and Development Finance expenditure trends and estimates by subprogramme and economic classification										
	Audited outcome					Medium-term expenditure estimate					Expenditure/Total: Average (%)
	2011/12	2012/13	2013/14	2014/15	2011/12 - 2014/15	2015/16	2016/17	2017/18	2014/15 - 2017/18		
R thousand	1 490 413	1 699 295	2 162 076	2 792 414	23.3%	2 737 596	2 862 418	2 898 047	1.2%	87.8%	
Transfers and subsidies	1 162 034	1 056 345	1 149 233	1 399 742	6.4%	1 435 256	1 486 540	1 598 289	4.5%	46.1%	
Provinces and municipalities	188 693	98 410	109 638	145 441	-8.3%	1 302 340	1 375 878	1 299 758	107.5%	32.1%	
Departmental agencies and accounts	-	9 000	10 000	5 800	-	-	-	-	-100.0%	-	
Higher education institutions	139 686	535 540	893 205	1 241 431	107.1%	-	-	-	-100.0%	9.7%	
Public corporations and private enterprises	1 765 646	1 982 585	2 437 317	3 099 773	20.6%	3 143 863	3 278 224	3 331 694	2.4%	100.0%	
Total	8.7%	9.4%	9.7%	11.6%	-	11.7%	12.7%	12.2%	-	-	
Proportion of total programme expenditure to vote expenditure											

Details of transfers and subsidies

Provinces and municipalities	Municipal bank accounts	Current	423 641	478 213	523 298	553 563	576 956	595 735	642 780	642 780	5.1%	18.4%
Local government financial management grant		423 641	402 753	424 798	449 138	449 138	452 491	465 264	502 006	502 006	3.8%	14.5%
Infrastructure skills development grant		-	75 460	98 500	104 425	104 425	124 465	130 471	140 774	140 774	10.5%	3.9%

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

EXPENDITURE TRENDS - continued

Technical Support and Development Finance expenditure trends and estimates by subprogramme and economic classification													
Details of transfers and subsidies	Audited outcome					Adjusted appropriation	Average growth rate (%)	Expenditure/Total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/Total: Average (%)
	2011/12	2012/13	2013/14	2014/15	2015/16				2016/17	2017/18	2014/15 - 2017/18		
R thousand	738 393	578 132	625 935	846 179	858 300	890 805	955 509	4.1%	27.6%				
Integrated city development grant	-	-	40 000	255 000	251 300	266 805	292 119	3.2%	8.3%				
Neighbourhood development partnership grant	738 393	578 132	585 935	591 179	607 000	624 000	663 390	-7.1%	19.3%				
Departmental agencies and accounts													
Departmental agencies (non-business entities)													
Current	188 386	98 222	109 310	138 358	1 301 793	1 375 171	1 299 016	5.8%	32.0%				
Government Technical Advisory Centre	188 386	98 222	109 310	138 358	1 301 793	1 375 171	1 299 016	-9.8%	32.0%				
Capital	307	188	328	7 083	547	707	742	0.1%	0.1%				
Government Technical Advisory Centre	307	188	328	7 083	547	707	742	184.7%	0.1%				
Public corporations and private enterprises													
Public corporations													
Other transfers to public corporations													
Current	139 686	535 540	893 205	1 241 431	-	-	-	107.1%	30.3%			-100.0%	9.7%

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

EXPENDITURE TRENDS - continued

Technical Support and Development Finance expenditure trends and estimates by subprogramme and economic classification													
Details of transfers and subsidies	Audited outcome					Adjusted appropriation	Average growth rate (%)	Expenditure/Total: Average (%)	Medium-term expenditure estimate				Expenditure/Total: Average (%)
	2011/12	2012/13	2013/14	2014/15	2015/16				2016/17	2017/18	2014/15 - 2017/18		
R thousand													
Development Bank of Southern Africa	139 686	535 540	893 205	1 241 431		107.1%	30.3%					-100.0%	9.7%
Higher education institutions													
Current	-	9 000	10 000	5 800		-	0.3%					-100.0%	-
University of Cape Town	-	9 000	10 000	5 800		-	0.3%					-100.0%	-

Government Technical Advisory Centre expenditure trends and estimates by programme/objective/activity													
Details of transfers and subsidies	Audited outcome					Adjusted appropriation	Average growth rate (%)	Expenditure/Total: Average (%)	Medium-term expenditure estimate				Expenditure/Total: Average (%)
	2011/12	2012/13	2013/14	2014/15	2015/16				2016/17	2017/18	2014/15 - 2017/18		
R thousand													
Administration	13 206	14 064	14 979	15 952		6.5%	3.1%					-1.7%	1.3%
Technical Advisory Services	104 703	100 356	106 880	172 128		18.0%	25.4%					11.6%	16.5%
Specialised Procurement Support	17 009	17 833	18 993	32 877		24.6%	4.5%					16.4%	3.2%
Fiscal and Economic Analysis	20 508	21 841	23 261	24 772		6.5%	4.8%					-1.5%	2.0%
Employment Facilitation	84 080	86 105	91 702	97 662		5.1%	19.3%					138.1%	54.2%
Independent Power Producer Programme Account	179 542	191 212	211 762	217 747		6.6%	42.8%					22.8%	22.8%
Total	419 048	431 411	467 577	561 139		10.2%	100.0%					54.0%	100.0%

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

PERSONNEL INFORMATION

Number of posts estimated for 31 March 2015		Government Technical Advisory Centre personnel numbers and cost by salary level ¹														Number			
		Number and cost of personnel posts filled / planned for on funded establishment																	
Number of funded posts	Number of posts additional to the establishment	Actual			Revised estimate			2015/16			2016/17			2017/18			Average growth rate (%)	Salary level/total: Average (%)	
		No.	Cost	Unit Cost	No.	Cost	Unit Cost	No.	Cost	Unit Cost	No.	Cost	Unit Cost	No.	Cost	Unit Cost			
Government Technical Advisory Centre																			
Salary level	67	61	49.3	0.8	67	52.5	0.8	109	99.4	0.9	109	107.9	1.0	110	116.8	1.1	30.6%	100.0%	
1 – 6	2	4	0.5	0.1	2	0.5	0.2	5	1.2	0.2	5	1.3	0.3	5	1.4	0.3	46.0%	4.2%	
7 – 10	36	29	20.8	0.7	36	24.6	0.7	25	9.3	0.4	25	10.1	0.4	25	10.9	0.4	-23.8%	30.6%	
11 – 12	23	16	22.4	1.4	23	19.0	0.8	30	24.4	0.8	30	26.8	0.9	30	28.3	0.9	14.2%	29.2%	
13 – 16	6	6	5.6	0.5	6	8.4	1.4	49	64.5	1.3	49	69.6	1.4	50	76.1	1.5	108.7%	36.1%	

1. Rand million.

The process of developing capacity for the centre to be able to deliver on its mandate involves significant costs. These include costs for the actual setting up of the centre, the filling of posts, the implementation of an integrated programme and project management information system, the setting up of a corporate support service, and providing for rental for regional offices as the government component expands its footprint to the provinces. This also means significant expenditure on compensation of employees, which is expected to increase by 30.6 per cent over the medium term, to reach R116.8 million in 2017/18. Personnel numbers are expected to increase from 67 in 2014/15 to 110 in 2017/18. This increase in capacity is expected to assist the agency in achieving its objectives of supporting 300 technical assistance projects and 30 other specialised procurement projects over the medium term.

Expenditure on transfer payments is expected to increase between 2014/15 and 2016/17 due to an increase in disbursements to guarantees on behalf of the fund. This is expected to decrease slightly in 2017/18 in line with the anticipated decrease in revenue, due to lower transfers received from National Treasury as a result of funded projects coming to an end. Revenue consists mostly of transfers from National Treasury and other revenue received from administrative fees, cost recovery fees, donor funds, and interest earned. Revenue is expected to increase from R1.9 billion in 2014/15 to R2.1 billion in 2016/17, mainly due to an increase in transfers from the fund to create employment through grant disbursements to institutions whose business plans are accepted.

ANNEXURE

ACRONYMS AND ABBREVIATIONS

AENE	Adjusted Estimates of National Expenditure	IYM	In-year monitoring
AFS	Annual financial statements	KM	Knowledge management
ALM	Asset and liability management	MCEP	Manufacturing Competitiveness Enhancement Programme
AU	African Union	MFIP	Municipal Finance Improvement Programme
BAC	Bid adjudication committee	MFMA	Municipal Finance Management Act
BCM	Business continuity management	MFPPA	Municipal Fiscal Powers and Functions Act
BEC	Bid evaluation committee	MinComBud	Ministers' Committee on the Budget
BEPP	Built Environment Performance Plan	MTBPS	Medium Term Budget Policy Statement
CBDA	Cooperative Banks Development Agency	MTEC	Medium Term Expenditure Committee
CFI	Cooperative financial institution	MTEF	Medium Term Expenditure Framework
CFO	Chief Financial Officer	NARS	National Archives and Records Service
COLA	Cost-of-living adjustment	NDP	Neighbourhood Development Partnership
CPS	Country Partnership Strategy	NDPG	Neighbourhood Development Partnership Grant
CSD	Central Supplier Database	NRF	National Revenue Fund
CSP	City Support Programme	NT	National Treasury
DBSA	Development Bank of Southern Africa	OCPO	Office of the Chief Procurement Officer
DFI	Development finance institution	ODA	Official development assistance
DoD	Department of Defence	OLA	Operational level agreement
DORA	Division of Revenue Act	PEOU	Public Entity Oversight Unit
DPSA	Department of Public Service and Administration	PFM	Public finance management
ECFF	Employment Creation Facilitation Fund	PFMA	Public Finance Management Act
EDF	Expected Default Frequency	PMO	Project management office
ENE	Estimates of National Expenditure	PPP	Public-private partnership
ERSA	Economic Research Southern Africa	PPPFA	Preferential Procurement Policy Framework Act
ETD	Education, training and development	PRS	Price referencing system
FASSET	Finance and Accounting Services SETA	RDP	Reconstruction and Development Programme
FFC	Financial Fiscal Commission	RFP	Request for proposals
FMCMM	Financial Management Capability Maturity Model	S&P	Standard & Poor's
FMG	Financial Management Grant	SACU	Southern African Customs Union
G20	Group of 20	SADC	Southern African Development Community
G24	Group of 24	SAQA	South African Qualifications Authority
GBS	General budget support	SARB	South African Reserve Bank
GTAC	Government Technical Advisory Centre	SBD	Standard bidding documents
HR	Human resource	SCM	Supply chain management
IA	Internal audit	SCOA	Standard Chart of Accounts
ICDG	Integrated City Development Grant	SLA	Service level agreement
ICT	Information and communication technology	SMME	Small, medium and microenterprise
IDIP	Infrastructure Delivery Improvement Programme	SOC	State owned company
IDM	Infrastructure delivery management	SOE	State owned entity
IDMS	Integrated Document and Records Management System	SP	Strategic procurement
IFMS	Integrated Financial Management System	SPF	Strategic Procurement Framework
ILM	Integrated learning matrix	TB	Treasury bond
IMF	International Monetary Fund	WB	World Bank
IMM	Inventory management module	WEF	World Economic Forum
IPP	Independent Power Producer	WG	Working Group
IREP	International and Regional Economic Policy		
ISDG	Infrastructure Skills Development Grant		

National Treasury

ANNUAL PERFORMANCE PLAN

2015/19

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national treasury

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National Treasury
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