



**MINISTRY: FINANCE
REPUBLIC OF SOUTH AFRICA**

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Ref: M3/4/1/5(890/2020)

Ms TR Modise, MP
Speaker of the National Assembly
Parliament of the Republic of South Africa
PO Box 15
CAPE TOWN
8000

Dear Honourable Speaker

**NOTING OF THE AMENDMENTS TO THE 2020/21 NATIONAL TREASURY ANNUAL
PERFORMANCE PLAN TECHNICAL INDICATOR DESCRIPTIONS**

I hereby wish to inform you of the amendments to the 2020/21 National Treasury Annual Performance Plan technical indicator descriptions brought about by the need to enhance the monitoring mechanisms on the identified output indicators in the 2020/21 Annual Performance Plan.

The amendments to the affected technical indicator descriptions are attached as "Annexure A" to this letter.

I appreciate your noting in this regard.

Please accept, dear colleague, the assurance of my highest consideration.

I remain,

Yours sincerely

**TT MBOWENI, MP
MINISTER OF FINANCE**
Date: 26/10/2020



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Mr A Masondo, MP
Chairperson of the National Council of Provinces
Parliament of the Republic of South Africa
PO Box 15
CAPE TOWN
8000

Dear Honourable Chairperson

**NOTING OF THE AMENDMENTS TO THE 2020/21 NATIONAL TREASURY ANNUAL
PERFORMANCE PLAN TECHNICAL INDICATOR DESCRIPTIONS**

I hereby wish to inform you of the amendments to the 2020/21 National Treasury Annual Performance Plan technical indicator descriptions brought about by the need to enhance the monitoring mechanisms on the identified output indicators in the 2020/21 Annual Performance Plan.

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I appreciate your noting in this regard.

Please accept, dear colleague, the assurance of my highest consideration.

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Yours sincerely

**TT MBOWENI, MP
MINISTER OF FINANCE**
Date: 26/10/2020

PART D: TECHNICAL INDICATOR DESCRIPTION

AS TABLED

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

AS AMENDED

Output Indicator no 4.1.2	
Indicator Title	Percentage of annual reports received from Schedule 2 and 3B public entities reviewed
Definition	<p>Review the Water Boards' annual reports within four months of 1st of December each year, following complete submissions by the 30th of November each year as stipulated in the legislation.</p> <p>Review the annual reports for all other operational and non-exempt Schedule 2 and 3B public entities excluding Water Boards within four months of 1st September each year, following complete submissions by 31st August each year as stipulated in the legislation. Annual reports are regarded as complete when they have been signed off by the auditor general/external auditors, executive authority and Board, and there is no information requested from the entity that is outstanding.</p> <p>Late submissions will be reviewed within four months from the date of submission, however, documents received later than 31 March each year for Water Boards and later than 31 December for all other Schedule 2 and 3B entities except Water Boards (as defined above) will not be reviewed after this cut-off date.</p> <p>Reports are compiled on the reviewed annual reports</p>
Source of data	Signed-off annual report of Schedule 2 and 3B of SOEs.
Method of Calculation / Assessment	<p>Number of annual reports of schedule 2 and 3 B SOCs, DFIs and water boards received and reviewed by the division within 4 months of receipt and cut-off date</p> <p>-----x100</p> <p>complete corporate plans submitted</p> <p>The four months for schedule 2 and 3B entities (excluding Water Boards) begins on 01 September of each year; while the four months for Water Boards begins on 01 December of each year.</p> <p>Late submissions/revised submissions will be reviewed within four months from the date of submission; however, there will be a cut-off date on submissions valid for review of 31 March each year for Water Boards and 31 December for all other Schedule 2 and 3B entities (defined above). Any submissions made post this date will not be reviewed.</p>
Means of verification	Signed-off reports (Director-level) of Schedule 2 and 3B SOEs received.
Assumptions	<ul style="list-style-type: none"> • No late submission of annual reports SOCs, DFI & WBs. • No requests from Executive Authorities to for extensions or to make amendments to annual reports which may result in delays. • Entities are not required to submit final shareholder compacts to NT for review. • Incomplete submissions are not considered until all required information is received.
Disaggregation of Beneficiaries (where applicable)	<p>Target for Women: N/A</p> <p>Target for Youth: N/A</p> <p>Target for People with Disabilities: N/A</p>
Spatial Transformation (where applicable)	<p>Reflect on contribution to spatial transformation priorities: N/A</p> <p>Reflect on the spatial impact area: N/A</p>
Calculation Type	Non-cumulative.
Reporting Cycle	Quarterly
Desired performance	100% of annual reports received from Schedule 2 and 3B public entities reviewed within the stipulated timeframe.
Indicator responsibility	Chief Directorate: Governance and Financial Analysis.

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

AS AMENDED

Output Indicator no 4.1.4	
Indicator Title	Percentage of complete review requests of borrowing limit applications relating to Schedule 2 and 3B public entities reviewed
Definition	Review schedule 2, 3B, SOCs, DFIs and WBs borrowing limit applications.
Source of data	Application letter from the Executive Authority or Chairperson of the Board in the case of entities reporting to the Minister of Finance.
Method of Calculation / Assessment	$\frac{\text{Number of applications for borrowing limits reviewed by the division within 60 business days}}{\text{Number of applications for borrowing limits received by the division}} \times 100$
Means of verification	Review/assessment memo signed at Director-level to the Secretariat of the Asset and Liability Management Review and Monitoring Committee (ALMRC) and the Fiscal Liability Committee (FLC). Date count starts from when the application is sent from the Minister of Finance's office to the ALM division.
Assumptions	<ul style="list-style-type: none"> • Incomplete submissions are not considered until all required information is received. • Request for review of borrowing limit applications relating to Schedule 2 and 3B public entities received.
Disaggregation of Beneficiaries (where applicable)	Target for Women: N/A Target for Youth: N/A Target for People with Disabilities: N/A
Spatial Transformation (where applicable)	Reflect on contribution to spatial transformation priorities: N/A Reflect on the spatial impact area: N/A
Calculation Type	Non-cumulative.
Reporting Cycle	Quarterly.
Desired performance	100% of complete borrowing limit applications received from Schedule 2 and 3B public entities reviewed within the stipulated timeframes.
Indicator responsibility	Chief Directorate: Governance and Financial Analysis

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

AS AMENDED

Output Indicator no 4.1.5	
Indicator Title	Percentage of complete guarantee applications received from Schedule 2 and 3B public entities reviewed
Definition	Review the completed guarantee applications. The applications must be reviewed within 30 calendar days of receipt from the Ministry of Finance and signed off by the Director.
Source of data	Signed-off reports at Director-level.
Method of Calculation / Assessment	$\frac{\text{Number of complete applications for guarantees reviewed within 30 calendar days of receipt by the division}}{\text{Number of complete applications for guarantees received}} \times 100$
Means of verification	Signed-off reports at Director-level.
Assumptions	<ul style="list-style-type: none"> • Incomplete submissions are not considered until all required information is received. • The date count starts from when the application is sent from the Minister's Office to the ALM division. • The application is considered to be submitted once it is sent to the Secretariat of the FLC and Asset and Liability Review and Monitoring Committee (ALMRMC) • Incomplete submissions are not considered until all required information is received.
Disaggregation of Beneficiaries (where applicable)	Target for Women: N/A Target for Youth: N/A Target for People with Disabilities: N/A
Spatial Transformation (where applicable)	Reflect on contribution to spatial transformation priorities: N/A Reflect on the spatial impact area: N/A
Calculation Type	Non-cumulative.
Reporting Cycle	Quarterly.
Desired performance	100% of complete guarantee applications received from Schedule 2 and 3B public entities reviewed within the stipulated timeframes.
Indicator responsibility	Chief Directorate: Sector Oversight and Chief Directorate: Governance and Financial Analysis

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

AS AMENDED

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

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

AS AMENDED

Output Indicator no 4.1.7	
Indicator Title	Percentage of complete board appointments recommendations received from Schedule 2 and 3B public entities reporting to the Minister of Finance reviewed
Definition	Review complete requests from schedule 2 and 3B public entities for board appointments and make recommendations to the Minister of Finance for entities reporting to the Minister in line with the Memorandum of Incorporation (MOI) or relevant founding legislation. Review should be completed within 60 business days of receiving nominations including supporting documents from the Minister or from the SOCs.
Source of data	Signed letters of request from Chairpersons of the Boards or CVs sourced from the National Treasury Database and for the Land Bank, CVs from the Land Bank advert will be utilised.
Method of Calculation / Assessment	$\frac{\text{Number of complete requests reviewed by the division}}{\text{Total number of complete requests received}} \times 100$
Means of verification	Signed-off reports at Chief Director-level.
Assumptions	That there will be requests for board appointments recommendations received from Schedule 2 and 3B public entities reporting to the Minister of Finance with all relevant information required to start the process. Incomplete requests will not be considered until all the relevant documents are received.
Disaggregation of Beneficiaries (where applicable)	Target for Women: N/A Target for Youth: N/A Target for People with Disabilities: N/A
Spatial Transformation (where applicable)	Reflect on contribution to spatial transformation priorities: N/A Reflect on the spatial impact area: N/A
Calculation Type	Non-cumulative.
Reporting Cycle	Quarterly.
Desired performance	100% review of the complete submissions received from the entities reporting to the Minister of Finance (Scheduled 2 and 3B).
Indicator responsibility	Chief Director: Governance and Financial Analysis.

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

AS AMENDED

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