

ANNUAL PERFORMANCE PLAN 2017/18



national treasury

Department:
National Treasury
REPUBLIC OF SOUTH AFRICA





ANNUAL PERFORMANCE PLAN 2017/18

This document includes errata (Please refer to page 162 to 167).

The 2017/18 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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PRAVIN GORDHAN
MINISTER OF FINANCE



ANNUAL PERFORMANCE PLAN 2017/18

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MINISTER'S FOREWORD

Globally these are uncertain times, both geopolitical and socio-economic challenges are impacting on individual countries and economic regions alike. These difficult world conditions are further exacerbating the already weak economic markets that are still suffering from the Great Recession of 2008. South Africa continues to be vulnerable; with its prospects intertwined with global economic development, its legacy of extreme poverty, widening inequality and a fractured society and its current challenges that include weak business confidence coinciding with a severe drought all contributing to an extended period of low economic growth and subdued development. In numbers, the 2016/17 medium term outlook specified that South Africa's economic growth will be 1.7 per cent in 2017 up from 0.5% in 2016. Measured and balanced fiscal consolidation will continue over the period ahead, with the budget deficit declining from 3.4 per cent in 2016 to 2.5 per cent in 2019/20. Debt has been projected to stabilise at just less than 48 per cent of GDP.

The impact of slow growth on public finances must be taken into account, while needing to continue to respond to citizen's expectations, communities' priorities and developmental imperatives. The complexity of the combination of multiple increasing demands and constrained resources requires of the public service to prioritize in order to continue delivering reliable public services and responsive administration. As articulated in the 2016/17 medium term outlook, measured and balanced fiscal consolidation will continue over the period ahead with the budget deficit declining from 3.4 per cent in 2016 to 2.5 per cent in 2019/20. It has been proposed to raise an additional R43 billion through tax measures over the next two-year period with the expenditure ceiling being lowered by R26 billion. Consolidated government expenditure will rise by 7.6 per cent a year over the MTEF period.

National Treasury is mindful of the extraordinary responsibilities and obligations placed on all of the public service towards building a national consensus on inclusive growth, enhanced economic development and transformation. This commitment is framed in the efforts and initiatives to build stable and sustainable public finances, alongside economic reforms and a transparent monetary policy whilst building partnership between government, business, organised labour and all stakeholders.

This Annual Performance Plan 2017/18 represents an ambitious programme of work for National Treasury with priority areas including continuing supply chain management reforms, improve cost controls, and strengthen budgetary procedures thereby ensuring greater value for money in public service delivery. Work will continue towards the implementation of the new municipal Standard Chart of Accounts in all 257 municipalities improving the transparency and comparability of accounts, allowing for stronger monitoring and oversight of municipal finances. There will be an intensification of implementation of the cost-containment measures, in keeping with national guidelines and legislation to be passed giving effect to the "twin peaks" regulatory reform programme making our financial sector safer and to serve customers fairly.

I am confident that focused implementation of these interventions will contribute to building a better South Africa. That these together with all other developmental initiatives, will bind us as citizens, government, business, labour, communities, youth and students to work together to give effect to our Constitution and enjoin us to recognise the injustices of our past, challenge the injustice of poverty, inequality and unemployment, and establish a society based on democratic values and social justice.



ANNUAL PERFORMANCE PLAN 2017/18

PART A: STRATEGIC OVERVIEW

UPDATED SITUATIONAL ANALYSIS | 1

PERFORMANCE DELIVERY ENVIRONMENT | 1

ORGANISATIONAL ENVIRONMENT | 4

REVISIONS TO LEGISLATIVE AND OTHER MANDATES | 5

STRATEGIC OUTCOME ORIENTED GOALS OF THE INSTITUTION | 5

VOTE 7: NATIONAL TREASURY RESOURCE PLAN | 8

PART B: PROGRAMME AND SUB-PROGRAMME PLANS

PROGRAMME 1: ADMINISTRATION | 23

PROGRAMME 2: ECONOMIC POLICY, TAX, FINANCIAL REGULATION AND RESEARCH | 32

PROGRAMME 3: PUBLIC FINANCE AND BUDGET MANAGEMENT | 43

PROGRAMME 4: ASSET AND LIABILITY MANAGEMENT | 59

PROGRAMME 5: FINANCIAL ACCOUNTING AND SUPPLY CHAIN MANAGEMENT SYSTEMS | 72

PROGRAMME 6: INTERNATIONAL FINANCIAL RELATIONS | 103

PROGRAMME 7: CIVIL AND MILITARY PENSIONS, CONTRIBUTIONS TO FUNDS AND OTHER BENEFITS | 114

PROGRAMME 8: TECHNICAL AND MANAGEMENT SUPPORT AND DEVELOPMENT FINANCE | 121

PART C: LINKS TO OTHER PLANS

LINKS TO THE LONG-TERM INFRASTRUCTURE AND OTHER CAPITAL PLANS | 139

CONDITIONAL GRANTS | 139

PUBLIC-PRIVATE PARTNERSHIPS | 139

PUBLIC ENTITIES REPORTING TO THE MINISTER | 139

ANNEXURES | 140



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REPUBLIC OF SOUTH AFRICA

ANNUAL PERFORMANCE PLAN 2017/18

OFFICIAL SIGN-OFF

It is hereby certified that this Annual Performance Plan:

Was developed by the management of National Treasury under the guidance of Honorable Minister Pravin Gordhan.

Was prepared in line with the current Strategic Plan of National Treasury.

Accurately reflects the performance targets which National Treasury will endeavour to achieve given the resources made available in the budget for 2017/18.



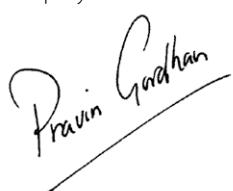
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Deputy Director General: Corporate Services



Approved by:
Pravin Gordhan
Minister of Finance



PART A

STRATEGIC OVERVIEW



ANNUAL PERFORMANCE PLAN 2017/18



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UPDATED SITUATIONAL ANALYSIS

1. PERFORMANCE DELIVERY ENVIRONMENT

ECONOMIC ENVIRONMENT

South Africa continues to suffer from the legacy of extreme poverty, widening inequality and a fractured society. The effects of these have been further compounded by an extended period of low growth and increasing high unemployment. South Africa is not singular in this respect, with our economic prospects being intertwined with global economic developments and less than two decades into the 21st century, many countries continue to experience the consequences of the 2008 recession with global volatility and structural imbalances far from resolved. This has affected economic growth in South Africa over the recent period, prompting a deceleration in the rate of economic growth.

In 2016, economic growth further slowed considerably, in part due to sluggish GDP growth and weaker business confidence coinciding with a severe regional drought. The outlook remains subdued over the medium term with National Treasury having projected growth of just 0.5 per cent revised down from an estimated 0.9 per cent at the time of the Medium term Budget Policy Statement (MTBPS). However noting that it is estimated that as confidence and global growth gradually improves, growth will rise to 2.2 per cent in 2019.

The weak growth outlook has constrained the fiscal outlook, necessitating both spending cuts and tax increases. This requires that the cautious approach to fiscal policy is maintained, given that risks to the outlook remain elevated and the likely incidence of shocks remains high.

The challenging environment has resulted in an expanded role for National Treasury, as Government has sought to raise growth and restore investor confidence, through concerted focus on growth and development implementation. Efforts to reduce policy uncertainty, lower the cost of doing business and tackle structural constraints to growth in labour, infrastructure, energy and competition are underway. These represent an upside risk to current economic growth projections.

To restore confidence, National Treasury has played a pivotal role in coordinating between real and financial investors, government departments and international institutions such as ratings agencies. Most importantly the collaboration between government, business, labour and civil society has made a significant impact, working together to safeguard our economic growth and development.

FISCAL POLICY

Government is operating in a fiscally constrained environment where available resources do not match long-term policy aspirations. With limited space available to borrow and tax, choices must be made about which activities and programmes can be maintained. Government is committed to a fiscal policy position that is sustainable in the long run, focusing on containing the budget deficit and reducing debt accumulation.

Fiscal policy aims to deliver a measured consolidation that avoids a sharp contraction in expenditure, continues to prioritise capital investment, and stabilises national debt as a share of GDP. Fiscal consolidation measures amounting to R154 billion have been announced for the period 2015/16 to 2018/19, with R76 billion focused on reducing the expenditure ceiling over the period. Even with these measures, there is still moderate real growth in aggregate expenditure. The expenditure ceiling has been maintained since its introduction three years ago and spending pressures have been accommodated through reprioritization and savings within existing baselines. Government remains committed to the expenditure limits announced in the 2016 MTBPS.

UPDATED SITUATIONAL ANALYSIS

DROUGHT AND THE ECONOMY

The negative implication of the drought on South Africa's economic growth is inevitable. Southern Africa is in the midst of its worst drought in at least two decades, resulting in declining agricultural output, food price inflation and raising the prospect of increased hunger and poverty across the region.

To respond to the impact of drought on the farming sector and water-stressed communities, government has reprioritised funds; in conjunction with the Land Bank's concessionary loan facility to assist farmers in recovering from the effects of the current drought conditions.

INCLUSIVE ECONOMY AND UNEMPLOYMENT

The future prospects of South Africa greatly hinges on achieving inclusive economic growth. This includes having a vibrant economy which is conducive to encourage investment and accelerate job creation in all spheres of the economy.

Persistently high unemployment remains one of South Africa's most pressing challenges. Labour relations improved during 2015, with 176 000 workdays lost to industrial action in the first half of the year, down from 7.5 million in the first half of 2014. Strikes were relatively short-lived, primarily affecting individual firms rather than entire subsectors. However, difficult trading conditions and low business confidence levels continue to limit hiring.

According to Statistic South Africa (Stats SA), the unemployment rate has reached its highest peak since 2004, from 26.6 % recorded in the second quarter of 2016 to 27.1% in quarter 3. This constitutes an increase in the number of unemployed persons by 239 000 individuals to at least 5.8 (million) unemployed persons. However, there was a recorded increase in employment by 288 000 persons adding to the 21.2 (million) recorded in quarter 2, which equals an overall of 21.7 million people currently employed in South Africa. Employment gained momentum in the formal sector resulting largely from Finance and other Business Services which contributed 83 000 jobs, followed by Construction (50 000 jobs) and Transport (28 000 jobs). Simultaneously there was a decline in employment in the following sectors: Community and social services (46 000 jobs), Manufacturing (13 000 jobs) and Mining (6 000 jobs). Additionally and importantly Stats SA recorded a decline in the number of discourage jobs seekers from 2.5 (million) to 2.2 (million) persons in quarter 2 of 2016.

INFRASTRUCTURE AND PRODUCTIVITY

Government is intent on increasing economic growth and attract more investments. This will increase economic activities which in turn will accelerate job creation and poverty eradication. This success is dependent on the collaborative commitments between government, business, labour and civil society.

The 2016 MTBPS outlines a total budget of R987.4 billion geared towards public-sector infrastructure for the next three years with the following economic sectors being the focus: transport and logistics, water and sanitation, energy; and telecommunications infrastructure.

Some of the major government infrastructure programmes include, but are not limited to: the construction of Medupi, Kusile and Ingula power plants; construction of the Moloto road; the Olifants River water scheme project, rolling out of free Wi-Fi in metropolitans and Wolmaransstad wastewater treatment works. Furthermore, maintenance of public infrastructure investment in housing, roads, rail, public transport, water, electricity and other community infrastructure still remains government's priority.

UPDATED SITUATIONAL ANALYSIS

MOBILISING PRIVATE SECTOR AND CIVIL SOCIETY CAPACITY

Engagement with social partners needs to be intensified to enable and mobilise private sector and civil society capacity to support the national growth and development imperatives. Investments and plans need to be implemented and managed with particular focus on: building on the success of our Renewable Energy initiatives, extending the Independent Power Producers Programme to include coal and gas power projects over the period ahead, progressing on measures to strengthen tourism, agriculture and agro-processing, enhancing collaboration with regional partner countries to improve border management, streamlining trade flows and investing in transport and communications corridors, addressing regulatory challenges that affect mining investment and employment. Additionally a path breaking study of the cost of doing business has been completed and municipalities are working on identified reforms, progress has also been made towards a minimum wage framework and to reduce workplace conflict. The National Health Insurance White Paper has been published, and proposals for comprehensive social security will be released by mid-year. Investment in our cities is being accelerated, creating opportunities for participation of developers and other partners in housing, infrastructure and commercial development.

Cities have, over the last 3 years, adopted an outcomes-based planning approach to achieve spatial transformation in an effort to contribute to faster, more inclusive growth. This is based on a theory of change that consists of a process of spatial targeting towards infrastructure project prioritisation and aligning budgets to these priorities via metro IDPs, within the context of an intergovernmental fiscal framework. This targeted public investment, together with targeted multi-stakeholder urban management and enabling economic policy, is aimed at leveraging private sector investment in urban spaces that will result in compact, integrated cities and prosperous urban communities. This intervention logic is also being planned for secondary cities, towns and rural settlements in partnership with COGTA and DRDLR. There is significant scope for private sector partnering given the public investment in human settlements and public transport networks led by spatial transformation plans with a R128.5 billion catalytic project pipeline. Government has allocated R53 billion in infrastructure transfers to the 8 metropolitan municipalities over the 2017 MTEF, including R15.7 billion for public transport improvements and R41.6 billion for human settlements and basic services.

FISCAL CONSOLIDATION AND COST CONTAINMENT

A priority for government is to focus on fiscal consolidation. The sluggish economic growth and rising public expectations poses a serious challenge to government's ability to stabilise its' debt and reduce the deficit. Fiscal policy aims to deliver a measured consolidation that avoids a sharp contraction in expenditure, continues to prioritise capital investment, and stabilises national debt as a share of GDP. This will lay the foundation for more rapid economic growth in years ahead.

A central objective is to stabilise debt as a percentage of GDP. To achieve this, the new budget framework sets deficit targets for the next three years which are lower than the 2016 MTBPS projections. Spending plans are reduced, a higher revenue target is set and net national debt is projected to stabilise at 46.2 per cent of GDP in 2017/18, and to decline after that. These budget proposals signal government's commitment to a prudent, sustainable fiscal policy trajectory, and respond directly to the changed circumstances since the 2015 MTBPS was tabled. A consolidated revenue target of R1 324 billion is set for 2016/17, or 30.2 per cent of GDP. Expenditure will be R1 463 billion, leaving a budget deficit of R139 billion, or 3.2 per cent of GDP. The deficit will decline to 2.4 per cent in 2018/19. To contain government's deficit, the 2016 budget proposed the following measures towards containing expenditure ceiling:

- Restrictions on filling managerial and administrative vacancies and elimination of unnecessary positions;
- Reduced transfers for operating budgets of public entities;
- Capital budgeting reforms to align plans with budget allocations while strengthening maintenance procedures;
- Mandatory use of the new e-tender portal, thereby enforcing procurement transparency and accessible reference prices for a wide range of goods and services;

UPDATED SITUATIONAL ANALYSIS

- A national travel and accommodation policy and instructions on conference costs;
- New guidelines to limit the value of vehicle purchases for political office- bearers;
- Renegotiation of government leasing contracts;
- New centrally negotiated contracts for banking services, ICT infrastructure and services, health technology, school building and learner support materials.
- Raise R43 billion through tax measure in the next 2 years.
- Extension of the Chief Procurement Officer's initiatives to include monitoring of state-owned companies' procurement plans and supply chain processes, and reviews of contracts above R10 million to ensure value for money.

2. 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 its 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 center of excellence; and
- Implementing a strategic communications and outreach programme that addresses stakeholders.

ECONOMIC POLICY

Economic Policy continues to be instrumental in driving a process to use tax data to better inform policy design. The National Treasury has actively contributed to Government discussions on policies to help prioritise the reform agenda, govern competition, energy, regulation of transport and electricity sectors, agriculture and land reform issues, SMMEs, tourism, labour relations and the national minimum wage, mining, regional trade policy and the review of incentives, including the employment tax incentive. Much of this work is ongoing and being implemented, so for the year ahead, Economic Policy's efforts to support and guide the economic reform agenda will continue.

COST CONTAINMENT MEASURES

National Treasury is applying cost containment measures in a manner that ensures stringent application, mindful not to allow consequential service delivery interruptions. In particular a suite of measures to reduce the employment cost to organization is being applied, underpinned by risk mitigation of resource constraints.

FINANCIAL MANAGEMENT IMPROVEMENT

National Treasury is working closely with all stakeholders to improve Public Financial Management in all three spheres of government. This includes co-ordinating the implementation of the Capacity Development Strategy for Public Finance Management. The Municipal Financial Management Improvement Programme (MFMIP) is a cornerstone of the strategy aimed at providing technical advisory

UPDATED SITUATIONAL ANALYSIS

support to Provincial Treasuries and Municipalities to strengthen their capacity in order to improve their financial management performance. Further steps in this regard include having issued the MFMA circular on financial delegations and providing specific support tailored by the outcomes of the report MFMA and PFMA Audit 2015/16.

OFFICE OF THE CHIEF PROCUREMENT OFFICER (OCPO)

The OCPO is currently implementing procurement reforms as per Cabinet approval, to accelerate the modernization of the procurement reforms in South Africa. In the efforts to increase center-led common spend items, transversal contracts, in collaboration with key procuring institutions, will be compulsory once the Treasury Regulations have been promulgated. Transversal contract scope will also be expanded in the next three years to approximately R 150 billion for common goods and services. It is anticipated that these will produce savings and efficiencies amounting R 20 billion per annum. This expansion will cover property and leasing, health technology and pharmaceuticals, learner teacher support materials and services, banking services, information and communications technology and professional (consulting) services. To ensure transparency, the Central Supplier Database is used to identify suppliers that are employed by the State and yet they are also doing business with the State. 9000 Suppliers were identified, furthermore fraudulent activities by suppliers utilising identification numbers of deceased person are also being identified through the system. To ensure modernized ICT procurement, the OCPO will also be a leader in the digitalization of procurement processes in the next two years through the implementation of eProcurement. A centrally maintained codification standard linked to a commonly used classification standard for all spheres of government is also underway.

3. REVISIONS TO LEGISLATIVE AND OTHER MANDATES

Legislations that affect the National Treasury as passed in 2016/17 financial year.

- Appropriation Act 6. 2016.
- Revenue Laws Amendment Act 2. 2016.
- Division of Revenue Act 3. 2016.

Process to consider the development of new policies or review of existing instruments will be conducted during the 2017/18 including:

- Consider instruments and mechanisms to enhance responsible and prudent municipal borrowing. The outcome to be generated by the discussions will inform the Policy Framework for Municipal Borrowing and Financial Emergencies that Cabinet approved in 2000.
- Implementation of a Draft Public Procurement Bill establishing a single public procurement authority as an oversight custodian to implement procurement under Section 217 of the Constitution.
- Revision of Preferential Procurement Regulations in order to accommodate least 30% of procurement to designated groups, SMMEs, co-operatives, rural and township enterprises.

4. 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.

UPDATED SITUATIONAL ANALYSIS

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

This programme aims to promote economic policy coherence around the objectives of growth and jobs and improve South Africa's macroeconomic and microeconomic framework by conducting 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 the tax collection.
- Providing macroeconomic forecasts & scenario modelling
- Providing economic policy analysis, research, assessment and advice on macro and micro economics, including government policy proposals.

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 (SOEs) through financial analysis and oversight.

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.

The Office of the Accountant-General also provides financial support through the Financial Management Grant (FMG) and technical assistance in the form of specialist advisor placements to municipalities. This augments municipal own resources to implement the reforms legislated in the Municipal Finance Management Act (MFMA). The grant further assists assist municipalities build institutional and technical skills in all aspects of financial management including:

- growing the internship programme designed for graduates to be absorbed in municipalities,
- implementing budget reforms,
- improving in supply chain management,
- addressing shortcomings in revenue management,
- implementing strict controls in expenditure management,
- developing assets management plans that also addresses repairs and maintenance of assets,
- producing accurate accounting records,
- assisting in auditing compliance and producing quality and reliable reports and
- supporting training of officials to meet the minimum competencies.

UPDATED SITUATIONAL ANALYSIS

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 dependents 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	2017/18			2018/19		2019/20	
	Total	Current payments	Transfers and subsidies	Payments for capital assets	Payments for financial assets	Total	Total
MTEF allocation							
Administration	414.3	404.0	3.9	6.5	—	456.3	560.0
Economic Policy, Tax, Financial Regulation and Research	1396	1069	319	0.8	—	1425	149.5
Public Finance and Budget Management	286.1	233.7	50.6	1.8	—	291.2	310.4
Asset and Liability Management	102.4	101.7	—	0.7	—	139.4	110.6
Financial Accounting and Supply Chain Management Systems	1 087.9	983.2	99.4	5.3	—	1 207.2	1 091.2
International Financial Relations	5 836.8	52.2	914.9	0.6	4 869.1	5 911.1	6 246.4
Civil and Military Pensions, Contributions to Funds and Other Benefits	4 835.0	65.2	4 769.8	—	—	5 160.9	5 571.3
Technical Support and Development	2 873.3	389.3	2 484.1	—	—	3 230.3	3 410.0
Finance							
Revenue Administration	10 218.2	—	10 218.2	—	—	10 560.2	10 972.1
Financial Intelligence and State Security	5 005.6	—	5 005.6	—	—	5 296.0	5 592.5
Subtotal	30 799.2	2 336.1	23 578.4	15.7	4 869.1	32 395.0	34 014.0

UPDATED SITUATIONAL ANALYSIS

R million	2017/18			2018/19		2019/20	
	Total	Current payments	Transfers and subsidies	Payments for capital assets	Payments for financial assets	Total	Total
Direct charge against the National Revenue Fund							
Provincial equitable share	441 331.1	–	441 331.1	–	–	471 522.5	506 103.7
Debt-service costs	161 429.1	161 429.1	–	–	–	179 716.9	196 988.2
General fuel levy sharing with metropolitan municipalities	11 785.0	–	11 785.0	–	–	12 468.6	13 166.8
National Revenue Fund payments	387.6	–	–	387.6	–	–	–
Total expenditure estimates	645 732.0	163 765.2	476 694.5	15.7	5 256.7	696 103.0	750 272.6
Executive authority	Minister of Finance						
Accounting officer	Director General of the National Treasury						
Website address	www.treasury.gov.za						

The Estimates of National Expenditure e-publications for individual votes are available on www.treasury.gov.za. These publications provide more comprehensive coverage of vote specific information, particularly about goods and services, transfers and subsidies, personnel, entities, donor funding, public private partnerships, conditional grants to provinces and municipalities, and expenditure information at the level of site service delivery, where appropriate.



SELECTED PERFORMANCE INDICATORS BY PROGRAMME AND RELATED OUTCOMES

Indicator	Programme	Outcome	Past			Current		Projections	
			2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20
Net loan debt as a percentage of GDP	Asset and Liability Management	Outcome 4: Decent employment through inclusive growth	38.2% (R1.4tr)	41.2% (R1.6tr)	44.2% (R1.8tr)	45.8% (R2tr)	47.0% (R2.2tr)	47.6% (R2.4tr)	48.0% (R2.6tr)
Value of government gross annual borrowing	Asset and Liability Management		R201.3bn	R215.4bn	R201.4bn	R237.8bn	R215.2bn	R215.1bn	R274.2bn
Cost to service debt as a percentage of GDP	Asset and Liability Management		2.8% (R101.2bn)	3% (R114.8bn)	3.2% (R128.8bn)	3.4% (R147.7bn)	3.5% (R163.6bn)	3.6% (R180.9bn)	3.6% (R197.2bn)
Number of active training providers delivering the municipal regulated minimum competency levels programme per year	Financial Accounting and Supply Chain Management Systems	Outcome 12: An efficient, effective and development-oriented public service	24	40	78	43	43	43	43
Number of individuals trained per year to assist with the implementation of financial management reforms	Financial Accounting and Supply Chain Management Systems		267	350	312	750	740	740	740
Number of transversal term contracts renewed per year for national procurement ²	Financial Accounting and Supply Chain Management Systems		18	16	16	17	17	11	15
Number of precinct plans completed (cumulative) per year	Technical Support and Development Finance	Outcome 8: Sustainable human settlements and improved quality of household life	-1	-1	10	4	8	12	18
Number of catalytic projects approved (cumulative) per year	Technical Support and Development Finance		-1	317	352	360	380	400	420
Total estimated third-party investment leveraged for neighbourhood development	Technical Support and Development Finance		R1.9bn	R2.5bn	R4.2bn	R4bn	R4.3bn	R4.5bn	R4.8bn
Number of integrated projects in integration zones identified for planning per year	Technical Support and Development Finance		12	14	10	12	12	12	12
Number of integrated projects in integration zones under implementation per year	Technical Support and Development Finance		3	3	3	8	10	12	12
Total number of new jobs contracted for approved and active projects in the Jobs Fund (cumulative)	Technical Support and Development Finance	Outcome 4: Decent employment through inclusive growth	65 121	132 725	119 888	150 000	150 000	150 000	150 000
Number of placements contracted with project partners on the Jobs Fund (cumulative inception to date and still active) per year	Technical Support and Development Finance		11 328	84 513	85 851	70 000	70 000	70 000	70 000

UPDATED SITUATIONAL ANALYSIS

EXPENDITURE ANALYSIS

The National Development Plan (NDP) recognises that faster, broad-based growth is needed to transform the economy, create jobs, and reduce poverty and inequality in South Africa. Outcome 4 (decent employment through inclusive economic growth) of government's 2014-2019 medium-term strategic framework gives expression to this vision, with National Treasury's work contributing to its realisation. Over the medium term, the Treasury will continue prioritising infrastructure investment to ease bottlenecks and raise the economy's potential growth rate. The department will also continue working on preventing South Africa's credit rating from being downgraded to sub-investment grade.

The department's strategic focus over the MTEF period will continue to be on managing future spending growth and fiscal risk; reviewing tax policy; supporting sustainable employment; supporting infrastructure development and economically integrated cities and communities; making government procurement more efficient; strengthening government financial management; strengthening the regulation of the financial sector; regional and international cooperation; and managing government's assets and liabilities.

The Treasury is responsible for the main statutory transfers to provincial governments, and plans to transfer R441.3 billion in 2017/18, R471.5 billion in 2018/19 and R506.1 billion in 2019/20 for the provincial equitable share. Cabinet has approved a reduction to the transfer of R500 million in 2017/18, and increases of R2.5 billion in 2018/19 and R3.7 billion in 2019/20. The department also provides for the Civil and Military Pensions, Contribution to Funds and Other Benefits programme, with about half of the funds transferred as government's contribution to medical schemes. Cabinet has approved additional funding of R453.1 million in 2017/18, R524.8 million in 2018/19 and R675.6 million in 2019/20 for post-retirement medical subsidies to provide medical assistance to employees who leave the public service due to retirement, including early retirement from age 50, death, and discharge as a result of poor health or injury on duty.

Servicing of government debt and distributing the general fuel levy to metropolitan municipalities are the department's other core responsibilities. The Treasury will spend a projected R161.4 billion in 2017/18, R179.7 billion in 2018/19 and R197 billion in 2019/20 to service government debt. Cabinet has approved additional funding of R49739 million in 2017/18, R1.2 billion in 2018/19 and R8.4 billion in 2019/20 to cater for higher debt-service costs. The distribution of the general fuel levy to metropolitan municipalities is projected at R11.8 billion in 2017/18, R12.5 billion in 2018/19 and R13.2 billion in 2019/20.

The ceiling for the department's spending on compensation of employees is projected at R2.5 billion over the medium term, after Cabinet-approved reductions of R8.9 million in 2017/18, R9.2 million in 2018/19 and R9.7 million in 2019/20. The reductions were made to lower the national aggregate expenditure ceiling.

MANAGING FUTURE SPENDING GROWTH AND FISCAL RISK

Over the medium term, the Treasury will continue to manage the national Budget preparation process and facilitate the Division of Revenue Act process. These activities are budgeted for in the Public Finance and Budget Management programme at a projected cost of R727.9 million over the MTEF period. Due to the deterioration in the economic outlook, government is committed to its fiscal policy position of reducing the budget deficit and stabilising debt.

REVIEWING TAX POLICY

The Treasury will facilitate the introduction of a tax on beverages with high sugar content to assist in reducing excessive sugar intake and combating the rising levels of obesity and diabetes. The department will also support the implementation of a tyre levy to encourage waste reduction, reuse, treatment and recycling. These tax policies will be introduced from the beginning of 2017/18. Projected revenue of R9.5 billion will be raised through increases in excise duties, the general fuel levy and environmental taxes over

UPDATED SITUATIONAL ANALYSIS

the medium term. Spending over the medium term is projected at R29.7 million in 2017/18, R30 million in 2018/19 and R31 million in 2019/20 in the Tax Policy subprogramme of the Economic Policy, Tax, Financial Regulation and Research programme.

SUPPORTING SUSTAINABLE EMPLOYMENT

The department supports innovative and partnership-based approaches to sustainable employment creation; job seeker support and enterprise development through the Jobs Fund; and research into employment, income distribution and inclusive growth. The Jobs Fund has recently completed a funding round that will provide financial assistance to support new and innovative initiatives that have high potential for direct job creation in the short to medium term or are focused on reducing barriers to job creation. Each funding round usually takes about nine months. At its inception in 2011, the total budget for the fund was set at R9 billion (including the operational budget), which is ringfenced until the completion of the fund's work in 2023 for the creation of 150 000 permanent jobs.

An amount of R6.5 billion has far been allocated to date to a portfolio of 125 approved employment-generating initiatives, and 84 040 new permanent jobs have been created by 99 implementing projects and an additional 48 708 unemployed individuals have been placed in permanent employment. Initiatives supported by the Jobs Fund have resulted in the direct employment of 132 748 people in sustainable jobs. In addition, 169 042 people have benefited from work readiness and technical training interventions. Cabinet has approved a reduction of R408.7 million over the MTEF period for the Jobs Fund. Current estimates suggest that the fund will exceed the target of 150 000 jobs as 90 per cent of the target has already been met. Spending is projected at R3.3 billion over the medium term in the Employment Creation Facilitation subprogramme in the Technical Support and Development Finance programme.

SUPPORTING INFRASTRUCTURE DEVELOPMENT AND ECONOMICALLY INTEGRATED CITIES AND COMMUNITIES

The neighbourhood development partnership grant has been successfully funding neighbourhood development projects to improve the quality of life of residents in targeted areas, generally townships. Capital funding is reserved for projects that contribute to spatial transformation, and assists 18 metropolitan and secondary city municipalities to plan and develop inclusive and productive cities. Such projects use catalytic infrastructure (development and upgrading of roads, water, sewerage, energy infrastructure, public transport facilities, and community and government facilities) to attract third-party investment to township nodes in strategic integration zones.

The grant has developed and implemented a two-stage capital funding approval process, portfolio management system and baseline management approach that optimises funding. The first funding approval is for project planning and the second is for implementation. This process reduces the risk of contingent project liabilities that result in slow spending due to factors such as procurement delays. Over the medium term, the grant will support an estimated 18 urban hub precinct plans that will prioritise 80 catalytic infrastructure projects. Spending over the medium term is projected at R691.1 million in 2017/18, R731.2 million in 2018/19 and R772.2 million in 2019/20 in the Urban Development and Support subprogramme in the Technical Support and Development Finance programme.

The integrated city development grant provides a financial incentive for metropolitan municipalities to integrate and focus their use of investment available for infrastructure investment and regulatory instruments to achieve more compact and efficient urban spaces. In the eight metropolitan municipalities, 25 strategic integration zones have been identified. Cities are currently undertaking more detailed planning and the implementation of catalytic integrated development projects within these prioritised areas. Projects that are being implemented are located in inner-city areas in Johannesburg (inner-city core and Hillbrow), East London (Buffalo City) and Ekurhuleni (Kempton Park central business district); in township areas such as Jabulani, Soweto; and in well-located transport corridors such as the Voortrekker Road Corridor (Cape Town). This funding has also contributed to the development of large land and housing projects such as Cornubia in eThekweni. Over the MTEF period, the grant allocation is projected at R292.1 million in 2017/18,

UPDATED SITUATIONAL ANALYSIS

R309.1 million in 2018/19 and R326.4 million in 2019/20 in the Urban Development and Support subprogramme in the Technical Support and Development Finance programme.

The infrastructure delivery improvement programme supports provincial departments that deliver infrastructure, and aims to improve the delivery of public-sector infrastructure through institutionalising best practice and building capacity. Over the medium term, the programme has projected to train 300 officials on infrastructure delivery management system initiatives and 27 in capacity improvement initiatives to be undertaken to support infrastructure delivery. The allocation over the medium term is projected at R90 million in 2017/18, R93.1 million in 2018/19 and R98.3 million in 2019/20 in the Infrastructure Development Support subprogramme in the Technical Support and Development Finance programme.

The infrastructure skills development grant supports municipalities by recruiting and training unemployed graduates, and developing professionals, as per the requirements of statutory councils within the built environment sector. The grant funds the training of 315 graduates from various municipalities, and 138 graduates have completed the training, with 114 having been permanently appointed. To support this, the grant's allocation over the medium term is projected at R140.8 million in 2017/18, R148.9 million in 2018/19 and R157.3 million in 2019/20 in the Infrastructure Development and Support subprogramme in the Technical Support and Development Finance programme.

MAKING GOVERNMENT PROCUREMENT MORE EFFICIENT

Through the Office of the Chief Procurement Officer, the Treasury is effecting government procurement more efficiently by means of the implementation of current short and medium-term reforms with the objective of improving government spending patterns, increased efficiency and minimised opportunities for corruption in the public sector.

The draft Public Procurement Bill is the short-term reform and is expected to be completed by March 2017. The objective of the bill is to consolidate the fragmented legal and policy environment, and to provide a flexible, agile and expanded scope of service delivery, empowerment, savings strategies and contract management. This legislation will establish a single public procurement authority as an oversight custodian to implement procurement under section 217 of the Constitution.

The establishment of the central supplier database is not only to reduce administrative red tape when doing business with government, but to enhance compliance in procurement practices. About 9 000 suppliers employed by the state were identified through the database in 2015/16. About 12 000 identification numbers of deceased persons were also identified as suppliers fraudulently doing business with the state. Furthermore, 45 000 bank accounts were detected as those not being linked to the same supplier registered on the database. Through these initiatives, in 2016/17, actual savings of R675 million (R400 million on cellphones and R275 million on vehicles) have since been secured through the negotiated leveraged procurement of mobile telecommunication services, which translates to 40 per cent, and a centralised vehicle procurement contract that has been negotiated.

The procurement of mobile telecommunication services was leveraged through aggregation and consolidation of the highest spending departments, thereby redefining specification requirements for government by using a wholesale model rather than an individual subscription contract per user. This also meant buying bulk voice, data and SMS bundles in an enterprise architecture solution and open competitive bidding in the market. The vehicle contract is expected to save the state between R1 billion and R1.5 billion per year over the medium term, depending on the type of vehicles acquired.

The Office of the Chief Procurement Officer currently manages 69 contracts for use across government, which comprises approximately 24 000 items at an estimated value of R61 billion. These contracts include medical equipment and consumables, vehicle and related services, agricultural products, education materials, textiles and support services. Over the medium term, the office will also lead the digitisation of procurement processes. Several procurement processes will be automated and will contribute to simplifying and speeding up procurement processes and activities. The procurement processes themselves are also anticipated to provide government with additional savings.

UPDATED SITUATIONAL ANALYSIS

Cabinet approved additional funding of R58.9 million in 2017/18, R151.2 million in 2018/19 and R95.2 million in 2019/20 20 in support of the Office of the Chief Procurement Officer to fulfil its key mandate in terms of modernising the state procurement system to be fair, transparent, equitable, competitive and cost effective. Spending in this regard is projected at R164.7 million in 2017/18, R260.5 million in 2018/19 and R214.4 million in 2019/20 in the Office of the Chief Procurement Officer subprogramme in the Financial Accounting and Supply Chain Management Systems programme.

STRENGTHENING GOVERNMENT FINANCIAL MANAGEMENT

The procurement of the integrated financial management system will alleviate constraints in policy implementation as a result of aging and obsolete software and hardware. The system will transform practices by providing centrally hosted and integrated financial, supply chain management and human resources management systems. The Treasury purchased software licences for the integrated financial management system for R461 million in 2016/17, and will aim to complete the centralised design of the system, plan and procure the hardware (including hosting infrastructure), and implement the software in 2017/18. Cabinet has approved additional funding of R130 million in 2017/18 and R120 million in 2018/19 for the system. Spending over the medium term is projected at R353.5 million in 2017/18, R350.1 million in 2018/19 and R243 million in 2019/20 in the Financial Systems subprogramme in the Financial Accounting and Supply Chain Management Systems programme.

Through the local government financial management grant, the Treasury promotes and supports reforms in financial management and the building of capacity at municipalities to improve the implementation of the Municipal Finance Management Act (2003). The funds disbursed through the grant augment municipal resources to address capacity constraints in financial management, and the progress of municipalities in this regard is monitored through regular reports to the Treasury. The grant allocation is R502 million in 2017/18, R531.1 million in 2018/19 and R560.9 million in 2019/20 in the Local Government Financial Management Support subprogramme in the Technical Support and Development Finance programme.

STRENGTHENING THE REGULATION OF THE FINANCIAL SECTOR

In 2016/17, an impact study of the twin peaks reforms was conducted by the Treasury on the Financial Sector Regulation Bill, which will establish the twin peaks institutional framework for financial regulation and supervision. It outlines the expected impact of the reforms on the national priorities of social cohesion, security, economic growth and investment, economic inclusion, and environmental sustainability. This is to ensure a stable and more inclusive financial sector, and improve support to increased economic growth.

The revised Financial Sector Regulation Bill was submitted for parliamentary approval in 2016/17. Over the medium term, the bill will establish a system of financial regulation by establishing a prudential authority and a financial sector conduct authority, and conferring powers on these entities; preserve and enhance financial stability in South Africa by conferring powers on the Reserve Bank; establish a financial stability oversight committee; regulate and supervise financial product providers and financial services providers; and improve market conduct in order to protect financial customers.

Spending on these activities is projected at R24.6 million in 2017/18, R24.9 million in 2018/19 and R26.3 million in 2019/20 in the Financial Sector Policy subprogramme in the Economic Policy, Financial Regulation and Research programme.

FACILITATING REGIONAL AND INTERNATIONAL COOPERATION

The Brazil-Russia-India-China-South Africa (BRICS) New Development Bank was officially established in February 2016. National Treasury facilitated the transfer payment of the first capital instalment of R2.3 billion in December 2015, with the second capital instalment of R3.5 billion made in August 2016 for the South African government's capital contribution. The bank will focus on lending money to developing countries to help finance infrastructure projects. The bank's Africa Regional Centre was established in Johannesburg and has begun its recruitment process.

UPDATED SITUATIONAL ANALYSIS

Over the medium term, the Treasury will represent South Africa's regional and global interests by maintaining its engagement with regional and international forums and institutions such as the BRICS group of countries, the G20, the Southern African Customs Union and the World Bank through strengthening and expanding South Africa's engagement in key institutions and with partners at selected policy forums, increasing capital participation (as appropriate) to more firmly anchor South Africa's role, and advancing governance reform and pressing for improved effectiveness in the delivery of institutional organisational mandates. Spending on these activities is projected at R4.5 billion in 2017/18, R4.5 billion in 2018/19 and R4.8 billion in 2019/20 in the International Development Funding Institutions subprogramme in the International Financial Relations programme.

Compensation to member countries of the Common Monetary Area for the use of the rand as currency in Namibia, Lesotho and Swaziland is expected to increase from R754.9 million in 2017/18 to R849.9 million in 2019/20, funded in the African Integration and Support subprogramme in the International Financial Relations programme.

MANAGING GOVERNMENT'S ASSETS AND LIABILITIES

National Treasury is responsible for overseeing state-owned enterprises and enabling them to meet government's policy objectives in a financially and fiscally sustainable manner. The oversight and governance of state-owned enterprises unit compiles annual reviews of the corporate plans of all public entities listed in schedules 2 and 3B of the Public Finance Management Act (1999), including some selected schedule 3A entities. In addition to assessing the entities' alignment with government's priorities and their financial sustainability and soundness of governance, the review aims to identify possible risks and mitigate their possible effects. Similarly, the performance of public entities is evaluated through a review of their annual reports. Over the medium term, the Treasury will continue to compile submissions and review applications for borrowing limits in state-owned entities, and report on their compliance with statutes such as the Public Finance Management Act (1999), the Companies Act (2008), National Treasury regulations and the King III report on corporate governance.

Over the medium term, the Treasury will continue to finance government's gross borrowing requirements in domestic and international capital markets, taking into consideration a risk-sensitive approach to debt financing and the management of the debt portfolio. Surplus cash will also be managed prudently to ensure government remains liquid. Spending on these activities is projected at R102.4 million in 2017/18, R139.4 million in 2018/19 and R110.6 million in 2019/20 in the *Asset and Liability Management Programme*.

EXPENDITURE ESTIMATES

UPDATED SITUATIONAL ANALYSIS

Programme	Annual budget	2013/14		2014/15		2015/16		2016/17		2013/14 - 2016/17			
		Adjusted appropriation	Audited outcome	Annual budget	Adjusted appropriation	Audited outcome	Annual budget	Adjusted appropriation	Audited outcome	Annual budget	Revised estimate	Average: Outcome/Adjusted appropriation (%)	
Programme 1	341.7	356.4	319.6	343.1	372.4	362.5	366.7	363.6	375.6	412.7	467.4	446.1	
Programme 2	145.9	133.9	124.1	138.9	134.4	124.3	133.9	135.4	131.3	146.1	150.2	153.9	
Programme 3	265.5	246.2	227.6	262.8	259.9	245.3	257.0	266.1	262.6	287.0	294.5	287.9	
Programme 4	2 995.2	2 994.0	2 990.9	3 342.1	3 343.4	3 089.4	3 116.9	3 264.9	3 204.3	1 072	113.1	113.3	
Programme 5	724.6	734.7	707.8	761.6	770.0	731.5	751.4	807.1	774.5	849.9	1 216.8	1 217.8	
Programme 6	1 112.5	1 092.0	1 067.7	1 179.8	1 199.7	1 198.7	1 247.4	3 254.9	3 546.1	5 039.1	4 978.0	4 977.3	
Programme 7	3 497.0	3 497.0	3 523.1	3 717.8	3 717.8	3 730.9	3 962.9	3 962.9	3 967.7	4 173.2	4 462.6	4 462.6	
Programme 8	2 764.7	2 469.1	2 437.3	3 712.2	3 099.8	2 893.3	3 143.9	2 774.6	2 472.2	2 634.7	2 612.7	2 598.5	
Programme 9	9 534.4	9 534.4	9 534.4	9 440.3	9 440.3	9 440.3	9 440.3	9 434.4	9 334.4	10 009.2	9 363.7	9 363.7	
Programme 10	4 174.6	4 174.6	4 174.6	4 366.3	4 366.3	4 366.3	4 542.8	4 542.8	4 562.1	4 812.5	4 812.5	4 812.5	
Subtotal	25 556.0	25 232.3	25 107.1	27 265.0	26 703.9	26 182.5	26 957.3	28 726.1	28 690.8	28 471.4	28 433.6	100.2%	
Direct charge against the National Revenue Fund	445 415.7	446 793.2	447 809.7	485 012.5	484 907.8	486 435.9	519 893.8	525 742.6	526 636.1	569 787.4	570 833.0	569 505.8	
Provincial equitable share	335 130.9	336 495.3	336 495.3	359 921.8	359 921.8	359 921.8	382 673.5	386 500.0	386 500.0	410 698.6	410 698.6	410 698.6	
Debt-service costs	99 741.4	100 484.5	101 184.7	114 900.5	114 485.0	114 798.4	126 440.4	127 902.0	128 795.6	147 720.0	147 689.2	146 171.3	
General fuel levy sharing with metropolitan municipalities	9 613.4	9 613.4	10 190.2	10 190.2	10 190.2	10 658.9	10 658.9	10 658.9	11 223.8	11 223.8	11 223.8	100.0%	
National Revenue Fund payments	930.0	200.0	516.3	—	310.9	1 525.5	121.0	681.7	145.0	1 221.4	1 412.1	345.8%	
Total	470 971.7	472 025.5	472 916.7	512 277.5	511 611.8	512 618.4	546 851.1	554 468.7	555 327.0	598 258.8	599 304.5	597 939.4	100.5%
Change to 2016 Budget estimate										1 045.6			

EXPENDITURE ESTIMATES - CONTINUED

UPDATED SITUATIONAL ANALYSIS

Programme	R million	2013/14		2014/15		2015/16		2016/17		2013/14 - 2016/17	
		Annual budget	Adjusted appropriation	Revised estimate	Average: Outcome/Annual budget (%)						
ECONOMIC CLASSIFICATION											
Current payments	101 551.5	102 283.2	102 847.4	116 832.7	116 304.8	116 328.4	128 388.5	129 824.5	130 621.5	149 812.3	150 180.2
Compensation of employees	710.5	659.5	602.1	764.9	689.0	671.5	725.5	733.4	732.7	817.6	815.7
Goods and services	1 099.5	1 139.2	1 060.6	1 167.2	1 130.8	858.5	1 222.6	1 189.1	1 093.2	1 274.8	1 675.2
Interest and rent on land	99 741.4	100 484.5	101 184.7	114 900.5	114 485.0	114 798.4	126 440.4	127 902.0	128 795.6	147 720.0	147 689.2
Transfers and subsidies	365 286.5	366 323.5	366 311.6	391 863.0	391 336.9	391 368.2	414 954.5	418 329.0	418 144.3	444 111.4	443 844.7
Provinces and municipalities	345 905.6	347 270.0	347 257.9	371 511.7	371 511.7	371 510.9	394 767.6	398 594.2	398 570.7	423 409.0	423 409.0
Departmental agencies and accounts	13 919.6	13 922.2	13 960.1	14 011.1	14 127.7	14 115.1	15 420.4	15 042.1	14 816.6	15 741.5	15 096.0
Higher education institutions	10.0	10.0	10.0	5.8	5.8	—	—	—	—	—	63.3%
Foreign governments and international organisations	800.4	771.5	712.3	828.3	777.2	790.5	854.1	777.9	831.3	838.0	925.5
Public corporations and private enterprises	1 206.3	903.1	903.1	1 844.5	1 252.2	1 274.5	11.4	11.4	12.0	12.0	71.6%



EXPENDITURE ESTIMATES - CONTINUED

UPDATED SITUATIONAL ANALYSIS

Programme	R million	2013/14		2014/15		2015/16		2016/17		2013/14 - 2016/17	
		Annual budget	Adjusted appropriation	Annual budget	Adjusted appropriation (%)						
Economic classification											
Households	3 444.6	3 446.7	3 468.2	3 661.6	3 662.2	3 677.1	3 900.9	3 903.5	3 943.3	4 111.0	4 402.2
Payments for capital assets	21.6	33.3	21.3	11.4	19.6	20.1	16.4	26.1	33.2	38.0	56.9
Buildings and other fixed structures	5.0	5.0	—	—	—	0.4	—	0.4	—	—	0.2
Machinery and equipment	16.6	28.3	21.3	11.4	19.6	19.8	16.4	25.7	33.2	37.9	56.7
Software and other intangible assets	—	—	—	—	—	—	—	—	—	0.0	0.0
Payments for financial assets	4 112.0	3 385.5	3 736.4	3 570.5	3 950.5	4 901.8	3 491.7	6 289.0	6 527.9	4 297.2	5 222.6
Total	40 971.7	472 025.5	472 916.7	512 277.5	511 611.8	512 618.4	546 851.1	554 468.7	555 327.0	598 258.8	599 304.5
											597 939.4
											100.5%
											100.1%

EXPENDITURE ESTIMATES - CONTINUED

Vote expenditure estimates by programme and economic classification

Programme R million	Revised estimate 2016/17	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
				2013/14 - 2016/17	2017/18	2018/19	2019/20	2016/17 - 2019/20
Programme 1	446.1	7.8%	0.11%	414.3	456.3	560.0	560.0	7.9%
Programme 2	153.9	4.8%	0.0%	139.6	142.5	149.5	-1.0%	0.0%
Programme 3	287.9	5.4%	0.0%	286.1	291.2	310.4	2.5%	0.0%
Programme 4	113.3	-66.4%	0.4%	102.4	139.4	110.6	-0.8%	0.0%
Programme 5	1 217.8	18.3%	0.2%	1 087.9	1 207.2	1 091.2	-3.6%	0.2%
Programme 6	4 977.3	65.8%	0.5%	5 836.8	5 911.1	6 246.4	7.9%	0.9%
Programme 7	4 462.6	8.5%	0.7%	4 835.0	5 160.9	5 571.3	7.7%	0.7%
Programme 8	2 598.5	1.7%	0.5%	2 873.3	3 230.3	3 410.0	9.5%	0.5%
Programme 9	9 363.7	-0.6%	1.8%	10 218.2	10 560.2	10 972.1	5.4%	1.5%
Programme 10	4 812.5	4.9%	0.8%	5 005.6	5 296.0	5 592.5	5.1%	0.8%
Subtotal	28 453.6	4.1%	5.1%	30 799.2	32 395.0	34 014.0	6.2%	4.7%
Direct charge against the National Revenue Fund	569 505.8	8.4%	94.9%	614 932.8	663 708.0	716 258.6	7.9%	95.3%
Provincial equitable share	410 698.6	6.9%	69.8%	441 331.1	471 522.5	506 103.7	7.2%	68.0%
Debt-service costs	146 171.3	13.3%	23.0%	161 429.1	179 716.9	196 988.2	10.5%	25.4%
General fuel levy sharing with metropolitan municipalities	11 223.8	5.3%	1.9%	11 785.0	12 468.6	13 166.8	5.5%	1.8%
National Revenue Fund payments	1 412.1	91.8%	0.2%	387.6	-	-	-100.0%	0.1%
Total	597 939.4	8.2%	100.0%	645 732.0	696 103.0	750 272.6	7.9%	100.0%
Change to 2016 Budget estimate				(938.1)	3 716.9	12 002.5		

EXPENDITURE ESTIMATES - CONTINUED

UPDATED SITUATIONAL ANALYSIS

Vote expenditure estimates by programme and economic classification						
Programme	Revised estimate	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate	Average growth rate (%)	Average: Expenditure/ Total (%)
R million	2016/17	2013/14 - 2016/17		2017/18	2018/19	2019/20
ECONOMIC CLASSIFICATION						
Current payments	1 486 055	13.3%	23.3%	2 336.1	2 552.7	2 559.8
Compensation of employees	797.8	6.6%	0.1%	799.3	807.8	869.3
Goods and services	1 641.4	12.9%	0.2%	1 536.8	1 744.9	1 690.5
Interest and rent on land	146 171.3	13.3%	23.0%	—	—	—
Transfers and subsidies	443 844.7	6.6%	75.7%	476 694.5	508 930.7	545 547.4
Provinces and municipalities	423 409.0	6.8%	72.0%	454 714.4	485 682.0	521 056.1
Departmental agencies and accounts	15 096.0	2.7%	2.7%	16 281.0	17 168.6	17 949.3
Foreign governments and international organisations	925.5	6.3%	0.2%	917.5	975.5	1 030.1
Public corporations and private enterprises	12.0	-76.3%	0.1%	12.6	13.3	14.1
Households	4 402.2	8.5%	0.7%	4 769.0	5 091.2	5 497.7
Payments for capital assets	70.9	28.6%	0.0%	15.7	16.5	17.3
Buildings and other fixed structures	0.2	-65.8%	0.0%	—	—	—
Machinery and equipment	70.7	35.7%	0.0%	15.7	16.5	17.3
Software and other intangible assets	0.0	—	0.0%	—	—	—
Payments for financial assets	5 413.3	16.9%	1.0%	5 256.7	4 886.3	5 159.9
Total	597 939.4	8.2%	100.0%	484 302.9	516 386.1	553 284.4
						-2.6%
						80.0%

PERSONNEL INFORMATION

Personnel numbers and cost by salary level and programme																			
Number and cost ² of personnel posts filled / planned for on funded establishment																			
Number of posts estimated for 31 March 2017	Number of posts additional to the establishment	Actual			Revised estimate			Medium-term expenditure estimate			Average: Salary level/ Total (%)	Average growth rate (%)	Number						
		2015/16	No.	Cost	Unit Cost	No.	Cost	Unit Cost	No.	Cost	Unit Cost								
National Treasury	Number of funded posts	2016/17				2017/18			2018/19			2016/17 - 2019/20							
Salary level	1 267	68	1 218	732.7	0.6	1 222	797.8	0.7	1 172	799.3	0.7	1 124	807.8	0.7	1 161	869.3	0.7	-1.7%	100.0%
1 – 6	62	3	61	13.8	0.2	63	15.0	0.2	61	14.1	0.2	60	14.6	0.2	62	16.1	0.3	-0.5%	5.3%
7 – 10	543	20	532	199.1	0.4	509	204.4	0.4	482	205.0	0.4	452	202.5	0.4	476	226.3	0.5	-2.2%	41.0%
11 – 12	360	20	338	216.8	0.6	332	233.9	0.7	319	249.3	0.8	307	254.6	0.8	314	275.0	0.9	-1.8%	27.2%
13 – 16	300	25	287	303.1	1.1	318	344.6	1.1	310	330.9	1.1	305	336.1	1.1	309	352.0	1.1	-1.0%	26.5%
Other	2	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Programme	1 267	68	1 218	732.7	0.6	1 222	797.8	0.7	1 172	799.3	0.7	1 124	807.8	0.7	1 161	869.3	0.7	-1.7%	100.0%
Programme 1	404	6	384	182.4	0.5	376	201.0	0.5	368	199.5	0.5	356	201.8	0.6	365	219.3	0.6	-1.0%	31.3%
Programme 2	123	–	105	78.2	0.7	104	81.4	0.8	98	78.1	0.8	92	78.7	0.9	93	82.3	0.9	-3.7%	8.3%
Programme 3	262	52	277	192.3	0.7	286	201.0	0.7	261	201.9	0.8	249	204.2	0.8	259	219.2	0.8	-3.3%	22.5%
Programme 4	120	–	111	72.1	0.6	111	77.6	0.7	105	77.5	0.7	100	78.7	0.8	104	84.6	0.8	-2.1%	9.0%
Programme 5	312	10	303	179.5	0.6	304	204.3	0.7	293	206.1	0.7	283	208.3	0.7	292	223.7	0.8	-1.3%	25.0%
Programme 6	46	–	38	28.2	0.7	41	32.6	0.8	47	36.0	0.8	44	36.1	0.8	48	40.2	0.8	5.4%	3.8%

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

2. Rand million.

PART B

PROGRAMME AND SUB-PROGRAMME PLANS



**ANNUAL
PERFORMANCE
PLAN 2017/18**



national treasury

Department:
National Treasury
REPUBLIC OF SOUTH AFRICA

PROGRAMME AND SUB-PROGRAMME PLANS

PROGRAMME 1: ADMINISTRATION

PURPOSE

Provide strategic leadership, management and support services to the department, and capacity building.

STRATEGIC OBJECTIVESⁱ

STRATEGIC OBJECTIVE (SO) ¹	OBJECTIVE STATEMENT	SUB-PROGRAMMES
SO 1.1 Provide integrated business solutions	Align support provided with the requirements of the department and its strategic and performance plans	Corporate Services
SO 1.2 Ensure good governance and sound control environment	To ensure good governance and a sound control environment for the department	Corporate Services
SO 1.3 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

SUB-PROGRAMME OVERVIEW

OFFICE OF THE MINISTER AND DEPUTY MINISTER

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

OFFICE OF THE DIRECTOR-GENERAL

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.

MANAGEMENT

This sub-programme primarily provides administrative services to and reports directly to the Director-General. It consists of five support services;

Internal Audit contributes to the strengthening of National Treasury's accountability and enhancing public stewardship by evaluating and improving the adequacy and effectiveness of governance, risk management and control processes. The unit provides robust and practical strategic advice and recommendations founded on aligning the business with best practice. By acting as a frame of reference, the unit also supports the Office of the Accountant-General in providing guidance and support to internal audit (IA) functions in government.

¹ For Programme's Strategic Objective amendments please refer to the relevant Annexure

PROGRAMME AND SUB-PROGRAMME PLANS

Enterprise Risk Management improves organisational risk communication and knowledge sharing, developing a common risk language that ensures that a risk management culture is embedded within National Treasury. The unit provides information for decision making and reducing uncertainty through coordinating a holistic view of risk and application of robust risk management systems to identify and mitigate risks that may 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 function. It ensures that National Treasury has a strategic risk profile register that enables coordination and alignment of strategic initiatives across the department.

Strategic Planning, Monitoring and Evaluation is tasked with embedding planning into National Treasury including facilitating the departments short, medium and long term strategic planning processes and ensuring that plans are aligned to legislative mandates and broader government imperatives. The unit develops and administers systems and processes that entrench proper monitoring, evaluation and reporting on departmental performance delivery and facilitates the development and implementation of service delivery improvement.

Legal Services is responsible for providing a comprehensive legal advisory service to enable National Treasury to carry out its mandate effectively within the law.

Communication furthers National Treasury transparency imperatives by being responsible for ensuring effective communication between National Treasury and all stakeholders.

CORPORATE SERVICES

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

Human Resources (HR) Management ensures transactional and transformational HR support so that National Treasury can attract, develop and retain the skills needed to deliver on the departments mandate and objectives.

Financial Management administers compliance with all relevant financial statutes and regulations, the most important of which is the PFMA. In ensuring compliance, the unit strives to attain a balance between achieving service excellence and maintaining administrative controls.

Information and Communication Technology (ICT) improves National Treasury's operational efficiency, optimises costs, drives innovation and accelerates the delivery of services. The unit provides long term planning and day-to-day support in respect of ICT-enabled delivery using ICT services and systems.

Strategic Projects and Support is responsible for preserving National Treasury's institutional memory and tangible knowledge as well as providing management support to internal projects. Knowledge management (KM) deals with the conservation and pollination of organisational information created within and in partnership with National Treasury. Records management focuses on the preservation of tangible knowledge so that it can be accessed easily and in compliance with the National Archives Act.

The Public Entities Oversight unit ensures that entities reporting to the Minister of Finance are compliant with relevant governance and reporting requirements and reports progress made to the Minister of Finance in this regard.

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

PROGRAMME AND SUB-PROGRAMME PLANS

STRATEGIC PLAN OBJECTIVE ANNUAL AND MEDIUM TERMS TARGETS²

PERFORMANCE INDICATOR	AUDITED/ACTUAL PERFORMANCE			ESTIMATED PERFORMANCE CURRENT YEAR	PLANNED PERFORMANCE CURRENT YEAR			MEDIUM TERM TARGETS (MTTF)			
	2013/14	2014/15	2015/16		2016/17	2017/18	2018/19	2019/20	2020/2021		
Strategic Objective 1.1: Provide integrated business solutions											
Strategic Objective 1.2: To ensure good governance and a sound control environment.											
1.1 % increase in Year on Year MPAT Total Score	#	#	#	#	#	#	2%	2%	2%	2%	
1.2 Produce an Audited Annual Report	#	#	#	#	#	#	1	1	1	1	
Strategic Objective 1.3: Provide support for strategic and performance management across the organisation											
1.3 Produce an APP	#	#	#	#	#	#	1	1	1	1	

² Please refer to endnotes where so designated

PROGRAMME PERFORMANCE INDICATORS AND ANNUAL TARGETS

PERFORMANCE INDICATOR	AUDITED/ACTUAL PERFORMANCE	ESTIMATED PERFORMANCE	PLANNED PERFORMANCE CURRENT YEAR	MEDIUM TERM TARGETS (MTTF)				
				2013/14	2014/15	2015/16	2016/17	2017/18
Strategic Objective 1.1: Provide integrated business solutions								
1.1.1 Percentage completion of the business continuity strategy ⁱ	None	None	100% of Phase 2	30%	30%	30%	60% of Phase 3	100% of Phase 3
1.1.2 Percentage of knowledge management (KM) strategy implemented ⁱⁱ	None	None	None	10%	30%	40%	40%	20%
1.1.3 Percentage of funded positions filled	None	93.3%	91%	92%	92%	92%	95%	100% of the NT KM maturity measured
1.1.4 Percentage availability of ICT systems achieved ⁱⁱⁱ	None	None	None	95%	95%	95%	95%	95%
1.1.5 Percentage saved on the rand value budgeted for paper usage, travel and strategic sourcing ^{iv}	#	#	#	#	#	1%	1%	2%
Strategic Objective 1.2: To ensure good governance and a sound control environment.								
1.2.1 Percentage completion of the approved risk-based IA plan	None	None	None	100%	100%	100%	100%	100%
1.2.2 Produce approved annual strategic risk mitigation plan and quarterly risk implementation assessment reports ^v	#	#	#	#	1 plan 4 reports			
1.2.3 Number of entities reporting to MoF reviewed quarterly reports submitted for the Minister's consideration ^{vi}	None	None	None	40	44	44	44	44
1.2.4 Number of vetting forms completed by staff group, submitted to State Security Agency (SSA) ^{vii}	#	#	#	#	182	182	182	182

PROGRAMME PERFORMANCE INDICATOR QUARTERLY TARGETS FOR 2017/18

Performance Indicator	Annual targets	Strategic Objective 1.1: Provide integrated business solutions				Quarter 4
		2017/18	Quarter 1	Quarter 2	Quarter 3	
Strategic Objective 1.1: Provide integrated business solutions						
1.1.1	Percentage completion of the business continuity strategy	30% of Phase 3	0%	10%	10%	10%
1.1.2	Percentage of knowledge management (KM) strategy implemented	30%	5%	10%	10%	5%
1.1.3	Percentage of funded positions filled	92%	92%	92%	92%	92%
1.1.4	Percentage availability of ICT systems achieved.	95%	95%	95%	95%	95%
1.1.5	Percentage saved on the rand value budgeted for paper usage, travel and strategic sourcing	1%	N/A	N/A	N/A	1%
Strategic Objective 1.2: To ensure good governance and a sound control environment.						
1.2.1	Percentage completion of the approved risk-based A plan	100%	20%	24%	32%	100%
1.2.2	Produce approved annual strategic risk mitigation plan and quarterly risk implementation assessment reports	1 plan 4 reports	1 approved plan 1 quarterly report	1 quarterly report	1 quarterly report	1 quarterly report
1.2.3	Number of entities reporting to MoF reviewed quarterly reports submitted for the Minister's consideration	44	11	11	11	11
1.2.4	Number of vetting forms completed by staff group, submitted to State Security Agency (SSA)	182	70	30	20	62

EXPENDITURE TRENDS AND ESTIMATES

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate	Average growth rate (%)	Average: Expenditure/ Total (%)
	2013/14	2014/15	2015/16						
Ministry	3 301	3 309	3 628	4 037	6.9%	0.9%	4 861	5 149	5 527
Departmental Management	42 183	47 458	47 115	52 253	7.4%	12.4%	57 998	59 606	64 891
Corporate Services	90 455	107 272	116 477	155 679	19.8%	30.8%	119 887	125 011	148 850
Enterprise Wide Risk Management	32 042	22 496	27 537	27 090	-5.4%	7.2%	29 335	30 009	32 327
Financial Administration	35 662	38 632	38 701	51 794	13.2%	10.8%	39 299	40 284	96 550
Legal Services	16 439	16 593	18 656	20 024	6.8%	4.7%	20 116	20 760	21 946
Internal Audit	22 014	17 119	20 681	23 339	2.0%	5.5%	22 521	22 717	24 621
Communications	8 838	10 120	10 200	13 343	14.7%	2.8%	9 622	9 375	9 746
Office Accommodation	68 661	99 528	92 387	119 857	20.4%	25.0%	110 671	143 362	155 586
Total	319 595	362 527	375 582	467 416	13.5%	100.0%	414 310	456 273	560 044
Change to 2016 Budget estimate				54 755			2 441	23 943	99 438
ECONOMIC CLASSIFICATION									
Current payments	298 581	345 080	347 817	417 164	11.8%	92.4%	403 954	444 957	548 239
Compensation of employees ¹	144 304	166 375	182 388	210 172	13.4%	46.1%	199 536	201 781	219 294
Goods and services	154 277	178 705	165 429	206 992	10.3%	46.3%	204 418	243 176	328 945
of which:									
Computer services	18 388	24 868	18 613	34 681	23.6%	6.3%	28 225	30 677	47 502
Consultants, Business and advisory services	18 927	8 949	6 999	8 627	-23.0%	2.9%	9 485	9 835	63 685
Agency and support/outsourced services	10 368	9 738	11 001	11 082	2.2%	2.8%	13 868	14 817	14 782
Operating leases	39 490	58 912	51 091	64 483	17.8%	14.0%	66 696	90 491	80 460
Property payments	12 026	21 389	23 057	28 607	33.5%	5.6%	16 399	28 178	19 211
Travel and subsistence	15 189	13 223	13 964	15 329	0.3%	3.8%	16 279	17 458	18 423

EXPENDITURE TRENDS AND ESTIMATES - CONTINUED

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate	Average growth rate (%)	Average: Expenditure/ Total (%)
R thousand	2013/14	2014/15	2015/16	2016/17	2013/14 - 2016/17	2017/18	2018/19	2019/20	2016/17 - 2019/20
Transfers and subsidies ¹	3 541	4 274	4 251	4 624	9.3%	1.1%	3 880	3 954	4 159
Departmental agencies and accounts	1 866	2 304	1 859	2 116	4.3%	0.5%	2 080	2 104	2 216
Households	1 675	1 970	2 392	2 508	14.4%	0.6%	1 800	1 850	1 943
Payments for capital assets	17 199	13 111	23 367	45 628	38.4%	6.5%	6 476	7 362	7 646
Machinery and equipment	17 199	13 111	23 367	45 628	38.4%	6.5%	6 476	7 362	7 646
Payments for financial assets	274	62	147	—	-100.0%	—	—	—	—
Total	319 595	362 527	375 582	467 416	13.5%	100.0%	414 310	456 273	560 044
Proportion of total programme expenditure to vote expenditure	1.3%	1.4%	1.3%	1.6%	—	—	1.3%	1.4%	1.6%

DETAILS OF TRANSFERS AND SUBSIDIES

Departmental agencies and accounts			
Departmental agencies (non-business entities)			
Current Communication	1 866	2 304	1 859
Finance and Accounting Services Sector Education and Training Authority	9	9	9
Households	1 857	2 295	1 850
Social Benefits			
Current	324	413	998

EXPENDITURE TRENDS AND ESTIMATES - CONTINUED

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate	Average growth rate (%)	Average: Expenditure/ Total (%)
	2013/14	2014/15	2015/16						
R thousand									
Employee Social Benefits	324	413	998	928	42.0%	0.2%	—	—	-100.0%
Households									
Other transfers to households									
Current	1 351	1 557	1 394	1 580	5.4%	0.4%	1 800	1 850	1 943
Bursaries for non-employees	1 351	1 557	1 394	1 580	5.4%	0.4%	1 800	1 850	1 943
									0.4%

PERSONNEL INFORMATION

PROGRAMME AND SUB-PROGRAMME PLANS

Number of posts estimated for 31 March 2017	Number and cost ² of personnel posts filled / planned for on funded establishment										Number
	Number of funded posts	Number of posts additional to the establishment	Revised estimate			Medium-term expenditure estimate				Average growth rate (%)	Average: Salary level/Total (%)
			2015/16	2016/17	2017/18	2018/19	2019/20	2018/19	2019/20		
Administration											
Salary level	404	6	384	182.4	0.5	376	201.0	0.5	368	199.5	0.5
1 – 6	49	–	45	10.1	0.2	47	10.8	0.2	47	11.1	0.2
7 – 10	233	3	229	75.2	0.3	210	76.8	0.4	206	79.0	0.4
11 – 12	71	–	65	42.5	0.7	65	48.5	0.7	63	49.1	0.8
13 – 16	49	3	45	54.6	1.2	54	65.0	1.2	52	60.3	1.2
Other	2	–	–	–	–	–	–	–	–	–	–

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

2. Rand million.

PROGRAMME AND SUB-PROGRAMME PLANS

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

PURPOSE

Provide specialist policy research, analysis and advisory services in the areas of macroeconomics, microeconomics, taxation and the financial sector and regulatory reform.

STRATEGIC OBJECTIVESⁱ

STRATEGIC OBJECTIVE ³	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. The objective for policy is to make the financial sector safer and to treat customers more fairly and better, and to be more inclusive and have integrity. This includes implementing regulatory reforms related to the Twin Peaks system, savings and retirement reform, and to improving market conduct practices in the industry to ensure it provides more appropriate financial products.	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

³ For Programme's Strategic Objective amendments please refer to the relevant Annexure

PROGRAMME AND SUB-PROGRAMME PLANS

SUB-PROGRAMMES

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.

RESEARCH

This sub-programme promotes economic research institutions by funding economic research in the public interest, and dedicated economic research on behalf of National Treasury. This includes research into the promotion of macroeconomic stability, poverty alleviation, social security and retirement reform and financial sector policy development. Most funding is assigned for long-term agreements with institution and for ad hoc economic research related projects.

FINANCIAL SECTOR POLICY

This sub-programme is responsible for developing policy on the regulation of the financial sector in South Africa, on broadening access to financial services by all South Africans and on improving 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.

TAX POLICY

This sub-programme is responsible for preparing tax and revenue proposals for the annual national budget, and for drafting the necessary tax legislation to give effect to the proposals adopted. The unit also processes recommendations made by the Davis Tax Committee to the Minister of Finance and provides advice to the Minister on such recommendations.

The unit promotes an effective, equitable and efficient tax policy framework and tax administrative system that ensures sustainable growth and delivery on government's mandate to address the needs of all South Africans. This includes providing tax proposals towards improved environmental sustainability, the reduction of inequality and raising of revenue.

ECONOMIC POLICY

This sub-programme provides macroeconomic and microeconomic policy analysis, economic forecasts that inform the Budget and Medium Term Budget Policy Statement and scenario modeling. The sound policy advice on the economic environment provided assists in promoting economic policy coherence in relation to the objectives of growth and jobs, and helps to improve South Africa's macroeconomic and microeconomic framework as policy advice is mainly focused on creating decent employment through inclusive economic growth.

STRATEGIC PLAN OBJECTIVE ANNUAL AND MEDIUM TERMS TARGETS⁴

PERFORMANCE INDICATOR	AUDITED/ACTUAL PERFORMANCE			ESTIMATED PERFORMANCE	PLANNED PERFORMANCE CURRENT YEAR	MEDIUM TERM TARGETS (MTTF)		
	2013/14	2014/15	2015/16			2018/19	2019/20	2020/2021
Strategic Objective 2.1: Build economic research capacity in academic research institutions with the objective of promoting relevant research								
2.1 Number of research institutions participating in building economic research capacity	#	#	#	#	#	1	1	1
Strategic Objective 2.2: Provide policy advice on the financial sector								
2.2 Number of policy advices on the financial sector provided	#	#	#	#	#	1	1	1
Strategic Objective 2.3: Provide advice and input into tax policy, frameworks and legislation								
2.3 Number of policy advices into tax policy, frameworks and legislation provided	#	#	#	#	#	2	2	2
Strategic Objective 2.4: Provide input into economic policy and frameworks								
2.4 Number of inputs into economic policy and frameworks provided	#	#	#	#	#	56	56	56

⁴ Please refer to endnotes where so designated

PROGRAMME PERFORMANCE INDICATORS AND ANNUAL TARGETS

PERFORMANCE INDICATOR	AUDITED/ACTUAL PERFORMANCE	ESTIMATED PERFORMANCE	PLANNED PERFORMANCE CURRENT YEAR	MEDIUM TERM TARGETS (MTEF)			
				2013/14	2014/15	2015/16	2017/18
Strategic Objective 2.1: Build economic research capacity in academic research institutions with the objective of promoting relevant research							
2.1.1	Number of papers published in association with academic research institutions	87	91	84	80	80	80
Strategic Objective 2.2: Provide policy advice on the financial sector							
2.2.1	Enact Twin Peaks model legislation	None	None	None	Enactment and implementation of legislation to establish Twin Peaks regulatory system, including establishment of new regulatory authorities	Enactment and implementation of legislation to establish Twin Peaks regulatory system, including establishment of new regulatory authorities	Development of comprehensive prudential and market conduct framework for new authorities
2.2.2	Implement savings and retirement policies	None	None	None	Implementation of tax-free savings and retirement reforms	Achieve consensus on annuitisation	Development of comprehensive prudential and market conduct framework for new authorities
Strategic Objective 2.3: Provide advice and input into tax policy, frameworks and legislation							
2.3.1	Publish tax proposals in annual budget review	None	None	None	Publish tax and revenue proposals on 2016 Budget.	Publish tax and revenue proposals on 2017 Budget.	Publish tax and revenue proposals on 2018 Budget.
					Update revenue estimates for 2017 Medium Term Budget Policy Statement (MTBPS).	Update revenue estimates for 2018 Medium Term Budget Policy Statement (MTBPS).	Update revenue estimates for 2019 Medium Term Budget Policy Statement (MTBPS).
						Update revenue estimates for 2020 Medium Term Budget Policy Statement (MTBPS).	Update revenue estimates for 2020 Medium Term Budget Policy Statement (MTBPS).

PROGRAMME PERFORMANCE INDICATORS AND ANNUAL TARGETS - CONTINUED

PERFORMANCE INDICATOR	AUDITED/ACTUAL PERFORMANCE			ESTIMATED PERFORMANCE	PLANNED PERFORMANCE CURRENT YEAR	MEDIUM TERM TARGETS (MTTF)		
	2013/14	2014/15	2015/16			2016/17	2017/18	2018/19
Strategic Objective 2.3: Provide advice and input into tax policy, frameworks and legislation								
2.3.2 Implement legislation to give effect to tax proposals from the Budget	None	None	None	Prepare, publish and table tax legislation in Parliament	Prepare, publish and table tax legislation in Parliament	Prepare, publish and table tax legislation in Parliament	Prepare, publish and table tax legislation in Parliament	Prepare, publish and table tax legislation in Parliament
Strategic Objective 2.4: Provide input into economic policy and frameworks								
2.4.1 Number of economic models maintained	None	None	None	25	25	25	25	25
2.4.2 Number of economic forecasts developed ⁱ	None	None	None	4	4	4	4	4
2.4.3 Chapter 2 of the MTBPS and Budget Review published	None	None	None	2	2	2	2	2
2.4.4 Percentage response to user requests to develop new economic models ⁱⁱ	#	#	#	#	100%	100%	100%	100%
2.4.5 Percentage response to users requests for economic research and policy analysis, and assessments of government policy proposals ⁱⁱⁱ	#	#	#	#	100%	100%	100%	100%
2.4.6 Percentage response to user requests for policy and scenario modeling ^v	#	#	#	#	100%	100%	100%	100%
2.4.7 Percentage response to user requests for commentaries on economic data ^{vi}	#	#	#	#	100%	100%	100%	100%

PROGRAMME PERFORMANCE INDICATOR QUARTERLY TARGETS FOR 2017/18

Performance Indicator	2017/18 Annual targets	Quarter 1	Quarter 2	Quarter 3	Quarter 4
Strategic Objective 2.1: Build economic research capacity in academic research institutions with the objective of promoting relevant research					
Number of papers published in association with academic research institutions	80	20	40	60	80
Strategic Objective 2.2: Provide policy advice on the financial sector					
2.2.1 Enact Twin Peaks model legislation	Enactment and implementation of legislation to establish Twin Peaks regulatory system, including establishment of new regulatory authorities	N/A	N/A	N/A	Enactment and implementation of legislation to establish Twin Peaks regulatory system, including establishment of new regulatory authorities
2.2.2 Implement savings and retirement policies	Achieve consensus on annuitisation	N/A	N/A	N/A	Achieve consensus on annuitisation
Strategic Objective 2.3: Provide advice and input into tax policy, frameworks and legislation					
2.3.1 Publish tax proposals in annual budget review	Publish tax and revenue proposals on 2017 Budget. Update revenue estimates for 2017 Medium Term Budget Policy Statement (MTBPS)	Prepare analysis of 2016/17 revenue outcomes	Prepare revised revenue estimates for MTBPS	Prepare tax proposal for 2018 budget	Prepare and publish revenue and tax proposals in the 2018 Budget
2.3.2 Implement legislation to give effect to tax proposals from the Budget	Prepare, publish and table tax legislation in Parliament	Annual Target	Annual Target	Annual Target	Prepare, publish and table tax legislation in Parliament
Strategic Objective 2.4: Provide input into economic policy and frameworks					
2.4.1 Number of economic models maintained (models reflect the most recent economic environment)	25	6	6	6	7
2.4.2 Number of economic forecasts produced	4	1	1	1	1

PROGRAMME PERFORMANCE INDICATOR QUARTERLY TARGETS FOR 2017/18 - CONTINUED

Performance Indicator	2017/18 Annual targets	Quarter 1			Quarter 2		Quarter 3		Quarter 4	
		Quarter 1	Quarter 2	Quarter 3	Quarter 4	Quarter 1	Quarter 2	Quarter 3	Quarter 4	Quarter 4
2.4.3	Chapter 2 of the MTBPs and Budget Review published	2	N/A	N/A	1					1
2.4.4	Percentage response to user requests to develop new economic models	100%	100%	100%	100%					100%
2.4.5	Percentage response to users requests for economic research and policy analysis, and assessments of government policy proposals	100%	100%	100%	100%					100%
2.4.6	Percentage response to user requests for policy and scenario modeling	100%	100%	100%	100%					100%
2.4.7	Percentage response to user requests for commentaries on economic data	100%	100%	100%	100%					100%

EXPENDITURE TRENDS AND ESTIMATES

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate	Average growth rate (%)	Average: Expenditure/ Total (%)
	2013/14	2014/15	2015/16						
R thousand									
Programme Management for Economic Policy, Tax, Financial Regulation and Research	20 220	20 668	21 199	24 467	6.6%	16.3%	24 751	25 735	27 233
Research	16 657	11 529	10 968	11 943	-10.5%	9.6%	13 301	12 889	13 508
Financial Sector Policy	25 111	27 974	27 636	34 404	11.1%	21.7%	24 627	24 934	26 280
Tax Policy	23 401	21 589	27 609	32 024	11.0%	19.7%	29 674	30 038	30 963
Economic Policy	22 473	25 731	26 537	30 851	11.1%	19.9%	28 021	28 482	29 937
Cooperative Banks Development Agency	16 236	16 838	17 341	16 472	0.5%	12.6%	19 275	20 393	21 535
Total	124 098	124 329	131 290	150 161	6.6%	100.0%	139 649	142 471	149 456
Change to 2016 Budget estimate				4 091			(9 281)	(8 421)	(11 653)
ECONOMIC CLASSIFICATION									
Current payments	97 123	96 289	102 203	120 592	7.5%	78.5%	106 943	107 902	112 956
Compensation of employees	66 731	70 770	78 214	83 873	7.9%	56.5%	78 107	78 690	82 286
Goods and services ¹	30 392	25 519	23 989	36 719	6.5%	22.0%	28 836	29 212	30 710
of which:									
Communication	351	296	422	154	-24.0%	0.2%	403	428	452
Consultants: Business and advisory services	17 121	11 843	11 487	22 655	9.8%	11.9%	13 727	13 351	14 004
Consumables: Stationery, printing and office supplies	884	1 047	511	1 006	4.4%	0.7%	1 082	1 131	1 187
Travel and subsistence	5 448	5 368	313	6 149	4.1%	3.3%	5 724	6 073	6 486

EXPENDITURE TRENDS AND ESTIMATES - CONTINUED

Subprogramme	Audited outcome			Adjusted appropriation	2013/14 - 2016/17	2013/14 - 2016/17	Medium-term expenditure estimate	Average growth rate (%)	2016/17 - 2019/20	Average Expenditure/ Total (%)	Average: Expenditure/ Total (%)
	2013/14	2014/15	2015/16								
R thousand											
Training and development	562	668	4 548	940	18.7%	1.3%	764	792	814	4.7%	0.6%
Operating payments	4 012	4 040	326	4 188	1.4%	2.4%	5 613	5 925	6 140	13.6%	3.8%
Transfers and subsidies ¹	26 531	27 653	28 805	28 618	2.6%	21.1%	31 861	33 709	35 597	7.5%	22.3%
Departmental agencies and accounts	16 236	16 838	17 341	16 472	0.5%	12.6%	19 275	20 393	21 535	9.3%	13.4%
Public corporations and private enterprises	9 900	10 780	11 384	11 999	6.6%	8.3%	12 586	13 316	14 062	5.4%	8.9%
Households	395	35	80	147	-28.1%	0.1%	-	-	-	-100.0%	-
Payments for capital assets	443	385	275	951	29.0%	0.4%	845	860	863	-3.2%	0.6%
Machinery and equipment	443	385	275	951	29.0%	0.4%	845	860	863	-3.2%	0.6%
Payments for financial assets	1	2	7	-	-100.0%	-	-	-	-	-	-
Total	124 098	124 329	131 290	150 161	6.6%	100.0%	139 649	142 471	149 456	-0.2%	100.0%
Proportion of total programme expenditure to vote expenditure	0.5%	0.5%	0.5%	0.5%	-	-	0.5%	0.4%	0.4%	-	-
DETAILS OF TRANSFERS AND SUBSIDIES											
Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current	16 236	16 838	17 341	16 472	0.5%	12.6%	19 275	20 393	21 535	9.3%	13.4%
Cooperative Banks Development Agency	16 236	16 838	17 341	16 472	0.5%	12.6%	19 275	20 393	21 535	9.3%	13.4%

EXPENDITURE TRENDS AND ESTIMATES - CONTINUED

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate	Average growth rate (%)	Average: Expen- diture/ Total (%)
R thousand	2013/14	2014/15	2015/16	2016/17	2013/14 - 2016/17	2017/18	2018/19	2019/20	2016/17 - 2019/20
Households									
Social benefits									
Current									
Employee Social Benefits	395	35	80	147	-28.1%	0.1%	-	-	-100.0%
	395	35	80	147	-28.1%	0.1%	-	-	-100.0%
Public corporations and private enterprises									
Public corporations									
Other transfers to public corporations									
Current									
Economic Research Southern Africa	9 900	10 780	11 384	11 999	6.6%	8.3%	12 586	13 316	14 062
	9 900	10 780	11 384	11 999	6.6%	8.3%	12 586	13 316	14 062



PROGRAMME AND SUB-PROGRAMME PLANS

PERSONNEL INFORMATION

Economic Policy, Tax, Financial Regulation and Research	Number of posts additional to the establishment	Number of posts estimated for 31 March 2017		Number and cost ² of personnel posts filled / planned for on funded establishment						Number	
		Number of funded posts	Actual	Revised estimate			Medium-term expenditure estimate			Average growth rate (%)	Average: Salary level/Total (%)
				2015/16	2016/17	Unit Cost	No. Cost	Unit Cost	No. Cost		
Salary level	123	-	105	78.2	0.7	104	81.4	0.8	98	78.1	0.8
1 – 6	1	-	1	0.2	0.2	1	0.3	0.3	1	0.3	0.3
7 – 10	31	-	27	12.4	0.5	29	14.8	0.5	25	11.2	0.4
11 – 12	41	-	31	21.4	0.7	31	22.5	0.7	29	22.2	0.8
13 – 16	50	-	46	44.2	1.0	43	43.8	1.0	43	44.5	1.0
											44.4%

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

2. Rand million.

PROGRAMME AND SUB-PROGRAMME PLANS

PROGRAMME 3: PUBLIC FINANCE AND BUDGET MANAGEMENT

PURPOSE

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

STRATEGIC OBJECTIVESⁱ

STRATEGIC OBJECTIVE ⁵	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	
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	Public Finance and Budget Office
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

SUB-PROGRAMMES

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.

⁵ For Programme's Strategic Objective amendments please refer to the relevant Annexure

PROGRAMME AND SUB-PROGRAMME PLANS

BUDGET OFFICE

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

PUBLIC FINANCE

Public Finance provides financial and budgetary analysis, advises on policy and service delivery trends and manages 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. Based on engagements with departments, the Public Finance team provides recommendations annually to the Medium Term Expenditure Committee (MTEC). 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.

INTERGOVERNMENTAL RELATIONS

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

STRATEGIC PLAN OBJECTIVE ANNUAL AND MEDIUM TERMS TARGETS⁶

PERFORMANCE INDICATOR	AUDITED/ACTUAL PERFORMANCE			ESTIMATED PERFORMANCE	PLANNED PERFORMANCE CURRENT YEAR	MEDIUM TERM TARGETS (MTEF)		
	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 South Africa's fiscal policy and related frameworks authorised	#	#	#	#	#	Cabinet authorisation	Cabinet authorisation	Cabinet authorisation
STRATEGIC OBJECTIVE 3.2: PREPARATION OF THE NATIONAL BUDGET								
3.2 Number of budgets produced	#	#	#	#	#	1	1	1
STRATEGIC OBJECTIVE 3.3: PUBLICATION OF THE NATIONAL BUDGET								
3.3 Number of National budgets published	#	#	#	#	#	1	1	1
Strategic Objective 3.4: Monitoring and analysis of public expenditure and service delivery								
3.4 Number of annual expenditure reports submitted to the Standing Committee on Appropriations	#	#	#	#	#	4	4	4
Strategic Objective 3.5: Coordinating international development cooperation								
3.5 Percentage of ODA programmes coordinated	#	#	#	#	#	100%	100%	100%
Strategic Objective 3.6: Coordination of intergovernmental relations								
3.6 Number of budget council meetings held	#	#	#	#	#	3	3	3

⁶ Please refer to endnotes where so designated

PROGRAMME PERFORMANCE INDICATORS AND ANNUAL TARGETS

PERFORMANCE INDICATOR	AUDITED/ACTUAL PERFORMANCE			ESTIMATED PERFORMANCE	PLANNED PERFORMANCE CURRENT YEAR	MEDIUM TERM TARGETS (MTEF)		
	2013/14	2014/15	2015/16			2017/18	2018/19	2019/20
STRATEGIC OBJECTIVE 3.1: DEVELOPING AND IMPLEMENTING SOUTH AFRICA'S FISCAL POLICY AND RELATED FRAMEWORKS								
3.1.1 Difference between the expenditure tabled for the MTEF years within the expenditure ceiling in the MTBPs and the expenditure ceiling tabled for the MTEF years in the February budget	None	None	None	= 0 or less than 0 for each year	= 0 or less than 0 for each year	= 0 or less than 0 for each year	= 0 or less than 0 for each year	= 0 or less than 0 for each year
3.1.2 Number of fiscal frameworks provided ⁱ	None	None	None	2	2	2	2	2
STRATEGIC OBJECTIVE 3.2: PREPARATION OF THE NATIONAL BUDGET								
3.2.1 Number of budget guidelines issued	None	None	None	1 set of MTEF guidelines issued by July	1 set of MTEF guidelines issued by July	1 set of MTEF guidelines issued by July	1 set of MTEF guidelines issued by July	1 set of MTEF guidelines issued by July
				1 programme scheduling MTEC meetings drafted by July	1 programme scheduling MTEC meetings drafted by July	1 programme scheduling MTEC meetings drafted by July	1 programme scheduling MTEC meetings drafted by July	1 programme scheduling MTEC meetings drafted by July
				1 Adjusted Estimates by July				
				1 AENE guideline of National Expenditure (AENE) issued in August	1 AENE guideline of National Expenditure (AENE) issued in August	1 AENE guideline of National Expenditure (AENE) issued in August	1 AENE guideline of National Expenditure (AENE) issued in August	1 AENE guideline of National Expenditure (AENE) issued in August
				1 ENE guideline issued in October				
				1 ENE guideline issued in October				

PROGRAMME PERFORMANCE INDICATORS AND ANNUAL TARGETS - CONTINUED

PERFORMANCE INDICATOR	AUDITED/ACTUAL PERFORMANCE			ESTIMATED PERFORMANCE	PLANNED PERFORMANCE CURRENT YEAR	MEDIUM TERM TARGETS (MTEF)		
	2013/14	2014/15	2015/16			2016/17	2017/18	2018/19
Budget decision making processes coordinated and adherence to timelines for budget allocation recommendations based on departmental budget submissions ⁱⁱ	None	None	None	Various funding recommendations to the Ministers' Committee on the Budget (MINCOMBUD)	Various funding recommendations to the MTEC, the MINCOMBUD and Cabinet within budget calendar timelines.	Various funding recommendations to the MTEC, the MINCOMBUD and Cabinet within budget calendar timelines.	Various funding recommendations to the MTEC, the MINCOMBUD and Cabinet within budget calendar timelines.	Various funding recommendations to the MTEC, the MINCOMBUD and Cabinet within budget calendar timelines.
STRATEGIC OBJECTIVE 3.3: PUBLICATION OF THE NATIONAL BUDGET								
3.3.1 Budget legislation and accompanying documentation tabled in Parliament and published	#	#	#		Appropriation Bill, ENE and Budget Review tabled in February Adjustments	Appropriation Bill, ENE and Budget Review tabled in February Adjustments	Appropriation Bill, AENE and MTBPS tabled in October	Appropriation Bill, ENE and Budget Review tabled in February Adjustments
3.3.2 Number of reports on public finance statistics according to function and economic classification	None	None	None	4	4	4	4	4

PROGRAMME PERFORMANCE INDICATORS AND ANNUAL TARGETS - CONTINUED

PERFORMANCE INDICATOR	AUDITED/ACTUAL PERFORMANCE			ESTIMATED PERFORMANCE	PLANNED PERFORMANCE CURRENT YEAR	MEDIUM TERM TARGETS (MTEF)		
	2013/14	2014/15	2015/16			2017/18	2018/19	2019/20
3.3.3 Number of reports produced on guidance given to departments and entities on the classification of expenditure per quarter	None	None	None	4	4	4	4	4
Strategic Objective 3.4: Monitoring and analysis of public expenditure and service delivery								
3.4.1 Percentage adherence to timelines for PFMA and TR approvals, sectoral analysis and policy advice	None	None	None	100%	100%	100%	100%	100%
3.4.2 Number of monthly expenditure feedback reports to departments	None	None	None	480	540	540	540	540
3.4.3 Number of quarterly expenditure reports submitted to the Standing Committee on Appropriations	None	None	None	160	160	160	160	160

PROGRAMME PERFORMANCE INDICATORS AND ANNUAL TARGETS - CONTINUED

PERFORMANCE INDICATOR	AUDITED/ACTUAL PERFORMANCE			ESTIMATED PERFORMANCE	PLANNED PERFORMANCE CURRENT YEAR	MEDIUM TERM TARGETS (MTEF)		
	2013/14	2014/15	2015/16			2016/17	2017/18	2018/19
3.4.4 Number of reports produced on review and implementation of the COLA costing model	None	None	None	4	4	4	4	4
3.4.5 Percentage response to requests for support on governance and financial management monitoring and compliance system in public entities provided	None	None	None	100%	100%	100%	100%	100%
Strategic Objective 3.5: Coordinating international development cooperation								
3.5.1 Percentage alignment of development cooperation to government policy and priorities	None	None	None	100%	100%	100%	100%	100%
3.5.2 Percentage management and coordination of development cooperation in South Africa	None	None	None	100%	100%	100%	100%	100%
Strategic Objective 3.6: Coordination of intergovernmental relations								
3.6.1 Number of Division of Revenue and Division of Revenue Amendment Bills published annually	None	None	None	3	2	2	2	2

PROGRAMME PERFORMANCE INDICATORS AND ANNUAL TARGETS - CONTINUED

PERFORMANCE INDICATOR	AUDITED/ACTUAL PERFORMANCE			ESTIMATED PERFORMANCE	PLANNED PERFORMANCE CURRENT YEAR	MEDIUM TERM TARGETS (MTEF)		
	2013/14	2014/15	2015/16			2017/18	2018/19	2019/20
3.6.2 Number of reforms introduced to enhance provincial and local government fiscal frameworks	None	None	None	None	4	2	2	2
3.6.3 Number of plans assessed to support improvements in infrastructure planning in provinces	None	None	None	None	18	36	36	36
3.6.4 Number of built environment performance plans assessed to support improvement in the built environment	None	None	None	None	8	8	8	8
3.6.5 Number of capacity building initiatives (workshops and courses) to facilitate improved planning, budgeting and financial management ⁱⁱⁱ	None	None	None	None	33	59	59	50
3.6.6 Number of quarterly financial reports produced and published to comply with Section 32 of the PFMA	None	None	None	None	4	4	4	4

PROGRAMME PERFORMANCE INDICATORS AND ANNUAL TARGETS - CONTINUED

PERFORMANCE INDICATOR	AUDITED/ACTUAL PERFORMANCE			ESTIMATED PERFORMANCE	PLANNED PERFORMANCE CURRENT YEAR	MEDIUM TERM TARGETS (MTEF)		
	2013/14	2014/15	2015/16			2016/17	2017/18	2018/19
Number of provincial and municipal budgeting benchmarking exercises held to improve provincial and municipal budget credibility, composition and achievability ^x	None	None	None	18	35	35	35	35
3.6.7								
Number of reports published in terms of MFMA and DoRA ^y	#	#	#	#	10	11	10	11
3.6.8								
Number of support initiatives implemented in provinces ^z	#	#	#	#	4	4	4	4
3.6.9								
Number of municipal budgeting and reporting reforms implemented ^v	#	#	#	#	3	3	3	3
3.6.10								
Number of provincial and municipal mid-year budget and expenditure performance assessment reports ^w	#	#	#	#	26	26	26	26
3.6.11								

PROGRAMME PERFORMANCE INDICATOR QUARTERLY TARGETS FOR 2017/18

Performance Indicator	2017/18 Annual targets	Quarter 1	Quarter 2	Quarter 3	Quarter 4
Strategic Objective 3.1: Developing and implementing South Africa's fiscal policy and related frameworks					
3.1.1 Difference between the expenditure tabled for the MTEF years within the MTBPS and the expenditure ceiling tabled for the MTEF years in the February budget	= 0 or less than 0 for each year	N/A	N/A	N/A	= 0 or less than 0 for each year
3.1.2 Number of fiscal frameworks provided		2	N/A	N/A	1
Strategic Objective 3.2: Preparation of the national budget					
3.2.1 Number of budget guidelines issued	1 set of MTEF guidelines issued by July programme scheduling MTEC meetings drafted by July 1 AENE guideline issued in August 1 ENE guideline issued in October	N/A	1 set of MTEF guidelines issued by July programme scheduling MTEC meetings by July	1 ENE guideline issued in October	1 set of MTEF guidelines issued by July programme scheduling MTEC meetings drafted by July 1 AENE guideline issued in August 1 ENE guideline issued in October
3.2.2 Budget decision making processes coordinated and adherence to timelines for budget allocation recommendations based on departmental budget submissions	Various funding recommendations to the MTEC, the MINCOMBUD and Cabinet within budget calendar timelines 1 Cabinet endorsement of national government expenditure allocations by end of calendar year	N/A	Various funding recommendations to the MTEC, the MINCOMBUD and Cabinet within budget calendar timelines 1 Cabinet endorsement of national government expenditure allocations by end of calendar year	Various funding recommendations to the MTEC, the MINCOMBUD and Cabinet within budget calendar timelines 1 Cabinet endorsement of national government expenditure allocations by end of calendar year	Various funding recommendations to the MTEC, the MINCOMBUD and Cabinet within budget calendar timelines 1 Cabinet endorsement of national government expenditure allocations by end of calendar year
Strategic Objective 3.3: Publication of the national budget					
3.3.1 Budget legislation and accompanying documentation tabled in Parliament and published	Appropriation Bill, ENE and Budget Review tabled in February Adjustments Appropriation Bill, AENE and MTBPS tabled in October	N/A	N/A	Adjustments Appropriation Bill, AENE and MTBPS tabled in October	Appropriation Bill, ENE and Budget Review tabled in February

PROGRAMME PERFORMANCE INDICATOR QUARTERLY TARGETS FOR 2017/18 - CONTINUED

Performance Indicator	2017/18 Annual targets	Quarter 1	Quarter 2	Quarter 3	Quarter 4
3.3.2 Public finance statistics according to function and economic classification for consolidated government presented per quarter	4 reports	1 report	1 report	1 report	1 report
3.3.3 Number of reports produced on guidance given to departments and entities on the classification of expenditure per quarter	4	1	1	1	1
Strategic Objective 3.4: Monitoring and analysis of public expenditure and service delivery					
3.4.1 Percentage adherence to timelines for PFMA and TR approvals, sectoral analysis and policy advice	100%	100%	100%	100%	100%
3.4.2 Number of monthly expenditure feedback reports to departments	540	135	135	135	135
3.4.3 Number of quarterly expenditure reports submitted to the Standing Committee on Appropriations	160	40	40	40	40
3.4.4 Number of reports produced on review and implementation of the COLA costing model	4	1	2	3	4
3.4.5 Percentage response to requests for support on governance and financial management monitoring and compliance system in public entities provided	100%	N/A	N/A	N/A	100%

PROGRAMME PERFORMANCE INDICATOR QUARTERLY TARGETS FOR 2017/18 - CONTINUED

Performance Indicator	2017/18 Annual targets	Quarter 1	Quarter 2	Quarter 3	Quarter 4
Strategic Objective 3.5: Coordinating international development cooperation					
3.5.1 Percentage alignment of development cooperation to government policy and priorities	100% N/A	N/A	N/A	N/A	N/A 100%
3.5.2 Percentage management and coordination of development cooperation in South Africa	100% N/A	N/A	N/A	N/A	N/A 100%
Strategic Objective 3.6: Coordination of intergovernmental relations					
3.6.1 Number of Division of Revenue and Division of Revenue Amendment Bills published annually	2 N/A	N/A	N/A	1	1
3.6.2 Number of reforms introduced to enhance provincial and local government fiscal frameworks	2 N/A	N/A	N/A	N/A	2
3.6.3 Number of plans assessed to support improvements in infrastructure planning in provinces	36 N/A	N/A	N/A	18	18
3.6.4 Number of built environment performance plans assessed to support improvement in the built environment	8 N/A	8	N/A	N/A	0
3.6.5 Number of capacity building initiatives (workshops and courses) to facilitate improved planning, budgeting and financial management	59 23	9	18	9	9

PROGRAMME PERFORMANCE INDICATOR QUARTERLY TARGETS FOR 2017/18 - CONTINUED

Performance Indicator	2017/18 Annual targets	Quarter 1	Quarter 2	Quarter 3	Quarter 4
3.6.6 Number of quarterly financial reports produced and published to comply with Section 32 of the PFMA	4	1	1	1	1
3.6.7 Number of provincial and municipal budgeting benchmarking exercises held to improve provincial credibility, composition and achievability	35	17	N/A	9	9
3.6.8 Number of reports published in terms of MfMA and DoRA	10	2	2	6	N/A
3.6.9 Number of support initiatives implemented in provinces	4	3	3	4	4
3.6.10 Number of municipal budgeting and reporting reforms implemented	3	3	N/A	N/A	N/A
3.6.11 Number of provincial and municipal mid-year budget and expenditure performance assessment reports	26	N/A	9	N/A	17

EXPENDITURE TRENDS AND ESTIMATES

Subprogramme	Audited outcome	Adjusted appropriation	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate	Average growth rate (%)	Average: Expenditure/ Total (%)		
R thousand	2013/14	2014/15	2015/16	2016/17	2013/14 - 2016/17	2017/18	2018/19	2019/20	2016/17 - 2019/20
Programme Management for Public Finance and Budget Management	17 322	20 615	17 884	22 979	9.9%	7.7%	27 160	26 693	27 915
Public Finance	47 486	52 330	59 168	58 423	7.2%	21.1%	56 635	57 280	61 271
Budget Office and Coordination	52 429	53 225	55 365	58 796	3.9%	21.3%	58 287	59 010	63 357
Intergovernmental Relations	70 763	73 813	89 004	109 446	15.6%	33.3%	93 374	95 119	101 785
Financial and Fiscal Commission	39 567	45 288	41 156	44 839	4.3%	16.6%	50 647	53 110	56 084
Total	227 567	245 271	262 577	294 483	9.0%	100.0%	286 103	291 212	310 412
Change to 2016 Budget estimate				7 528			(7 540)	(6 475)	(8 221)
ECONOMIC CLASSIFICATION									
Current payments	185 294	198 418	218 731	247 456	10.1%	82.5%	233 673	236 113	252 353
Compensation of employees	157 011	175 122	192 344	207 610	9.8%	71.1%	201 945	204 222	219 166
Goods and services	28 283	23 296	26 387	39 846	12.1%	11.4%	31 728	31 891	33 187
of which:									
Bursaries: Employees	586	689	835	857	13.5%	0.3%	1 200	966	1 029
Communication	829	644	896	415	-20.6%	0.3%	936	971	1 021
Computer services	662	1 002	1 554	906	11.0%	0.4%	915	970	1 021
Consultants: Business and advisory services	8 463	4 407	6 821	18 195	29.1%	3.7%	7 936	7 568	7 498
Consumables: Stationery, printing and office supplies	5 714	5 828	5 701	6 771	5.8%	2.3%	7 175	7 224	7 585

EXPENDITURE TRENDS AND ESTIMATES - CONTINUED

Subprogramme	Audited outcome	Adjusted appropriation	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
					2013/14	2014/15	2015/16	2016/17	
R thousand									
Travel and subsistence	8 590	7 867	7 848	8 763	0.7%	3.2%	9 267	9 670	10 276
Transfers and subsidies ¹	41 366	45 473	42 676	44 979	2.8%	16.9%	50 647	53 110	56 084
Departmental agencies and accounts	39 567	45 288	41 156	44 839	4.3%	16.6%	50 647	53 110	56 084
Households	1 799	185	1 520	140	-57.3%	0.4%	-	-	-100.0%
Payments for capital assets	897	1 338	1 096	2 048	31.7%	0.5%	1 783	1 989	1 975
Machinery and equipment	897	1 338	1 096	2 048	31.7%	0.5%	1 783	1 989	1 975
Payments for financial assets	10	42	74	-	-100.0%	-	-	-	-
Total	227 567	245 271	262 577	294 483	9.0%	100.0%	286 103	291 212	310 412
Proportion of total programme expenditure to vote expenditure	0.9%	0.9%	0.9%	1.0%	-	-	0.9%	0.9%	0.9%
DETAILS OF TRANSFERS AND SUBSIDIES									
Departmental agencies and accounts									
Departmental agencies (non-business entities)									
Current	39 567	45 288	41 156	44 839	4.3%	16.6%	50 647	53 110	56 084
Financial and Fiscal Commission	39 567	45 288	41 156	44 839	4.3%	16.6%	50 647	53 110	56 084
Households									
Social benefits									
Current	1 799	185	1 520	140	-57.3%	0.4%	-	-	-100.0%
Employee Social Benefits	1 799	185	1 520	140	-57.3%	0.4%	-	-	-100.0%

PERSONNEL INFORMATION

Table 7.13 Public Finance and Budget Management personnel numbers and cost by salary level¹

Number of posts estimated for 31 March 2017		Number and cost ² of personnel posts filled / planned for on funded establishment										Number								
Number of funded posts	Number of posts additional to the establishment	2015/16		2016/17		2017/18		2018/19		2019/20		Average growth rate (%)	Average: Salary level/Total (%)							
Public Finance and Budget Management		No.	Cost	Unit Cost	No.	Cost	Unit Cost	No.	Cost	Unit Cost	No.	Cost	Unit Cost							
Salary level																				
1 – 6	262	52	277	192.3	0.7	286	201.0	0.7	261	201.9	0.8	249	204.2	0.8	259	219.2	0.8	-3.3%	-3.3%	100.0%
7 – 10	2	–	1	0.4	0.4	2	0.9	0.5	2	0.5	0.2	2	0.5	0.3	–	–	0.8%	–	0.8%	
11 – 12	85	13	85	36.0	0.4	86	38.4	0.4	72	30.5	0.4	63	28.1	0.4	71	33.5	0.5	-6.2%	27.7%	27.7%
13 – 16	103	19	107	68.2	0.6	105	72.5	0.7	97	75.3	0.8	94	77.5	0.8	96	83.5	0.9	-2.9%	37.2%	37.2%
	72	20	84	87.7	1.0	93	89.2	1.0	90	95.7	1.1	90	98.1	1.1	90	101.6	1.1	-1.1%	34.4%	34.4%

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

2. Rand million.

PROGRAMME AND SUB-PROGRAMME PLANS

PROGRAMME 4: ASSET AND LIABILITY MANAGEMENT

PURPOSE

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

STRATEGIC OBJECTIVESⁱ

STRATEGIC OBJECTIVE ⁷	OBJECTIVE STATEMENT	SUB-PROGRAMMES
SO 4.1 Exercise oversight of state-owned companies	Exercise oversight of state-owned companies to enable them to achieve government's policy objectives in a financially and fiscally sustainable manner by: 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 and other applications in terms of the PFMA and monitoring progress on an ongoing basis Reviewing and commenting on legislative, policy or regulatory amendments that may impact on state-owned enterprises.	State-owned Companies 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 that 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 and 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 contingent liabilities	Strategy and Risk Management

SUB-PROGRAMMES

PROGRAMME MANAGEMENT FOR ASSET AND LIABILITY MANAGEMENT

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

⁷ For Programme's Strategic Objective amendments please refer to the relevant Annexure

PROGRAMME AND SUB-PROGRAMME PLANS

STATE-OWNED COMPANIES FINANCIAL MANAGEMENT AND GOVERNANCE

This sub-programme is responsible for overseeing state-owned enterprises to enable them to meet government's policy objectives in a financially and fiscally sustainable manner, and for promoting sound corporate governance of these enterprises. Over the medium term, the unit will continue to review and compile submissions on applications for funding, guarantees and borrowing limits as well as other PFMA applications from state-owned companies. Where such applications are approved, the unit will monitor financial performance and adherence to any conditions. It will also continue to review state owned enterprises' corporate plans and annual reports as they are received annually, and progress on the enterprises' capital expenditure programmes will be monitored on a quarterly basis. Where legislative, policy or regulatory amendments that may impact on state owned enterprises are being contemplated, the unit will comment on the proposed changes. To strengthen regulatory compliance, the unit will report on compliance by major state-owned companies with the PFMA, the Companies Act (2008), Treasury Regulations and the King III and IV Code on Corporate Governance.

GOVERNMENT DEBT MANAGEMENT

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

FINANCIAL OPERATIONS

This sub-programme provides for government's short-term funding needs, invests government's surplus cash, prudently manages cash in all spheres of government and ensures efficient accounting for debt, the supply of reliable systems and the provision of high-quality information.

STRATEGY AND RISK MANAGEMENT

This sub-programme develops and maintains a risk management framework for the debt and contingent liabilities of government, and monitors the implementation of strategies to ensure that risks remain within tolerance thresholds and to mitigate the risk of an adverse credit rating outcome for the sovereign credit rating.

FINANCIAL INVESTMENTS

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

PROGRAMME AND SUB-PROGRAMME PLANS

STRATEGIC PLAN OBJECTIVE ANNUAL AND MEDIUM TERMS TARGETS⁹

PERFORMANCE INDICATOR	AUDITED/ACTUAL PERFORMANCE			ESTIMATED PERFORMANCE	PLANNED PERFORMANCE CURRENT YEAR	MEDIUM TERM TARGETS (MTEF)		
	2013/14	2014/15	2015/16			2016/17	2017/18	2018/19
Strategic Objective 4.1: Exercise oversight of state-owned companies								
4.1 Percentage of oversight of state-owned companies reports	#	#	#	#	#	100%	100%	100%
Strategic Objective 4.2: Optimal debt management and funding of government borrowing requirement								
4.2 Optimal debt management and funding of government borrowing requirements met	#	#	#	#	#	100%	100%	100%

PROGRAMME PERFORMANCE INDICATORS AND ANNUAL TARGETS

PERFORMANCE INDICATOR	AUDITED/ACTUAL PERFORMANCE	ESTIMATED PERFORMANCE	PLANNED PERFORMANCE CURRENT YEAR			MEDIUM TERM TARGETS (MTEF)		
			2013/14	2014/15	2015/16	2016/17	2017/18	2019/20
Strategic Objective 4.1: Exercise oversight of state-owned companies								
4.1.1	Percentage of corporate plans of Schedule 2 and 3B SOCs, development finance institutions (DFIs) and water boards (WBs) received and reviewed within four months of receipt	None	None	None	100%	100%	100%	100%
4.1.2	Percentage of annual reports of Schedule 2 and 3B SOCs, DFIs and WBs received and reviewed within four months of receipt	None	None	None	100%	100%	100%	100%
4.1.3	Percentage of annual reports and corporate plans received from Schedule 2 and 3B SOCs reporting to NT (SAA, PIC, DBSA, Land Bank, Sasra) tabled in Parliament within the required timescale (30 September each year)	None	None	None	100%	100%	100%	100%

PROGRAMME PERFORMANCE INDICATORS AND ANNUAL TARGETS - CONTINUED

PERFORMANCE INDICATOR	AUDITED/ACTUAL PERFORMANCE			ESTIMATED PERFORMANCE	PLANNED PERFORMANCE CURRENT YEAR	MEDIUM TERM TARGETS (MTEF)		
	2013/14	2014/15	2015/16			2016/17	2017/18	2018/19
4.1.4 Percentage of complete PFMA Section 54(2), 52, 55 and 92 applications received from Schedule 2 and 3B SOCs, DFIs and WBs reviewed within stipulated timeframes	None	None	None	100%	100%	100%	100%	100%
4.1.5 Percentage of funding applications received from Schedule 2 and 3B SOCs, DFIs and WBs reviewed within stipulated timeframes	None	None	None	100%	100%	100%	100%	100%
4.1.6 Percentage of complete guarantee applications received from Schedule 2 and 3B SOCs, DFIs and WBs reviewed within stipulated timeframes	None	None	None	100%	100%	100%	100%	100%



PROGRAMME PERFORMANCE INDICATORS AND ANNUAL TARGETS - CONTINUED

PERFORMANCE INDICATOR	AUDITED/ACTUAL PERFORMANCE			ESTIMATED PERFORMANCE	PLANNED PERFORMANCE CURRENT YEAR	MEDIUM TERM TARGETS (MTEF)		
	2013/14	2014/15	2015/16			2018/19	2019/20	2020/2021
4.1.7 Percentage of MFMA submissions relating to tariff adjustments received from Schedule 2 and 3B SOCs and WBs reviewed within stipulated timeframes	None	None	None	100%	100%	100%	100%	100%
4.1.8 Percentage of reviews requested of legislation, policies and strategies impacting on Schedule 2 and 3B SOCs, DFIs and WBs conducted within stipulated timeframes	None	None	None	100%	100%	100%	100%	100%
4.1.9 Percentage of reports on the review of Schedule 2 and 3B SOCs, DFIs and WB remuneration	#	#	#	#	100%	100%	100%	100%
4.1.10 Percentage of reports on the review of Schedule 2 Board composition	#	#	#	#	100%	100%	100%	100%
4.1.11 Percentage completion of the NT Best Practice guidelines	None	None	None	100%	100%	100%	100%	100%

PROGRAMME PERFORMANCE INDICATORS AND ANNUAL TARGETS - CONTINUED

PROGRAMME AND SUB-PROGRAMME PLANS

PROGRAMME PERFORMANCE INDICATOR QUARTERLY TARGETS FOR 2017/18

Performance Indicator	2017/18 Annual targets	Strategic Objective 4.1: Exercise oversight of state-owned companies			Quarter 4
		Quarter 1	Quarter 2	Quarter 3	
4.1.1	Percentage of corporate plans of Schedule 2 and 3B SOCs, DFIs and WBs received and reviewed within four months of receipt	100%	100%	100%	100%
4.1.2	Percentage of annual reports of Schedule 2 and 3B SOCs, DFIs and WBs received and reviewed within four months of receipt	100%	100%	100%	100%
4.1.3	Percentage of annual reports and corporate plans received from Schedule 2 and 3B SOCs reporting to NT (SAA, PIC, DBSA, Land Bank, Sasria) tabled in Parliament within the required timescale (30 September each year)	100%	100%	100%	100%
4.1.4	Percentage of complete PFMA Section 54(2), 52, 55 and 92 applications received from Schedule 2 and 3B SOCs, DFIs and WBs reviewed within stipulated timeframes	100%	100%	100%	100%
4.1.5	Percentage of funding applications received from Schedule 2 and 3B SOCs, DFIs and WBs reviewed within stipulated timeframes	100%	100%	100%	100%

PROGRAMME PERFORMANCE INDICATOR QUARTERLY TARGETS FOR 2017/18 - CONTINUED

Performance Indicator	2017/18 Annual targets	Quarter 1	Quarter 2	Quarter 3	Quarter 4
4.1.6 Percentage of complete guarantee applications received from Schedule 2 and 3B SOCs, DFIs and WBs reviewed within stipulated timeframes	100%	100%	100%	100%	100%
4.1.7 Percentage of MFMA submissions relating to tariff adjustments received from Schedule 2 and 3B SOCs and WBs reviewed within stipulated timeframes	100%	100%	100%	100%	100%
4.1.8 Percentage of reviews requested of legislation, policies and strategies impacting on Schedule 2 and 3B SOCs, DFIs and WBs conducted within stipulated timeframes	100%	100%	100%	100%	100%
4.1.9 Percentage report on the review of Schedule 2 and 3B SOCs, DFIs and WBs' remuneration	100%	100%	100%	100%	100%
4.1.10 Report on the review of Schedule 2 board composition	100%	100%	100%	100%	100%
4.1.11 Percentage completion of the NT Best Practice guidelines	100%	N/A	N/A	N/A	N/A
4.1.12 Percentage completion of reviews of borrowing limit applications relating to Schedule 2 and 3B SOCs, DFIs and WBs received with complete information and within stipulated timeframes	100%	100%	100%	100%	100%

PROGRAMME PERFORMANCE INDICATOR QUARTERLY TARGETS FOR 2017/18 - CONTINUED

Performance Indicator	2017/18 Annual targets	Quarter 1	Quarter 2	Quarter 3	Quarter 4
Strategic Objective 4.2: Optimal debt management and funding of government borrowing requirement					
4.2.1 Percentage of government's annual gross borrowing requirement met	100%	100%	100%	100%	100%
4.2.2 Percentage of interest and redemptions met	100%	100%	100%	100%	100%
Strategic Objective 4.3 : Ensure sound management of government's cash resources					
4.3.1 Percentage of government's liquidity requirements met	100%	100%	100%	100%	100%
Strategic Objective 4.4: Minimise and mitigate risks emanating from government's fiscal obligations (Strategy and Risk Management)					
4.4.1 Percentage compliance with market and refinancing risks benchmarks	100%	100%	100%	100%	100%

EXPENDITURE TRENDS AND ESTIMATES

Subprogramme	Audited outcome	Adjusted appropriation	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate		Average growth rate (%)	Average: Expen-diture/ Total (%)
					2013/14	2016/17	2017/18	2018/19
R thousand								
Programme Management for Asset and Liability Management	16 419	11 951	9 188	26 867	17.8%	0.7%	15 325	51 001
State Owned Entity Financial Management and Governance	26 320	29 171	30 818	33 917	8.8%	1.3%	33 732	34 188
Government Debt Management	17 316	19 286	19 446	18 930	3.0%	0.8%	18 883	19 130
Financial Operations	17 246	20 031	21 035	22 299	8.9%	0.9%	23 225	23 740
Strategy and Risk Management	8 622	8 964	9 794	11 116	8.8%	0.4%	11 190	11 349
Financial Investments	2 905 000	3 000 000	3 174 013	—	-100.0%	96.0%	—	—
Total	2 990 923	3 089 403	3 264 294	113 129	-66.4%	100.0%	102 355	139 408
Change to 2016 Budget estimate			5 918			2 037	37 480	1 357
ECONOMIC CLASSIFICATION								
Current payments	85 386	88 009	89 147	112 027	9.5%	4.0%	101 681	138 700
Compensation of employees	62 791	69 334	72 088	77 377	7.2%	3.0%	77 547	78 685
Goods and services	22 595	19 575	17 059	34 650	15.3%	1.0%	24 134	60 015
of which:								
Audit costs: External	674	546	510	500	-9.5%	—	662	691
Bursaries: Employees	499	569	598	844	19.1%	—	1 044	904
Computer services	10 491	9 598	9 484	14 399	11.1%	0.5%	10 720	40 980
Consultants: Business and advisory services	6 022	4 922	2 151	14 569	34.2%	0.3%	5 904	11 424

PROGRAMME PERFORMANCE INDICATOR QUARTERLY TARGETS FOR 2017/18 - CONTINUED

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate	Average growth rate (%)	Average: Expenditure/ Total (%)
R thousand	2013/14	2014/15	2015/16	2016/17	2013/14 - 2016/17	2017/18	2018/19	2019/20	2016/17 - 2019/20
Travel and subsistence	2 766	1 684	2 309	2 119	-8.5%	0.1%	3 273	3 375	3 542
Training and development	426	424	362	718	19.0%	-	822	859	902
Transfers and subsidies ¹	102	227	902	369	53.5%	-	-	-	-100.0%
Households	102	227	902	369	53.5%	-	-	-	-100.0%
Payments for capital assets	430	263	231	733	19.5%	-	674	708	743
Machinery and equipment	430	263	231	733	19.5%	-	674	708	743
Payments for financial assets	2 905 005	3 000 004	3 174 014	-	-100.0%	96.0%	-	-	-
Total	2 990 923	3 089 403	3 264 294	113 129	-66.4%	100.0%	102 355	139 408	110 538
Proportion of total programme expenditure to vote expenditure	11.9%	11.8%	11.4%	0.4%	-	-	0.3%	0.4%	0.3%
Details of transfers and subsidies									
Households									
Social benefits									
Current	102	227	902	369	53.5%	-	-	-	-100.0%
Employee Social Benefits	102	227	902	369	53.5%	-	-	-	-100.0%
									0.1%

PROGRAMME AND SUB-PROGRAMME PLANS

PERSONNEL INFORMATION

Number of posts estimated for 31 March 2017		Number and cost ² of personnel posts filled / planned for on funded establishment										Number							
Number of funded posts	Number of posts additional to the establishment	Actual		Revised estimate		Medium-term expenditure estimate						Average: growth rate (%)	Average: Salary level/Total (%)						
		2015/16	2016/17	2016/17	2017/18	2018/19	2019/20	No.	Cost	Unit Cost	No.	Cost							
Asset and Liability Management		No.	Cost	Unit Cost	No.	Cost	Unit Cost	No.	Cost	Unit Cost	No.	Cost	Unit Cost	2016/17 - 2019/20					
Salary level																			
1 – 6	120	–	111	72.1	0.6	111	77.6	0.7	105	77.5	0.7	100	78.7	0.8	84.6	0.8	-2.1%	100.0%	
7 – 10	3	–	3	0.7	0.2	4	1.1	0.3	4	0.7	0.2	4	0.8	0.2	4	0.8	0.2	–	3.8%
11 – 12	51	–	46	21.1	0.5	45	22.4	0.5	40	20.3	0.5	36	19.6	0.5	40	22.9	0.6	-3.9%	38.3%
13 – 16	42	–	41	26.6	0.6	38	25.6	0.7	37	31.5	0.9	36	32.5	0.9	36	34.4	1.0	-1.8%	35.0%
	24	–	21	23.6	1.1	24	28.5	1.2	24	25.0	1.0	24	25.8	1.1	24	26.6	1.1	–	22.9%

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

PROGRAMME AND SUB-PROGRAMME PLANS

PROGRAMME 5: FINANCIAL ACCOUNTING AND SUPPLY CHAIN MANAGEMENT SYSTEMS

PURPOSE

Facilitate governance and accountability by promoting and enforcing the transparent, economic and effective management of revenue, expenditure, assets, liabilities and supply chain processes in the public sector.

STRATEGIC OBJECTIVESⁱ

STRATEGIC OBJECTIVE ¹⁰	OBJECTIVE STATEMENT	SUB-PROGRAMMES
SO 5.1 Improve financial management governance and compliance across all spheres and entities in government, giving effect to the PFMA and MFMA	Governance and compliance are continuously improved across all spheres of government by: Maintaining and enhancing the legislative framework Enforcing compliance with public-sector financial management legislation in each sphere of government Providing technical support services to address implementation challenges in financial management, IA and risk management Issuing frameworks, guidelines, circulars, treasury instructions and other tools to enable proper implementation of the legislation Monitoring and evaluating financial management, IA 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	Research, develop and implement interventions that contribute to improved public finance management (PFM) capacity, capability and performance in all three spheres of government, through institutional, organisational, individual and stakeholder development. This includes providing capacity and support on policies relating to accounting and reporting and IA on.	Financial Reporting for National Accounts and Financial Management. Policy and Compliance Improvement. Capacity Building. Specialised Audit Services.
SO 5.3 Manage existing financial systems and renew these as required to exercise comprehensive financial management	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 Develop and implement the IFMS to replace ageing and fragmented financial, supply chain and HR management systems across national and provincial departments	Financial Systems

¹⁰ For Programme's Strategic Objective amendments please refer to the relevant Annexure

PROGRAMME AND SUB-PROGRAMME PLANS

STRATEGIC OBJECTIVE ¹⁰	OBJECTIVE STATEMENT	SUB-PROGRAMMES
SO 5.4 Modernise SCM policies and procedures	Comprehensive review of SCM policies to ensure a simplified and modernised SCM environment in government, including the amendment of processes and procedures in line with the revised policies	Office of the Chief Procurement Officer
SO 5.5 Monitor and evaluate SCM performance	Exercise oversight over SCM policies, procedures, norms and standards. This will entail oversight of: Published procurement plans Published deviations and contract expansions 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 5.6 Develop and implement strategic procurement	Conduct a collaborative and structured process of critically analysing government's spend and utilise this information to make better business decisions about acquiring goods and services effectively and efficiently. Strategic procurement will help government to: Optimise performance Minimise costs Improve access to business opportunities in line with B-BEEE policy Increase value per rand spent These objectives will be achieved through the publication and implementation of a strategic procurement framework, guidelines and tools. Contribute to efficient and effective procurement by expanding centre-led contracting for common goods and services	Office of the Chief Procurement Officer
SO 5.7 Build and strengthen stakeholder relations	Provide an environment for SCM engagements and for support to stakeholders/clients	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 used in processing transactions	Office of the Chief Procurement Officer

*Strategic objective 'Develop SCM capacity' has been moved to Office of the Accountant-General.

SUB-PROGRAMMES

PROGRAMME MANAGEMENT FOR FINANCIAL ACCOUNTING AND SUPPLY CHAIN SYSTEMS

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

OFFICE OF THE CHIEF PROCUREMENT OFFICER

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

PROGRAMME AND SUB-PROGRAMME PLANS

FINANCIAL SYSTEMS

The purpose of this sub-programme is to maintain and improve existing financial management systems and to develop and implement the new IFMS. This will replace ageing and fragmented financial, supply chain and HR management systems within national and provincial departments

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 monthly monitoring of state budgets and expenditure reports in line with the PFMA.

FINANCIAL MANAGEMENT POLICY AND COMPLIANCE IMPROVEMENT

This sub-programme promotes financial management compliance with the PFMA and MFMA through the development of supporting guides and frameworks, instructions and regulations, and provides implementation support in the three spheres of government. It also regulates financial management and accounting policies, and sets the risk and IA frameworks in the three spheres of government. It provides technical and other support for institutional capacity building relating to financial management, and provides assistance with specialised performance audits and investigations of malpractice across all spheres of government.

STRATEGIC PLAN OBJECTIVE ANNUAL AND MEDIUM TERMS TARGETS¹¹

PERFORMANCE INDICATOR		AUDITED/ACTUAL PERFORMANCE	ESTIMATED PERFORMANCE	PLANNED PERFORMANCE CURRENT YEAR	MEDIUM TERM TARGETS (MTEF)				
					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, giving effect to the PFMA and MFMA									
5.1	Percentage of Financial management regulations, instructions, circulars, policies, guidelines and tools published.	#	#	#					
Strategic Objective 5.2: Support and facilitate capacity development across all spheres of government in order to improve financial management execution									
5.2	Percentage of planned capacity development initiatives implemented	#	#	#	#	#	#	100%	100%
Strategic Objective 5.3: Manage existing financial systems and renew these as required to exercise comprehensive financial management									
5.3	Percentage alignment of financial management systems to regulations, policies and instructions	#	#	#	#	#	#	100%	100%
Strategic Objective 5.4: Modernise SCM policies and procedures									
5.4	Percentage of revise SCM Process and Procedures published	#	#	#	#	#	#	100%	100%

¹¹ Please refer to endnotes where so designated

STRATEGIC PLAN OBJECTIVE ANNUAL AND MEDIUM TERMS TARGETS - CONTINUED

PERFORMANCE INDICATOR	AUDITED/ACTUAL PERFORMANCE			ESTIMATED PERFORMANCE	PLANNED PERFORMANCE CURRENT YEAR	MEDIUM TERM TARGETS (MTEF)		
	2013/14	2014/15	2015/16			2016/17	2017/18	2018/19
Strategic Objective 5.5: Monitor and evaluate SCM performance								
5.5 Percentage of SCM performance monitoring reports published on the website	#	#	#	#	#	100%	100%	100%
Strategic Objective 5.6: Develop and implement strategic procurement								
5.6 Strategy for strategic procurement implemented	#	#	#	#	#	Strategy for strategic procurement developed	Strategy for strategic procurement rolled out	Strategy updated
Strategic Objective 5.7: Build and strengthen stakeholder relations								
5.7 Build and strengthen stakeholder relations	#	#	#	#	#	Develop stakeholder engagement model	Implement stakeholder engagement model	Evaluate stakeholder engagement model
Strategic Objective 5.8: Modernise and automate SCM processes								
5.8 e-Procurement implemented	#	#	#	#	#	Develop e-Procurement	e-procurement rolled-out	Update e-procurement

PROGRAMME PERFORMANCE INDICATORS AND ANNUAL TARGETS

PERFORMANCE INDICATOR	AUDITED/ACTUAL PERFORMANCE			ESTIMATED PERFORMANCE	PLANNED PERFORMANCE CURRENT YEAR	MEDIUM TERM TARGETS (MTEF)		
	2013/14	2014/15	2015/16			2016/17	2017/18	2018/19
Strategic Objective 5.1 Improve financial management governance and compliance across all spheres and entities in government, giving effect to the PFMA and MFMA								
5.1.1 Number of institutions workshoped on IA and risk management guidelines	None	None	None	None	20	24	0	0
5.1.2 Number of assessments conducted of IA and state of readiness for quality assurance reviews and adoption of best practices to assess compliance with PFMA, MFMA and international professional practice standards	8	6	None	12	10	10	10	10
5.1.3 Number of institutions whose Audit Committees have been provided with support	None	None	None	10	15	15	15	15

PROGRAMME PERFORMANCE INDICATORS AND ANNUAL TARGETS - CONTINUED

PERFORMANCE INDICATOR	AUDITED/ACTUAL PERFORMANCE			ESTIMATED PERFORMANCE	PLANNED PERFORMANCE CURRENT YEAR	MEDIUM TERM TARGETS (MTEF)		
	2013/14	2014/15	2015/16			2018/19	2019/20	2020/21
5.1.4 Number of knowledge sharing forums on IA and risk management facilitated through formal platforms	None	None	None	None	6	6	6	6
5.1.5 Number of support plans developed for government entities struggling at lower levels of IA implementation as in the Financial Management Capability Maturity Model (FMCM)	None	None	None	None	5	5	5	5
5.1.6 Number of public sector officials trained in risk management	None	None	None	None	400	400	400	400
5.1.7 Number of institutions of higher learning workshoped on the risk management curriculum ⁱ	None	None	None	4	4	4	4	0
5.1.8 Number of monitoring improvement of financial management in national and provincial institutions reports produced	#	#	#	#	6	6	6	6

PROGRAMME PERFORMANCE INDICATORS AND ANNUAL TARGETS - CONTINUED

PERFORMANCE INDICATOR	AUDITED/ACTUAL PERFORMANCE			ESTIMATED PERFORMANCE	PLANNED PERFORMANCE CURRENT YEAR	MEDIUM TERM TARGETS (MTTF)		
	2013/14	2014/15	2015/16			2016/17	2017/18	2018/19
5.1.9 Number of guidelines to assist with the implementation of Treasury Regulation, policies and Treasury Instruction developed	None	None	None	4	4	4	4	8
5.1.10 Number of information sessions provided to support PFMA institutions on the implementation of Treasury Regulations, Treasury Instructions and guidelines	None	None	None	8	8	8	8	12
5.1.11.1 FMCMM Model revised ⁱⁱⁱ	None	None	None	Develop web-based FMCMM model	Develop web-based FMCMM model	On-going maintenance of the FMCMM model	On-going maintenance of the FMCMM model	On-going maintenance of the FMCMM model
5.1.11.2	None	None	None	Conduct one FMCMM assessment	Conduct one FMCMM assessment	Conduct one FMCMM assessment	Conduct one FMCMM assessment	Conduct one FMCMM assessment
5.1.12 Number of forensic investigations conducted and special performance audit reports produced ^v	22	27	28	25	25	30	30	30



PROGRAMME PERFORMANCE INDICATORS AND ANNUAL TARGETS - CONTINUED

PERFORMANCE INDICATOR	AUDITED/ACTUAL PERFORMANCE			ESTIMATED PERFORMANCE	PLANNED PERFORMANCE CURRENT YEAR	MEDIUM TERM TARGETS (MTEF)		
	2013/14	2014/15	2015/16			2018/19	2019/20	2020/21
5.1.13 Number of cases referred and advisory services provided to law enforcement agencies/anti-corruption task team for criminal investigation	26	48	44	25	30	30	40	40
5.1.14 Number of engagements held with public officials to address compliance and implementation of regulations, instructions and guidelines in a coordinated and consistent manner	#	#	#	#	2	2	2	2
5.1.15 No of financial management assessment tools modules for local government either developed, updated or maintained ^y	#	#	#	#	5	5	5	5
5.1.16 Percentage of financial management grant support plans reviewed for alignment with the grant framework for municipalities	#	#	#	#	100%	100%	100%	100%

PROGRAMME PERFORMANCE INDICATORS AND ANNUAL TARGETS - CONTINUED

PERFORMANCE INDICATOR	AUDITED/ACTUAL PERFORMANCE			ESTIMATED PERFORMANCE	PLANNED PERFORMANCE CURRENT YEAR	MEDIUM TERM TARGETS (MTEF)		
	2013/14	2014/15	2015/16			2016/17	2017/18	2018/19
5.1.17 Number of days taken to respond to requests to draft financial recovery plans from receiving the request ^{vii}	#	#	#	#	90	90	90	90
5.1.18 Percentage of requests to the MFMA helpdesk responded to within 30 days of receipt of request ^{viii}	None	95%	87%	75%	75%	75%	75%	75%
5.1.19 Number of municipalities assisted in addressing gaps as identified by FMCM and financial indicator assessment	#	#	#	#	3	3	3	3
5.1.20 Number of municipalities with the highest UIFW incurred annually monitored to rectify such expenditure in terms of the MFMA	#	#	#	#	10	10	10	10



PROGRAMME PERFORMANCE INDICATORS AND ANNUAL TARGETS - CONTINUED

PERFORMANCE INDICATOR	AUDITED/ACTUAL PERFORMANCE	ESTIMATED PERFORMANCE		PLANNED PERFORMANCE CURRENT YEAR		MEDIUM TERM TARGETS (MTEF)		
		2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20
Strategic Objective 5.2: Support and facilitate capacity development across all spheres of government in order to improve financial management execution								
5.2.1	Number of officials trained in the preparation of provincial consolidated financial statements, provincial revenue fund statements and implementation of generally recognised accounting practices (GRAP) standards ^{viii}	None	None	None	250	250	200	200
5.2.2	Number of timely and accurate monthly statements reports of actual revenue and actual expenditure published for the National Revenue Fund (NRF) ^x	None	None	None	12 reports published, each on the last working day of every month	12	12	12

PROGRAMME PERFORMANCE INDICATORS AND ANNUAL TARGETS - CONTINUED

PERFORMANCE INDICATOR	AUDITED/ACTUAL PERFORMANCE				ESTIMATED PERFORMANCE	PLANNED PERFORMANCE CURRENT YEAR	MEDIUM TERM TARGETS (MTEF)		
	2013/14	2014/15	2015/16	2016/17			2017/18	2018/19	2019/20
5.2.3 Percentage compliance with the banking services for national government: Daily bank reconciliation of NRF Electronic verification of supplier banking details within four working days	None	None	None	100%	100%	100%	100%	100%	100%
5.2.4 Number of consolidated annual financial statements for national departments, public entities and Reconstruction and Development Programme (RDP) Fund tabled on 31 October*	None	None	None	None	1 tabling of consolidated financial statements	2	2	2	2
5.2.5 Percentage of the public financial management education, training and development implementation plan achieved ^{xii}	#	#	#	#	100%	100%	100%	100%	100%
5.2.6 Number of municipal officials trained in financial management competencies	None	1 034	1380	1000	1 000	1 000	1 000	1 000	1 000

PROGRAMME PERFORMANCE INDICATORS AND ANNUAL TARGETS - CONTINUED

PERFORMANCE INDICATOR	AUDITED/ACTUAL PERFORMANCE			ESTIMATED PERFORMANCE	PLANNED PERFORMANCE CURRENT YEAR	MEDIUM TERM TARGETS (MTEF)		
	2013/14	2014/15	2015/16			2018/19	2019/20	2020/21
5.2.7 Percentage of the public financial management capacity development strategy (CDS) implementation plan achieved ^{xii}	None	None	None	100%	100%	100%	100%	100%
5.2.8 The percentage of qualifying trainees that participate in the academic support programme for prospective chartered accountants ^{xii}	None	None	None	100%	100%	100%	100%	100%
5.2.9 Number of municipalities monitored to comply with minimum competencies regulations for financial management	#	#	#	#	#	70	70	70
5.2.10 Number of municipalities that received disclaimers and adverse opinions prioritized by NT and PT for support	#	#	#	#	#	10	10	10

PROGRAMME PERFORMANCE INDICATORS AND ANNUAL TARGETS - CONTINUED

PROGRAMME AND SUB-PROGRAMME PLANS

PERFORMANCE INDICATOR	AUDITED/ACTUAL PERFORMANCE			ESTIMATED PERFORMANCE	PLANNED PERFORMANCE CURRENT YEAR	MEDIUM TERM TARGETS (MTEF)		
	2013/14	2014/15	2015/16			2016/17	2017/18	2018/19
Strategic Objective 5.3: Manage existing financial systems and renew these as required to exercise comprehensive financial management								
5.3.1 Percentage availability of current transversal systems	99%	99%	98%	98%	98%	98%	98%	98%
5.3.2 Number of generic solution configuration templates completed	None	None	None	1	None	1	None	None
5.3.3 Number of IFMS comprehensive implementation strategies published	None	None	None	1	1	None	None	None
Strategic Objective 5.4: Modernise SCM policies and procedures								
5.4.1 Number of Instructions issued in line with policy interventions and proposed designated products or categories to enhance SCM policy	None	None	None	12	9	6	3	3
Strategic Objective 5.5: Monitor and evaluate SCM performance								
5.5.1 Percentage of departments/entities quarterly performance information reports reviewed	None	None	None	100%	100%	100%	100%	100%
5.5.2 Percentage of procurement plans published on the e-tender portal	None	None	None	100%	100%	100%	100%	100%

PROGRAMME PERFORMANCE INDICATORS AND ANNUAL TARGETS - CONTINUED

PERFORMANCE INDICATOR	AUDITED/ACTUAL PERFORMANCE			ESTIMATED PERFORMANCE	PLANNED PERFORMANCE CURRENT YEAR	MEDIUM TERM TARGETS (MTEF)		
	2013/14	2014/15	2015/16			2018/19	2019/20	2020/21
5.5.3 Percentage of bid specifications reviewed for alignment with policy and other applicable procurement instructions	None	None	None	100%	100%	100%	100%	100%
5.5.4 Percentage of bid evaluations and adjudications reviewed to ensure compliance with the criteria/scoring specified in bidding documents	None	None	None	100%	100%	100%	100%	100%
5.5.5 Percentage of contracts awarded reviewed to verify if contract delivery is in line with the specifications	None	None	None	100%	100%	100%	100%	100%
5.5.6 Percentage of projects visited to verify if delivery of the awarded contracts is aligned with the contract conditions	None	None	None	100%	100%	100%	100%	100%

PROGRAMME PERFORMANCE INDICATORS AND ANNUAL TARGETS - CONTINUED

PERFORMANCE INDICATOR	AUDITED/ACTUAL PERFORMANCE			ESTIMATED PERFORMANCE	PLANNED PERFORMANCE CURRENT YEAR	MEDIUM TERM TARGETS (MTEF)		
	2013/14	2014/15	2015/16			2016/17	2017/18	2018/19
Strategic Objective 5.6: Develop and implement strategic procurement								
5.6.1 Number of proposals for strategic sourcing opportunities	None	None	None	None	3	3	3	3
5.6.2 Number of sourcing strategies for identified commodities/procurement categories developed	None	None	None	4	4	3	3	3
5.6.3 Number of sourcing strategies for identified commodities/procurement categories implemented	None	None	None	4	5	3	3	3
5.6.4 Number of on-boarding, monitoring and benefits tracking on sourcing strategies	None	None	None	3	3	5	3	3
5.6.5 Number of transversal term contracts renewed per annum for National Procurement	18	16	16	17	17	11	15	6
5.6.6 Number of procurement spend reports published	#	#	#	#	4	4	4	4

PROGRAMME PERFORMANCE INDICATORS AND ANNUAL TARGETS - CONTINUED

PERFORMANCE INDICATOR	AUDITED/ACTUAL PERFORMANCE			ESTIMATED PERFORMANCE	PLANNED PERFORMANCE CURRENT YEAR	MEDIUM TERM TARGETS (MTEF)		
	2013/14	2014/15	2015/16			2018/19	2019/20	2020/21
Strategic Objective 5.7 Build and strengthen stakeholder relations								
5.7.1 Percentage of external stakeholder engagements held	None	None	None	None	95%	95%	95%	95%
5.7.2 Number of departments and entities supported on supply chain	#	#	#	#	8	8	8	8
Strategic Objective 5.8: Modernise and automate SCM processes								
5.8.1 Number of departments enabled on an centralised electronic quotation system	#	#	#	#	30	40	40	40
5.8.2 Number of tenders submitted on an electronic tendering platform for transversal contracts	#	#	#	#	20	1000	5000	10000
5.8.3 Number of contract management solution developed and implemented	#	#	#	#	1	0	0	0
5.8.4 Number of business processes defined for SCM stream of IFMS	#	#	#	#	11	124	150	150

PROGRAMME PERFORMANCE INDICATOR QUARTERLY TARGETS FOR 2017/18

Performance Indicator	2017/18 Annual targets	Quarter 1	Quarter 2	Quarter 3	Quarter 4
Strategic Objective 5.1: Improve financial management governance and compliance across all spheres and entities in government, giving effect to the PFMA and MFMA					
5.1.1	Number of institutions workshoped on IA and risk management guidelines	24	N/A	N/A	12
5.1.2	Number of assessments conducted of IA and state of readiness for quality assurance reviews and adoption of best practices to assess compliance with PFMA, MFMA and international professional practice standards	10	N/A	4	2
5.1.3	Number of institutions whose Audit Committees have been provided with support	15	N/A	N/A	15
5.1.4	Number of knowledge sharing forums on IA and risk management facilitated through formal platforms	6	1	2	1
5.1.5	Number of support plans developed for government entities struggling at lower levels of IA implementation in the Financial Management Capability Maturity Model (FMCMM)	5	2	3	N/A

PROGRAMME PERFORMANCE INDICATOR QUARTERLY TARGETS FOR 2017/18 - CONTINUED

Performance Indicator	Annual targets	2017/18			Quarter 4
		Quarter 1	Quarter 2	Quarter 3	
5.1.6	Number of public sector officials trained in risk management	400	100	200	400
5.1.7	Number of institutions of higher learning workshoped on the risk management curriculum ³⁶	4	1	1	1
5.1.8	Number of monitoring improvement of financial management in national and provincial institutions reports produced	6	1	1	3
5.1.9	Number of guidelines to assist with the implementation of Treasury Regulation, policies and Treasury Instruction developed	4	1	1	1
5.1.10	Number of information sessions provided to support PFMA institutions on the implementation of Treasury Regulations, Treasury Instructions and guidelines	8	2	2	2
5.1.11.1	Develop web-based FMCM model	N/A	N/A	N/A	Develop one web-based FMCM model
5.1.11.2	Conduct one FMCM assessment	N/A	N/A	N/A	Conduct one FMCM assessment

PROGRAMME PERFORMANCE INDICATOR QUARTERLY TARGETS FOR 2017/18 - CONTINUED

Performance Indicator	2017/18 Annual targets	Quarter 1	Quarter 2	Quarter 3	Quarter 4
5.1.12 Number of forensic investigations conducted and special performance audit reports produced	25	5	5	7	8
5.1.13 Number of cases referred and advisory services provided to law enforcement agencies/ anti-corruption task team for criminal investigation	30	7	8	7	8
5.1.14 Number of engagements held with public officials to address compliance and implementation of regulations, instructions and guidelines in a coordinated and consistent manner	2	N/A	1	N/A	1
5.1.15 No of financial management assessment tools modules for local government either developed, updated or maintained	5	N/A	N/A	N/A	5
5.1.16 Percentage of financial management grant support plans reviewed for alignment with the grant framework for municipalities	100%	25%	75%	0%	0%

PROGRAMME PERFORMANCE INDICATOR QUARTERLY TARGETS FOR 2017/18 - CONTINUED

Performance Indicator	2017/18 Annual targets	Quarter 1	Quarter 2	Quarter 3	Quarter 4
5.1.17 Number of days taken to respond to requests to draft financial recovery plans from receiving the request	90	90	90	90	90
5.1.18 Percentage of requests to the MFMA helpdesk responded to within 30 days of receipt of request	75%	75%	75%	75%	75%
5.1.19 Number of municipalities assisted in addressing gaps as identified by FMCM and financial indicator assessment	3	N/A	N/A	N/A	3
5.1.20 Number of municipalities with the highest UFW incurred annually monitored to rectify such expenditure in terms of the MFMA	10	N/A	N/A	N/A	10
Strategic Objective 5.2: Support and facilitate capacity development across all spheres of government in order to improve financial management execution					
5.2.1 Number of officials trained in the preparation of provincial consolidated financial statements, provincial revenue fund statements and implementation of generally recognised accounting practices (GRAP) standards	250	50	100	200	250

PROGRAMME PERFORMANCE INDICATOR QUARTERLY TARGETS FOR 2017/18 - CONTINUED

Performance Indicator	2017/18 Annual targets	Quarter 1	Quarter 2	Quarter 3	Quarter 4
5.2.2	Number of timely and accurate monthly statements reports of actual revenue and actual expenditure published for the National Revenue Fund (NRF)	12	3	3	3
5.2.3	Percentage compliance with the banking services for national government: Daily bank reconciliation of NRF Electronic verification of supplier banking details within four working days		100%	100%	100%
5.2.4	Number of consolidated annual financial statements for national departments, public entities and Reconstruction and Development Programme (RDP) Fund tabled on 31 October		2	N/A	2
5.2.5	Percentage of the public financial management education, training and development implementation plan achieved ³⁷		100%	25%	25%



PROGRAMME PERFORMANCE INDICATOR QUARTERLY TARGETS FOR 2017/18 - CONTINUED

Performance Indicator	2017/18 Annual targets	Quarter 1	Quarter 2	Quarter 3	Quarter 4
5.2.6 Number of municipal officials trained in financial management competencies	1000	250	250	250	250
5.2.7 Percentage of the public financial management capacity development strategy (CDS) implementation plan achieved ³⁸	100%	25%	25%	25%	25%
5.2.8 The percentage of qualifying trainees that participate in the academic support programme for prospective chartered accountants	100%	0%	0	0	100%
5.2.9 Number of municipalities monitored to comply with minimum competencies regulations for financial management	70	N/A	N/A	N/A	70
5.2.10 Number of municipalities that received disclaimers and adverse opinions prioritized by NT and PT for support	10	N/A	N/A	N/A	10
Strategic Objective 5.3: Manage existing financial systems and renew these as required to exercise comprehensive financial management					
5.3.1 Percentage availability of current transversal systems	98%	98%	98%	98%	98%

PROGRAMME PERFORMANCE INDICATOR QUARTERLY TARGETS FOR 2017/18 - CONTINUED

Performance Indicator	2017/18 Annual targets	Quarter 1			Quarter 2			Quarter 3			Quarter 4		
		N/A	N/A	N/A									
5.3.2	Number of generic solution configuration templates completed	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	0
5.3.3	Number of IFMS comprehensive implementation strategies published	1	0	0	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	1
Strategic Objective 5.4: Modernise SCM policies and procedures													
5.4.1	Number of instructions issued in line with policy interventions and proposed designated products or categories to enhance SCM policy	9	2	2	3	3	3	3	3	3	3	3	1
Strategic Objective 5.5: Monitor and evaluate SCM performance													
5.5.1	Percentage of departments/entities' quarterly performance information reports reviewed	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
5.5.2	Percentage of procurement plans published on the e-tender portal	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
5.5.3	Percentage of bid specifications reviewed for alignment with policy and other applicable procurement instructions	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%

PROGRAMME PERFORMANCE INDICATOR QUARTERLY TARGETS FOR 2017/18 - CONTINUED

Performance Indicator	2017/18 Annual targets	Quarterly Targets			
		Quarter 1	Quarter 2	Quarter 3	Quarter 4
5.5.4 Percentage of bid evaluations and adjudications reviewed to ensure compliance with the criteria/scoring specified in bidding documents	100%	100%	100%	100%	100%
5.5.5 Percentage of contracts awarded/reviewed to verify if contract delivery is in line with the specifications.	100%	100%	100%	100%	100%
5.5.6 Percentage of projects visited to verify if delivery of the awarded contracts is aligned with the conditions of contract	100%	100%	100%	100%	100%
Strategic Objective 5.6: Develop and implement strategic procurement					
5.6.1 Number of proposals for strategic sourcing opportunities	3	N/A	1	1	1
5.6.2 Number of sourcing strategies for identified commodities/procurement categories developed	4	N/A	N/A	N/A	4
5.6.3 Number of sourcing strategies for identified commodities/procurement categories implemented	5	N/A	N/A	N/A	5

PROGRAMME PERFORMANCE INDICATOR QUARTERLY TARGETS FOR 2017/18 - CONTINUED

Performance Indicator	2017/18 Annual targets	Quarterly Targets			Quarter 4
		Quarter 1	Quarter 2	Quarter 3	
5.6.4	Number of on-boarding, monitoring and benefits tracking on sourcing strategies	3	N/A	N/A	3
5.6.5	Number of transversal term contracts renewed per annum for National Procurement	17	12	1	N/A
5.6.6	Number of procurement spend reports published	4	1	1	1
Strategic Objective 5.7: Build and strengthen stakeholder relations					
5.7.1	Percentage of external stakeholder engagements held	95%	95%	95%	95%
5.7.2	Number of departments and entities supported on supply chain	8	2	2	2

PROGRAMME PERFORMANCE INDICATOR QUARTERLY TARGETS FOR 2017/18 - CONTINUED

Performance Indicator	2017/18 Annual targets	Strategic Objective 5.8: Modernise and automate SCM processes			Quarter 4
		Quarter 1	Quarter 2	Quarter 3	
5.8.1	Number of departments enabled on an centralised electronic quotation system	30	5	5	10
5.8.2	Number of tenders submitted on an electronic tendering platform for transversal contracts	20	5	5	5
5.8.3	Number of contract management solution developed and implemented	1	N/A	N/A	1
5.8.4	Number of business processes defined for SCM stream of IFMS	11	1	3	3

EXPENDITURE TRENDS AND ESTIMATES

Subprogramme	Audited outcome	Adjusted appropriation	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate	Average growth rate (%)	Average: Expen-diture/ Total (%)		
R thousand	2013/14	2014/15	2015/16	2016/17	2013/14 - 2016/17	2017/18	2018/19	2019/20	2016/17 - 2019/20
Programme Management for Financial Accounting and Supply Chain Management Systems	18 366	15 158	24 727	57 609	46.4%	3.4%	101 188	196 752	143 445
Office of the Chief Procurement Officer	33 342	38 635	55 277	68 246	27.0%	5.7%	68 903	69 254	76 731
Financial Systems	424 111	412 147	441 042	828 982	25.0%	61.4%	638 640	652 343	564 152
Financial Reporting for National Accounts	85 443	86 385	82 987	87 976	1.0%	10.0%	99 180	103 425	109 688
Financial Management Policy and Compliance Improvement	105 611	117 811	128 484	129 612	7.1%	14.0%	133 414	136 152	145 166
Audit Statutory Bodies	40 812	61 257	41 856	44 075	2.6%	5.5%	46 278	48 962	51 704
Service Charges: Commercial Banks	87	102	121	258	43.7%	-	273	289	303
Total	707 772	731 495	774 494	1 216 758	19.8%	100.0%	1 087 876	1 207 177	1 091 189
Change to 2016 Budget estimate				366 904			177 881	261 386	88 434
ECONOMIC CLASSIFICATION									
Current payments	621 054	619 792	682 887	1 125 013	21.9%	88.9%	983 183	1 096 851	974 557
Compensation of employees	149 541	158 331	179 487	203 402	10.8%	20.1%	206 111	208 258	223 720

EXPENDITURE TRENDS AND ESTIMATES - CONTINUED

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate	2017/18	2018/19	2019/20	Average growth rate (%)	2016/17 - 2019/20	Average: Expenditure/ Total (%)
	2013/14	2014/15	2015/16										
R thousand													
Goods and services ¹ of which:	471 513	461 461	503 400	921 611	25.0%	68.7%	777 072	888 593	750 837	-	-6.6%	-	72.5%
Audit costs: External	3 657	6 523	3 892	7 393	26.4%	0.6%	8 002	8 413	8 931	6.5%	0.7%	-	-
Bursaries: Employees	1 411	1 292	2 056	2 027	12.8%	0.2%	2 270	2 156	2 254	3.6%	0.2%	-	-
Computer services	402 948	384 567	338 837	778 868	24.6%	55.5%	591 710	616 304	525 532	-	-12.3%	-	54.6%
Consultants: Business and advisory services	41 896	49 883	137 433	107 232	36.8%	9.8%	151 219	237 393	188 324	20.6%	14.9%	-	-
Travel and subsistence	6 984	7 221	4 188	10 622	15.0%	0.8%	9 620	10 330	10 982	1.1%	0.9%	-	-
Venues and facilities	7 104	4 719	280	4 836	-12.0%	0.5%	5 451	5 680	5 930	7.0%	0.5%	-	-
Transfers and subsidies ¹	84 453	106 495	83 511	85 861	0.6%	10.5%	99 365	105 298	111 198	9.0%	8.7%	-	-
Departmental agencies and accounts	83 806	106 084	83 129	85 570	0.7%	10.5%	99 365	105 298	111 198	9.1%	8.7%	-	-
Households	647	411	382	291	-23.4%	0.1%	-	-	-	-	-100.0%	-	-
Payments for capital assets	2 067	3 893	8 079	5 884	41.7%	0.6%	5 328	5 028	5 434	-2.6%	0.5%	-	-
Buildings and other fixed structures	-	356	-	-	-	-	-	-	-	-	-	-	-
Machinery and equipment	2 067	3 537	8 079	5 854	41.5%	0.6%	5 328	5 028	5 434	-2.5%	0.5%	-	-
Software and other intangible assets	-	-	-	30	-	-	-	-	-	-	-100.0%	-	-

EXPENDITURE TRENDS AND ESTIMATES - CONTINUED

Subprogramme	Audited outcome	Adjusted appropriation	Average growth rate (%)	Average Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)				
					2013/14	2014/15	2015/16	2016/17	2013/14 - 2016/17	2017/18	2018/19	2019/20	2016/17 - 2019/20
R thousand													
Payments for financial assets	198	1 315	17	-	-100.0%	-	-	-	-	-	-	-	-
Total	707 772	731 495	774 494	1 216 758	19.8%	100.0%	1 087 876	1 207 177	1 091 189	-3.6%	-	-	100.0%
Proportion of total programme expenditure to vote expenditure	2.8%	2.8%	2.7%	4.3%	-	-	-	-	3.5%	3.7%	3.2%	-	-
Details of transfers and subsidies													
Departmental agencies and accounts													
Departmental agencies (non-business entities)													
Current	83 806	106 084	83 129	85 570	0.7%	10.5%	99 365	105 298	111 198	9.1%	9.1%	8.7%	
Accounting Standards Board	10 061	10 250	-	12 517	7.6%	1.0%	13 463	14 414	15 224	6.7%	6.7%	1.2%	
Independent Regulatory Board for Auditors	32 933	34 577	41 273	28 978	-4.2%	4.0%	39 624	41 922	44 270	15.2%	15.2%	3.4%	
Auditor-General of South Africa	40 812	61 257	41 856	44 075	2.6%	5.5%	46 278	48 962	51 704	5.5%	5.5%	4.1%	
Households													
Social benefits													
Current	647	411	382	291	-23.4%	0.1%	-	-	-	-100.0%	-	-	-
Employee Social Benefits	647	411	382	291	-23.4%	0.1%	-	-	-	-100.0%	-	-	-

PERSONNEL INFORMATION

Number of funded posts	Number of posts estimated for 31 March 2017		Number and cost ² of personnel posts filled / planned for on funded establishment										Number							
	Number of posts additional to the establishment	Actual	Revised estimate			Medium-term expenditure estimate			2018/19			2019/20			Average growth rate (%)	Average: Salary level/Total (%)				
		No.	Cost	Unit Cost	No.	Cost	Unit Cost	No.	Cost	Unit Cost	No.	Cost	Unit Cost							
Financial Accounting and Supply Chain Management Systems	10	303	1795	0.6	304	204.3	0.7	293	206.1	0.7	283	208.3	0.7	292	223.7	0.8	-1.3%	100.0%		
Salary level	3:12	7	3	11	2.1	0.2	9	1.9	0.2	7	1.5	0.2	6	1.3	0.2	8	2.0	0.2	-3.9%	2.6%
1 – 6		129	4	133	49.3	0.4	127	46.5	0.4	123	56.1	0.5	119	57.5	0.5	123	62.8	0.5	-1.1%	42.0%
7 – 10		88	1	82	52.1	0.6	82	58.9	0.7	80	61.7	0.8	78	63.7	0.8	80	69.1	0.9	-0.8%	27.3%
11 – 12		88	2	77	76.0	1.0	86	97.1	1.1	83	86.8	1.0	80	85.7	1.1	81	89.8	1.1	-2.0%	28.2%
13 – 16																				

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

PROGRAMME AND SUB-PROGRAMME PLANS

PROGRAMME 6: INTERNATIONAL FINANCIAL RELATIONS

PURPOSE

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

STRATEGIC OBJECTIVESⁱ

STRATEGIC OBJECTIVE ¹²	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 generally by: Assessing the content and context of current policy debates and expanding awareness of them 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	Strengthen and expand South Africa's engagement in key institutions and with partners at selected policy for a Increase 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 Support an enabling environment for increased economic activity within Africa	Promote regional economic integration and strengthen economic links within Africa by: Encouraging increased cooperation and investment that support improved interconnectedness in the region Expanding bilateral engagements on issues of mutual interest	African Integration and Support International Projects International Economic Cooperation

SUB-PROGRAMMES

PROGRAMME MANAGEMENT FOR INTERNATIONAL FINANCIAL RELATIONS

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

¹² For Programme's Strategic Objective amendments please refer to the relevant Annexure

PROGRAMME AND SUB-PROGRAMME PLANS

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, the Brazil-Russia-India-China-South Africa (BRICS) group of countries and the International Monetary Fund.

AFRICAN INTEGRATION AND SUPPORT

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

INTERNATIONAL DEVELOPMENT FUNDING INSTITUTIONS

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

INTERNATIONAL PROJECTS

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

PROGRAMME AND SUB-PROGRAMME PLANS

STRATEGIC PLAN OBJECTIVE ANNUAL AND MEDIUM TERMS TARGETS¹³

PERFORMANCE INDICATOR	AUDITED/ACTUAL PERFORMANCE			ESTIMATED PERFORMANCE	PLANNED PERFORMANCE CURRENT YEAR	MEDIUM TERM TARGETS (MTEF)			
	2013/14	2014/15	2015/16			2017/18	2018/19	2019/20	2020/2021
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	Number of initiatives conducted to advance South Africa's interests specifically, and those of Africa more generally	#	#	#	#	22	22	22	22
Strategic Objective 6.2: Increase Africa's voice and South Africa's influence in international institutions and forums									
6.2	Secure the 3rd Chair for Sub-Saharan Africa in the IMF Board implemented	#	#	#	#	Motivations for the 3rd Chair for Sub-Saharan Africa in the IMF Board made	Motivations for the 3rd Chair for Sub-Saharan Africa in the IMF Board made	Motivations for the 3rd Chair for Sub-Saharan Africa in the IMF Board made	Motivations for the 3rd Chair for Sub-Saharan Africa in the IMF Board made
Strategic Objective 6.3 : Support an enabling environment for increased economic activity within Africa									
6.3	African strategy implemented	#	#	#	#	Draft Africa Strategy	Approved Africa Strategy	Africa Strategy implemented	Africa Strategy implementation monitored

¹³ Please refer to endnotes where so designated

PROGRAMME PERFORMANCE INDICATORS AND ANNUAL TARGETS

PERFORMANCE INDICATOR	AUDITED/ACTUAL PERFORMANCE	ESTIMATED PERFORMANCE			PLANNED PERFORMANCE CURRENT YEAR	MEDIUM TERM TARGETS (MTTF)		
		2013/14	2014/15	2015/16		2017/18	2018/19	2019/20
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 Percentage of obligations towards international agreements monitored	None	None	None	100%	100%	100%	100%	100%
6.1.2 Percentage response to customer request on mandatory briefing notes and analysis ⁱⁱ	None	None	None	None	100%	100%	100%	100%
6.1.3 Percentage response to customer request on ad-hoc briefing notes and analysis ⁱⁱ	None	None	None	None	100%	100%	100%	100%
Strategic Objective 6.2: Increase Africa's voice and South Africa's influence in international institutions and forums								
6.2.1 Number of interventions to increase South Africa's presence within institutions of particular strategic value	None	None	None	3	1	1	2	2
6.2.2 Percentage of interventions in pursuit of Institutional reform implemented	None	None	None	9	100%	100%	100%	100%

PROGRAMME PERFORMANCE INDICATORS AND ANNUAL TARGETS - CONTINUED

PERFORMANCE INDICATOR	AUDITED/ACTUAL PERFORMANCE			ESTIMATED PERFORMANCE	PLANNED PERFORMANCE CURRENT YEAR	MEDIUM TERM TARGETS (MTEF)		
	2013/14	2014/15	2015/16			2016/17	2017/18	2018/19
Strategic Objective 6.3: Support an enabling environment for increased economic activity within Africa								
6.3.1 Number of initiatives to expand relations with key strategic partners	None	None	None	None	3	1	1	1
6.3.2 Percentage implementation of identified projects and plans to accelerate regional integration	None	None	None	100%	100%	100%	100%	100%

PROGRAMME PERFORMANCE INDICATOR QUARTERLY TARGETS FOR 2017/18

Performance Indicator	2017/18 Annual Targets	Quarter 1	Quarter 2	Quarter 3	Quarter 4
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 Percentage of obligations towards international agreements met monitored	100%	100%	100%	100%	100%
6.1.2 Percentage response to customer request on mandatory briefing notes and analysis	100%	100%	100%	100%	100%
6.1.3 Percentage response to customer request on ad-hoc briefing notes and analysis	100%	100%	100%	100%	100%
Strategic Objective 6.2: Increase Africa's voice and South Africa's influence in international institutions and forums					
6.2.1 Percentage of interventions in pursuit of institutional reform implemented	100%	100%	100%	100%	100%
6.2.2 Number of interventions to increase presence within institutions of particular strategic value	1	N/A	N/A	N/A	1
Strategic Objective 6.3: Support an enabling environment for increased economic activity within Africa					
6.3.1 Number of initiatives to expand relations with key strategic partners	1	N/A	N/A	N/A	3
6.3.2 Percentage implementation of assessments of initial conditions and projects and plans to accelerate regional integration	100%	100%	100%	100%	100%

EXPENDITURE TRENDS AND ESTIMATES

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate	Average growth rate (%)	Average: Expen-diture/ Total (%)
R thousand	2013/14	2014/15	2015/16	2016/17	2013/14 - 2016/17	2017/18	2018/19	2019/20	2016/17 - 2019/20
Table 7.18 International Financial Relations expenditure trends and estimates by subprogramme and economic classification									
Programme Management for International Financial Relations	19 109	8 317	14 528	12 638	-12.9%	0.5%	12 213	12 657	14 050
International Economic Cooperation	23 812	27 265	30 389	41 027	19.9%	1.1%	40 513	39 377	45 109
African Integration and Support	558 733	588 292	717 531	812 071	13.3%	24.8%	765 623	816 818	862 560
International Development Funding Institutions	450 034	557 583	2 762 655	4 091 915	108.7%	72.9%	4 999 249	5 022 389	5 303 643
International Projects	16 002	17 195	21 031	20 326	8.3%	0.7%	19 163	19 868	20 995
Total	1 067 740	1 198 652	3 546 134	4 977 977	67.1%	100.0%	5 835 761	5 911 109	6 246 357
Change to 2016 Budget estimate				(61 091)			1 934	1 037	4 655
ECONOMIC CLASSIFICATION									
Current payments	42 551	35 393	44 731	52 016	6.9%	1.6%	52 170	51 529	58 474
Compensation of employees	21 753	26 085	28 221	33 282	15.2%	1.0%	36 030	36 124	40 231
Goods and services	20 798	9 308	16 510	18 734	-3.4%	0.6%	16 140	15 405	18 243
of which:									
Bursaries: Employees	117	87	103	477	59.8%	-	719	741	781
									-

EXPENDITURE TRENDS AND ESTIMATES - CONTINUED

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate	Average growth rate (%)	Average: Expenditure/ Total (%)
	2013/14	2014/15	2015/16						
Table 7.18 International Financial Relations expenditure trends and estimates by subprogramme and economic classification									
Communication	467	401	386	292	-14.5%	-	446	467	497
Consultants; Business and advisory services	1 933	643	73	1 283	-12.8%	-	370	395	418
Travel and subsistence	7 590	6 941	49	9 168	6.5%	0.2%	9 644	10 761	11 420
Operating payments	343	192	4 402	1 113	48.0%	0.1%	1 324	1 330	1 354
Venues and facilities	4 506	266	-	2 351	-19.5%	0.1%	2 658	667	2 693
Transfers and subsidies ¹	710 304	788 309	829 242	923 077	9.1%	30.1%	914 918	972 806	1 027 298
Foreign governments and international organisations	710 193	788 263	829 222	923 077	9.1%	30.1%	914 918	972 806	1 027 298
Households	111	46	20	-	-100.0%	-	-	-	-
Payments for capital assets	259	126	162	1 649	85.3%	-	556	505	685
Buildings and other fixed structures	-	-	-	200	-	-	-	-	-100.0%
Machinery and equipment	259	126	162	1 449	77.5%	-	556	505	685
Payments for financial assets	314 626	374 824	2 671 999	4 001 235	133.4%	68.2%	4 869 117	4 886 269	5 159 900
Total	1 067 740	1 198 652	3 546 134	4 977 977	67.1%	100.0%	5 831 761	5 911 109	6 246 357
								7.9%	100.0%

EXPENDITURE TRENDS AND ESTIMATES - CONTINUED

PROGRAMME AND SUB-PROGRAMME PLANS

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate	Average growth rate (%)	Average: Expenditure/ Total (%)
	2013/14	2014/15	2015/16						
Table 7.18 International Financial Relations expenditure trends and estimates by subprogramme and economic classification									
Proportion of total programme expenditure to vote expenditure	4.3%	4.6%	12.4%	17.5%	–	–	19.0%	18.2%	18.4%
Details of transfers and subsidies									
Foreign governments and international organisations									
Current	574 785	605 487	738 562	832 397	13.1%	25.5%	784 786	836 686	883 555
Common Monetary Area Compensation	554 445	581 616	712 496	802 141	13.1%	24.6%	754 924	804 866	849 938
Collaborative Africa Budget Reform Initiative	1 329	4 409	1 834	1 552	5.3%	0.1%	1 630	1 712	1 808
Commonwealth Fund for Technical Cooperation	5 316	5 714	5 533	5 826	3.1%	0.2%	6 117	6 423	6 783
International Finance Facility for Immunisation	10 686	11 481	15 498	14 500	10.7%	0.5%	13 046	13 445	14 212
African Institute for Economic Development and Planning	1 659	917	1 242	1 269	-8.5%	–	1 309	1 351	1 427
Africa Regional Technical Assistance Centre for Southern Africa	350	350	959	1 000	41.9%	–	1 125	1 213	1 281

EXPENDITURE TRENDS AND ESTIMATES - CONTINUED

PROGRAMME AND SUB-PROGRAMME PLANS

Subprogramme	Audited outcome		Adjusted appropriation	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate	Average growth rate (%)	Average: Expenditure/ Total (%)
	2013/14	2014/15						
Table 7.18 International Financial Relations expenditure trends and estimates by subprogramme and economic classification								
Infrastructure Consortium for Africa	1 000	1 000	1 000	-100.0%	-	-	-	-
African Risk Capacity	-	-	-	6 109	-	0.1%	6 635	7 676
Capital	135 408	182 776	90 660	90 680	-12.5%	4.6%	130 132	136 120
African Development Bank and African Development Fund	40 169	92 116	-	-	-100.0%	1.2%	33 465	35 406
World Bank Group	95 239	90 660	90 660	90 680	-1.6%	3.4%	96 667	100 714
Households								
Social benefits								
Current	111	46	20	-	-100.0%	-	-	-
Employee Social Benefits	111	46	20	-	-100.0%	-	-	-

PROGRAMME AND SUB-PROGRAMME PLANS

PERSONNEL INFORMATION

Number of posts estimated for 31 March 2017		Number and cost ² of personnel posts filled / planned for on funded establishment										Number							
Number of funded posts	Number of posts additional to the establishment	Actual			Revised estimate			Medium-term expenditure estimate				Average growth rate (%)		Average: Salary level/Total (%)					
		2015/16	2016/17	2017/18	No.	Unit Cost	Cost	No.	Unit Cost	No.	Cost	No.	Unit Cost	2016/17 - 2019/20					
International Financial Relations																			
Salary level	46	-	38	28.2	0.7	41	32.6	0.8	47	36.0	0.8	44	36.1	0.8	48	40.2	0.8	5.4%	100.0%
1 – 6	-	-	-	0.1	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
7 – 10	14	-	12	5.2	0.4	12	5.6	0.5	16	7.9	0.5	13	6.7	0.5	16	8.9	0.6	10.1%	31.7%
11 – 12	15	-	12	6.0	0.5	11	6.0	0.5	13	9.5	0.7	13	10.0	0.8	14	11.4	0.8	8.4%	28.3%
13 – 16	17	-	14	17.0	1.2	18	21.0	1.2	18	18.7	1.0	18	19.4	1.1	18	19.9	1.1	-	40.0%

Table 7.19 International Financial Relations personnel numbers and cost by salary level¹

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

PROGRAMME AND SUB-PROGRAMME PLANS

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

PURPOSE

Provide for government's pension and post-retirement medical benefit obligations to former employees of state departments and bodies. Provide for similar benefits to retired members of the military.

STRATEGIC OBJECTIVES¹³

STRATEGIC OBJECTIVE ¹⁴	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 required by the applicable legislation	Civil Pensions and Contributions to Funds Military Pensions Other Benefits
SO 7.2 Provide an improved and integrated customer service experience	Improve customer service by ensuring that customer complaints are resolved within agreed timelines; build relationships with employer departments through good communication	Civil Pensions and Contributions to Funds Military Pensions Other Benefits

SUB-PROGRAMME OVERVIEW

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.

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.

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.

¹³ For Programme's Strategic Objective amendments please refer to the relevant Annexure

PROGRAMME AND SUB-PROGRAMME PLANS

STRATEGIC PLAN OBJECTIVE ANNUAL AND MEDIUM TERMS TARGETS¹⁵

PERFORMANCE INDICATOR	AUDITED/ACTUAL PERFORMANCE			ESTIMATED PERFORMANCE	PLANNED PERFORMANCE CURRENT YEAR	MEDIUM TERM TARGETS (MTEF)		
	2013/14	2014/15	2015/16			2017/18	2018/19	2019/20
Strategic Objective 7.1: Ensure good governance and robust control environment for fund administration								
7.1 Improved audit outcomes	None	None	None	None	None	No repeat findings	No repeat findings	No repeat findings
Strategic Objective 7.2: Provide an improved and integrated customer service experience								
7.2 Percentage of customer complaints responded too.	None	None	None	None	100%	100%	100%	100%

¹⁵ Please refer to endnotes where so designated

PROGRAMME PERFORMANCE INDICATORS AND ANNUAL TARGETS

PERFORMANCE INDICATOR	AUDITED/ACTUAL PERFORMANCE			ESTIMATED PERFORMANCE CURRENT YEAR	PLANNED PERFORMANCE CURRENT YEAR	MEDIUM TERM TARGETS (MTEF)		
	2013/14	2014/15	2015/16			2017/18	2018/19	2019/20
Strategic Objective 7.1: Ensure good governance and robust control environment for fund administration								
7.1.1 Percentage of benefits validated for payment paid within liable dates ⁱ	99%	92%	92.5%		100%	95%	96%	96%
7.1.2 Percentage compliance with SLA between NT and GPAA specifically Programme 7 related indicators ⁱⁱ	99%	96%	97.5%		100%	97%	97.5%	97.5%
7.1.3 Percentage integrity of client data ⁱⁱⁱ	None	None	68.25%		55%	80%	85%	85%
Strategic Objective 7.2: Provide an improved and integrated customer service experience								
7.2.1 Percentage of customer service complaints responded to within seven days ^{iv}	88%	100%	100%		100%	100%	100%	100%

PROGRAMME PERFORMANCE INDICATOR QUARTERLY TARGETS FOR 2017/18

Performance Indicator	2017/18 Annual Targets	Strategic Objective 7.1: Ensure good governance and robust control environment for fund administration				Quarter 4
		Quarter 1	Quarter 2	Quarter 3	Quarter 4	
Strategic Objective 7.1: Ensure good governance and robust control environment for fund administration						
7.1.1	Percentage of benefits validated for payment paid within liable dates (*)	95%	95%	95%	95%	95%
7.1.2	Percentage compliance with SLA between NT and GPAA specifically Programme 7 related indicators	97%	97%	97%	97%	97%
7.1.3	Percentage integrity of client data	80%	80%	80%	80%	80%
Strategic Objective 7.2: Provide an improved and integrated customer service experience						
7.2.1	Percentage of customer service complaints responded to within seven days	100%	100%	100%	100%	100%

EXPENDITURE TRENDS AND ESTIMATES

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate	Average growth rate (%)	Average: Expenditure/ Total (%)
	2013/14	2014/15	2015/16						
Government Pensions Administration Agency	57 507	54 395	56 586	61 426	2.2%	1.5%	65 196	68 856	72 712
Civil Pensions and Contributions to Funds	2 673 495	2 613 931	3 156 521	3 273 472	7.0%	74.7%	3 810 409	4 119 359	4 470 387
Military Pensions and Other Benefits	792 096	1 062 609	754 591	1 127 744	12.5%	23.8%	959 397	972 677	1 028 210
Total	3 523 098	3 730 935	3 967 698	4 462 642	8.2%	100.0%	4 835 002	5 160 892	5 571 309
Change to 2016 Budget estimate				289 400			453 098	524 839	675 637
ECONOMIC CLASSIFICATION									
Current payments	57 507	54 395	56 586	61 426	2.2%	1.5%	65 196	68 856	72 712
Goods and services ¹ of which:	57 507	54 395	56 586	61 426	2.2%	1.5%	65 196	68 856	72 712
Consultants; Business and advisory services	57 507	54 395	56 586	61 426	2.2%	1.5%	65 196	68 856	72 712
Transfers and subsidies ¹	3 465 577	3 676 531	3 911 097	4 401 216	8.3%	98.5%	4 769 806	5 092 036	5 498 597
Foreign governments and international organisations	2 109	2 286	2 082	2 445	5.1%	0.1%	2 567	2 695	2 846
Households	3 463 468	3 674 245	3 909 015	4 398 771	8.3%	98.5%	4 767 239	5 089 341	5 495 751

EXPENDITURE TRENDS AND ESTIMATES - CONTINUED

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate	Average growth rate (%)	Average: Expenditure/ Total (%)
	2013/14	2014/15	2015/16						
R thousand									
Payments for financial assets	14	9	15	–	-100.0%	–	–	–	–
Total	3 523 098	3 730 935	3 967 698	4 462 642	8.2%	100.0%	4 835 002	5 160 892	5 571 309
Proportion of total programme expenditure to vote expenditure	14.0%	14.2%	13.8%	15.7%	–	–	15.7%	15.9%	16.4%
Details of transfers and subsidies									
Foreign governments and international organisations									
Current	2 109	2 286	2 082	2 445	5.1%	0.1%	2 567	2 695	2 846
United Kingdom tax	2 109	2 286	2 082	2 445	5.1%	0.1%	2 567	2 695	2 846
Households									
Social benefits									
Current	3 463 468	3 674 245	3 909 015	4 398 771	8.3%	98.5%	4 767 239	5 089 341	5 495 751
Contribution to provident funds for associated institutions	422	321	339	357	-5.4%	–	300	330	360
Parliamentary Awards	20	21	19	23	4.8%	–	23	24	25
Other benefits	77 775	70 416	82 512	88 070	4.2%	2.0%	93 144	98 584	104 093
Injury on Duty	500 677	526 387	514 865	591 664	5.7%	13.6%	621 247	652 309	688 838
Post-retirement Medical Scheme	1 441 406	1 511 127	2 109 613	2 102 160	13.4%	45.7%	2 298 059	2 520 358	2 774 437
Special pensions	435 433	423 483	439 801	479 763	3.3%	11.3%	494 340	528 944	565 970

EXPENDITURE TRENDS AND ESTIMATES - CONTINUED

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate	Average growth rate (%)	Average: Expenditure/ Total (%)
	2013/14	2014/15	2015/16						
Political Office Bearers Pension Fund	208 162	71 997	—	—	-100,0%	1,8%	291 222	306 083	323 224
Pension benefits: President of South Africa	7 477	7 884	7 275	8 990	6,3%	0,2%	9 507	10 032	10 594
Military pensions: Ex-servicemen	26 542	11 694	2 879	3 570	-48,8%	0,3%	3 420	5 041	6 947
South African citizen force	138 958	155 941	166 202	201 854	13,3%	4,2%	193 858	203 627	214 470
Civil protection	19	19	19	19	—	—	19	19	19
Other benefits: Ex-servicemen	26 577	20 155	10 491	22 810	-5,0%	0,5%	24 800	26 690	28 185
Non-statutory forces	600 000	874 800	575 000	899 491	14,4%	18,8%	737 300	778 589	778 589

PROGRAMME AND SUB-PROGRAMME PLANS

PROGRAMME 8: TECHNICAL AND MANAGEMENT SUPPORT AND DEVELOPMENT FINANCE

PURPOSE

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.

STRATEGIC OBJECTIVESⁱ

STRATEGIC OBJECTIVE ¹⁶	OBJECTIVE STATEMENT	SUB-PROGRAMMES
SO 8.1 Establish the GTAC as a centre of excellence in public sector advisory services, transaction support, project management and public finance management	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	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	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	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	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	Support infrastructure planning, implementation and skills development in provinces and municipalities	Infrastructure Development Support Infrastructure Skills Development Grant Infrastructure Delivery Improvement Programme

SUB-PROGRAMMES

GOVERNMENT TECHNICAL ADVISORY CENTRE (GTAC)

GTAC is an agency of the National Treasury established to provide advisory and project management support to the department and to 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 to build their capacity for efficient, effective and transparent financial management. 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

¹⁶ For Programme's Strategic Objective amendments please refer to the relevant Annexure

PROGRAMME AND SUB-PROGRAMME PLANS

- To provide 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 to GTAC 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. 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's 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 public-private partnership (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:

- Advising on the feasibility and financing of major capital projects and the investment requirements of state-owned companies
- Supporting PPP transactions, in keeping with provisions of the PFMA and Treasury Regulations
- Undertaking expenditure and performance reviews for the National Treasury and the DPMA
- Providing support for budgetary and public finance management reform, enhancing accountability, transparency and effective service delivery
- Advising on organisational development, strategic planning and operational improvements in public service delivery
- Providing support for infrastructure investment, economic development and social service delivery improvements, in line with the NDP and the MTSF.

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 at the University of Cape Town, 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.

Within the context of the NDP and the MTSF, 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 HR management, knowledge management and communications
- Technical advisory services: Public policy and finance advice, organisational development, planning and project management services, 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

PROGRAMME AND SUB-PROGRAMME PLANS

- 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 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.

LOCAL GOVERNMENT FINANCIAL MANAGEMENT SUPPORT

The Local Government Financial Management Support sub-programme has two components:

- 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 MFMA
- The MFIP, which provides technical assistance and support to the National Treasury, provincial treasuries and municipalities by placing 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 257 municipalities. In order to receive the grant, municipalities must submit FMG support plans which identify weaknesses in financial management to be addressed through the grant allocations. FMG funds can be used towards establishing municipal budget and treasury offices, improving supply chain and audit capacity, appointing financial management interns and investing in financial management systems, training, and implementation of reforms, amongst others. Progress is monitored through regular reports to the National Treasury.

Beginning in 2014/15, the MFIP entered a second phase (MFIP II) which draws on the experience and lessons of the first three-year phase. 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. Its responsibilities include assigning municipal finance specialists to assist national and provincial treasuries to improve their ability to oversee municipalities; and placing 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 MFIP is overseen by a steering committee chaired by the Accountant-General.

URBAN DEVELOPMENT AND SUPPORT

Urban Development and Support consists of 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 opportunities in under-served townships or settlements.

The Integrated City Development Grant, which helps metropolitan municipalities to improve spatial targeting and sequencing of infrastructure investment, with a special focus on identified integration zones.

PROGRAMME AND SUB-PROGRAMME PLANS

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 first request for proposals led to 35 project approvals, with implementation beginning in 2007. Since its inception, the NDPG has registered 315 projects of which 241, with a value of over R2.5 billion, have been completed. In October 2015, 42 Neighbourhood Development Partnership (NDP) projects to the value of R1.7 billion were under construction, of which 22 are in urban hub precincts.

The NDP's Urban Network Strategy targets urban hub precincts with secondary linkages to under-served residential areas, and built environment upgrade projects in urban or rural townships. The NDPG consists of two complementary components: a technical assistance grant for municipal planning of potential capital projects within urban hubs across sectors and spheres, and a capital grant for funding selected catalytic projects within urban hubs. The programme aims to encourage complementary public and private investment in these targeted locations and in this way to contribute to the broader goal of liveable, sustainable, resilient, efficient and integrated towns and cities. The Urban Network Strategy aims to optimise the spatial impact of public infrastructure investment, fiscal and regulatory measures and coordinated urban management in 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 National 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 to target infrastructure spending to transform inefficient urban landscapes into more inclusive, productive and sustainable spatial forms. Eligibility is restricted to municipalities with sound financial management and acceptable levels of capital expenditure performance. 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.

EMPLOYMENT CREATION FACILITATION

The Employment Creation Facilitation sub-programme was introduced in 2011 to contribute to employment and inclusive growth by supporting innovative approaches to job creation and enterprise development. The main component of the programme is the Jobs Fund, a multi-year R9 billion investment which leverages complementary funding from public and private sector project partners.. 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 at 30 June 2016, the Jobs Fund completed 5 funding rounds and approved 104 projects with a total grant value of R5.42 billion. Commitments by project partners amounted to a further R6.37 billion. The approved projects target the creation of 126,547 new permanent jobs, 88,997 permanent placements in existing vacant jobs and 222,377 training opportunities. Enterprise development and work-seeker support projects account for the bulk of project allocations and employment commitments

A further call for proposals was initiated in November 2015 which aimed to provide financial assistance to support new and innovative initiatives that had high potential for direct job creation in the short to medium term and/or were focused on reducing barriers to job creation. These initiatives had to display the potential for triggering systemic change in the South African market thus

PROGRAMME AND SUB-PROGRAMME PLANS

unlocking long term job creation. Concept note applications for this round opened on 17 November 2015 and closed on 1 February 2016. To date, 21 projects have been approved but the final outcome from this round is set to be confirmed by the Jobs Fund Investment Committee (JC) by the end of the year. Once these have been confirmed, their contracted targets will be added to the current portfolio targets, which will result in a possible new permanent job target of at least 140,000 and a permanent placement target of 98,000.

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.

INFRASTRUCTURE DEVELOPMENT SUPPORT

The Infrastructure Development Support sub-programme consists of two elements:

The Infrastructure Skills Development Grant (ISDG), which assists municipalities to provide built environment graduates with training and support leading to professional registration.

The Infrastructure Delivery Improvement Programme (IDIP), which provides 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 in the applicant municipality or in 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 is also responsible for the IDIP, through which experienced professional advisors are assigned to provincial departments or municipalities to assist with developing infrastructure planning and project management capacity. Currently in its third phase, the IDIP programme includes 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.

GAUTRAIN LOAN

Programme 8 includes provision for the repayment of the R4.2 billion loan to Gauteng Province, 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 carried out by the Asset and Liability Management Division.

PROGRAMME AND SUB-PROGRAMME PLANS

STRATEGIC PLAN OBJECTIVE ANNUAL AND MEDIUM TERMS TARGETS¹⁷

PERFORMANCE INDICATOR	AUDITED/ACTUAL PERFORMANCE			ESTIMATED PERFORMANCE	PLANNED PERFORMANCE CURRENT YEAR	MEDIUM TERM TARGETS (MTEF)		
	2013/14	2014/15	2015/16			2016/17	2017/18	2018/19
Strategic Objective 8.1 Establishment of GTAC as a centre of excellence in public sector advisory services, transaction support, project management and public finance management								
8.1 Management support delivers an unqualified audit.	None	None	None	None	None	1	1	1
Strategic Objective 8.2: Local government financial management improvement								
8.2 Number of municipalities supported through Local Government Financial management	None	None	None	None	None	50	50	50
Strategic Objective 8.3: Promotion of urban integration and neighbourhood development								
8.3 Number of Urban Integration and Neighbourhood development initiatives supported	None	None	None	None	None	34	34	34

STRATEGIC PLAN OBJECTIVE ANNUAL AND MEDIUM TERMS TARGETS - CONTINUED

PERFORMANCE INDICATOR	AUDITED/ACTUAL PERFORMANCE			ESTIMATED PERFORMANCE	PLANNED PERFORMANCE CURRENT YEAR	MEDIUM TERM TARGETS (MTEF)		
	2013/14	2014/15	2015/16			2016/17	2017/18	2018/19
Strategic Objective 8.4: Facilitation of employment creation and inclusive growth								
8.4	Number of permanent jobs created (cumulative across the term of the programme)	None	None	None	None	150 000	150 000	150 000
Strategic Objective 8.5: Improved infrastructure planning, management and skills development								
8.5	Number of capacity improvement initiatives in infrastructure planning, management and skills development done	None	None	None	None	557	557	557

PROGRAMME PERFORMANCE INDICATORS AND ANNUAL TARGETS

PERFORMANCE INDICATOR	AUDITED/ACTUAL PERFORMANCE			ESTIMATED PERFORMANCE	PLANNED PERFORMANCE CURRENT YEAR	MEDIUM TERM TARGETS (MTEF)		
	2013/14	2014/15	2015/16			2016/17	2017/18	2018/19
Strategic Objective 8.1: Establishment of GTAC as a centre of excellence in public sector advisory services, transaction support, project management and public finance management								
8.1.1 Number of GTAC quarterly monitoring reports reporting on progress produced	None	None	None	4	4	4	4	4
8.1.2 Number of technical advisory projects supported	110	93	135	100	120	140	160	180
8.1.3 Number of transaction advisory projects registered ⁱ	None	None	None	12	15	17	19	19
8.1.4 Number of capital project appraisal reports completed ⁱⁱ	None	None	None	5	5	5	5	5
8.1.5 Number of performance and expenditure reviews completed ⁱⁱ	None	None	None	>10 per year	10 per year	10 per year	10 per year	10 per year
Strategic Objective 8.2: Local government financial management improvement								
8.2.1 Transfer of FMG funds to all municipalities	None	None	None	All municipalities	All municipalities	All municipalities	All municipalities	All municipalities

PROGRAMME PERFORMANCE INDICATORS AND ANNUAL TARGETS - CONTINUED

PROGRAMME AND SUB-PROGRAMME PLANS

PERFORMANCE INDICATOR	AUDITED/ACTUAL PERFORMANCE			ESTIMATED PERFORMANCE	PLANNED PERFORMANCE CURRENT YEAR	MEDIUM TERM TARGETS (MTEF)		
	2013/14	2014/15	2015/16			2016/17	2017/18	2018/19
Number of municipalities and provincial treasuries assisted through MFIP II	None	None	None	49	50	50	50	50
Strategic Objective 8.3: Promotion of urban integration and neighbourhood development								
8.3.1 Number of precinct plans completed	None	None	None	4	4	4	4	6
8.3.2 Number of catalytic projects approved	None	317	352	360	20	20	20	20
8.3.3 Number of integrated projects in Integration Zones identified for planning ^{iv}	12	14	13	12	12	12	12	12
8.3.4 Number of integrated projects in Integration Zones under implementation ^v	3	3	13	8	10	12	12	12
Strategic Objective 8.4: Facilitation of employment creation and inclusive growth								
8.4.1 Number of Jobs Funds projects approved (cumulative across the term of project)	90	89	104	130	140	150	150	150
8.4.2 Grant funding approved (cumulative across the term of project)	R4 960m	R4 661m	R5 499m	R6 500m	R7 000m	R7 880m	R7 880m	R7 880m

PROGRAMME PERFORMANCE INDICATORS AND ANNUAL TARGETS - CONTINUED

PERFORMANCE INDICATOR	AUDITED/ACTUAL PERFORMANCE			ESTIMATED PERFORMANCE	PLANNED PERFORMANCE CURRENT YEAR	MEDIUM TERM TARGETS (MTEF)		
	2013/14	2014/15	2015/16			2017/18	2018/19	2019/20
8.4.3 Matched funding committed (cumulative across the term of project)	R6 105m	R6 823m	R6 398m	R9 000m	R7 000m	R7 880	R7 880m	R7 880m
8.4.4 New jobs contracted (cumulative across the term of project)	17 346	132 725	119 888	150 000	150 000	150 000	150 000	150 000
Number of placements contracted (cumulative across the term of project)	11 328	84 513	85 851	70 000	100 000	100 000	100 000	100 000
Number of training opportunities contracted (cumulative across the term of project)	51 743	204 566	207 291	227 000	227 000	227 000	227 000	227 000
Value of grant funding disbursed (cumulative across the term of project)	R802 269	R1 504m	R3 219m	R4 677m	R5 727	R6 827m	R7 880m	R7 880m
Number of Jobs Fund evaluation reports and dissemination of learning conducted ⁽ⁱ⁾	3	2	3 reports	Mid-term evaluation report	Portfolio of evaluation	2 reports	Concluding Jobs Fund programme evaluation	
8.4.8			1 event	1 learning event	1 learning event	1 learning event	1 learning event	

PROGRAMME PERFORMANCE INDICATORS AND ANNUAL TARGETS - CONTINUED

PERFORMANCE INDICATOR	AUDITED/ACTUAL PERFORMANCE			ESTIMATED PERFORMANCE	PLANNED PERFORMANCE CURRENT YEAR	MEDIUM TERM TARGETS (MTEF)		
	2013/14	2014/15	2015/16			2016/17	2017/18	2018/19
8.4.9 Number of employment, income distribution and inclusive growth research papers completed	N/A	#	16 papers	Completion of 80+ research papers	Publication of synthesis report(s)	None	None	None
Strategic Objective 8.5: Improved infrastructure planning, management and skills development								
8.5.1 Percentage response to provincial and national requests to procure Professional Service Providers to assist with institutionalizing the IDMS ^{vii}	#	#	#	#	100%	100%	100%	100%
8.5.2 Number of officials trained on the infrastructure delivery management system initiatives (including IDMP, IDM Toolkit, IPM)	120	340	183	160	100	100	100	100
8.5.3 Number of graduates in training for professional registration ^{viii}	419	424	435	400	400	400	400	450
8.5.4 Number of capacity improvement initiatives undertaken to support infrastructure delivery	#	#	#	#	9	9	9	9



PROGRAMME PERFORMANCE INDICATOR QUARTERLY TARGETS FOR 2017/18

Performance Indicator		2017/18 Annual Targets	Quarter 1	Quarter 2	Quarter 3	Quarter 4
Strategic Objective 8.1: Establishment of GTAC as a centre of excellence in public sector advisory services, transaction support, project management and public finance management						
8.1.1	Number of GTAC quarterly monitoring reports reporting on progress produced	4	1	1	1	1
8.1.2	Number of technical advisory projects supported	120	30	60	90	120
8.1.3	Number of transaction advisory projects registered	15	N/A	N/A	N/A	15
8.1.4	Number of capital project appraisal reports completed	5	1	1	2	1
8.1.5	Number of performance and expenditure reviews completed	10	2	3	3	2
Strategic Objective 8.2: Local government financial management improvement						
8.2.1	Transfer of FMG funds to all municipalities	All municipalities	N/A	All municipalities	All municipalities	All municipalities
8.2.2	Number of municipalities and provincial treasuries assisted through MFIP II	50	15	15	15	5
Strategic Objective 8.3: Promotion of urban integration and neighbourhood development						
8.3.1	Number of precinct plans completed	4	1	1	1	1
8.3.2	Number of catalytic projects approved	20	5	5	5	5
8.3.3	Number of integrated projects in Integration Zones identified for planning	12	N/A	N/A	N/A	12
8.3.4	Number of integrated projects in Integration Zones under implementation	10	N/A	N/A	N/A	10
Strategic Objective 8.4: Facilitation of employment creation and inclusive growth						
8.4.1	Number of Jobs Fund projects approved (cumulative)	140				140
8.4.2	Grant funding approved (cumulative)	R7000m	N/A	N/A	N/A	R7 000m
8.4.3	Matched funding committed (cumulative)	R7 000m	N/A	N/A	N/A	R7 000m
8.4.4	New jobs contracted (cumulative)	150 000	N/A	N/A	N/A	R150 000
8.4.5	Number of placements contracted (cumulative)	100 000	N/A	N/A	N/A	100 000
8.4.6	Number of training opportunities contracted (cumulative)	227 000	N/A	N/A	N/A	227 000
8.4.7	Value of grant funding disbursed (cumulative)	R4 677m	N/A	N/A	N/A	R4 677m
8.4.8	Number of Jobs Fund evaluation report and dissemination of learning conducted	Portfolio of evaluations	N/A	N/A	N/A	Portfolio of evaluations
	1 learning event	N/A	N/A	N/A	N/A	1 learning event

PROGRAMME PERFORMANCE INDICATOR QUARTERLY TARGETS FOR 2017/18 - CONTINUED

Performance Indicator	Annual Targets	2017/18	Quarter 1	Quarter 2	Quarter 3	Quarter 4
8.4.9 Number of employment, income distribution and inclusive growth research papers completed	Publication of synthesis report	N/A	N/A	N/A	N/A	N/A
Strategic Objective 8.5: Improved infrastructure planning, management and skills development						
8.5.1 Percentage response to provincial and national requests to procure Professional Service Providers to assist with institutionalizing the IDMS	100%	N/A	N/A	N/A	N/A	100%
8.5.2 Number of officials trained on the infrastructure delivery management system initiatives (including IDMP, IDM Toolkit, IPN)	100	N/A	N/A	N/A	N/A	140
8.5.3 Number of graduates in training for professional registration	400	N/A	N/A	N/A	N/A	400
8.5.4 Number of capacity improvement initiatives undertaken to support infrastructure delivery	9	N/A	N/A	N/A	N/A	9

EXPENDITURE TRENDS AND ESTIMATES

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)	Average expenditure/ Total: (%)	Medium-term expenditure estimate	Average growth rate (%)	Average expenditure/ Total: (%)
	2013/14	2014/15	2015/16						
R million									
Local Government Financial Management Support	546.3	547.9	573.9	587.9	2.5%	21.7%	636.8	672.0	709.4
Urban Development and Support	680.9	875.4	848.3	913.0	10.3%	31.9%	983.3	1 040.3	1 098.5
Employment Creation Facilitation	952.9	1 213.2	749.5	769.9	-6.9%	35.4%	897.4	1 147.3	1 210.5
Government Technical Advisory Centre	69.7	79.8	83.6	88.0	8.1%	3.1%	80.6	81.6	86.2
Infrastructure Development Support	187.5	177.1	216.9	253.9	10.6%	8.0%	275.1	288.8	305.0
Total	2 437.3	2 893.3	2 472.2	2 612.7	2.3%	100.0%	2 873.1	3 230.1	3 409.7
Change to 2016 Budget estimate				2 612.7			2 873.1	3 230.1	3 409.7
ECONOMIC CLASSIFICATION									
Current payments	275.2	91.7	283.8	355.3	8.9%	9.7%	389.3	407.8	430.6
Compensation of employees	—	5.4	—	—	—	0.1%	—	—	—
Goods and services	275.2	86.2	283.8	355.3	8.9%	9.6%	389.3	407.8	430.6
of which:									
Administrative fees	—	0.5	—	—	—	—	—	—	—
Advertising	—	0.1	—	—	—	—	—	—	—

EXPENDITURE TRENDS AND ESTIMATES - CONTINUED

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)	Average expenditure/ Total: (%)	Medium-term expenditure estimate	Average growth rate (%)	Average expenditure/ Total: (%)
	2013/14	2014/15	2015/16						
R million									
Minor Assets	–	0.6	–	–	–	–	–	–	–
Consultants; Business and advisory services	275.2	83.0	283.8	355.3	8.9%	9.6%	389.3	407.8	430.6
Transfers and subsidies	2 162.1	2 800.7	2 188.4	2 257.4	1.4%	90.3%	2 483.8	2 822.3	2 979.1
Provinces and municipalities	1 149.2	1 399.0	1 411.8	1 486.5	9.0%	52.3%	1 598.3	1 691.0	1 785.7
Departmental agencies and accounts	109.6	138.1	776.6	770.9	91.6%	17.2%	885.6	1 131.3	1 193.4
Higher education institutions	10.0	–	–	–	-100.0%	0.1%	–	–	–
Public corporations and private enterprises	893.2	1 263.7	–	–	-100.0%	20.7%	–	–	–
Payments for capital assets	–	1.0	–	–	–	–	–	–	–
Buildings and other fixed structures	–	0.0	–	–	–	–	–	–	–
Machinery and equipment	–	1.0	–	–	–	–	–	–	–
Total	2 437.3	2 893.3	2 472.2	2 612.7	2.3%	100.0%	2 873.1	3 230.1	3 409.7
Proportion of total programme expenditure to vote expenditure	9.7%	11.1%	8.6%	9.2%	–	–	9.3%	9.9%	10.0%
Details of transfers and subsidies									

EXPENDITURE TRENDS AND ESTIMATES - CONTINUED

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)	Average expenditure/ Total:(%)	Medium-term expenditure estimate	Average growth rate (%)	Average expenditure/ Total:(%)
R million	2013/14	2014/15	2015/16	2016/17	2013/14 - 2016/17	2017/18	2018/19	2019/20	2016/17 - 2019/20
Departmental agencies and accounts									
Departmental agencies (non-business entities)									
Current	109.3	137.7	776.1	770.2	91.7%	17.2%	884.8	1 130.5	1 192.5
Project development facility trading account	-	-	-	-	-	-	-	-	-
Technical assistance unit trading entity	-	-	-	-	-	-	-	-	-
Government Technical Advisory Centre	109.3	107.7	776.1	770.2	91.7%	16.9%	884.8	1 130.5	1 192.5
Neighbourhood development partnership grant - Indirect	-	30.0	-	-	-	0.3%	-	-	-
Capital	0.3	0.4	0.5	0.7	29.2%	-	0.7	0.8	0.8
Government Technical Advisory Centre	0.3	0.4	0.5	0.7	29.2%	-	0.7	0.8	0.8
Higher education institutions									
Current	10.0	-	-	-	-100.0%	0.1%	-	-	-
University of Cape Town	10.0	-	-	-	-100.0%	0.1%	-	-	-
Public corporations and private enterprises									

EXPENDITURE TRENDS AND ESTIMATES - CONTINUED

PROGRAMME AND SUB-PROGRAMME PLANS

Subprogramme	Audited outcome	Adjusted appropriation	Average growth rate (%)	Average expenditure/ Total: (%)	Medium-term expenditure estimate	Average growth rate (%)	Average expenditure/ Total: (%)			
R million	2013/14	2014/15	2015/16	2016/17	2013/14 - 2016/17	2017/18	2018/19	2019/20	2016/17 - 2019/20	
Public corporations										
Other transfers to public corporations										
Current	893.2	1 263.7	-	-	-100.0%	20.7%	-	-	-	-
Development Bank of Southern Africa	893.2	1 164.9	-	-	-100.0%	19.8%	-	-	-	-
Municipal Finance Improvement Programme	-	98.8	-	-	-	0.9%	-	-	-	-
Provinces and municipalities										
Municipalities										
Municipal bank accounts										
Current	523.3	553.6	577.0	595.7	4.4%	21.6%	642.8	680.1	718.1	6.4%
Local government financial management grant	424.8	449.1	452.5	465.3	3.1%	17.2%	502.0	531.1	560.9	6.4%
Infrastructure skills development grant	98.5	104.4	124.5	130.5	9.8%	4.4%	140.8	148.9	157.3	6.4%
Capital	625.9	845.4	834.9	890.8	12.5%	30.7%	955.5	1 010.9	1 067.5	6.2%
Integrated city development grant	40.0	255.0	251.3	266.8	88.2%	7.8%	292.1	309.1	326.4	6.9%
Neighbourhood development partnership grant	585.9	590.4	583.6	624.0	2.1%	22.9%	633.4	701.9	741.2	5.9%

PART C

LINKS TO OTHER PLANS

ANNUAL PERFORMANCE PLAN 2017/18



national treasury

Department:
National Treasury
REPUBLIC OF SOUTH AFRICA

LINKS TO OTHER PLANS

LINKS TO LONG-TERM INFRASTRUCTURE AND OTHER CAPITAL PLANS

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

CONDITIONAL GRANTS

- Local Government: Financial Management Grant
- Integrated City Development Grant
- Neighbourhood Development Partnership Grant
- Infrastructure Skills Development Grant
- Capital grant
- Technical Assistance grant

PUBLIC-PRIVATE PARTNERSHIPS

The department does not have any public-private partnerships.

PUBLIC ENTITIES REPORTING TO THE MINISTER

There are no significant changes to the status quo relating to the public entities overseen by the National Treasury. Seventeen entities report to the Minister of Finance through governance arrangements that give them autonomy but also enable them to align their strategies with government policy. Seven of these entities - the South African Revenue Service (SARS), the Office of the Tax Ombud (OTO), the Financial Intelligence Centre (FIC), the Accounting Standards Board (ASB), the Co-operative Banks Development Agency (CBDA), the Financial and Fiscal Commission (FFC) and the Independent Regulatory Board for Auditors (IRBA) – receive transfers from the National Treasury.

The remaining ten are self-funded and generate their own revenue. These are the Financial Services Board (FSB), the Financial Advisory and Intermediary Services Ombud (FAIS Ombud), the Office of the Pension Fund Adjudicator (OPFA), the Government Pensions Administration Agency (GPAA), the Government Employees Pension Fund (GEPF), the Development Bank of Southern Africa (DBSA), the Public Investment Corporation (PIC), the Land and Agricultural Development Bank of South Africa (Land Bank), South African Airways (SAA) and the South African Special Risks Insurance Association (SASRIA). Each entity develops and reports on its own strategic and corporate plan.

ANNEXURES

Amendments to strategic objectives as reflective in the National Treasury's 2015-2019 Strategic Plan to Annual Performance Plan 2017-2018.

PROGRAMME	STRATEGIC PLAN 2015/19	(CURRENT) 2016/17	OBJECTIVE STATEMENT	
Programme 1	STRATEGIC OBJECTIVE (SO) • SO 1.1 Provide support for strategic and performance management across the organisation SO 1.2 Provide integrated business solutions SO 1.3 To ensure good governance and a sound control environment	OBJECTIVE STATEMENT To provide sound strategic direction and leadership to NT through facilitation of credible Strategic and Annual Performance Plans, and through reliable management of NT's performance Align the support provided with the requirements of the department and its strategic and performance plans To continuously improve governance, risk management and control processes and reduce findings by internal and external auditors resulting in an unqualified audit report	STRATEGIC OBJECTIVE (SO) SO 1.1 Provide integrated business solutions SO 1.2 Ensure good governance and a sound control environment SO 1.3 Provide support for strategic and performance management across the organisation	OBJECTIVE STATEMENT Align support provided with the requirements of the department and its strategic and performance plans To ensure good governance and a sound control environment for the department 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

ANNEXURES - CONTINUED

LINKS TO OTHER PLANS

PROGRAMME	STRATEGIC PLAN 2015/19		(CURRENT) 2016/17	
	STRATEGIC OBJECTIVE (SO)	OBJECTIVE STATEMENT	STRATEGIC OBJECTIVE (SO)	OBJECTIVE STATEMENT
Programme 2	SO 2.1 Build economic research capacity in academic/research institutions with the objective of promoting relevant research	Promote 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.	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
	SO 2.2 Provide policy advice on the financial sector	Provide policy advice on the financial sector in relation to its regulatory framework and supporting legislation. This includes implementing regulatory reforms on savings and retirement policies leading to increased levels of national savings; and enabling legislation that builds a more stable financial sector.	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. The objective for policy is to make the financial sector safer and to treat customers more fairly and better, and to be more inclusive and have integrity. This includes implementing regulatory reforms related to the Twin Peaks system, savings and retirement reform, and to improving market conduct practices in the industry to ensure it provides more appropriate financial products.
	SO 2.3 Provide advice and input into tax policy, frameworks and legislation	Provide tax policy advice, tax revenue analysis, tax revenue forecasting and draft the annual tax legislation as a part of the budget. The programme is responsible for developing a tax administrative system that ensures sustainable and inclusive economic growth and improved environmental sustainability.	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

ANNEXURES - CONTINUED

LINKS TO OTHER PLANS

PROGRAMME	STRATEGIC PLAN 2015/19	(CURRENT) 2016/17
Programme 2	<p>SO 2.4 Provide input into economic policy related frameworks and strategies</p> <p>Provide advice on macro and microeconomic policy, macroeconomic projections and modelling, monetary policy framework and economic sector strategies. Provide analysis work and policy advice on a wide range of issues including:</p> <ul style="list-style-type: none"> • inflation management • electricity pricing methodology • the economic impact of alternative models in various sectors • economic growth • structural budget balances • industrial policy • small, medium and microenterprise (SMME) policy • the exchange rate. 	<p>SO 2.4 Provide input into economic policy, related frameworks and strategies</p> <p>Providing advice on macro and microeconomic policy, macroeconomic projections and modelling, monetary policy framework and economic sector strategies</p>
Programme 3	<p>SO 3.1 Developing and implementing South Africa's fiscal policy and related frameworks</p> <p>Contribute to the South African economy by developing, ensuring Cabinet authorisation of and implementing South Africa's fiscal policy and related frameworks</p> <p>SO 3.2 Preparation of the national budget</p> <p>Prepare a national budget that gives effect to government's economic, fiscal, social and development goals</p>	<p>SO 3.1 Developing and implementing South Africa's fiscal policy and related frameworks</p> <p>Contribute to the South African economy by developing, ensuring Cabinet authorisation of and implementing South Africa's fiscal policy and related frameworks</p> <p>SO 3.2 Preparation of the national budget</p> <p>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</p>
	<p>SO 3.3 Publication of the national budget</p> <p>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</p>	<p>SO 3.3 Publication of the national budget</p> <p>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</p>

ANNEXURES - CONTINUED

LINKS TO OTHER PLANS

PROGRAMME	STRATEGIC PLAN 2015/19	(CURRENT) 2016/17
Programme 3	<p>SO 3.4 Monitoring and analysis of public expenditure and service delivery</p> <p>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</p>	<p>SO 3.4 Monitoring and analysis of public expenditure and service delivery</p> <p>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</p>
	<p>SO 3.5 Coordinating international development cooperation</p> <p>Manage and coordinate the country's development cooperation to improve alignment with the budget decision making process</p>	<p>SO 3.5 Coordinating International development cooperation</p> <p>Effectively manage and coordinate official development assistance (ODA), which includes grants, concessionary loans and technical assistance</p>
	<p>SO 3.6 Coordinating intergovernmental relations</p> <p>To promote coordination of resources and related policy objectives between the spheres of government.</p>	<p>SO 3.6 Coordinating intergovernmental relations</p> <p>Effectively coordinate fiscal relations between the three spheres of government and promote sound financial planning, reporting and management</p>

LINKS TO OTHER PLANS

ANNEXURES - CONTINUED

PROGRAMME	STRATEGIC PLAN 2015/19	(CURRENT) 2016/17
Programme 4	<p>SO 4.1 Exercise oversight of state-owned companies</p> <p>Exercise oversight of state-owned companies to enable them to achieve government's policy objectives in a financially and fiscally sustainable manner by:</p> <ul style="list-style-type: none"> • Regularly reviewing the corporate plans and annual financial statements of state-owned enterprises • Tracking progress on capital expenditure programmes on an ongoing basis • Reviewing applications for funding, guarantees and borrowing limits and in terms of the PFMA (1999), and monitoring progress on an ongoing basis 	<p>SO 4.1 Exercise oversight of state-owned companies</p> <p>Exercise oversight of state-owned companies to enable them to achieve government's policy objectives in a financially and fiscally sustainable manner by:</p> <ul style="list-style-type: none"> • Regularly 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 and other applications in terms of the PFMA and monitoring progress on an ongoing basis • Reviewing and commenting on legislative, policy or regulatory amendments that may impact on state-owned enterprises.
Programme 4	<p>SO 4.2 Optimal debt management and funding of government borrowing requirement</p> <p>Government's funding requirement to be met while ensuring that debt service costs remain sustainable</p> <p>SO 4.3 Ensure sound management of government's cash resources</p> <p>Ensure that government's liquidity requirements are consistently met through effective cash management by making sound cash flow forecasts on an ongoing basis</p> <p>SO 4.4 Minimise and mitigate risks emanating from government's fiscal obligations</p> <p>Minimise and mitigate risks emanating from the debt portfolio, sovereign credit rating and contingent liabilities</p>	<p>SO 4.2 Optimal debt management and funding of government borrowing requirement</p> <p>Government's funding requirement to be met while ensuring that debt service costs remain sustainable</p> <p>SO 4.3 Ensure sound management of government's cash resources</p> <p>Ensure that government's liquidity requirements are consistently met through effective cash management and by making sound cash flow forecasts on an ongoing basis</p> <p>SO 4.4 Minimise and mitigate risks emanating from government's fiscal obligations</p> <p>Minimise and mitigate risks emanating from the debt portfolio, sovereign credit rating and contingent liabilities</p>

LINKS TO OTHER PLANS

ANNEXURES - CONTINUED

PROGRAMME	STRATEGIC PLAN 2015/19	(CURRENT) 2016/17
Programme 5	<p>SO 5.1 Improve financial management governance and compliance across all spheres and entities in government</p> <ul style="list-style-type: none"> Governance and compliance is improved across all spheres of government on an ongoing basis by: <ul style="list-style-type: none"> Working with relevant officials across government to address implementation challenges Establishing a structured process for issuing frameworks, guidelines and treasury instructions to enable proper implementation of legislation Developing and maintaining financial management assessment tools for all of government Facilitating and undertaking special investigations and performance audits to improve financial management practices and support enforcement of the Acts 	<p>SO 5.1 Improve financial management governance and compliance across all spheres and entities in government, giving effect to the PFMA and MFMA</p> <ul style="list-style-type: none"> Governance and compliance are continuously improved across all spheres of government by: <ul style="list-style-type: none"> Maintaining and enhancing the legislative framework Enforcing compliance with public-sector financial management legislation in each sphere of government Providing technical support services to address implementation challenges in financial management, IA and risk management Issuing frameworks, guidelines, circulais, treasury instructions and other tools to enable proper implementation of the legislation Monitoring and evaluating financial management, IA and risk management across government Facilitating and undertaking special investigations and performance audits to improve financial governance and compliance

LINKS TO OTHER PLANS

ANNEXURES - CONTINUED

PROGRAMME	STRATEGIC PLAN 2015/19	(CURRENT) 2016/17
Programme 5	<p>SO 5.2 Support and facilitate capacity development across all spheres of government in order to improve financial management execution</p> <p>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, reporting and internal audit on an ongoing basis.</p>	<p>SO 5.2 Support and facilitate capacity development across all spheres of government in order to improve financial management execution</p> <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>SO 5.3 Manage existing financial systems and renew these as required to exercise comprehensive financial management</p>	<p>SO 5.3 Manage existing financial systems and renew these as required to exercise comprehensive financial management</p> <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>SO 5.4 Modernise SCM policies and procedures</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> <p>Review existing SCM policy and establish if it simplifies the SCM environment and builds the capacity of the state. SCM policy should allow for effective procurement across government. This will include revisions (if necessary) and codification of policy amendments. Procedures based on policy will be updated and amended in line with policy changes.</p>

LINKS TO OTHER PLANS

ANNEXURES - CONTINUED

PROGRAMME	STRATEGIC PLAN 2015/19	(CURRENT) 2016/17
Programme 5	<p>SO 5.5 Develop SCM capacity</p> <p>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</p> <p>SO 5.6 Monitor and evaluate SCM performance</p> <p>Exercise oversight over SCM policies, procedures, norms and standards. This will entail oversight of:</p> <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 and scoring • Implementation of projects against contract specifications and conditions of tender 	<p>SO 5.5 Modernise SCM policies and procedures</p> <p>Comprehensive review of SCM policies to ensure a simplified and modernised SCM environment in government, including the amendment of processes and procedures in line with the revised policies</p> <p>SO 5.6 Monitor and evaluate SCM performance</p> <p>Exercise oversight over SCM policies, procedures, norms and standards. This will entail oversight of:</p> <ul style="list-style-type: none"> • Published procurement plans • Published deviations and contract expansions • 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



ANNEXURES - CONTINUED

LINKS TO OTHER PLANS

PROGRAMME	STRATEGIC PLAN 2015/19	(CURRENT) 2016/17
Programme 5	<p>SO 5.7 Develop and implement strategic procurement</p> <p>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 to:</p> <ul style="list-style-type: none"> • Optimise performance • Minimise costs • Improve access to business opportunities in line with B-BEE policy • Increase value per rand spent <p>These objectives will be achieved through the development of a strategic sourcing strategy, implementation of a sustainable price referencing system (PRS) and the establishment of a supplier database. Once established, the database will be subjected to performance evaluation based on execution and delivery.</p>	<p>SO 5.7 Develop and implement strategic procurement</p> <p>Conduct a collaborative and structured process of critically analysing governments spend and utilise this information to make better business decisions about acquiring goods and services effectively and efficiently. Strategic procurement will help government to:</p> <ul style="list-style-type: none"> • Optimise performance • Minimise costs • Improve access to business opportunities in line with B-BEE policy • Increase value per rand spent <p>These objectives will be achieved through the publication and implementation of a strategic procurement framework, guidelines and tools.</p> <ul style="list-style-type: none"> • Contribute to efficient and effective procurement by expanding centre-led contracting for common goods and services
	<p>SO 5.8 Modernise and automate SCM processes</p> <p>Modernise ICT to improve SCM performance and reduce the amount of paper used in processing transactions</p>	<p>SO 5.8 Build and strengthen stakeholder relations</p> <p>Provide an environment for SCM engagements and for support to stakeholders/clients</p> <p>SO 5.9 Modernise and automate SCM processes</p> <p>Modernise ICT to improve SCM performance and reduce the amount of paper used in processing transactions</p>

ANNEXURES - CONTINUED

LINKS TO OTHER PLANS

PROGRAMME	STRATEGIC PLAN 2015/19	(CURRENT) 2016/17
Programme 6	<p>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</p> <ul style="list-style-type: none"> Assessing the content and context of current policy debates and expanding awareness of them Managing the relationship between South Africa and selected public finance and development institutions, with particular focus on implementation of agreements 	<p>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</p> <ul style="list-style-type: none"> Assessing the content and context of current policy debates and expanding awareness of them Managing the relationship between South Africa and selected public finance and development institutions, with particular focus on implementation of agreements
	<p>SO 6.2 Increase Africa's voice and South Africa's influence in international institutions and forums</p> <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 and organisational mandates 	<p>SO 6.2 Increase Africa's voice and South Africa's influence in international institutions and forums</p> <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
	<p>SO 6.3 E Support an enabling environment for increased economic activity within Africa by:</p> <ul style="list-style-type: none"> Encouraging improved cooperation and investment of resources that support improved interconnectedness in the region Expanding bilateral engagement on issues of common interest 	<p>SO 6.3 E Support an enabling environment for increased economic activity within Africa</p> <ul style="list-style-type: none"> Encouraging increased cooperation and investment that support improved interconnectedness in the region Expanding bilateral engagements on issues of mutual interest

ANNEXURES - CONTINUED

LINKS TO OTHER PLANS

PROGRAMME	STRATEGIC PLAN 2015/19	(CURRENT) 2016/17
Programme 7	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 both accurate and punctual and cost efficient as per applicable legislation
	SO 7.2 Provide an improved and integrated customer service experience	Improve the customer service experience by ensuring that complaints are resolved within agreed timelines; and build relationships with employer departments through focused communication initiatives
Programme 8	SO 8.1 Establishment of the 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.
	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.

LINKS TO OTHER PLANS

ANNEXURES - CONTINUED

PROGRAMME	STRATEGIC PLAN 2015/19	(CURRENT) 2016/17
Programme 8	<p>SO 8.3 Promotion of urban integration and neighbourhood development</p> <p>To promote public and private investment in city development, integrated urban networks and neighbourhood development initiatives.</p> <p>SO 8.4 Facilitation of employment creation and inclusive growth</p> <p>To promote innovative and partnership-based approaches to employment creation, work-seeker support and enterprise development.</p> <p>SO 8.5 Improved infrastructure planning, management and skills development</p> <p>To support infrastructure planning, implementation and skills development in provinces and municipalities.</p>	<p>SO 8.3 Promotion of urban integration and neighbourhood development</p> <p>Promote public and private investment in city development, integrated urban networks and neighbourhood development initiatives</p> <p>SO 8.4 Facilitation of employment creation and inclusive growth</p> <p>Promote innovative and partnership-based approaches to employment creation, work-seeker support and enterprise development</p> <p>SO 8.5 Improved infrastructure planning, management and skills development</p> <p>Support infrastructure planning, implementation and skills development in provinces and municipalities</p>

LINKS TO OTHER PLANS

ENDNOTES

APPLICABLE TO ALL PROGRAMMES

- The department has revised its indicators and/or targets to strengthen compliance with the framework of strategic plans, to align with outcomes performance reporting and/or to address findings by the Auditor General. Please refer to these end notes for information on actual amendments made and the published Annual Report for actual information reported on similar indicator

N/A - the indicator is new

0 - Indicator fully completed in a previous financial year

N/A - No target set for that quarter

PROGRAMME 1: ADMINISTRATION

- i Performance indicator 1.1.1 Percentage completion of the business continuity strategy name revised previously Performance indicator Percentage completion of the business continuity plan

Performance Indicator 1.1.1 target Percentage completion of the business continuity strategy 2020/2021 revised previously Performance Indicator target 100% Testing and Implementation to enhance specificity and measurability
- ii Performance Indicator 1.1.2 Percentage of knowledge management (KM) strategy implemented name revised previously Performance Indicator Percentage of knowledge management (KM) strategy rolled out

Performance Indicator 1.1.2 Percentage of knowledge management (KM) strategy implemented MTEF target has been amended and refined from historically been recorded as accumulative across the MTEF period to single year annual targets to enhance measurability
- iii Performance indicator 1.1.4 Percentage availability of ICT systems achieved MTEF target has been revised informed by addressing the challenges identified in this area and anticipated integrated implementation of new software; the pilot phase and testing will have an influence in achieving the targets
- iv Performance Indicator 1.1.5 Percentage saved on the rand value budgeted for paper usage, travel and strategic sourcing has been revised previously Performance Indicator Percentage savings on goods and services expenditure
- v Performance indicator 1.2.2. Produce approved annual strategic risk mitigation plan and quarterly risk implementation assessment reports has been revised previously Performance Indicator Percentage implementation of enterprise risk management (ERM) annual plan
- vi Performance indicator 1.2.3 Number of entities reporting to MoF reviewed quarterly reports submitted for the Minister's consideration has been revised previously Number of reviewed SOE's quarterly reports submitted for the Minister's consideration
- vii Performance Indicator 1.2.4 Number of vetting forms completed by staff group, submitted to State Security Agency (SSA) has been revised previously Percentage of vetting files completed for the identified, priority employees to enhance specificity and measurability

LINKS TO OTHER PLANS

- viii Arising out of the DPME review the following Performance Indicators monitored in the previous financial year APP have been reassigned to operational monitoring:
- Management Performance Assessment Tool (MPAT) score achieved on risk management standard
 - Percentage savings on goods and services expenditure
 - Percentage of staff retained
 - Percentage of staff attending learning and development programmes
 - Percentage of ICT services aligned and delivered according to set SLAs.
 - Percentage adherence to prescribed timeframes on:
 - Closure of financial records on basic accounting system (BAS) before the closure date.
 - Submission of the procurement plan before 31 March each year.
 - MPAT score achieved on ICT standard to improve Corporate Governance of ICT to ensure strategic management of ICT innovations, investments and risks

PROGRAMME 2

- i Performance Indicator 2.4.2 Number of economic forecasts developed name revised previously of Number of quarterly economic forecasts based on high-quality policy scenario modelling developed
- ii Performance Indicator 2.4.4 Percentage response to user requests to develop new economic models revised previously Performance Indicator Number of economic models developed in line with work agenda
- iii Performance Indicator 2.4.5 Percentage response to users requests for economic research and policy analysis, and assessments of government policy proposals and Performance Indicator 2.4.7 Percentage response to user requests for commentaries on economic data revised previously Performance Indicator Number of economic policy analyses, research, assessment and advice on macroeconomics including government policy proposals developed and Performance Indicator Number of economic policy analyses, research, assessment and advice on microeconomics including government policy proposals developed.
- iv Performance Indicator 2.4.6 Percentage response to user requests for policy and scenario modeling revised previously Performance Indicator Number of model to policy scenario application conducted
- v Arising out of the DPME review the following Performance Indicators monitored in the previous financial year APP have been reassigned to operational monitoring:
 - Number of model to policy scenario application conducted

PROGRAMME 3

- i Performance Indicator 3.1.2 Number of fiscal frameworks provided name revised previously Number of sustainable fiscal frameworks provided
- ii Performance Indicator 3.2.2 Budget decision making processes coordinated and adherence to timelines for budget allocation recommendations based on departmental budget submissions name revised previously Adherence to timelines for budget allocation recommendations based on departmental budget submissions
- iii Performance Indicator 3.6.5 Number of capacity building initiatives (workshops and courses) to facilitate improved planning, budgeting and financial management name revised previously Number of training initiatives (workshops and courses) on conditional grants, infrastructure delivery management; budget formulation and analysis undertaken to facilitate improved budgeting and financial management

LINKS TO OTHER PLANS

- iv Performance Indicator 3.6.7 Number of provincial and municipal budgeting benchmarking exercises held to improve provincial and municipal budget credibility, composition and achievability revised previously Number of provincial budgeting benchmarking exercises held to improve provincial budget credibility, composition and achievability
- v Arising out of the DPME review the following Performance Indicators monitored in the previous financial year APP have either been reassigned to operational monitoring or absorbed into the following new Performance Indicators; 3.6.8 Number of reports published in terms of MFMA and DORA , 3.6.9 Number of support initiatives implemented in provinces ,3.6.10 Number of municipal budgeting and reporting reforms implemented, 3.6.11 Number of provincial and municipal mid-year budget and expenditure performance assessment reports or have been reassigned to operational monitoring:
 - Number of benchmarking and midyear engagement reports for non- delegated municipalities,
 - Number of Section 71 quarterly reports, including expenditure against conditional grants published,
 - Number of routine publications published,
 - Number of provinces for which rollover applications are assessed and unspent conditional grants are offset ,
 - Number of municipal payment schedules published,
 - Number of provinces where specific strategies and support plans to address municipal finance performance failures are being implemented,
 - Number of provincial visits undertaken to improve intergovernmental relations and provincial financial performance,
 - Number of monthly reports produced (internally) in respect of Section 40 of the PFMA,
 - Number of parliamentary briefings provided on selected elements of provincial and local government financial performance,
 - Number of municipalities where the Standard Chart of Accounts (SCOA) project is rolled out have either been variously

PROGRAMME 4

- i Performance Indicator 4.1.9 Percentage of reports on the review of Schedule 2 and 3B SOCs, DFIs and WB remuneration has been revised previously Performance Indicator Report on the review of Schedule 2 and 3B SOCs, DFIs and WB remuneration
- ii Performance Indicator 4.1.10 Percentage of reports on the review of Schedule 2 Board composition has been revised previously Performance Indicator Report on the review of Schedule 2 Board composition
- iii Performance Indicator 4.2.2 Percentage of interest and redemptions met name revised previously Performance Indicator Percentage of interest and redemptions met accurately and in a timely manner
- iv Arising out of the DPME review the following Performance Indicators monitored in the previous financial year APP have been reassigned to operational monitoring
 - Performance Indicator Number of roadshows to retain current, and attract new, investors has been discontinued in the APP but remains as an operational indicator
 - Performance Indicator Percentage of reporting requirements met on national government debt in terms of the PFMA and international reporting requirements has been discontinued in the APP but remains as an operational indicator
 - Performance Indicator Number of interactions to manage and ensure effective relations with the credit rating agencies

PROGRAMME 5

- i Performance indicator 5.1.7 Number institutions of higher learning workshopped on the risk management curriculum name revised previously Number universities workshopped on the risk management curriculum

LINKS TO OTHER PLANS

- ii Performance Indicator Number of monitoring improvement of financial management in national and provincial institutions reports produced has been revised previously Performance Indicator Monitor improvement of financial management in national and provincial institutions.
- iii Performance Indicator 5.1.11 FMCMM model revised name revised previously Performance Indicator Improved FMCMM Performance Indicator 5.1.11 FMCMM mode target develop one web-based FMCMM model has been revised previously Performance Indicator target web-based FMCMM development on-going
- iv Performance Indicator 5.1.12 Number of forensic investigations conducted and special performance audit reports produced name revised previously Performance Indicator previously Number of forensic investigation and special performance audit reports
- v Performance Indicator 5.1.15 No of financial management assessment tools modules for local government either developed, updated or maintained name revised previously Performance Indicator Financial management assessment tools for local government developed and maintained
- vi Performance Indicator 5.1.17 Number of days taken to respond to requests to draft financial recovery plans from receiving the request name revised previously Performance Indicator Number of days taken to respond to requests in drafting financial recovery plans
- vii Performance Indicator 5.1.18 Percentage of requests to the MFMA helpdesk responded to within 30 days of receipt of request name revised previously Performance Indicator Percentage of requests to the MFMA helpdesk responded to within 30 days
- viii Performance Indicator 5.2.1 Number of officials trained in the preparation of provincial consolidated financial statements, provincial revenue fund statements and implementation of generally recognised accounting procedures (GRAP standards) name revised previously Number of officials supported through training in the preparation of provincial consolidated financial statements, provincial revenue fund statements and implementation of generally recognised accounting practices (GRAP) standards
- ix Performance Indicator 5.2.2 target 12 name revised previously Performance Indicator target 12 reports published, each on the last working day of every month
- x Performance Indicator 5.2.4 target 2 name revised previously Performance Indicator target 1 tabling of consolidated financial statements
- xi Performance Indicator 5.2.8 The percentage of qualifying trainees that participate in the academic support programme for prospective chartered accountants name revised previously Number of participants in the academic support programme for prospective chartered accountants
- xii Performance Indicator 5.2.5 Percentage of the public financial management education, training and development implementation plan achieved revised previously Performance Indicator Number of officials in the national and provincial spheres of government trained in public financial management competencies
- xiii Performance Indicator 5.2.7 Percentage of the public financial management capacity development strategy (CDS) implementation plan achieved name revised previously Performance Indicator Percentage of implementation of the financial management capacity development strategy (CDS)

LINKS TO OTHER PLANS

- xiv Arising out of the DPME review the following Performance Indicators monitored in the previous financial year APP have been reassigned to operational monitoring
- Number of institutions workshopped on IA and risk management guidelines (provincial)

The following Performance Indicators monitored in the previous financial year APP have been fully delivered in the previous financial years and therefore no targets have been set in the APP 2017/18.

- Performance Indicator Number of procurement bills drafted and published for comment
- Performance Indicator Number of strategic procurement frameworks (SPFs) tailored for different forms of procurement revised
- Performance Indicator Number of systems for publishing procurement spend data developed
- Performance indicator Develop e-commerce centre
- Performance Indicator Number of e-SCM performance management modules established
- Performance Indicator Review and update of e-learning module

PROGRAMME 6

- i Performance indicator 6.1.1 Percentage of obligations towards international agreements met monitored name revised previously Performance Indicator Percentage of obligations towards international agreements met
- ii Performance Indicator 6.1.2 Percentage response to customer request on mandatory briefing notes and analysis and Performance Indicator 6.1.3 Percentage response to customer request on ad-hoc briefing notes and analysis has been revised previously Performance Indicator Number of analyses and briefs on current issues and recommendations compiled
- iii Performance indicator 6.2.2 Percentage of interventions in Pursuit of Institutional reform implemented has been revised previously Performance Indicator Number of interventions implemented in pursuit of institutional

PROGRAMME 7

- i Performance indicator 7.1.1 Percentage of benefits validated for payment paid within liable dates has been revised previously Percentage of paid within liable dates
Performance Indicator 7.1.1 Percentage of benefits validated for payment paid within liable dates MTEF target has been revised, informed by the NT operating environment and previous financial years performance
- ii Performance indicator 7.1.2 Percentage compliance with SLA between NT and GPAA specifically Programme 7 related indicators has been revised previously Performance Indicator Percentage compliance with SLA
Performance indicator 7.1.2. Percentage compliance with SLA between NT and GPAA specifically Programme 7 related indicators MTEF target has been revised, informed by the NT operating environment and previous financial years performance
- iii Performance indicator 7.1.3 Percentage integrity of client data MTEF target has been revised, informed by the NT operating environment and previous financial years performance
- iv Performance indicator 7.2.1 Percentage of customer service complaints responded to within seven days has been revised previously Performance indicator Percentage of customer service complaints resolved within seven days

LINKS TO OTHER PLANS

PROGRAMME 8

- i Performance Indicator 8.1.3 Number of transaction advisory projects registered name revised previously Number of transaction advisory projects supported
- ii Performance Indicator 8.1.4 Number of capital project appraisal reports completed name revised previously Number of capital project advisory work
- iii Performance Indicator 8.1.5 Number of performance and expenditure reviews completed name revised previously Number of performance and expenditure reviews
Performance Indicator 8.1.5 MTEF target refined from >10 to 10 to enhance measurability
- iv Performance Indicator 8.3.3 Number of integrated projects in Integration Zones identified for planning name revised previously Number of projects confirmed within integration/spatial transformation zones
- v Performance Indicator 8.3.4 Number of integrated projects in Integration Zones under implementation name revised previously Number of integrated city development projects under implementation
- vi Performance Indicator 8.4.8 Number of Jobs Fund evaluation reports and dissemination of learning name revised previously Jobs Fund evaluation reports and dissemination of learning
- vii Performance Indicator 8.5.1 Percentage response to provincial and national requests to procure Professional Service Providers to assist with institutionalizing the IDMS name revised previously Number of technical assistants (TAs) deployed to provide capacity for infrastructure development
- viii Performance Indicator 8.5.3 Number of graduates in training for professional registration name revised previously Number of graduates in training for professional registration in civil engineering, town planning, geographic information systems, quantity surveying and project management

The following Performance Indicators MTEF targets have been amended and refined from historically been recorded as accumulative across the MTEF period to single year annual targets to enhance measurability:

- 8.3.1, Number of precinct plans completed
- 8.3.2 Number of catalytic projects approved,
- 8.3.3 Number of integrated projects in Integration Zones identified for planning,

Arising out of the DPME review the following Performance Indicators monitored in the previous financial year APP have been reassigned to operational monitoring

- Performance Indicator Third-party investment leveraged

ANNEXURE

ACRONYMS AND ABBREVIATIONS

ANNUAL PERFORMANCE PLAN 2017/18



national treasury

Department:
National Treasury
REPUBLIC OF SOUTH AFRICA

ACRONYMS AND ABBREVIATIONS

AENE	Adjusted Estimates of National Expenditure
ALM	Asset and liability management
ASB	Accounting Standards Board
BAS	Basic accounting system
B-BBEE	Broad-based black economic empowerment
BEPP	Built environment performance plan
bn	Billion
BRICS	Brazil-Russia-India-China-South Africa
CBDA	Co-operative Banks Development Agency
CDS	Capacity development strategy
CMA	Common Monetary Area
COLA	Cost-of-living adjustment
CSD	Central Supplier Database
CSP	City Support Programme
DBSA	Development Bank of Southern Africa
DEA	Department of Environmental Affairs
DFI	Development finance institution
DoE	Department of Energy
DoRA	Division of Revenue Act
DPSA	Department of Public Service and Administration
DSBD	Department of Small Business Development
ENE	Estimates of National Expenditure
ERM	Enterprise risk management
ERP	Enterprise resource planning
FAIS Ombud	Financial Advisory and Intermediary Services Ombud
FFC	Financial and Fiscal Commission
FIC	Financial Intelligence Centre
FMCMM	Financial management capability maturity model
FMG	Financial Management Grant
FOSAD	Forum of South African Directors-General
FSB	Financial Services Board
G20	The Group of Twenty Finance Ministers and Central Bank Governors
GDP	Gross domestic product
GEPF	Government Employees Pension Fund
GHG	Greenhouse gas
GPAAG	Government Pensions Administration Agency
GRAP	Generally recognised accounting practices
GTAC	Government Technical Advisory Centre
HR	Human resources

ACRONYMS AND ABBREVIATIONS

IA	Internal audit
ICDG	Integrated City Development Grant
ICT	Information and communications technology
IDIP	Infrastructure Delivery Improvement Programme
IDM	Infrastructure delivery management
IDMS	Infrastructure delivery management system
IFMS	Integrated financial management system
IMF	International Monetary Fund
IPP	Independent power producer
IRBA	Independent Regulatory Board for Auditors
IREP	International and regional economic policy
ISDG	Infrastructure Skills Development Grant
KM	Knowledge management
Land Bank	Land and Agricultural Development Bank of South Africa
m	Million
MFIP	Municipal Finance Improvement Programme
MFMA	Municipal Finance Management Act
MINCOMBUD	Ministers' Committee on the Budget
MPAT	Management performance assessment tool
MTBPS	Medium Term Budget Policy Statement
MTEC	Medium Term Expenditure Committee
MTEF	Medium Term Expenditure Framework
MTSF	Medium Term Strategic Framework
MW	Mega-watt
NCOP	National Council of Provinces
NDP	National Development Plan
NDP	Neighbourhood development partnership
NDPG	Neighbourhood Development Partnership Grant
NRF	National Revenue Fund
NT	National Treasury
OCPO	Office of the Chief Procurement Officer
ODA	Official development assistance
OPFA	Office of the Pension Fund Adjudicator
OSM	Original software manufacturer
OTO	Office of the Tax Ombud
PFM	Public finance management
PFMA	Public Finance Management Act
PIC	Public Investment Corporation
PPP	Public-private partnership

ACRONYMS AND ABBREVIATIONS

PRS	Price referencing system
RDP	Reconstruction and Development Programme
SAA	South African Airways
SACU	Southern African Customs Union
SARB	South African Reserve Bank
SARS	South African Revenue Service
SASRIA	South African Special Risks Insurance Association
SCM	Supply chain management
SCOA	Standard chart of accounts
SCOF	Standing Committee on Finance
SITA	State Information Technology Agency
SLA	Service level agreement
SMME	Small, medium or micro-enterprise
SO	Strategic objective
SOC	State-owned company
SOE	State-owned entity
SPF	Strategic procurement framework
SSA	State Security Agency
TA	Technical assistant
TLAB	Taxation Laws Amendment Bill
tr	Trillion
USA	United States of America
WB	Water board
WB	World Bank

ERRATA

Please note the following errata is not included in the printed version of the Annual Performance Plan 2017/18 tabled on the 13 March 2017.

Part B: Programme and Sub programme plans

PROGRAMME 1: ADMINISTRATION

PAGE: 27

Table: Programme Performance Indicator Quarterly Targets for 2017/18

INCORRECTLY REFLECTED AS

	2017/18 Annual targets	Quarter 1	Quarter 2	Quarter 3	Quarter 4
1.1.3	95%	95%	95%	95%	95%

TO BE CORRECTLY REFLECTED AS

	2017/18 Annual targets	Quarter 1	Quarter 2	Quarter 3	Quarter 4
1.1.3	92%	92%	92%	92%	92%

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

PAGE: 37

Table: Programme Performance Indicator Quarterly Targets for 2017/18

INCORRECTLY REFLECTED AS

	Performance Indicator
2.4.1	Number of economic models maintained (models reflect the most recent economic environment)
2.4.2	Number of economic forecasts produced

TO BE CORRECTLY REFLECTED AS

	Performance Indicator
2.4.1	Number of economic models maintained
2.4.2	Number of economic forecasts developed

ERRATA

Please note the following errata is not included in the printed version of the Annual Performance Plan 2017/18 tabled on the 13 March 2017.

PROGRAMME 3: PUBLIC FINANCE AND BUDGET MANAGEMENT

PAGE 52-55

Table: Programme Performance Indicator Quarterly Targets for 2017/18

INCORRECTLY REFLECTED AS

	Quarter 3	2017/18 Annual Target
3.2.2	1 Cabinet endorsement of national government expenditure allocations in November	1 Cabinet endorsement of national government expenditure allocations in November

TO BE CORRECTLY REFLECTED AS

	Quarter 3	2017/18 Annual Target
3.2.2	1 Cabinet endorsement of national government expenditure allocations by end of calendar year	1 Cabinet endorsement of national government expenditure allocations by end of calendar year

INCORRECTLY REFLECTED AS

	2017/18 Annual targets	Quarter 3	Quarter 4
3.3.1	<ul style="list-style-type: none"> • 3 budget documents tabled in February • 3 budget documents tabled in October 	Publish 3 budget documents	Publish 3 budget documents

TO BE CORRECTLY REFLECTED AS

	2017/18 Annual targets	Quarter 3	Quarter 4
3.3.1	<ul style="list-style-type: none"> • Appropriation Bill, ENE and Budget Review tabled in February • Adjustments Appropriation Bill, AENE and MTBPS tabled in October 	<ul style="list-style-type: none"> • Adjustments Appropriation Bill, AENE and MTBPS tabled in October 	<ul style="list-style-type: none"> • Appropriation Bill, ENE and Budget Review tabled in February

INCORRECTLY REFLECTED AS

	Performance Indicator
3.4.1	Percentage adherence to timelines for sectoral analysis and advice for policy framework development
3.4.2	Number of monthly expenditure feedback to departments
3.4.5	Percentage response to requests for support provided on governance and financial management monitoring and compliance system in public entities provided
3.5.1	Percentage alignment of development cooperation with government policy and priorities

TO BE CORRECTLY REFLECTED AS

	Performance Indicator
3.4.1	Percentage adherence to timelines for PFMA and TR approvals, sectoral analysis and policy advice
3.4.2	Number of monthly expenditure feedback reports to departments
3.4.5	Percentage response to requests for support on governance and financial management monitoring and compliance system in public entities provided
3.5.1	Percentage alignment of development cooperation to government policy and priorities

ERRATA

Please note the following errata is not included in the printed version of the Annual Performance Plan 2017/18 tabled on the 13 March 2017.

INCORRECTLY REFLECTED AS

	Quarter 2
3.6.3	18

TO BE CORRECTLY REFLECTED AS

	Quarter 2
3.6.3	N/A

PROGRAMME 4: ASSET AND LIABILITY MANAGEMENT

PAGE 66-68

Table: Programme Performance Indicator Quarterly Targets for 2017/18

INCORRECTLY REFLECTED AS

	Performance Indicator
4.1.9	Percentage report on the review of Schedule 2 and 3B SOCs, DFIs and WBs' remuneration
4.1.10	Report on the review of Schedule 2 board composition
Strategic Objective 4.4: Minimise and mitigate risks emanating from government's fiscal obligations (Strategy and Risk Management)	

TO BE CORRECTLY REFLECTED AS

	Performance Indicator
4.1.9	Percentage of reports on the review of Schedule 2 and 3B SOCs, DFIs and WB remuneration
4.1.10	Percentage of reports on the review of Schedule 2 Board composition
Strategic Objective 4.4: Minimise and mitigate risks emanating from government's fiscal obligations	

PROGRAMME 5: FINANCIAL ACCOUNTING AND SUPPLY CHAIN MANAGEMENT SYSTEMS

PAGE 89-98

Table: Programme Performance Indicator Quarterly Targets for 2017/18

INCORRECTLY REFLECTED AS

	Quarter 3	Quarter 4
5.1.1	10	10

TO BE CORRECTLY REFLECTED AS

	Quarter 3	Quarter 4
5.1.1	12	12

ERRATA

Please note the following errata is not included in the printed version of the Annual Performance Plan 2017/18 tabled on the 13 March 2017.

INCORRECTLY REFLECTED AS

	2017/18 Annual targets	Quarter 1	Quarter 2	Quarter 3	Quarter 4
5.1.4	4	1	1	1	1
5.1.13	30	5	5	7	8

TO BE CORRECTLY REFLECTED AS

	2017/18 Annual targets	Quarter 1	Quarter 2	Quarter 3	Quarter 4
5.1.4	6	1	2	2	1
5.1.13	30	7	8	7	8

INCORRECTLY REFLECTED AS

	Performance Indicator
5.1.6	Number of public sector officials supported or trained in risk management
5.1.10	Number of information sessions provided to support PFMA institutions on the implementation of new or revised Treasury Regulations, Treasury Instructions and guidelines
5.2.1	Number of officials supported through training in the preparation of provincial consolidated financial statements, provincial revenue fund statements and implementation of generally recognized accounting practices (GRAP) standards
5.6.5	Number of transversal term contracts renewed per year for National Procurement

TO BE CORRECTLY REFLECTED AS

	Performance Indicator
5.1.6	Number of public sector officials trained in risk management
5.1.10	Number of information sessions provided to support PFMA institutions on the implementation of Treasury Regulations, Treasury Instructions and guidelines
5.2.1	Number of officials trained in the preparation of provincial consolidated financial statements, provincial revenue fund statements and implementation of generally recognised accounting practices (GRAP) standards
5.6.5	Number of transversal term contracts renewed per annum for National Procurement

INCORRECTLY REFLECTED AS

	2017/18 Annual target
5.1.11.1	Develop one web-based FMCMM model
5.2.3	100% if correct information is received on time and network is available

TO BE CORRECTLY REFLECTED AS

	2017/18 Annual target
5.1.11.1	Develop web-based FMCMM model
5.2.3	100%

PROGRAMME 6:

PAGE 89-98

Table: Programme Performance Indicator Quarterly Targets for 2017/18

INCORRECTLY REFLECTED AS

	Performance Indicator
6.2.1	Percentage of interventions in Pursuit of Institutional reform implemented
6.2.2	Number of interventions to increase presence within institutions of particular strategic value
6.3.2	Percentage implementation of assessments of initial conditions and projects and plans to accelerate regional integration

TO BE CORRECTLY REFLECTED AS

	Performance Indicator
6.2.2	Percentage of interventions in Pursuit of Institutional reform implemented
6.2.1	Number of interventions to increase South Africa's presence within institutions of particular strategic value
6.3.2	Percentage implementation of identified projects and plans to accelerate regional integration

INCORRECTLY REFLECTED AS

	2017/18 Annual target
6.3.1	3

TO BE CORRECTLY REFLECTED AS

	2017/18 Annual target
6.3.1	1

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

PAGE 117

Table: Programme Performance Indicator Quarterly Targets for 2017/18

INCORRECTLY REFLECTED AS

	Performance Indicator
7.1.2	Percentage compliance with NT SLA

TO BE CORRECTLY REFLECTED AS

	Performance Indicator
7.1.2	Percentage compliance with SLA between NT and GPAA specifically Programme 7 related indicators

ERRATA

Please note the following errata is not included in the printed version of the Annual Performance Plan 2017/18 tabled on the 13 March 2017.

PROGRAMME 8: TECHNICAL AND MANAGEMENT SUPPORT AND DEVELOPMENT FINANCE

PAGE 132-133

Table: Programme Performance Indicator Quarterly Targets for 2017/18

INCORRECTLY REFLECTED AS

	Performance Indicator
8.1.4	Number of capital project appraisal reports

TO BE CORRECTLY REFLECTED AS

	Performance Indicator
8.1.4	Number of capital project appraisal reports completed

INCORRECTLY REFLECTED AS

	Quarter 4
8.4.4	R150 000m
8.4.7	R4 677m 000

TO BE CORRECTLY REFLECTED AS

	Quarter 4
8.4.4	150 000
8.4.7	R4 677m

INCORRECTLY REFLECTED AS

	2017/18 Annual target
8.5.2	140

TO BE CORRECTLY REFLECTED AS

	2017/18 Annual target
8.5.2	100

NOTES



ANNUAL PERFORMANCE PLAN 2017/18

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