

**ANNUAL
PERFORMANCE
PLAN 2014/18**



national treasury

Department:
National Treasury
REPUBLIC OF SOUTH AFRICA





ANNUAL PERFORMANCE PLAN 2014/18

The 2014/18 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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ANNUAL PERFORMANCE PLAN 2014/18

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ANNUAL PERFORMANCE PLAN 2014/18

OFFICIAL SIGN-OFF

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



Lungisa Fuzile
Director-General



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Department:
National Treasury
REPUBLIC OF SOUTH AFRICA

UPDATED SITUATIONAL ANALYSIS

GLOBAL ECONOMIC ENVIRONMENT

Economic activity in advanced economies has strengthened. The outlook for emerging markets remains positive, with projected economic growth of 5.1 per cent in 2014, up from 4.7 per cent in 2013. Emerging markets are expected to continue growing, but at a reduced pace that reflects significant adjustments to currency levels, capital inflows, current account and fiscal deficits, debt levels, and varying levels of business and consumer confidence.

The longer-term trend remains towards a shift in the world economy, as developing countries account for a growing share of global trade and investment. Over the past 20 years, the share of emerging and developing economies in global GDP has increased from 18 per cent to 38 per cent and their share in total trade has risen from 28 per cent to 45 per cent. The present slowdown in some emerging markets generally reflects short-term factors. Over the long term, developing economies will continue to benefit from relatively low labour costs, youthful populations, rising productivity, further improvements in communication and transport, and growing middle classes.

On balance, the South African economy continues to draw strength from emerging-market trends. Slowing growth in China, and its shift away from investment-led growth, may lower the prices of South Africa's commodity exports. However, China's shift towards greater consumption, along with regulatory reform in India and investment expansion in Africa, provides new opportunities for South African firms to export manufactured goods and services, and to strengthen regional linkages.

DEEPENING DEMOCRACY: CONTINUING THE STRUGGLE AGAINST POVERTY, INEQUALITY AND UNEMPLOYMENT

It has been two decades since South Africans attained common citizenship in a non-racial democracy. Political change and reconciliation in a united country were the first steps on a long journey of reconstruction and development. A great deal of progress has been made in transforming the lives of South Africans over the past 20 years. Yet the country continues to face high levels of poverty, unemployment and inequality. Plans to address these are at the heart of the National Development Plan (NDP) and Medium-Term Strategic Framework (MTSF). They are given further form in government's budget framework and in departmental plans. The National Treasury has embraced the aims of the National Development Plan and MTSF, and will continue to make budget recommendations in alignment with these designs.

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

Government continues to strive to shift the composition of spending away from consumption and towards productive investment. To maintain the expenditure ceiling, additional allocations to priority areas and upward adjustments to the public-sector wage bill have been achieved through reprioritisation across departments. Reducing wasteful expenditure and implementing cost controls across government will also make resources available for priority spending items.

UPDATED SITUATIONAL ANALYSIS | CONTINUED

BUILDING A PLATFORM FOR FASTER, MORE INCLUSIVE GROWTH

More than five years of global economic turmoil have tested South Africa's public finances, its economic policy framework and its regulatory environment. One million job losses and a marked fall in tax revenue constituted a real-world stress test of unexpected proportions.

Government's macroeconomic framework has proven resilient and adaptable. Prudent and transparent fiscal management, inflation targeting and a flexible exchange rate in the context of open capital markets enabled the economy to continue growing moderately following the 2009 recession. Fiscal imbalances remain and economic growth is still below potential, but output and employment have returned to pre-crisis levels.

South Africa's debt levels are manageable and the long-term fiscal outlook supports sustainable public finances. The R25 billion economic competitiveness and support package that government launched in 2011 helped vulnerable firms to weather the downturn, and will help to boost productivity in the years ahead. Government's response to the crisis has also helped to build a platform for faster, more inclusive economic growth. This is reflected in increased public-sector investment in electricity, transport, water, roads, schools and hospitals.

BROADENING ECONOMIC PARTICIPATION

Government has adopted a multifaceted approach to broadening participation in the economy and enhancing the competitiveness of domestic producers. Many of these initiatives are part of the Industrial Policy Action Plan, which seeks to put the economy on a higher, more labour-intensive growth path.

Sector strategies include the Automotive Production and Development Programme, which subsidises international vehicle manufacturers to incorporate local producers into their supply chains, and the Clothing and Textile Competitiveness Programme, which aims to counter the effects of illegal imports and increase domestic producers' participation in local and global markets.

A range of existing initiatives which aim to promote inclusive growth will be strengthened by further resource allocations over the next three years. Preparatory work for further initiatives, such as the introduction of special economic zones to promote value-added exports and generate jobs in economically disadvantaged parts of the country, is also under way.

PROMOTING EMPLOYMENT

While broad-based economic growth remains the cornerstone of government's approach to job creation, public employment programmes will also contribute directly to reducing joblessness. These initiatives play an important role in promoting economic activity among the unemployed, and fulfil a wide range of social, economic and environmental objectives.

Government will launch the third phase of the Expanded Public Works Programme in April 2014. Over the next five years, it aims to create 6 million short- to medium-term jobs, up from just over 4 million in the five-year period that is elapsing.

UPDATED SITUATIONAL ANALYSIS | CONTINUED

The Community Work Programme will become the largest component of expanded public works over the medium term. Additional resources have been made available for the programme to achieve a presence in every municipality by 2016/17. There will be an emphasis on improving the quality of work so that participants are better able to move into the formal economy. There will also be a concerted effort to link employment programmes with initiatives to foster small enterprises and collectives.

SUPPORTING JOB CREATION IN THE PRIVATE SECTOR

Government is also helping the private sector to create jobs through the employment tax incentive, which began in January 2014. The incentive subsidises the salaries of newly recruited workers aged between 18 and 29, who are paid in line with minimum wage requirements, for a maximum of two years.

The Jobs Fund provides a model for tackling unemployment and promoting growth. It matches private-sector funding for projects that will generate sustainable jobs and catalyse economic activity.

The fund has supported initiatives ranging from agricultural projects working on market linkages in rural areas to emerging entrepreneurs in Johannesburg's townships. With a strong focus on evaluation and learning, the fund has also started to generate lessons that can inform policy, particularly in the areas of business incubation and workplace-readiness training.

The fund has contracted 61 projects that will receive grant funding of R3.2 billion over the next three years. These projects are expected to create 96 102 permanent new jobs and place 48 933 individuals in existing jobs by 2016. The fund concluded its third funding round in December 2013, when an additional 27 projects were approved.

ENSURING FISCAL SUSTAINABILITY

Government spending remains guided by the principles of countercyclicality, debt sustainability and intergenerational fairness. This fiscal approach takes into account both policy priorities and necessary spending limits. South Africa's fiscal outlook is sustainable.

Despite moderate economic growth, net national debt will stabilise as a share of GDP in 2016/17 and begin to decline thereafter. Broader public-sector sustainability is supported by a moderate stock of public debt, large social security fund surpluses, a fully funded government employee pension system and a narrowing public-sector borrowing requirement.

The risks to fiscal sustainability include economic uncertainty and pressures emanating from the government wage bill. Some risks associated with the economic outlook have partially materialised, as reflected in the inflation outlook and higher interest rates for new and existing debt. To some extent, higher interest payments would be offset by higher revenue as a result of inflated nominal GDP in an inflationary environment. Deterioration in the economic outlook, however, would require government to consider additional expenditure and revenue measures to ensure fiscal sustainability. Faster growth in the context of stable prices would enable government to attain its fiscal objectives more rapidly.

UPDATED SITUATIONAL ANALYSIS

CONTINUED

ORGANISATIONAL ENVIRONMENT

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

The objectives published in the National Treasury's Strategic Plan (2013–17) remain unchanged. The focus over the next twelve months will be on implementing organisational changes currently agreed upon, and on considering future changes, for purposes of further improving internal coordination and retaining consistently high performance standards. This is in the context of recognising the environmental issues that may necessitate tactical adjustment.

The organisational changes presently under way, which are expected to advance substantially during the year ahead, include those related to the establishment of the Office of the Chief Procurement Officer (OCPO), and that of the Government Technical Advisory Centre (GTAC).

OFFICE OF THE CHIEF PROCUREMENT OFFICER

The strategic purpose of the OCPO remains unchanged. Government aims to modernise the procurement system across government, public entities and government agencies to create a system that is equitable, transparent and cost-effective. The OCPO will establish and maintain systems ensuring the efficient and economic utilisation of financial and other resources for improved service delivery, and will promote and enforce the transparent and effective management of state procurement and sound stewardship of government assets and resources.

Whilst the OCPO is now established and operations are under way, the comprehensive form and function of this Office is yet to be decided. It is envisaged that debate during the period ahead will yield these answers, leading to urgent implementation.

GOVERNMENT TECHNICAL ADVISORY SERVICE

The Government Technical Advisory Centre (GTAC) has been under consideration for several years. The 2013 / 14 year saw the beginning of the implementation of GTAC operations as a government component in terms of the Public Service Act (Act 104 of 1994, as amended in 2007). GTAC, which remains an intrinsic part of the public service, aims to provide organs of state with support and advice of strategic importance for deriving improved value from public funds spent.

During April 2014, the Minister of Finance approved the transfer of the following functions from the National Treasury to GTAC: the Technical Assistance Unit, the advisory work of the Public-Private Partnership Unit, the Social Security and Employment Facilitation Programme Management Unit and the National Capital Projects Unit.

UPDATED SITUATIONAL ANALYSIS | CONTINUED

An Interim Management Committee, comprised of several senior managers affected by the change, has been convened to lead the effort and usher in the change smoothly and systematically. It is envisaged that an approved establishment will have been achieved for the GTAC during 2014/15, and that it will have developed its first set of strategic and annual performance plans. This change will be significant, as their publication will be accompanied with a corresponding change in the National Treasury's strategic and annual performance plans. Care will be taken to ensure that possible overlaps between the organisations are minimised, whilst not sacrificing the original intention of close coordination and synergy in improving management of government's financial resources.

The ultimate aim of this change is to give greater impetus to building capacity, deepening transparency, improving public sector procurement and infrastructure investment and broadening knowledge about public service delivery.

RESOURCE PLAN

PROGRAMMES	2013/14	2014/15	2015/16	2016/17
	Adjusted Appropriation	Revised Baseline	Revised Baseline	Revised Baseline
<i>Rand thousand</i>				
Administration	356 429	343 135	360 452	382 195
Economic Policy, Tax, Financial Regulation and Research	133 924	138 920	146 337	155 690
Public Finance and Budget Management	246 154	262 825	276 734	295 074
Asset and Liability Management	2 993 994	3 342 100	3 117 889	99 638
Financial Accounting and Supply Chain Management Systems	734 723	761 632	790 518	865 774
International Financial Relations	1 091 985	1 179 807	1 235 164	1 302 252
Civil and Military Pensions, Contributions to Funds and Other Benefits	3 497 031	3 717 838	3 962 941	4 173 242
Technical Support and Development Finance	2 469 079	3 712 182	3 206 945	3 384 037
Revenue Administration	9 534 393	9 440 321	9 898 708	10 508 911
Financial Intelligence and State Security	4 174 554	4 366 250	4 524 805	4 773 030
Total for Programmes	25 232 266	27 265 010	27 520 493	25 939 843
Direct charge against the National Revenue Fund	449 234 677	487 558 760	525 273 218	562 463 275
Provincial equitable share	338 936 817	362 468 075	387 967 462	412 038 815
State debt costs	100 484 500	114 900 523	126 646 847	139 200 629
General fuel levy sharing with metropolitan municipalities	9 613 360	10 190 162	10 658 909	11 223 831
National revenue fund payments	200 000	-	-	-
Total	474 466 943	514 823 770	552 793 711	588 403 118
Change to 2013 Budget Estimate		(8 249 288)	(12 405 250)	(16 733 232)

ECONOMIC CLASSIFICATION	2013/14	2014/15	2015/16	2016/17
	Adjusted Appropriation	Revised Baseline	Revised Baseline	Revised Baseline
<i>Rand thousand</i>				
Current payments	101 940 426	116 471 414	128 274 654	140 932 123
Compensation of employees	659 487	764 891	809 890	863 210
Goods and services	796 439	806 000	817 917	868 284
Computer services	272 544	264 014	266 979	284 995
Computer services, consultants and professional services: Business and advisory services	271 158	287 188	292 899	303 191
Operating leases	47 668	48 756	52 576	55 665
Travel and subsistence	56 255	50 856	52 475	55 570
Interest and rent on land	100 484 500	114 900 523	126 646 847	139 200 629
Interest (Incl. interest on unitary payments (PPP))	100 484 500	114 900 523	126 646 847	139 200 629
Transfers and subsidies	368 941 466	394 596 330	421 007 626	446 938 514
Provinces and municipalities	349 711 516	374 057 979	400 091 396	424 820 819
Provinces	338 936 817	362 468 075	387 967 462	412 038 815
Municipalities	10 774 699	11 589 904	12 123 934	12 782 004

RESOURCE PLAN | CONTINUED

ECONOMIC CLASSIFICATION	2013/14	2014/15	2015/16	2016/17
	Adjusted Appropriation	Revised Baseline	Revised Baseline	Revised Baseline
	<i>Rand thousand</i>			
Departmental agencies and accounts	13 977 158	14 069 353	14 699 001	15 566 411
Higher education institutions	10 000	5 800	6 200	-
Foreign governments and international organisations	771 503	828 324	904 346	963 087
Public corporations and private enterprises	1 024 603	1 973 320	1 395 123	1 469 109
Non-profit institutions	-	-	-	-
Households	3 446 686	3 661 554	3 911 560	4 119 088
Payments for capital assets	199 538	185 517	191 004	229 663
Buildings and other fixed structures	5 000	-	-	-
Machinery and equipment	28 307	11 368	10 703	12 361
Software and other intangible assets	166 231	174 149	180 301	217 302
Payments for financial assets	3 385 513	3 570 509	3 320 427	302 818
Total economic classification	474 466 943	514 823 770	552 793 711	588 403 118

EXPENDITURE TRENDS

The department is responsible for the main statutory transfers to provincial governments, the details of which can be found in chapter 7 and annexure E of the 2014 Budget Review and the 2014 Division of Revenue Bill. The department provides for the servicing of government debt and is responsible for distributing the general fuel levy to metropolitan municipalities. Recorded as a direct charge against the National Revenue Fund, the transfer of the provincial equitable share, provision for servicing government debt and distribution of the general fuel levy to municipalities account for 94.4 per cent of the department's allocation across the seven-year period.

Excluding direct charges, most of the department's budget over the medium term is allocated to transfers and subsidies, including those to: funding the operations of the South African Revenue Service in the Revenue Administration programme, and the Financial Intelligence Centre and the South African Secret Services in the Financial Intelligence and State Security programme; paying pensions and medical benefits to retired, injured or disabled civil servants and their beneficiaries in the Civil and Military Pensions programme; providing funds for the Jobs Fund and the neighbourhood development partnership grant in the Technical Support and Development Finance programme; and recapitalising state owned companies through the Asset and Liability Management programme. Over the medium term, the department will continue to manage national debt and liquidity by ensuring that government's borrowing needs and interest due on the debt book of R230 billion are met annually. It will do this by sourcing funds from the domestic and international markets through the activities of the Asset and Liability Management programme. Between 2010/11 and 2011/12, there was a reduction of R20 billion in expenditure in this programme, and between 2011/12 and 2012/13 R539.1 million. These reductions were mainly due to the R20 billion final tranche payment in 2010/11 for a R60 billion subordinated loan to Eskom to support its expansion plans; and to a reduction in transfers to the Land and Agricultural Development Bank of South Africa as the capital injection of R3.5 billion between 2009/10 to 2014/15 to support the emerging farmer support facility is phased out.

Excluding direct charges and transfers and subsidies, expenditure is mainly on compensation of employees, particularly in the Administration, Public Finance and Budget Management and Financial Accounting and Supply Chain Systems programmes. The department's funded establishment is anticipated to increase to 1 371 posts in 2016/17, with spending on compensation of employees expected to increase to R863.2 million in that year. The additional posts are mainly in the Employment Creation Facilitation subprogramme, the Chief Procurement Office and the infrastructure development improvement programme.

PROGRAMME 1: ADMINISTRATION

OUTPUTS AND TARGETS

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

Strategic objective	Performance indicator	Previous year target	Current year target	Medium-term targets		
		2013/14	2014/15	2015/16	2016/17	2017/18
Sub-programme: Corporate Services						
Provide integrated business solutions.	Reduction in goods and services price.	Create baseline costing model and measure saving rates.	Implement bulk buying principles to reduce cost.			
	Agreed percentage of positions filled and retained.		<ul style="list-style-type: none"> 92% of positions filled. 85% retention rate. 	<ul style="list-style-type: none"> 92% of positions filled. 87% retention rate. 	<ul style="list-style-type: none"> 92% of positions filled. 90% retention rate. 	
	Business Continuity Management (BCM) facility established and fully functional (People, Systems and Assets).	Annually review and test BCM plans.	Provide a temporary life recovery solution for Assets and Liabilities Management division's new back office system.	Provide a permanent life recovery solution for Assets and Liabilities Management division's new back office system.	Provide a temporary recovery centre for the Public Finance division.	Provide a fully equipped and functional permanent recovery center for the Public Finance division.
Ensure good governance and a robust control environment.	Compliance with regulatory reporting requirements.		100% compliance with regulatory reporting requirements.			
	Retention of intellectual capital and institutional memory – Knowledge Management (KM).		<ul style="list-style-type: none"> Review and, where applicable, develop policies and frameworks. Develop implementation strategy. 	Implement, monitor and evaluate pilot projects.	Roll out the implementation strategy.	Assess retention of intellectual capital and institutional memory.
	Implement Enterprise risk management strategy and vetting of identified employees.	Annual review of enterprise risk management strategy and its full implementation.	100% implementation of enterprise risk management strategy and 100% vetting of identified employees.			

PROGRAMME 1: ADMINISTRATION | CONTINUED

QUARTERLY TARGETS FOR 2014/15

Performance indicator	Reporting period	Annual target	Quarterly targets			
		2014/15	Q1 (Apr – Jun)	Q2 (Jul – Sep)	Q3 (Oct – Dec)	Q4 (Jan – Mar)
Reduction in goods and services price.	Quarterly	Implement bulk buying to reduce cost.	Saving of 1% on goods and services.	Saving of 1.5% on goods and services.	Saving of 1% on goods and services.	Saving of 1.5% on goods and services.
Agreed percentage of positions filled and retained.	Quarterly	<ul style="list-style-type: none"> • 92% of positions filled. • 85% retention rate. 	<ul style="list-style-type: none"> • 89% of positions filled. • 95% retention rate. 	<ul style="list-style-type: none"> • 91% of positions filled. • 93% retention rate. 	<ul style="list-style-type: none"> • 90% of positions filled. • 88% retention rate. 	<ul style="list-style-type: none"> • 92% of positions filled. • 85% retention rate.
BCM facility established and fully functional (People, Systems and Assets).	Quarterly	Provide a temporary life recovery solution for Assets and Liabilities Management Unit's new back-office system.	Conduct testing for effectiveness of the life recovery solution.	Initiate roll-out and implementation of the life recovery solution.	Continuous monitoring and evaluation for effectiveness.	
Compliance with regulatory reporting requirements.	Quarterly	100% compliance with regulatory reporting requirements.	100% compliance with regulatory reporting requirements.	100% compliance with regulatory reporting requirements.	100% compliance with regulatory reporting requirements.	100% compliance with regulatory reporting requirements.
Retention of intellectual capital and institutional memory – KM.	Quarterly	<ul style="list-style-type: none"> • Policies and frameworks reviewed and developed . • Implementation strategy developed . 	<ul style="list-style-type: none"> • Researched and identified standards and best practice. • Drafting of implementation strategy complete. 	<ul style="list-style-type: none"> • Conceptual framework developed. • Stakeholder engagement undertaken. • Stakeholders consulted. 	Draft policies and frameworks in place and presented to Executive Committee for approval.	<ul style="list-style-type: none"> • Policies and frameworks approved. • Complete implementation plan.
Implement enterprise risk management strategy and vetting of identified employees.	Quarterly	100% implementation of enterprise risk management strategy and 100% vetting of identified employees.				

PROGRAMME 1: ADMINISTRATION | CONTINUED

EXPENDITURE ESTIMATES

SUBPROGRAMMES	2013/14	2014/15	2015/16	2016/17
	Revised Baseline	Revised Baseline	Revised Baseline	Revised Baseline
	<i>Rand thousand</i>			
Ministry	3 363	4 005	4 225	4 504
Departmental Management	40 193	40 853	42 737	44 868
Corporate Services	91 399	104 556	108 287	112 938
Enterprise Wide Risk Management	35 077	23 892	25 020	26 490
Financial Administration	36 454	41 898	44 165	46 264
Legal Services	14 123	18 127	19 138	20 294
Internal Audit	21 184	14 846	15 633	17 338
Communications	9 710	10 146	10 463	11 112
Office Accommodation	84 334	84 812	90 784	98 387
Total	335 837	343 135	360 452	382 195

ECONOMIC CLASSIFICATION	2013/14	2014/15	2015/16	2016/17
	Adjusted Appropriation	Revised Baseline	Revised Baseline	Revised Baseline
	<i>Rand thousand</i>			
Current payments	310 026	335 860	353 615	375 183
Compensation of employees	146 765	168 833	178 838	190 537
Goods and services	180 321	167 027	174 777	184 646
Audit cost: External	8 389	8 170	8 614	9 093
Computer services	19 576	22 114	19 789	17 859
Consultants and professional services: Business and advisory services	21 586	10 042	12 322	13 657
Consultants and professional services: Legal costs	12 270	11 815	12 558	13 435
Agency and support / outsourced services	10 167	9 487	9 970	10 460
Operating leases	45 363	46 420	50 060	53 271
Property payments	20 282	18 550	20 262	23 452
Travel and subsistence	12 300	11 908	12 166	12 904
Transfers and subsidies	3 916	2 081	2 116	2 189
Departmental agencies and accounts	2 140	513	516	554
Households	1 776	1 568	1 600	1 635
Payments for capital assets	25 427	5 194	4 721	4 823
Buildings and other fixed structures	5 000	-	-	-
Machinery and equipment	20 427	5 194	4 721	4 823
Payments for financial assets	-	-	-	-
Total	356 429	343 135	360 452	382 195

PROGRAMME 1: ADMINISTRATION | CONTINUED

EXPENDITURE TRENDS

The largest items in the programme's allocation over the medium term are compensation of employees in the Corporate Services, Financial Administration and Departmental Management subprogrammes, and operating leases in the Office Accommodation subprogramme. This expenditure supports the department's objective of providing strategic, financial and human resource management to improve governance and attain unqualified audit reports.

With regard to personnel, over the medium term the department will continue to focus on building capacity in the internal audit, ICT and human resource functions. The 59 posts vacant at the end of November 2013 due to natural attrition are due to be filled over the medium term; this is expected to bring the programme up to its full capacity of 405 posts and will increase spending on compensation of employees. The additional capacity will allow the department to complete the vetting of all employees; perform 75 compliance, performance and IT audits each year; and ensure 95 per cent compliance with service level agreements. The increase in capacity in the internal audit and risk management functions is expected to decrease spending in the Internal Audit and Enterprise Risk Management subprogrammes over the medium term, as approximately R10 million will be saved as internal personnel take over functions previously performed by consultants. This accounts for the expected decrease in expenditure on consultants and professional services over the medium term. Currently, consultants are typically on short term contracts and provide auditing, ICT support and legal services as the department builds its capacity.

With regard to office accommodation and related costs, over the medium term the department will focus on upgrading its ICT and security infrastructure, particularly for the 38 Church Square building which is currently being refurbished. This refurbishment project, which began in 2010/11, is running behind schedule and is expected to be completed in 2014/15. Once it is complete, expenditure in the Office Accommodation subprogramme is expected to decrease, as is expenditure on capital assets over the medium term.

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

OUTPUTS AND TARGETS

Strategic objective	Performance indicator	Previous year target	Current year target	Medium-term targets		
		2013/14	2014/15	2015/16	2016/17	2017/18
Sub-programme: Research						
Building economic research capacity in academic/research institutions, with the broad objective of promoting economic research relevant to South Africa.	Number of papers published by research institutions and internally.	Academic and research institutions publish 40 papers and department publishes four papers each year.	Academic and research institutions publish 40 papers and department publishes four papers each year.			
Sub-programme: Tax and Financial Sector Policy						
Providing tax policy advice, tax revenue analysis, tax revenue forecasting and drafting the annual tax legislation.	Tax proposals published in annual <i>Budget Review</i> .	Publish on budget day each year.	Publish on budget day each year.			
	Tax reforms towards achieving environmental sustainability.	Finalise legislation.	Implement, monitor and evaluate legislation.			
Providing policy advice on the financial sector in relation to the regulatory framework and supporting legislation.	A stable financial sector.	Introduce enabling legislation for twin peaks model.	Implement legislation to establish twin peaks regulators.			
	Savings and retirement policies that lead to increased levels of national savings.	Public consultations and drafting of legislation.	Implement regulatory reforms.			
Sub-programme: Economic Policy						
Advice on macro and microeconomic policy, macroeconomic projections and modelling, monetary policy framework and economic sector strategies.	Quality policy memoranda and economic assessment of policy proposals with appropriate turnaround times.	<ul style="list-style-type: none"> • Reports on and analysis of key macroeconomic trends and variables. • Reviews and economic assessment of government policy proposals. • Economic advice based on reports and analysis. • Reports on key sectors and growth related microeconomic constraints. • Inter-departmental and private stakeholder consultation on economic policy related issues. 				
	Maintenance and development of well-specified and up-to-date economic models.	<ul style="list-style-type: none"> • Quarterly updates to various models as required. • Economic models that facilitate policy-making through sound economic analysis. 				
	Quarterly economic forecasts and high-quality policy and scenario modelling.	Comprehensive in-house macroeconomic analysis and forecasting.	<ul style="list-style-type: none"> • Publish <i>Budget Review</i> and MTBPS every year. • Develop policy scenarios as required to inform internal National Treasury analysis. • Conduct policy analysis using suitable economic models. • Assist other government departments with economic modelling and analysis. 			
	Economic policy analysis, research, assessment and advice on real exchange rate.	<ul style="list-style-type: none"> • Monitor exchange rate developments and risks. • Continue investigation into policy options that will achieve a more stable and competitive exchange rate. 				

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

QUARTERLY TARGETS FOR 2014/15

Performance indicator	Reporting period	Annual target	Quarterly targets			
		2014/15	Q1 (Apr – Jun)	Q2 (Jul – Sep)	Q3 (Oct – Dec)	Q4 (Jan – Mar)
Sub-programme: Research						
Number of papers published by research institutions and internally.	Quarterly	40	10	10	10	10
Sub-programme: Tax and Financial Sector Policy						
Tax proposals published in annual <i>Budget Review</i> .	Annual	Proposals published on budget day.				Proposals published on budget day.
Tax reforms towards environmental sustainability.	Annual	Proposals published on budget day.				Proposals published on budget day.
A stable financial sector.	Annual	Enactment of Financial Sector Regulation Bill.	Complete process to enact bill, and develop sectoral legislation.			
Savings and retirement policies that lead to increased levels of national savings.	Annual	Introduce regulatory reforms.	Manage regulatory reform process.			
Sub-programme: Economic Policy						
Quality policy memoranda and economic assessment of policy proposals with appropriate turnaround times.	Monthly, quarterly and as required	<ul style="list-style-type: none"> • Reports and analysis on key macroeconomic trends and variables. • Reviews and economic assessment of government policy proposals. • Economic advice based on reports and analysis. • Reports on key sectors and growth-related microeconomic constraints. • Inter-departmental and private stakeholder consultation on economic policy related issues. 	<ul style="list-style-type: none"> • Economic reports reflecting the number of statistical releases of key economic data, within two days of publication. • Reports on policy developments completed within three weeks of request. • Economic advice provided within time specified by Director-General (DG) and Minister. • Reports on the global and domestic economy provided within time-frame specified by DG and Minister. 	<ul style="list-style-type: none"> • Economic reports reflecting the number of statistical releases of key economic data, within two days of publication. • Reports on policy developments completed within three weeks of request. • Economic advice provided within time specified by DG and Minister. • Reports on the global and domestic economy provided within time-frame specified by DG and Minister. 	<ul style="list-style-type: none"> • Economic reports reflecting the number of statistical releases of key economic data, within two days of publication. • Reports on policy developments completed within three weeks of request. • Economic advice provided within time specified by DG and Minister. • Reports on the global and domestic economy provided within time-frame specified by DG and Minister. 	<ul style="list-style-type: none"> • Economic reports reflecting the number of statistical releases of key economic data, within two days of publication. • Reports on policy developments completed within three weeks of request. • Economic advice provided within time specified by DG and Minister. • Reports on the global and domestic economy provided within time-frame specified by DG and Minister.

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

Performance indicator	Reporting period	Annual target	Quarterly targets			
		2014/15	Q1 (Apr – Jun)	Q2 (Jul – Sep)	Q3 (Oct – Dec)	Q4 (Jan – Mar)
Sub-programme: Economic Policy						
Maintenance and development of well-specified and up-to-date economic models.	Quarterly	<ul style="list-style-type: none"> Quarterly updates to various models as required. Economic models that facilitate policy-making through sound economic analysis. 	Model updates	Model updates	Model updates	Model updates
Quarterly economic forecasts and high-quality policy and scenario modelling.	Quarterly	Comprehensive in-house macroeconomic analysis and forecasting.	Unpublished forecast	Unpublished forecast	MTBPS forecast	<i>Budget Review</i> forecast
Economic policy analysis, research, assessment and advice on real exchange rate.	Daily and as required	<ul style="list-style-type: none"> Monitor exchange rate developments and risks. Continue investigation into policy options that will achieve a more stable and competitive exchange rate. 	Daily indicators, weekly and monthly dashboards and in-depth reports as required.	Daily indicators, weekly and monthly dashboards and in-depth reports as required.	Daily indicators, weekly and monthly dashboards and in-depth reports as required.	Daily indicators, weekly and monthly dashboards and in-depth reports as required.

EXPENDITURE ESTIMATES

SUBPROGRAMMES	2013/14	2014/15	2015/16	2016/17
	Adjusted Appropriation	Revised Baseline	Revised Baseline	Revised Baseline
<i>Rand thousand</i>				
Programme Management for Economic Policy, Tax, Financial Regulation and Research	21 028	21 311	22 727	24 142
Research	16 764	12 000	12 648	13 318
Financial Sector Policy	26 287	30 060	31 742	33 768
Tax Policy	24 152	29 828	31 490	33 835
Economic Policy	29 457	28 883	30 297	32 270
Cooperative Banking Development Agency	16 236	16 838	17 433	18 357
Total	133 924	138 920	146 337	155 690

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

ECONOMIC CLASSIFICATION	2013/14	2014/15	2015/16	2016/17
	Adjusted Appropriation	Revised Baseline	Revised Baseline	Revised Baseline
	<i>Rand thousand</i>			
Current payments	106 839	110 868	116 813	124 525
Compensation of employees	72 419	83 283	88 163	94 257
Goods and services	34 420	27 585	28 650	30 268
Consultants and professional services: Business and advisory services	18 769	13 801	14 558	15 261
Travel and subsistence	6 619	6 643	6 996	7 384
Transfers and subsidies	26 231	27 618	29 073	30 614
Departmental agencies and accounts	16 236	16 838	17 433	18 357
Public corporations and private enterprises	9 900	10 780	11 640	12 257
Households	95	-	-	-
Payments for capital assets	854	434	451	551
Machinery and equipment	854	434	451	551
Payments for financial assets	-	-	-	-
Total	133 924	138 920	146 337	155 690

EXPENDITURE TRENDS

The bulk of the programme's expenditure over the seven-year period is on compensation of employees, consultants and travel and subsistence in the Financial Sector, Tax and Economic Policy subprogrammes. These subprogrammes support the programme's objective of economic growth and financial stability by funding analysis of the country's economic and financial environment and through research and development relating to economic policies and financial frameworks. In this regard, the department has worked on: finalising carbon tax proposals, expected to be implemented by January 2015; the Financial Services Laws General Amendment Bill, tabled in Parliament in September 2012; the Financial Markets Bill, adopted by the National Assembly in November 2012; and the Credit Ratings Agencies Bill, adopted by the National Assembly in November 2012 and which will enable it to implement the twin peak model of regulating the financial sector by the end of the medium term.

Between 2010/11 and 2013/14, the department implemented the amendment to the Public Service Coordinating Bargaining Council resolution 3 of 2009. This moved jobs graded at salary level 9 to level 10 and those at level 11 to level 12, and increased spending on compensation of employees. Over the same period, spending on consultants increased to provide for the specialised skills needed to produce these policies and frameworks.

Over the medium term, the number of filled posts is expected to increase to 129. These will include the 29 vacant at the end of November 2013. Most will be in the legal tax design unit in the Tax Policy subprogramme. Including the cost of adjustments for improved conditions of service, spending on compensation of employees is therefore projected to increase over the medium term. However, the increase in internal capacity is expected to reduce the department's reliance on consultants. This is the primary explanation for the projected decrease in spending on goods and services over the medium term, a reduction which indicates the department's commitment to controlling costs and implementing the Cabinet approved baseline reductions.

PROGRAMME 3: PUBLIC FINANCE AND BUDGET MANAGEMENT

OUTPUTS AND TARGETS

Strategic objective	Performance indicator	Previous year target	Current year target	Medium-term targets		
		2013/14	2014/15	2015/16	2016/17	2017/18
Sub-programme: Public Finance						
Monitoring and analysis of public expenditure and service delivery.	Timely sectoral analysis, compliance monitoring and advice.	<ul style="list-style-type: none"> Comments on Cabinet memoranda to reach the Ministry one day before the relevant Cabinet meeting. Responses to departmental requests within four weeks of receipt of request for administrative submissions and within 12 weeks for ministerial concurrence/policy feedback. 	Same as previous year.			
	Monthly expenditure feedback to departments.	Within 30 days of the end of the previous month.	Same as previous year.			
	Quarterly expenditure reports to the Standing Committee on Appropriations.	Within eight weeks of the end of the previous quarter.	Within six weeks of the end of the previous quarter.			
	Selected expenditure reviews.	Six per year.	Same as previous year.			
	Timely inputs on departmental budget submissions to Medium-term Expenditure Committee (MTEC) and the Ministers' Committee on the Budget (MinComBud).	Inputs delivered as per the dates in MTEC guidelines.	Same as previous year.			
	Estimates of National Expenditure (ENE) and Adjusted Estimates of National Expenditure (AENE) are compiled.	Inputs as per the parliamentary programme.	Same as previous year.			

PROGRAMME 3: PUBLIC FINANCE AND BUDGET MANAGEMENT | CONTINUED

Strategic objective	Performance indicator	Previous year target	Current year target	Medium-term targets		
		2013/14	2014/15	2015/16	2016/17	2017/18
Sub-programme: Budget Office						
Contribute to the South African economy by developing, ensuring Cabinet authorisation of and implementing South Africa's fiscal policy and related frameworks.	In line with the Medium Term Expenditure Framework (MTEF), the expenditure proposed in the Budget tabled does not exceed the main budget non-interest expenditure level determined.		2014 MTEF: R3.09 trillion main budget non-interest expenditure announced in the 2013 MTEF + R230 billion in terms of the fiscal policy stance = R3.32 trillion.	2015 MTEF: R3.32 trillion main budget non-interest expenditure announced in the 2014 MTEF + amendment in terms of the fiscal policy stance.	2016 MTEF: Main budget non-interest expenditure announced in the 2015 MTEF + amendment in terms of the fiscal policy stance.	2017 MTEF: Main budget non-interest expenditure announced in the 2016 MTEF + amendment in terms of the fiscal policy stance.
	Enhanced alignment of budget documentation with fiscal guidelines based on principles of countercyclicality, debt sustainability and intergenerational equity.		Develop measures of fiscal risk, in line with international best practice, that cover the public sector.	Review measures and engage with relevant stakeholders.	Monitor and refine the approach where necessary.	
Preparation of the national budget.	Timely completion of a well-coordinated and communicated budget process, culminating in Cabinet's endorsement of expenditure allocations.	<ul style="list-style-type: none"> • MTEF guidelines issued in July. • Scheduling of committees' meeting process in July. • Cabinet endorsement of national government expenditure allocations in December. 				
Production and publication of the national budget.	Guidelines and other budget documents designed, produced and published each year.	<ul style="list-style-type: none"> • ENE published at end of February. • Budget Review published at end of February. • Adjusted Estimates of National Expenditure (AENE) published at end of October. • Appropriation Bill tabled at end of February. • Adjustments Appropriation Bill tabled at end of October. • AENE chapter guidelines issued in August. • ENE chapter guidelines issued in November. 				

PROGRAMME 3: PUBLIC FINANCE AND BUDGET MANAGEMENT | CONTINUED

Strategic objective	Performance indicator	Previous year target	Current year target	Medium-term targets		
		2013/14	2014/15	2015/16	2016/17	2017/18
Production and publication of the national budget.	Public finance statistics are presented according to function and economic classification for consolidated general government.	Extend the coverage of consolidated accounts to whole of general government.	<ul style="list-style-type: none"> Extend coverage of consolidated accounts to include information on consolidated accounts and borrowing of all general government. Move the data used in the compilation of financial statistics for the budget to an appropriate storage platform. 	Same as previous year.		
	Provide guidance to departments and entities on the classification of expenditure.	<ul style="list-style-type: none"> Issue classification circulars and guidelines. Roll out the South African Qualifications Authority (SAQA) accredited training programme on the Standard Chart of Accounts (SCOA). 	<ul style="list-style-type: none"> Issue classification circulars and guidelines used by departments for transactional classification guidance. Provide advice on the interpretation of the SCOA and the reference guide on economic classification. 	Same as previous year.		
Official development assistance (ODA) resources aligned with and mobilised for government policies and priorities.	Aid is aligned with Budget.	Align ODA funding decisions with the budget process.	Manage General Budget Support (GBS) allocation process for National Treasury. Monitor GBS programme delivery.	<ul style="list-style-type: none"> Manage GBS allocation process on behalf of government. Monitor GBS programme delivery. 	Monitor and support GBS programmes.	
			Administer all ODA programmes that fall outside the GBS process.	Administer all ODA programmes that fall outside the GBS process.		

PROGRAMME 3: PUBLIC FINANCE AND BUDGET MANAGEMENT | CONTINUED

Strategic objective	Performance indicator	Previous year target	Current year target	Medium-term targets		
		2013/14	2014/15	2015/16	2016/17	2017/18
Official development assistance (ODA) resources aligned with and mobilised for government policies and priorities.	ODA into South Africa is coordinated.		Monitor and evaluate ODA programmes.	Monitor and evaluate the ODA programmes.		
			<ul style="list-style-type: none"> Manage the development partner ODA engagements for South Africa. Finalise ODA programming with development partners. Provide support to ODA programmes with implementation challenges. 	<ul style="list-style-type: none"> Manage the development partner ODA engagements for South Africa. Finalise ODA programming with development partners. Provide support to ODA programmes with implementation challenges. 		
			ODA coordination support.	ODA coordination support.		
Monitoring and analysis of public expenditure and service delivery.	A governance and financial management monitoring and compliance system in public entities is implemented.	<ul style="list-style-type: none"> Continue institutional budgeting reforms and support to national and provincial public entities. Assist entities with implementation of change management and improved business processes. Review financial, human resource and administrative frameworks in public entities, including Treasury regulations. Submit recommendations to Cabinet on frameworks and memoranda applicable to public entities. Assist public entities to improve compliance and governance. 	<ul style="list-style-type: none"> Continue institutional budgeting reforms and support to national and provincial public entities. Assist entities with implementation of change management and improved business processes. Review financial, human resource and administrative frameworks in public entities, including Treasury regulations. Submit recommendations to Cabinet on frameworks and memoranda applicable to public entities. Assist public entities to improve compliance and governance. 			

PROGRAMME 3: PUBLIC FINANCE AND BUDGET MANAGEMENT | CONTINUED

Strategic objective	Performance indicator	Previous year target	Current year target	Medium-term targets		
		2013/14	2014/15	2015/16	2016/17	2017/18
Monitoring and analysis of public expenditure and service delivery.	A cost-of-living adjustment (COLA) costing model is developed to improve the National Treasury's understanding of the implications of the remuneration policy and wage settlements on the public sector wage bill.	Implement the COLA costing model.	Review, improve and continue to implement the COLA costing model.			
Sub-programme: Intergovernmental Relations						
Provincial and local government budget framework drafted in line with fiscal framework and policy objectives.	Timely publication and quality of Division of Revenue Bill, including explanatory memorandum (Annexure W1), and Annual Division of Revenue Amendment Bill.	Division of Revenue Bill tabled on budget day with no errors.	<ul style="list-style-type: none"> Division of Revenue Bill tabled on budget day with no errors. Division of Revenue Amendment Bill tabled with Medium Term Strategic Framework. 			
	Reforms introduced to enhance provincial and local government fiscal frameworks (equitable share, conditional grants, own revenues and municipal borrowing).	Review of local government infrastructure grant system based on Census 2011.	Introduce initial reforms as part of phasing-in of new local government infrastructure conditional grant system.	Continue phase-in of new formula (to be phased in over three to five years).		
		Review of municipal own revenue.	Draft amendment to the Municipal Fiscal Powers and Functions Act.	Amendment to the Municipal Fiscal Powers and Functions Act tabled in Parliament.	Implement amended Act.	

PROGRAMME 3: PUBLIC FINANCE AND BUDGET MANAGEMENT | CONTINUED

Strategic objective	Performance indicator	Previous year target	Current year target	Medium-term targets		
		2013/14	2014/15	2015/16	2016/17	2017/18
Institutionalise long-term planning and coordination of capacity within provincial and local government to drive infrastructure development programmes and spatial transformation.	Improvement in infrastructure planning and management in cities and provinces.	Assess built environment plans for all metros to support the Integrated City Development Grant.	Support the development of built environment performance plans for the eight metros and review performance in relation to the plans.	Review performance of the built environment performance plans using the built environment indicators and incentivise planning and implementation through conditional grants.		
	Improved performance in the built environment.	Assess infrastructure plans for selected provincial departments and report on performance.	Assessment of all provincial health and education infrastructure plans.	Assessment of all provincial health and education infrastructure plans and incentivise improved planning through conditional grants.		
Building capacity in provincial treasuries and departments.	Number of officials trained on budget formulation, assessment and on infrastructure delivery management.	<ul style="list-style-type: none"> • Nine provincial treasuries trained in budget assessment and in-year monitoring. • 500 provincial staff members trained on budget formulation and budget analysis. • 150 government officials trained on infrastructure delivery management course. 				
Monitoring and budget assessment of municipalities and provinces.	Benchmarking of and midyear engagements with all municipalities are carried out with timely publication of reports.	<ul style="list-style-type: none"> • Conduct budget benchmark assessments for all municipalities between April and May of each year for non-delegated municipalities, to determine adequacy of funding, credibility and sustainability, and report. • Conclude mid-year assessment for non-delegated municipalities by March each year and report. • Publication of expenditure reviews and section 32 PFMA and section 71 MFMA reports. 				
	Benchmarking of and midyear engagements with all provinces are carried out with timely publication of reports.	<ul style="list-style-type: none"> • Publication of expenditure reviews and section 32 PFMA. • Conduct budget benchmarking sessions for each of the nine provinces before mid-February. • Provide comprehensive parliamentary briefings in respect of at least three provincial governments, and three programmes funded through conditional grants. 				

PROGRAMME 3: PUBLIC FINANCE AND BUDGET MANAGEMENT | CONTINUED

QUARTERLY TARGETS FOR 2013/14

Performance indicator	Reporting period	Annual target	Quarterly targets			
		2014/15	Q1 (Apr – Jun)	Q2 (Jul – Sep)	Q3 (Oct – Dec)	Q4 (Jan – Mar)
Sub-programme: Public Finance						
Timely sectoral analysis, compliance monitoring and advice.	Quarterly	Meet target of Cabinet memoranda to reach Ministry one day before the relevant Cabinet meeting.	100% of Cabinet memoranda to reach Ministry at least one day in advance of the relevant Cabinet meeting.	100% of Cabinet memoranda to reach Ministry at least one day in advance of the relevant Cabinet meeting.	100% of Cabinet memoranda to reach Ministry at least one day in advance of the relevant Cabinet meeting.	100% of Cabinet memoranda to reach Ministry at least one day in advance of the relevant Cabinet meeting.
		Meet the target of four weeks for administrative submissions and 12 weeks for ministerial concurrence/policy feedback.	100% achieved with respect to turnaround times specified for submissions received.	100% achieved with respect to turnaround times specified for submissions received.	100% achieved with respect to turnaround times specified for submissions received.	100% achieved with respect to turnaround times specified for submissions received.
Monthly expenditure feedback to departments.	Monthly	12, each within 30 days after month-end.	Three, each within 30 days after month-end.	Three, each within 30 days after month-end.	Three, each within 30 days after month-end.	Three, within each 30 days after month-end.
Quarterly expenditure reports to the Standing Committee on Appropriations.	Quarterly	Four, each within six weeks after the end of the quarter.	One, within six weeks after the end of the quarter.	One, within six weeks after the end of the quarter.	One, within six weeks after the end of the quarter.	One, within six weeks after the end of the quarter.
Selected expenditure reviews.	Annual	6	0	0	0	6
Timely inputs on departmental budget submissions to MTEC and MinComBud.	Annual	Meet 100% of targets as set by the Secretariat for the MTEC.		<ul style="list-style-type: none"> Make submissions to MTEC as required, including baseline analyses, in-year spending estimates, sector priorities and reprioritisation proposals. Complete processing of rollover submissions and unforeseen and unavoidable expenditure submissions. 	Complete MTEF funding recommendations and other submissions, as required in terms of the budget process.	
ENE and AENE are compiled.	Annual	Publish ENE and AENE.			Publish AENE in October.	Publish ENE in February.

PROGRAMME 3: PUBLIC FINANCE AND BUDGET MANAGEMENT | CONTINUED

Performance indicator	Reporting period	Annual target	Quarterly targets			
		2014/15	Q1 (Apr – Jun)	Q2 (Jul – Sep)	Q3 (Oct – Dec)	Q4 (Jan – Mar)
Sub-programme: Budget Office						
Expenditure proposed in the Budget tabled does not exceed the main budget non-interest expenditure level determined.	Annual	2015 MTEF: R3.32 trillion main budget non-interest expenditure announced in the 2014 MTEF + amendment in terms of the fiscal policy stance.			2015 MTEF budget expenditure amount announced in nominal rand terms in the MTBPS.	2015 MTEF budget expenditure amount tabled for parliamentary approval.
Enhanced alignment of budget documentation with fiscal guidelines based on principles of countercyclicality, debt sustainability and intergenerational equity.	Annual	Develop measures of fiscal risk, in line with international best practice, that cover the public sector.	Design fiscal risk measures. Convene meetings with stakeholders across Treasury.	Complete first draft of fiscal risk write-up.	Convene meetings with stakeholders across Treasury. Edit write-up to reflect comments and feedback.	Provide final endorsed fiscal risk measures.
Timely completion of a well-coordinated and communicated budget process culminating in Cabinet's endorsement of expenditure allocations.	Annual	<ul style="list-style-type: none"> MTEF guidelines issued in July. Scheduling of committees' meeting process in July. Cabinet endorsement of national government expenditure allocations in December. 		<ul style="list-style-type: none"> MTEF guidelines issued. Committees' meeting programme adopted. 	Cabinet endorses expenditure allocations to national government votes.	
Guidelines and other budget documents designed, produced and published per year.	Quarterly	<ul style="list-style-type: none"> ENE published at end of February. Budget Review published at end of February. AENE published at end of October. Appropriation Bill tabled at end of February. Adjustments Appropriation Bill tabled at end of October. AENE chapter guidelines issued in August. ENE chapter guidelines issued in November. MTEF guidelines issued in July. 		AENE chapter guidelines issued.	<ul style="list-style-type: none"> AENE published. Adjustments Appropriation Bill tabled. ENE chapter guidelines issued. 	<ul style="list-style-type: none"> ENE published. Budget Review published. Appropriation Bill tabled.

PROGRAMME 3: PUBLIC FINANCE AND BUDGET MANAGEMENT | CONTINUED

Performance indicator	Reporting period	Annual target	Quarterly targets			
		2014/15	Q1 (Apr – Jun)	Q2 (Jul – Sep)	Q3 (Oct – Dec)	Q4 (Jan – Mar)
Public finance statistics presented according to function and economic classification, for consolidated general government.	Quarterly	<ul style="list-style-type: none"> Extend coverage of consolidated account to include information on consolidated accounts and borrowing of all of general government. Move the data used in the compilation of financial statistics for the budget to an appropriate storage platform. 	<ul style="list-style-type: none"> Prepare baseline estimates. Preliminary outcomes report data. Preliminary annual financial statements (AFS) numbers update. Distribute public entities quarterly reporting template. Move in-year monitoring (IYM) data to storage. 	<ul style="list-style-type: none"> Development/ revision of budget templates for Budget 2015. Presentations in budget workshops. Roll out of quarterly reporting for public entities. Move IYM, preliminary AFS and MTEC data to storage. 	<ul style="list-style-type: none"> Consolidate accounts for MTBPS 2014. Final financial statements numbers update. Roll out of quarterly reporting for public entities. Move IYM, final AFS and ENE data to storage. 	<ul style="list-style-type: none"> Consolidate accounts for Budget Review 2015. Presentations in budget workshops. Move IYM and ENE data to storage.
Guidance to departments and entities on classification of revenue expenditure.	Quarterly	<ul style="list-style-type: none"> Issue classification circulars and guidelines used by departments for transactional classification guidance. Provide advice on the interpretation of the SCOA and the reference guide on economic classification. 	<ul style="list-style-type: none"> Issue at least three classification circulars and classification guidelines. Issue training material for the updated SCOA. Respond to SCOA requests within two weeks. Convene monthly SCOA user forums. 	<ul style="list-style-type: none"> Roll out SCOA training. Issue at least three classification circulars. Issue training material for the updated SCOA. Convene monthly SCOA user forums. 	<ul style="list-style-type: none"> Roll out SCOA training. Issue training material for the updated SCOA. Convene monthly SCOA user forums. 	<ul style="list-style-type: none"> Roll out SCOA training. Issue training material for the updated SCOA. Convene monthly SCOA user forums.
Alignment of aid with Budget.		<ul style="list-style-type: none"> Manage GBS allocation process for National Treasury. Monitor GBS programme delivery. 	Inclusion of GBS criteria in MTEF guidelines for consideration during budget process.	Receive GBS proposals; shortlist, select and present to budget group for discussion and decision making.	Make GBS allocation recommendations to MinComBud..	Provide allocated GBS project information to be included in allocation letters.
		Administer all ODA programmes that fall outside the GBS process.	<ul style="list-style-type: none"> Guide programming and support implementation where necessary. Monitor and review project progress. 	<ul style="list-style-type: none"> Guide programming and support implementation where necessary. Monitor and review project progress. 	<ul style="list-style-type: none"> Guide programming and support implementation where necessary. Monitor and review project progress. 	<ul style="list-style-type: none"> Guide programming and support implementation where necessary. Monitor and review project progress.

PROGRAMME 3: PUBLIC FINANCE AND BUDGET MANAGEMENT | CONTINUED

Performance indicator	Reporting period	Annual target	Quarterly targets			
		2014/15	Q1 (Apr – Jun)	Q2 (Jul – Sep)	Q3 (Oct – Dec)	Q4 (Jan – Mar)
Alignment of aid with Budget.		Monitor and evaluate ODA programmes.	<ul style="list-style-type: none"> Monitor disbursements and expenditure on ODA projects. Report to Deputy Minister for the Portfolio Committee on Finance in Parliament. 	<ul style="list-style-type: none"> Monitor disbursements and expenditure on ODA projects. Report to Deputy Minister for the Portfolio Committee on Finance in Parliament. 	<ul style="list-style-type: none"> Monitor disbursements and expenditure on ODA projects. Report to Deputy Minister for the Portfolio Committee on Finance in Parliament. 	<ul style="list-style-type: none"> Monitor disbursements and expenditure on ODA projects. Report to Deputy Minister for the Portfolio Committee on Finance in Parliament.
Coordination of ODA into South Africa.		<ul style="list-style-type: none"> Manage the development partner ODA engagements for South Africa. Finalise ODA programming with development partners. Provide support to ODA programmes with implementation challenges. 	<ul style="list-style-type: none"> Negotiate high level ODA agreements for South Africa. Programming with development partners and South African department. Coordinate legal agreement finalization. Monitor/review disbursement rates and challenges. Provide appropriate support to programmes experiencing implementation challenges. 	<ul style="list-style-type: none"> Negotiate high level ODA agreements for South Africa. Programming with development partners and South African departments. Coordinate legal agreement finalization. Monitor/review disbursement rates and challenges. Provide appropriate support to programmes experiencing implementation challenges. 	<ul style="list-style-type: none"> Negotiate high level ODA agreements for South Africa. Programming with development partners and South African departments. Coordinate legal agreement finalization. Monitor/review disbursement rates and challenges. Provide appropriate support to programmes experiencing implementation challenges. 	<ul style="list-style-type: none"> Negotiate high level ODA agreements for South Africa. Programming with development partners and South African departments. Coordinate legal agreement finalization. Monitor/review disbursement rates and challenges. Provide appropriate support to programmes experiencing implementation challenges.
		ODA coordination support.	Provide support to ODA practitioners across all spheres of government throughout the full project cycle.	Provide support to ODA practitioners across all spheres of government throughout the full project cycle.	Provide support to ODA practitioners across all spheres of government throughout the full project cycle.	Provide support to ODA practitioners across all spheres of government throughout the full project cycle.
Implementation of a governance and financial management monitoring and compliance system for public entities.	Quarterly		Develop questionnaire to support board remuneration categorisation determinations.	Develop presentation/ guideline for public entity board inductions.	Presentation of public entity board and CEO remuneration trends.	Updated list of public entities in terms of the PFMA.

PROGRAMME 3: PUBLIC FINANCE AND BUDGET MANAGEMENT | CONTINUED

Performance indicator	Reporting period	Annual target	Quarterly targets			
		2014/15	Q1 (Apr – Jun)	Q2 (Jul – Sep)	Q3 (Oct – Dec)	Q4 (Jan – Mar)
A cost-of-living adjustment (COLA) costing model is developed to improve the National Treasury's understanding of the implications of the remuneration policy and wage settlements on the public sector wage bill.	Monthly and quarterly	Review, improve and continue implementing the COLA costing model.	Review and improve the COLA costing model.	Implement the COLA costing model.	Implement the COLA costing model.	Implement the COLA costing model.
Sub-programme: Intergovernmental Relations						
Timely publication and good quality of Division of Revenue Bill, including explanatory memorandum (Annexure W1), and Division of Revenue Amendment Bill.	Bi-annual	<ul style="list-style-type: none"> Division of Revenue Bill tabled on budget day with no errors. Division of Revenue Amendment Bill tabled with 2014 MTBPS with no errors. 	Gazetting of local government allocations and conditional grant frameworks for 2014 Act within 14 days of approval.		2014 Division of Revenue Amendment Bill tabled together with 2014 MTBPS.	2015 Division of Revenue Bill and supporting documentation tabled on 2015 budget day.
Reforms introduced to enhance provincial and local government fiscal frameworks (equitable share, conditional grants, own revenues and municipal borrowing).	Annual	Review of the local government infrastructure conditional grant system to improve its efficacy.			Proposed reforms to local government infrastructure conditional grant system tabled at 2014 Budget Forum.	Substantive reforms to local government infrastructure conditional grant system introduced and phased-in as part of 2015 Budget.
	Annual	Review of municipal own revenue sources.	Analyse the performance of existing own revenue for metropolitan municipalities.	Explore alternative sources of own revenue for metropolitan municipalities.	Draft a discussion paper on alternative sources of revenue for metropolitan municipalities.	Consultation on the discussion document.
Improvement in infrastructure planning and management in cities and provinces.		Support the development of built environment performance plans for the eight metros and review performance in relation to the plans.	Facilitate engagement of metros with relevant national and provincial departments and SOEs on their 2014/15 built environment performance plans (BEPPs).		Review the implementation of the 2014/15 BEPP.	Facilitate metros' engagement with relevant national and provincial departments and SOEs on their 2015/16 BEPPs.

PROGRAMME 3: PUBLIC FINANCE AND BUDGET MANAGEMENT | CONTINUED

Performance indicator	Reporting period	Annual target	Quarterly targets			
		2014/15	Q1 (Apr – Jun)	Q2 (Jul – Sep)	Q3 (Oct – Dec)	Q4 (Jan – Mar)
Improvement in the built environment performance.		Assessment of all health and education infrastructure plans.	Issue guidelines for the assessment approach for infrastructure plans.	Conduct a review and moderation process on 18 asset management plans.	Assess project proposals for all new projects in preparation for provincial MTECs.	Recommend allocations for education and health infrastructure conditional grants.
Number of officials trained on budget formulation, assessment and infrastructure delivery management course.		Train nine provincial treasuries in budget assessment and in-year monitoring.		Nine provincial treasuries trained.		
		500 provincial staff members trained on budget formulation and budget analysis.	250 provincial staff trained.	250 provincial staff trained.		
	Annual	150 government officials trained on infrastructure delivery management course.	150 government officials trained.			
Benchmarking of and midyear engagements with all municipalities and timely publication of reports.	Annual	Conduct budget benchmark assessments for all municipalities between April and May of each year for non-delegated municipalities, to determine adequacy of funding, credibility and sustainability, and report.	Conduct budget benchmark assessments for municipalities between April and May of each year for 17 non-delegated municipalities.			
	Annual	Conclude mid-year assessment for non-delegated municipalities by March each year, and report.				Conclude mid-year assessment reports for the 17 non-delegated municipalities by March each year.
	Quarterly	Publication of expenditure reviews and Section 32 PFMA and Section 71 MFMA reports.	Quarterly publication of Section 71 MFMA report.	Quarterly publication of Section 71 MFMA report.	Quarterly publication of Section 71 MFMA report.	Quarterly publication of Section 71 MFMA report.
Benchmarking of and midyear engagements with all provinces and timely publication of reports.	Quarterly	Publication of expenditure reviews and Section 32 PFMA reports.	Publication of 2013/14 4 th quarter report.	Publication of 2014/15 1 st quarter report.	Publication of 2014/15 2 nd quarter report.	Publication of 2014/15 3 rd quarter report.

PROGRAMME 3: PUBLIC FINANCE AND BUDGET MANAGEMENT | CONTINUED

Performance indicator	Reporting period	Annual target	Quarterly targets			
		2014/15	Q1 (Apr – Jun)	Q2 (Jul – Sep)	Q3 (Oct – Dec)	Q4 (Jan – Mar)
	Annual	Conduct budget benchmarking sessions for all nine provinces before mid-February.			Conduct benchmarking sessions for all nine provinces.	Conduct benchmarking sessions for all nine provinces.
	Biannual	Provide comprehensive parliamentary briefings in respect of at least three provincial governments, and three programmes funded through conditional grants.	Conduct parliamentary briefings for three provinces and conditional grant programmes.			Conduct Parliamentary briefings for three provinces and conditional grant programmes.

EXPENDITURE ESTIMATES

SUBPROGRAMMES	2013/14	2014/15	2015/16	2016/17
	Adjusted Appropriation	Revised Baseline	Revised Baseline	Revised Baseline
	<i>Rand thousand</i>			
Programme Management for Public Finance and Budget Management	18 642	21 416	22 656	24 092
Public Finance	51 014	56 493	59 822	64 115
Budget Office and Coordination	57 510	63 943	66 929	71 098
Intergovernmental Relations	79 421	81 485	86 443	92 718
Financial and Fiscal Commission	39 567	39 488	40 884	43 051
Total	246 154	262 825	276 734	295 074

PROGRAMME 3: PUBLIC FINANCE AND BUDGET MANAGEMENT | CONTINUED

ECONOMIC CLASSIFICATION	2013/14	2014/15	2015/16	2016/17
	Adjusted Appropriation	Revised Baseline	Revised Baseline	Revised Baseline
	<i>Rand thousand</i>			
Current payments	203 862	221 935	234 545	250 559
Compensation of employees	164 046	189 502	200 690	214 019
Goods and services	39 816	32 433	33 855	36 540
Computer services	1 918	1 468	1 439	1 527
Consultants and professional services: Business and advisory services	12 946	6 974	7 199	8 314
Consumable: Stationery, printing and office supplies	8 555	7 563	8 054	8 570
Travel and subsistence	9 325	9 643	9 832	10 447
Transfers and subsidies	40 828	39 488	40 884	43 051
Departmental agencies and accounts	39 567	39 488	40 884	43 051
Households	1 261	-	-	-
Payments for capital assets	1 464	1 402	1 305	1 464
Machinery and equipment	1 464	1 402	1 305	1 464
Payments for financial assets	-	-	-	-
Total	246 154	262 825	276 734	295 074

EXPENDITURE TRENDS

The spending focus over the medium term will be on improving the provision of financial management, budgeting and expenditure management support, including the oversight of civil pension reforms, to the national, provincial and local spheres of government. This will be achieved by building capacity within the programme, mainly at senior management level. As a result, the number of posts filled is expected to grow from 250 in 2012/13 to 304 over the medium term. Expenditure on compensation of employees is therefore expected to increase over this period as the department accelerates recruitment to bring the programme to full capacity. This will allow the programme to enhance the reporting of non-financial performance information, and to develop and implement a standard chart of accounts for all municipalities by 2015/16.

Over the medium term, the department expects to use consultants to support various projects, including for editing publications, actuarial valuations, conducting the local government survey, carrying out research and completing the multi-agent transport simulation toolkit project, and supporting the drafting of the Public Administration Management Bill which will standardise remuneration for departments and local government. These assignments are specialised and short term, and are not carried out by the department's own staff. However, spending on consultants is projected to decrease over the medium term as the programme gives effect to Cabinet approved reductions. The phasing out of the multi-agent transport simulation toolkit in the Public Finance subprogramme, and the conclusion of the national government intervention in Limpopo in the Programme Management for Public Finance and Budget Management subprogramme, will also contribute to the decrease in spending on consultants over the medium term. The intervention in Limpopo, the cost of which has since been transferred to the province, increased expenditure on consultants in 2012/13.

PROGRAMME 4: ASSET AND LIABILITY MANAGEMENT

OUTPUTS AND TARGETS

Strategic objective	Performance indicator	Previous year target	Current year target	Medium-term targets		
		2013/14	2014/15	2015/16	2016/17	2017/18
Sub-programme: Oversight and Governance of State-owned Enterprises						
Exercise oversight over state-owned enterprises to enable the achievement of government policy objectives in a financially sustainable manner.	Analysis of corporate plans, shareholder compacts and annual reports of state-owned companies (SOCs), development finance institutions (DFIs) and water boards.	Complete reports on corporate plans, shareholder compacts and annual reports of 46 SOCs, DFIs and water boards.	<ul style="list-style-type: none"> Analyse and submit reports annually on all corporate plans, shareholder compacts and annual reports of SOCs, DFIs and water boards. Exercise oversight over SOCs/DFIs reporting to the Minister of Finance. Compile information about and report on infrastructure spending and borrowing by SOCs/DFIs. Review and report on remuneration at SOCs/DFIs. 			
	Review of PFMA submissions and applications for guarantees, funding, borrowing limits and MFMA tariff increases.	<ul style="list-style-type: none"> Submission on PFMA section 54(2) applications from SOCs, DFIs and water boards within 30 days of receipt of comprehensive information. Submission on guarantee, funding and borrowing limit applications from SOCs as per stipulated timeframes. Monitoring of approved guarantees, funding and borrowing limits to SOCs. Submission on MFMA section 42 applications for amendments to water and electricity tariffs within 40 working days of application being received. 				
	Review of regulatory environment for SOCs/DFIs.	Submit draft Treasury Regulation amendments.	<ul style="list-style-type: none"> Review Treasury Regulations and Treasury Best Practice Guidelines. Publish instruction notes relating to the amendments to the Treasury Regulations. Analyse and compile responses to legislation, policies, sector responses and strategies being introduced or amended in terms of their impact on SOCs/DFIs. 			
Sub-programme: Government Debt Management						
Optimal debt management and funding of government borrowing requirement.	Total annual government borrowing needs met.	Gross issuance of R215.5 billion.	Financing of gross borrowing of R229.9 billion using various debt instruments.	Financing of gross borrowing of R207.7 billion using various debt instruments.	Financing of gross borrowing of R222.8 billion using various debt instruments.	Meet government's borrowing requirement.
	Ensure timely and accurate payment of interest and redemptions.	Pay R137.2 billion including Treasury Bonds (TBs).	Pay R164.9 billion including TBs.	Pay R159.9 billion including TBs.	Pay R210.7 billion including TBs.	Pay interest and redemption amount.
	Retain current investors and attract new ones.	Conduct two domestic and two foreign road shows.	<ul style="list-style-type: none"> Conduct two domestic and two foreign road shows per year. Conduct retail bond promotions in all nine provinces. 			

PROGRAMME 4: ASSET AND LIABILITY MANAGEMENT | CONTINUED

Strategic objective	Performance indicator	Previous year target	Current year target	Medium-term targets		
		2013/14	2014/15	2015/16	2016/17	2017/18
Sub-programme: Financial Operations						
Ensure sound management of government's cash resources.	Government's liquidity requirements met at all times.	Forecasting and managing daily and medium-term cash flows totalling R3.4 trillion.	Forecasting and managing daily and medium-term cash flows totalling R4.5 trillion.	Forecasting and managing daily and medium-term cash flows totalling R4.9 trillion.	Forecasting and managing daily and medium-term cash flows totalling R5.2 trillion.	Forecasting and managing daily and medium-term cash flows.
	Forecasts of debt and debt-service cost and reporting of national government debt operations.	Test and implement the public debt analytical tool (Horizon).	<ul style="list-style-type: none"> Forecast debt and debt-service cost. Adherence to the PFMA reporting requirements and disseminating information to the public, financial markets and international institutions. 			
Sub-programme: Strategy and Risk Management						
Minimise and mitigate risks emanating from government's fiscal obligations.	Performance assessment against market and refinancing risks benchmarks.	<ul style="list-style-type: none"> Implement, monitor and review strategic benchmarks of 70/30 fixed versus non-fixed rate domestic debt and 20% maximum foreign debt exposure as a percentage of total debt. Review performance against benchmarks (including cost-at-risk) quarterly and annually. 	Implement, monitor and report on the performance of government's debt portfolio against the strategic risk benchmarks as follows: <ul style="list-style-type: none"> Share of domestic debt maturing within one year not to exceed a limit of 15%. Share of domestic debt maturing within five years (excluding Treasury bills) not to exceed a limit of 25%. Share of gross foreign debt not to exceed 15% of total government debt. Average time to maturity of fixed rate debt (including Treasury bills) not to exceed a range of 10 to 14 years. Average time to maturity of inflation linked debt (including revaluations) not to exceed a range of 14 to 17 years. 			
	Prudent strategies to manage counterparty risk and relations with the credit rating agencies.	<ul style="list-style-type: none"> Quarterly assessment of investment ratios and limits. Manage the sovereign rating review process. 	<ul style="list-style-type: none"> Quarterly reports on adherence to investment ratios and limits. Invest surplus cash according to pre-determined ratios. Manage the sovereign rating review process. 			

PROGRAMME 4: ASSET AND LIABILITY MANAGEMENT

CONTINUED

QUARTERLY TARGETS FOR 2013/14

Performance indicator	Reporting period	Annual target	Quarterly targets			
		2014/15	Q1 (Apr – Jun)	Q2 (Jul – Sep)	Q3 (Oct – Dec)	Q4 (Jan – Mar)
Sub-programme: Oversight and Governance of State-owned Enterprises						
Analysis of corporate plans, shareholder compacts and annual reports of SOCs, DFIs and water boards.	Annually	<ul style="list-style-type: none"> Analyse and submit reports annually on all corporate plans, shareholder compacts and annual reports of SOCs, DFIs and water boards. Review the Land Bank business model. 	<ul style="list-style-type: none"> Submit report on analysis of corporate plans and shareholder compacts of SOCs and DFIs. Compile and disseminate a bulletin on quarter 4 infrastructure spending by SOCs/DFIs. Submit business plan for the review of the Land Bank. 	<ul style="list-style-type: none"> Submit report on analysis of corporate plans of water boards. Compile and disseminate a bulletin on quarter 1 infrastructure spending by SOCs/DFIs. Engage all the relevant stakeholders. 	<ul style="list-style-type: none"> Submit report on analysis of annual reports of SOCs and DFIs. Compile and disseminate a bulletin on quarter 2 infrastructure spending by SOCs/DFIs. Provide first draft for the review of the Land Bank. 	<ul style="list-style-type: none"> Submit report on analysis of annual reports of water boards. Compile and disseminate a bulletin on quarter 3 infrastructure spending by SOCs/DFIs. Provide second and final draft recommendations and the implementation plan.
Review of PFMA submissions and applications for guarantees, funding, borrowing limits and MFMA tariff increases.	Continuously	<ul style="list-style-type: none"> Compile submissions on PFMA section 54(2) applications from SOCs, DFIs and water boards within 30 days of receipt of comprehensive information. Compile submission on guarantee, funding and borrowing limit applications from SOCs as per stipulated timeframes. Compile submission on MFMA section 42 applications for amendments to water and electricity tariffs within 40 working days of application being received. 	Compile submissions on PFMA, guarantee and borrowing limit applications.	<ul style="list-style-type: none"> Compile submissions on PFMA, guarantee and borrowing limit applications. Compile submissions on funding requests from SOCs. 	Compile submissions on PFMA, guarantee and borrowing limit applications.	<ul style="list-style-type: none"> Compile submissions on PFMA, guarantee and borrowing limit applications. Compile submissions on MFMA section 42 applications for amendments to water board tariffs.
Review of regulatory environment for SOCs/DFIs.	Annually	<ul style="list-style-type: none"> Review Treasury Regulations and Treasury Best Practice Guidelines. Publish instruction notes relating to the amendments to the Treasury Regulations. Analyse and compile responses to legislation, policies and their impact on SOCs/DFIs. 	Analyse and compile responses to legislation, policies and their impact on SOCs/DFIs.	Analyse and compile responses to legislation, policies and their impact on SOCs/DFIs.	<ul style="list-style-type: none"> Review Treasury Best Practice Guidelines. Analyse and compile responses to legislation, policies and their impact on SOCs/DFIs. 	<ul style="list-style-type: none"> Publish Instruction Notes upon approval of the amended Treasury Regulations. Analyse and compile responses to legislation, policies and their impact on SOCs/DFIs.

PROGRAMME 4: ASSET AND LIABILITY MANAGEMENT | CONTINUED

Performance indicator	Reporting period	Annual target	Quarterly targets			
		2014/15	Q1 (Apr – Jun)	Q2 (Jul – Sep)	Q3 (Oct – Dec)	Q4 (Jan – Mar)
Sub-programme: Government Debt Management						
Annual total government borrowing needs met.	Annually	Financing of gross borrowing of R229.9 billion using various debt instruments.	R76.0 billion (cumulative).	R162.3 billion (cumulative).	R201.1 billion (cumulative).	R229.9 billion (cumulative).
Ensure timely and accurate payment of interest and redemptions.	Annually	Pay R164.9 billion.	R33.5 billion (cumulative).	R97.8 billion (cumulative).	R125.9 billion (cumulative).	R164.9 billion (cumulative).
Retain current investors and attract new ones.	Annually, semi-annually	<ul style="list-style-type: none"> Conduct two domestic and two foreign road shows. Conduct retail bond promotions in all nine provinces. 	<ul style="list-style-type: none"> Conduct one domestic and one foreign road show. Conduct retail bond promotions in two provinces. 	Conduct retail bond promotions in three provinces.	<ul style="list-style-type: none"> Conduct one domestic and one foreign road show. Conduct retail bond promotions in three provinces. 	Conduct retail bond promotions in one province.
Sub-programme: Financial Operations						
Government's liquidity requirements met at all times.	Annually/quarterly	Forecasting and managing daily and medium-term cash flows totalling R4.5 trillion.	Forecasting and managing daily and medium term cash flows totalling R1.1 billion.	Forecasting and managing daily and medium term cash flows totalling R1.1 billion.	Forecasting and managing daily and medium term cash flows totalling R1.1 billion.	Forecasting and managing daily and medium term cash flows totalling R1.2 billion.
Forecasts of debt and debt-service cost and reporting of national government debt operations.	Quarterly, Monthly	Forecast debt and debt-service cost and reporting requirement in terms of the PFMA including dissemination of information.	<ul style="list-style-type: none"> Compile annual financial information for the Asset and Liability Management division (government debt and cash balances) as source documents for the financial statements of National Treasury and the National Revenue Fund. Reporting on guarantees and government's borrowing programme, outstanding debt and borrowing cost. 	<ul style="list-style-type: none"> Forecast debt and debt-service cost for input into the MTBPS. Reporting on guarantees and government's borrowing programme, outstanding debt and borrowing cost. 	Reporting on guarantees and government's borrowing programme, outstanding debt and borrowing cost.	<ul style="list-style-type: none"> Forecast debt and debt-service cost for input into the Budget. Reporting on guarantees and government's borrowing programme, outstanding debt and borrowing cost.

PROGRAMME 4: ASSET AND LIABILITY MANAGEMENT

CONTINUED

Performance indicator	Reporting period	Annual target	Quarterly targets			
		2014/15	Q1 (Apr – Jun)	Q2 (Jul – Sep)	Q3 (Oct – Dec)	Q4 (Jan – Mar)
Sub-programme: Strategy and Risk Management						
<ul style="list-style-type: none"> Performance against benchmarks: <ul style="list-style-type: none"> Non-fixed rate versus fixed rate debt. Foreign debt versus domestic debt. Address refinancing risk in government's debt portfolio. 	Weekly/monthly/quarterly/annually.	Implement, monitor and report on the performance of government's debt portfolio against the strategic risk benchmarks.	<ul style="list-style-type: none"> Weekly debt portfolio and market performance analysis. Monthly debt portfolio and funding assessments. Quarterly risk profile and funding assessments. Quarterly review of performance against proposed new risk benchmarks. Quarterly assessment of yield curve risks and impact on cash flows and cost of borrowing. 	<ul style="list-style-type: none"> Weekly debt portfolio and market performance analysis. Monthly debt portfolio and funding assessments. Quarterly risk profile and funding assessments. Quarterly review of performance against proposed new risk benchmarks. Quarterly assessment of yield curve risks and impact on cash flows and cost of borrowing. 	<ul style="list-style-type: none"> Weekly debt portfolio and market performance analysis. Monthly debt portfolio and funding assessments. Quarterly risk profile and funding assessments. Quarterly review of performance against proposed new risk benchmarks. Quarterly assessment of yield curve risks and impact on cash flows and cost of borrowing. 	<ul style="list-style-type: none"> Weekly debt portfolio and market performance analysis. Monthly debt portfolio and funding assessments. Quarterly risk profile and funding assessments. Quarterly review of performance against proposed new risk benchmarks. Quarterly assessment of yield curve risks and impact on cash flows and cost of borrowing. Risk review of the 2014/15 funding strategy. Analysis of risk factors and funding recommendations for 2015/16. Annual market risk rating report.

PROGRAMME 4: ASSET AND LIABILITY MANAGEMENT | CONTINUED

Performance indicator	Reporting period	Annual target	Quarterly targets			
		2014/15	Q1 (Apr – Jun)	Q2 (Jul – Sep)	Q3 (Oct – Dec)	Q4 (Jan – Mar)
Prudent strategies to manage counterparty risk and relations with the credit rating agencies.	Quarterly, semi-annually and annually	<ul style="list-style-type: none"> • Prepare semi-annual reports on the exposure of government to counterparties and review the investment ratios and limits per counterparty. • Prepare quarterly reports on adherence to investment ratios and limits. • Prepare annual reports on settlement risk exposure to primary dealers. • Effectively organise and facilitate the sovereign credit rating review processes by Standard and Poor's (S&P), Fitch, Moody's and Rating and Investment Information, Inc. • Review and implement the country risk policy and internal sovereign risk rating methodology. 	<ul style="list-style-type: none"> • Quarterly report on adherence to investment ratios and limits. • Semi-annual report on exposure of government to counterparties and review of investment ratios and limits per counterparty. • Effectively organise and facilitate the annual credit rating review by Rating and Investment Information, Inc. 	<ul style="list-style-type: none"> • Quarterly report on adherence to investment ratios and limits. • Annual report on settlement exposure to primary dealers. • Effectively organise and facilitate the annual credit rating review by Moody's. 	<ul style="list-style-type: none"> • Quarterly report on adherence to investment ratios and limits. • Semi-annual report on exposure of government to counterparties and review of investment ratios and limits per counterparty. • Effectively organise and facilitate the semi-annual credit rating reviews by S&P and Fitch. 	<ul style="list-style-type: none"> • Quarterly report on adherence to investment ratios and limits. • Review country risk policy and the internal sovereign risk rating methodology in line with the revised methodologies of the credit rating agencies.

PROGRAMME 4: ASSET AND LIABILITY MANAGEMENT | CONTINUED

EXPENDITURE ESTIMATES

SUBPROGRAMMES	2013/14	2014/15	2015/16	2016/17
	Adjusted Appropriation	Revised Baseline	Revised Baseline	Revised Baseline
	<i>Rand thousand</i>			
Programme Management for Asset and Liability Management	16 307	14 009	14 373	13 555
State Owned Entity Financial Management and Governance	27 403	29 024	30 719	32 696
Government Debt Management	17 734	18 666	19 667	20 873
Financial Operations	18 237	18 324	18 490	21 196
Strategy and Risk Management	9 313	10 077	10 640	11 318
Financial Investments	2 905 000	3 252 000	3 024 000	-
Total	2 993 994	3 342 100	3 117 889	99 638

ECONOMIC CLASSIFICATION	2013/14	2014/15	2015/16	2016/17
	Adjusted Appropriation	Revised Baseline	Revised Baseline	Revised Baseline
	<i>Rand thousand</i>			
Current payments	88 317	89 875	93 279	98 996
Compensation of employees	64 803	69 635	73 770	78 447
Goods and services	23 514	20 240	19 509	20 549
Computer services	10 168	6 931	5 252	8 467
Consultants and professional services: Business and advisory services	5 980	5 820	6 563	3 952
Consumable: Stationery, printing and office supplies	2 906	2 991	3 105	3 275
Transfers and subsidies	41	-	-	-
Households	41	-	-	-
Payments for capital assets	636	225	610	642
Machinery and equipment	636	225	610	642
Payments for financial assets	2 905 000	3 252 000	3 024 000	-
Total	2 993 994	3 342 100	3 117 889	99 638

PROGRAMME 4: ASSET AND LIABILITY MANAGEMENT | CONTINUED

EXPENDITURE TRENDS

Most of the programme's allocation across the seven-year period is spent on providing capital to the state owned companies over which the department exercises oversight. This is done through the Financial Investments subprogramme which is set to provide R800 million over the medium term for the further recapitalisation of the Land and Agricultural Development Bank of South Africa, R481 million for the recapitalisation of Postbank and R7.9 billion for the recapitalisation of the Development Bank of Southern Africa. The recapitalisation of these corporations is expected to end in 2015/16; this is the reason for the significant projected decrease in programme expenditure.

Excluding capital transfers to state owned companies, spending on compensation of employees is the largest spending item. Over the medium term, as well as spending on computer services and consultants spending on this item will focus on: supporting the financing of government's gross borrowing requirement; supporting the sound management of cash resources; managing government's financial risks and oversight responsibilities with regard to state owned companies; and continuing to manage the country's assets and liabilities to ensure an optimal debt portfolio and a manageable credit risk profile. The increase in spending on compensation of employees over this period relates mainly to the adjustments to be made for improvements in conditions of service. Over the same period, spending on consultants is set to decrease when the project to develop and implement the treasury management system concludes.

PROGRAMME 5: FINANCIAL ACCOUNTING AND REPORTING

OUTPUTS AND TARGETS

Strategic objective	Performance indicator	Previous year target	Current year target	Medium-term targets		
		2013/14	2014/15	2015/16	2016/17	2017/18
Sub-programme: Financial Systems						
To maintain existing financial systems and renew these as required so as to exercise comprehensive financial management.	<ul style="list-style-type: none"> Maintenance of current transversal systems – Basic Accounting System (BAS), Financial Management System (FMS), Logis, Persal and Vulindlela. Availability of systems during working hours. 	Provide a minimum of 98% availability.				
	Delivery and rollout of an Integrated Financial Management System (IFMS) to national and provincial departments.		<ul style="list-style-type: none"> Conclude programme turnaround and implementation of new strategy. Complete procurement and contracting by June 2014. Undertake planning for system rollout. 	<ul style="list-style-type: none"> Complete generic template (GT) solution configuration and enhancement (customisation) by June 2015. Publish rollout strategy. 	Solution configuration requirements for departments included in rollout.	
Sub-programme: Financial Management Policy and Compliance Improvement						
Enforce compliance with public-sector financial management legislation in each sphere of government.	Monitoring improvement of financial management in national and provincial institutions and submission of progress reports to parliamentary oversight committees.	Submit reports to Parliament by 30 November of each year.				
	Fraud and corruption investigations and performance audits.	Eight targeted departments/projects per annum.	20 targeted departments/projects per annum.	20 targeted departments/projects per annum.	20 targeted departments/projects per annum.	20 targeted departments/projects per annum.
	Support for anti-corruption task team (ACTT) targets.	Refer 20 cases for criminal proceedings and civil recovery.	Refer 25 cases for criminal proceedings and civil recovery.	Refer 25 cases for criminal proceedings and civil recovery.	Refer 25 cases for criminal proceedings and civil recovery.	Refer 25 cases for criminal proceedings and civil recovery.

PROGRAMME 5: FINANCIAL ACCOUNTING AND REPORTING | CONTINUED

Strategic objective	Performance indicator	Previous year target	Current year target	Medium-term targets		
		2013/14	2014/15	2015/16	2016/17	2017/18
Support public-sector institutions in executing their financial management functions effectively, efficiently, economically and transparently.	Guidelines of generally recognised accounting practice (GRAP) standards and/or modified cash standards.		<ul style="list-style-type: none"> Develop new guidelines annually by 31 March. Maintain and enhance existing guidelines. 			
	Policies, frameworks, guidelines, regulations and practices in line with approved reporting frameworks.		<ul style="list-style-type: none"> Develop new policies, frameworks, guidelines, regulations and practices by 31 March. Maintain and enhance existing policies, frameworks, guidelines, regulations and practices. 			
	Maintain MFMA helpdesk.	Conclude 75% of responses within 28 days.	Conclude 75% of responses within 28 days.			
	Maintain and enhance financial management capability maturity model (FMCMM).	Maintain and enhance FMCMM for all spheres of government.	Maintain and enhance FMCMM for all spheres of government.			
	Maintain and enhance Treasury regulations and instructions.	Conduct ongoing maintenance and enhancement of Treasury regulations and instructions.	Conduct ongoing maintenance and enhancement of Treasury regulations and instructions.			
	Review and respond to requests for development of financial recovery plans.	<ul style="list-style-type: none"> Prepare recovery plans within 90 days. Review existing recovery plans and provide guidance within 60 days. 	<ul style="list-style-type: none"> Prepare recovery plans within 90 days. Review existing recovery plans and provide guidance within 60 days. 			
	Review of FMG support plans and alignment with framework.	Review of 278 municipalities.				
	Quarterly evaluation of municipalities' performance reports and submission of reports.	Evaluate 278 municipal reports.				

PROGRAMME 5: FINANCIAL ACCOUNTING AND REPORTING | CONTINUED

Strategic objective	Performance indicator	Previous year target	Current year target	Medium-term targets		
		2013/14	2014/15	2015/16	2016/17	2017/18
	Support to provincial treasuries for preparation of provincial consolidated financial statements, provincial revenue fund statements and implementation of GRAP standards.	200 trainees in provincial treasuries, municipalities and public entities.	200 trainees in provincial treasuries, municipalities and public entities.	250 trainees in provincial treasuries, municipalities and public entities.		
	Internal audit and state of readiness for quality assurance reviews to assess compliance with PFMA, MFMA (and international professional practice standards of internal audit) and adoption of best practice.	Conduct reviews at eight institutions.	Conduct reviews at 21 institutions (focusing mainly on municipalities).			
Facilitate capacity development for enhancement of skills and competency levels across each sphere of government.	Financial management capacity development strategy.	Implement public finance management (PFM) education, training and delivery model and PFM skills needs analysis framework.	Support the development and delivery of PFM related qualifications and short learning programmes by 31 March 2015.	Develop central PFM knowledge and information system and implement by 31 March 2016.	Increase the professionalism of financial management, internal audit and risk management in the public sector.	
		Review departmental CFO's office, SCM, internal audit and enterprise risk management structures by 31 March 2014.	Support development of occupational profiles, job descriptions and performance agreements for nine PFM disciplines by 31 March 2015.	Establish mechanisms to institutionalise HR planning for PFM by 31 March 2016.	Establish uniform performance management criteria for PFM practitioners.	
		Develop and implement PFM skills development programmes for current and new employees by 31 March 2014.	Establish learnerships for accounting, internal audit and supply chain by 31 March 2015.	Develop and implement talent pipeline for PFM-related disciplines.	Establish accelerated training programmes.	

PROGRAMME 5: FINANCIAL ACCOUNTING AND REPORTING | CONTINUED

Strategic objective	Performance indicator	Previous year target	Current year target	Medium-term targets		
		2013/14	2014/15	2015/16	2016/17	2017/18
	Implementation of academic support programme for chartered accountants' academy and other accountants in government.	24 participants	25 participants annually			
	Facilitate opportunities for relevant municipal officials to attain financial management competencies.	1 000 learners	1 000 learners	1 000 learners	1 000 learners	1 000 learners
Sub-programme: Financial Reporting for National Accounts						
Support public-sector institutions to execute financial management effectively, efficiently, economically and transparently.	Timely and accurate publication of monthly statements of actual revenue and actual expenditure for the National Revenue Fund (NRF).	Reports published on last working day of every month.				
	Banking services for national government.	<ul style="list-style-type: none"> • Daily bank reconciliation of NRF. • Electronic verification of supplier banking details within four working days. 				
	Tabling of consolidated annual financial statements for national departments, public entities and Reconstruction and Development Programme (RDP) Fund.	Annually on 31 October				

PROGRAMME 5: FINANCIAL ACCOUNTING AND REPORTING | CONTINUED

Strategic objective	Performance indicator	Previous year target	Current year target	Medium-term targets		
		2013/14	2014/15	2015/16	2016/17	2017/18
Sub-programme: Office of the Chief Procurement Officer						
Manage the research, development and implementation of SCM legal framework to enhance SCM policies.	Issue instructions on designated sectors as requested by the dti.		Issue instructions on designated sectors.	Issue instructions on designated sectors.	Issue instructions on designated sectors.	Issue instructions on designated sectors.
	Preferential procurement legislation.	<ul style="list-style-type: none"> Comprehensive review of the Preferential Procurement Policy Framework Act (PPPFA). Develop terms of reference for the review team. Establish a review team consisting of the Economic Development Department, the dti and the National Treasury. 	<ul style="list-style-type: none"> Develop guidelines for exemptions from the existing PPPFA. Policy impact analysis of multiple objectives including youth empowerment, women empowerment, SMME development and job creation. 	Policy impact analysis of multiple objectives including youth empowerment, women empowerment, SMME development and job creation.	Policy impact analysis of multiple objectives including youth empowerment, women empowerment, SMME development and job creation.	Policy impact analysis on multiple objectives including youth empowerment, women empowerment, SMME development and job creation.
	SCM norms and standards frameworks.	<ul style="list-style-type: none"> Develop standard operating procedures for informal and formal quotations and for emergency procurement. Codification policy. 	<ul style="list-style-type: none"> Develop standard operating procedures for informal and formal quotations. Apply and implement the policy. Develop supplier restriction guidelines. 	<ul style="list-style-type: none"> Develop standard operating procedures for emergency procurement. Apply and implement the policy. 	Apply and implement the policy.	Apply and implement the policy.
	Simplified and rationalised SCM environment.	Review general conditions of contracts and standard bidding documents.	Standardise bidding documents: RFPs, contracts, procurement plans, SBD forms.			
	SCM Treasury regulations.		Promulgate Treasury regulations and revise the Guide for Accounting Officers.	Implement regulations.		

PROGRAMME 5: FINANCIAL ACCOUNTING AND REPORTING | CONTINUED

Strategic objective	Performance indicator	Previous year target	Current year target	Medium-term targets		
		2013/14	2014/15	2015/16	2016/17	2017/18
Manage the design, development and implementation of national frameworks, guidelines, and standards for SCM capacity and professional development.	SCM human capital development.	Develop a draft SCM human capital development framework, including an SCM job specification framework for consultation.	Finalise the SCM human capital development framework, including an SCM job specification framework.	Develop supporting guidelines and tools for competency assessment, recruitment, performance management and professionalization.	Implement SCM human capital development framework, guidelines and tools in all three spheres of government.	
	SCM organisational capacity development.	Develop a generic functional structure for SCM within provincial treasuries.				
		Develop a generic functional structure for SCM within provincial departments.	Develop a generic functional structure for SCM within budget and treasury offices within municipalities.	Develop a generic functional structure for SCM within offices of chief financial officers within national departments.	Implement and monitor adherence to the generic structures.	Implement and monitor adherence to the generic structures.
Manage the development, implementation and delivery of national frameworks, guidelines, and standards for SCM education, training and development (ETD).	SCM ETD development.	Develop an SCM ETD framework.	Implement the SCM ETD framework through the development of supporting products, guidelines and tools.	Implement the SCM ETD framework.	Implement the SCM ETD framework.	Implement the SCM ETD framework.
Monitor SCM performance.	Number of bid specifications reviewed to ensure alignment with policy and other applicable procurement instructions.		120 bid specifications reviewed.	150 bid specifications reviewed.	150 bid specifications reviewed.	150 bid specifications reviewed.
	Number of procurement plans reviewed to ensure contribution to and alignment with the core functions of the organisation.		150 procurement plans reviewed.	200 procurement plans reviewed.	200 procurement plans reviewed.	200 procurement plans reviewed.

PROGRAMME 5: FINANCIAL ACCOUNTING AND REPORTING | CONTINUED

Strategic objective	Performance indicator	Previous year target	Current year target	Medium-term targets		
		2013/14	2014/15	2015/16	2016/17	2017/18
	Number of projects visited to ensure delivery in line with the specifications of the contract.		100 projects visited.	100 projects visited.	100 projects visited.	100 projects visited.
	Number of contracts reviewed to ensure alignment with the conditions and deliverables of the tender.		100 contracts reviewed.	100 contracts reviewed.	100 contracts reviewed.	100 contracts reviewed.
	Number of bid evaluation and adjudication minutes reviewed to ensure compliance with the evaluation criteria/ scoring through the procurement process.	44 sets of bid evaluation committee (BEC)/bid adjudication committee (BAC) minutes reviewed.	300 sets BEC/ BAC minutes reviewed.	400 sets BEC/BAC minutes reviewed.	400 sets BEC/ BAC minutes reviewed.	400 sets BEC/ BAC minutes reviewed.
Provide strategic procurement framework (SPF) for government.	Develop SPF, tailored to the needs of different forms of procurement.		<ul style="list-style-type: none"> • Consultation with key stakeholders. • Approved and adopted SPF. • Guideline methodology for strategic procurement. 	<ul style="list-style-type: none"> • Maintenance and refinement of strategic procurement (SP) methodology. 		
Implementation of SPF.	Develop sourcing strategies for identified commodities/ procurement categories.		Develop sourcing strategy proposals for health, travel and accommodation, cell phone subscriptions, ICT hardware.	Develop sourcing strategy proposals for health, education sectors in government.	Develop sourcing strategy proposals as required.	
Provide a reliable price referencing system for commodities that are common across government.	Implement sustainable price referencing system.	Develop system of price referencing.	<ul style="list-style-type: none"> • Refine system of price referencing for 20 common items across government. • Develop implementation strategy. 	Implement system of price referencing on a nationally accessible platform.	Maintain and expand system of price referencing by at least another 20 items.	Maintain and expand system of price referencing by at least another 20 items.

PROGRAMME 5: FINANCIAL ACCOUNTING AND REPORTING | CONTINUED

Strategic objective	Performance indicator	Previous year target	Current year target	Medium-term targets		
		2013/14	2014/15	2015/16	2016/17	2017/18
Establishment of a central supplier database system.	Design and implement supplier database.	Research and investigate existing supplier databases in provinces.	Roll out implementation plan.	Roll out implementation plan.	Roll out implementation plan.	Roll out implementation plan.
Facilitation and management of transversal term contracts.	Maintain the existing transversal term contracts.	20 transversal term contracts renewed	17 transversal term contracts renewed.	19 transversal term contracts renewed.	14 transversal term contracts renewed.	23 transversal contracts renewed.
	Establishment of the national procurement system.	Development of the policy guideline for the national SCM system.	Identify and implement additional strategic contracts for centralisation for the health sector (medical technology and pharmaceuticals).	Identify and implement additional strategic contracts for centralisation for the education sector.	Identify and implement additional strategic contracts for centralisation for the property leases environment.	Identify and implement additional strategic contracts for centralisation for infrastructure and the built environment.
			Identify and implement five additional strategic contracts for centralisation.	Identify and implement 10 additional strategic contracts for centralisation.	Identify and implement 13 additional strategic contracts for centralisation.	Identify and implement 17 additional strategic contracts for centralisation.

PROGRAMME 5: FINANCIAL ACCOUNTING AND REPORTING | CONTINUED

QUARTERLY TARGETS FOR 2014/15

Performance indicator	Reporting period	Annual target	Quarterly targets			
		2014/15	Q1 (Apr – Jun)	Q2 (Jul – Sep)	Q3 (Oct – Dec)	Q4 (Jan – Mar)
Sub-programme: Financial Management Policy and Compliance Improvement						
<ul style="list-style-type: none"> Maintenance of current transversal systems – Basic Accounting System (BAS), Financial Management System (FMS), Logis, Persal and Vulindlela. Availability of systems during working hours. 	Quarterly	Provide a minimum of 98% availability.	Provide a minimum of 98% availability.	Provide a minimum of 98% availability.	Provide a minimum of 98% availability.	Provide a minimum of 98% availability.
Delivery and rollout of an Integrated Financial Management System (IFMS) to national and provincial departments.	Quarterly	<ul style="list-style-type: none"> Conclude programme turnaround and implement new strategy. Undertake planning for system rollout. 	Conclude programme turnaround strategy.	<ul style="list-style-type: none"> Complete procurement and contracting of new IFMS. Undertake planning for system rollout. 	<ul style="list-style-type: none"> Undertake planning for system rollout. Implementation of new strategy. 	<ul style="list-style-type: none"> Undertake planning for system rollout. Implementation of new strategy.
Monitoring improvement of financial management in national and provincial institutions and submission of progress reports to parliamentary oversight committees.	Annually				Submit reports to Parliament by 30 November of each year.	
Fraud and corruption investigations and performance audits.	Quarterly	Undertake investigations in 20 targeted departments/projects.	Undertake investigations in three departments/projects.	Undertake investigations in nine departments/projects.	Undertake investigations in 15 departments/projects.	Undertake investigations in 20 departments/projects.
Support for anti-corruption task team (ACTT) targets.	Quarterly	Refer 25 cases for criminal proceedings and civil recovery.	Refer five cases for criminal proceedings and civil recovery.	Refer 12 cases for criminal proceedings and civil recovery.	Refer 20 cases for criminal proceedings and civil recovery.	Refer 25 cases for criminal proceedings and civil recovery.
Guidelines on GRAP standards and/or modified cash standards.		<ul style="list-style-type: none"> Develop new guides annually by 31 March. Maintain and enhance existing guides. 		Research and development of new GRAP guides and modified cash standards where identified.		Finalise and publish new GRAP and/or modified cash guides.

PROGRAMME 5: FINANCIAL ACCOUNTING AND REPORTING | CONTINUED

Performance indicator	Reporting period	Annual target	Quarterly targets			
		2014/15	Q1 (Apr – Jun)	Q2 (Jul – Sep)	Q3 (Oct – Dec)	Q4 (Jan – Mar)
Policies, frameworks, guidelines and practices in line with approved reporting frameworks.		<ul style="list-style-type: none"> Develop new policies, frameworks, guidelines, regulations and practices by 31 March. Maintain and enhance existing new policies, frameworks, guidelines, regulations and practices. 	Research and drafting of new policies, frameworks, guidelines, regulations and practices.	Research and drafting of new policies, frameworks, guidelines, regulations and practices.	Research and drafting of new policies, frameworks, guidelines, regulations and practices.	Finalise and publish enhanced policies, frameworks, guidelines, regulations and practices.
Maintain MFMA helpdesk.	Annual	<ul style="list-style-type: none"> Maintain and manage the MFMA helpdesk. Conclude 75% of responses within 28 days. 	Track and respond to queries and letters within prescribed timeframes.	Track and respond to queries and letters within prescribed timeframes.	Track and respond to queries and letters within prescribed timeframes.	Track and respond to queries and letters within prescribed timeframes.
Maintain and enhance the financial maturity capability maturity model (FMCMM).	Annual	Maintain, enhance and roll out FMCMM for all spheres of government.	Enhance and roll out FMCMM, and produce quarterly updates on the results of the FMCMM.			
Maintain and enhance Treasury regulations and instructions.		Conduct ongoing maintenance and enhancement of Treasury regulations and instructions.	Coordinate the development of Treasury instructions to be issued in terms of the revised Treasury Regulations.	Finalise the issuing of all Treasury instructions to be issued in terms of the revised Treasury Regulations.	Ongoing maintenance and enhancement.	Ongoing maintenance and enhancement.
Review and respond to requests for development of financial recovery plans.	Annual	<ul style="list-style-type: none"> Prepare recovery plans within 90 days. Review existing recovery plans and provide guidance within 60 days. 	<ul style="list-style-type: none"> Prepare recovery plans within 90 days. Review existing recovery plans and provide guidance within 60 days. 			
Review of FMG support plans and alignment with framework.	Annual	Conduct reviews across all 278 municipalities.	One report	One report	One report	One report
Quarterly evaluation of municipalities' performance reports and submission of reports.	Quarterly	Conduct evaluations across all 278 municipalities.	Submit municipal reports.	Submit municipal reports.	Submit municipal reports.	Submit municipal reports.

PROGRAMME 5: FINANCIAL ACCOUNTING AND REPORTING | CONTINUED

Performance indicator	Reporting period	Annual target	Quarterly targets			
		2014/15	Q1 (Apr – Jun)	Q2 (Jul – Sep)	Q3 (Oct – Dec)	Q4 (Jan – Mar)
Support to provincial treasuries for preparation of provincial consolidated financial statements, provincial revenue fund statements and implementation of GRAP standards.	Quarterly	200 trainees	50 trainees	50 trainees	50 trainees	50 trainees
Internal audit and state of readiness for quality assurance reviews to assess compliance with PFMA, MFMA (and international professional practice standards of internal audit) and adoption of best practice.	Quarterly	Conduct reviews at 21 institutions (focussing mainly on municipalities).	5 reviews	10 reviews	15 reviews	21 reviews
Financial management capacity development strategy.	Annual	Support the development and delivery of PFM related qualifications and short learning programmes by 31 March 2015.	Review and design the functions of management accounting, asset management, risk management and financial accounting in the public sector.	Develop learning solutions including a curriculum and learning resources such as manuals, textbooks and assessment kits.	Develop learning solutions including a curriculum and learning resources such as manuals, textbooks and assessment kits.	Conduct workshops to pilot the implementation of the ETD solutions developed.
<ul style="list-style-type: none"> Financial management capacity development strategy. Implementation of academic support programme for the chartered accountants' academy and other accountants in government. 	Annual	Support the development of occupational profiles, job descriptions and performance agreements for nine PFM disciplines by 31 March 2015.	Coordinate engagements and consultation processes with the national and provincial departments.	Revise and incorporate the inputs on the standardised job descriptions and occupational profiles.	Perform job evaluation on the revised job descriptions and occupational profiles.	Coordinate and influence the development of the DPSA directive for the implementation of the standardised job descriptions and occupational profiles.

PROGRAMME 5: FINANCIAL ACCOUNTING AND REPORTING | CONTINUED

Performance indicator	Reporting period	Annual target	Quarterly targets			
		2014/15	Q1 (Apr – Jun)	Q2 (Jul – Sep)	Q3 (Oct – Dec)	Q4 (Jan – Mar)
	Annual	Establish learnerships for accounting, internal audit and SCM.	Initiate recruitment process.	Orientation and placement of learners.	Work rotation of learners and sign off on competencies.	Work rotation of learners and sign off on competencies.
	Annual	Secure 25 participants.	<ul style="list-style-type: none"> Identify and procure services of an appropriate training provider. Identify candidates qualifying for the support programme. 	Commencement of classes.	Conclusion of classes.	
Facilitate opportunities in municipalities for relevant officials to obtain financial management competencies.	Annual	1000 municipal officials trained.	250 municipal officials trained per quarter.			
Sub-programme: Financial Reporting for National Accounts						
Timely and accurate publication of monthly statements of actual revenue and actual expenditure for NRF.	Monthly reporting	Reports published by the last working day of each month.	Monthly reports	Monthly reports	Monthly reports	Monthly reports
Banking services for national government.	Annually	<ul style="list-style-type: none"> Daily bank reconciliations of the NRF. Electronic verification of supplier banking details within four working days of receipt. 	Daily reconciliations and supplier verifications within set timeframe.	Daily reconciliations and supplier verifications within set timeframe.	Daily reconciliations and supplier verifications within set timeframe.	Daily reconciliations and supplier verifications within set timeframe.
Tabling of consolidated annual financial statements (AFS) for national departments, public entities and RDP fund.	Annually	Consolidated AFS for departments, public entities and RDP fund tabled on 31 October 2014.	Ongoing	Ongoing	Timeous tabling of AFS in Parliament.	Ongoing

PROGRAMME 5: FINANCIAL ACCOUNTING AND REPORTING | CONTINUED

Performance indicator	Reporting period	Annual target	Quarterly targets			
		2014/15	Q1 (Apr – Jun)	Q2 (Jul – Sep)	Q3 (Oct – Dec)	Q4 (Jan – Mar)
Sub-programme: Office of the Chief Procurement Officer						
Instructions issued to designated sector as requested by the dti.	Quarterly	Issue instructions to designated sectors.	Issue instructions to designated sectors.	Issue instructions to designated sectors.	Issue instructions to designated sectors.	Issue instructions to designated sectors.
Preferential procurement legislation.	Quarterly	<ul style="list-style-type: none"> Revised draft of the legislation published for comment. Develop guidelines for exemptions from the existing PPPFA. 	<ul style="list-style-type: none"> Engage stakeholders on the draft revised legislation. First draft concept paper for discussion with stakeholders. 	<ul style="list-style-type: none"> Expand the engagements to SOEs and other departments outside the review committee. Revise the concept paper with inputs from stakeholders. 	<ul style="list-style-type: none"> Implement the concept paper. Implement guidelines for exemptions from PPPFA. 	Publish the revised legislation for comment.
SCM norms and standards frameworks.	Quarterly	<ul style="list-style-type: none"> Finalise and implement SOPs for informal and formal quotations and for emergency procurement. Draft supplier restriction guidelines. Codification policy. 	<ul style="list-style-type: none"> Conclude the draft SOPs for consultation on informal and formal quotations and for emergency procurement. Carry out consultations on draft supplier restriction guidelines with selected stakeholders. Circulate draft policy for comment. 	<ul style="list-style-type: none"> Implement the revised SOPs for informal and formal quotations and for emergency procurement. Obtain approval for, and publish, supplier restriction guidelines. Implement finalised policy. 	Implement finalised policy.	Implement finalised policy.
SCM Treasury Regulations.	Annual	Promulgate SCM Treasury Regulations.	Draft and finalise the guidelines for implementing the SCM Treasury Regulations.	Promulgate SCM Treasury Regulations.	Workshop the guidelines.	Workshop the guidelines.
Simplified and rationalized SCM environment.	Quarterly	Standardised and simplified bidding documents: RFPs, contracts, procurement plans, SBD forms.	Workshop the revised changes to the bidding documents.	Implement the revised bidding documents.	Implement the revised bidding documents.	Implement the revised bidding documents.

PROGRAMME 5: FINANCIAL ACCOUNTING AND REPORTING | CONTINUED

Performance indicator	Reporting period	Annual target	Quarterly targets			
		2014/15	Q1 (Apr – Jun)	Q2 (Jul – Sep)	Q3 (Oct – Dec)	Q4 (Jan – Mar)
SCM human capital development.	Quarterly	Finalise SCM human capital development framework including an SCM job specification framework, and develop supporting guidelines and tools.	Finalise the SCM human capital development framework, including an SCM job specification framework.	Implement the SCM human capital development framework through: <ul style="list-style-type: none"> Developing an SCM career development guide. Piloting SCM initial professional development (IPD) programmes. Engaging with the Chartered Institute of Purchasing & Supply (CIPS) on the development of public sector specific SCM continuous professional development (CPD). 	Implement the SCM human capital development framework through: <ul style="list-style-type: none"> Marketing the SCM career development guide. Marketing the SCM IPD programmes. Partnering in the delivery of public sector specific SCM CPD. 	Implement the SCM human capital development framework through: <ul style="list-style-type: none"> Development of SCM competency needs analysis system, tools and processes (for SCM administration). Monitoring and review of progress and impact.
SCM organisational capacity development.	Quarterly	A generic functional structure for SCM within municipalities' budget and treasury offices.	Research functional structures for SCM within metropolitan municipalities.	Draft a functional structure for SCM within metropolitan municipalities.	Consult on the proposed functional structure for SCM within metropolitan municipalities.	Finalise the functional structure for SCM within metropolitan municipalities.
SCM ETD development.		Implement the SCM ETD development framework through the development of supporting products, guidelines and tools.	Develop supporting products, guidelines and tools: <ul style="list-style-type: none"> SCM integrated learning matrix. SCM training solutions. 	Develop supporting products, guidelines and tools: <ul style="list-style-type: none"> SCM training solutions. 	Develop supporting products, guidelines and tools: <ul style="list-style-type: none"> SCM master learning curriculum. SCM training solutions. 	Develop supporting products, guidelines and tools: <ul style="list-style-type: none"> SCM qualifications. SCM training solutions. SCM quality management system.

PROGRAMME 5: FINANCIAL ACCOUNTING AND REPORTING | CONTINUED

Performance indicator	Reporting period	Annual target	Quarterly targets			
		2014/15	Q1 (Apr – Jun)	Q2 (Jul – Sep)	Q3 (Oct – Dec)	Q4 (Jan – Mar)
Number of bid specifications reviewed to ensure alignment with policy and other applicable instructions on procurement.	Quarterly	120	20	40	40	20
Number of procurement plans reviewed to ensure contribution to and alignment with the core functions of the organisation.	Quarterly	150	20	40	40	30
Number of projects visited to ensure delivery in accordance with the specifications of the contract.	Quarterly	100	10	30	30	30
Number of contracts reviewed to ensure alignment with the conditions and deliverables of the tender.	Quarterly	100	10	30	30	30
Number of bid evaluation and adjudication minutes reviewed to ensure compliance with the evaluation criteria/scoring through the procurement process.	Quarterly	300	20	100	100	80

PROGRAMME 5: FINANCIAL ACCOUNTING AND REPORTING | CONTINUED

Performance indicator	Reporting period	Annual target	Quarterly targets			
		2014/15	Q1 (Apr – Jun)	Q2 (Jul – Sep)	Q3 (Oct – Dec)	Q4 (Jan – Mar)
SPF that is tailored to the needs of different forms of procurement.	Quarterly	<ul style="list-style-type: none"> • Consultation with key stakeholders. • Approved and adopted SPF. • Guideline methodology for strategic procurement in place. 	Consultation with national departments, provincial treasuries, non-delegated metros.	Consultation with national departments, provincial treasuries, non-delegated metros.	<ul style="list-style-type: none"> • First draft SPF. • First draft strategic procurement methodology. 	<ul style="list-style-type: none"> • Approve and adopt the SPF. • In principle agreement on the SP methodology.
Sourcing strategies for identified commodities and procurement categories are developed.	Quarterly	Sourcing strategy proposals for health, travel & accommodation, cell phone subscriptions, ICT hardware.	<ul style="list-style-type: none"> • Projects mobilised. • Initial assessments done. • Information gathering and analysis started. 	All analysis completed.	<ul style="list-style-type: none"> • Sourcing approaches identified. • Business cases presented. 	Implementation strategy.
Sustainable price referencing system implemented.	Quarterly	<ul style="list-style-type: none"> • Refine system of price referencing for 20 common items across government. • Develop implementation strategy. 	Identify 20 items that are common across government.	Engage with stakeholders to develop a sustainable model.	Develop an implementation strategy.	
Design and implement supplier database.	Annually	Roll out implementation plan.	Complete design and implementation plan for supplier database.	<ul style="list-style-type: none"> • Begin implementation of supplier database at national level. • Begin planning for supplier database for provincial departments and national and provincial entities. 		
Maintain the existing transversal term contracts.	Quarterly	Conduct relevant processes to renew 17 transversal term contracts during 2014/15.	Three transversal contracts renewed.	Four transversal contracts renewed.	Three transversal contracts renewed.	Seven transversal contracts renewed.
Establish the national procurement system.	Quarterly	Establish the national SCM system.	Develop policy guidelines for centralising strategic procurement.	Identify five high value strategic contracts for centralization.	Facilitate implementation of five high value strategic contracts.	Finalise the implementation of five high value strategic contracts.

PROGRAMME 5: FINANCIAL ACCOUNTING AND REPORTING | CONTINUED

EXPENDITURE ESTIMATES

SUBPROGRAMMES	2013/14	2014/15	2015/16	2016/17
	Adjusted Appropriation	Revised Baseline	Revised Baseline	Revised Baseline
	<i>Rand thousand</i>			
Programme Management for Financial Accounting and Supply Chain Management Systems	15 088	17 063	20 954	21 679
Office of the Chief Procurement Officer	43 148	50 836	50 118	53 892
Financial Systems	428 840	435 028	449 959	506 679
Financial Reporting for National Accounts	88 465	90 412	94 385	99 738
Financial Management Policy and Compliance Improvement	118 090	126 778	132 942	139 396
Audit Statutory Bodies	40 812	41 218	41 856	44 075
Service Charges: Commercial Banks	280	297	304	315
Total	734 723	761 632	790 518	865 774

ECONOMIC CLASSIFICATION	2013/14	2014/15	2015/16	2016/17
	Adjusted Appropriation	Revised Baseline	Revised Baseline	Revised Baseline
	<i>Rand thousand</i>			
Current payments	480 245	497 904	518 985	551 515
Compensation of employees	158 013	184 081	194 929	207 823
Goods and services	322 232	313 823	324 056	343 692
Audit cost: External	4 470	4 761	4 894	5 164
Bursaries: Employees	1 500	2 743	2 652	2 521
Computer services	240 697	232 363	239 861	256 473
Consultants and professional services: Business and advisory services	47 056	47 141	48 628	49 836
Travel and subsistence	10 267	10 336	10 464	11 409
Training and development	3 435	2 883	3 161	2 952
Venues and facilities	6 014	6 276	6 268	6 765
Transfers and subsidies	84 170	86 045	88 306	92 986
Departmental agencies and accounts	83 806	86 045	88 306	92 986
Households	364	-	-	-
Payments for capital assets	170 308	177 683	183 227	221 273
Machinery and equipment	4 077	3 534	2 926	3 971
Software and other intangible assets	166 231	174 149	180 301	217 302
Payments for financial assets	-	-	-	-
Total	734 723	761 632	790 518	865 774

PROGRAMME 5: FINANCIAL ACCOUNTING AND REPORTING | CONTINUED

EXPENDITURE TRENDS

The spending focus over the medium term will be on: continuing to assist institutions to adopt the public sector risk management framework by providing training on the monitoring and oversight functions within the risk management process; achieving at least 98 per cent systems availability by maintaining the current financial systems; developing and implementing the revised approach to the integrated financial management system; tabling consolidated annual financial statements; publishing timely and accurate monthly statements of actual revenue and expenditure for the National Revenue Fund; undertaking special investigations to improve financial management practices and support enforcement; and capacitating the office of the Chief Procurement Officer.

The allocation over the medium term is mainly spent on compensation of employees, computer services, software development costs and consultants in the Financial Reporting for National Accounts and Office of the Chief Procurement Officer subprogrammes; and on transfers to statutory bodies and municipalities in the Audit Statutory Bodies subprogramme. Computer services and software are the largest spending items for the Financial Systems subprogramme. The system's human resource management, procurement management and asset management modules have been developed, and were initially piloted at lead departments. However, in 2013/14 Cabinet gave approval to fast tracking the rollout of the system to the rest of government. In support of this decision, the department expects to enter into new contracts; these will significantly increase spending on software over the medium term.

Consultants are used to provide high end audit skills, build financial reporting templates and conduct forensic investigations. In 2012/13, expenditure on consultants increased significantly to provide for the forensic audits required to combat corruption. In that financial year, 23 forensic investigations based on reported allegations of fraud and corruption were carried out; and by the second quarter of 2013/14 performance audits had been conducted on five government departments. Some of these led to investigations that are yet to be concluded.

PROGRAMME 6: INTERNATIONAL FINANCIAL RELATIONS

OUTPUTS AND TARGETS

Strategic objective	Performance indicator	Previous year target	Current year target	Medium-term targets		
		2013/14	2014/15	2015/16	2016/17	2017/18
Sub-programme: International Economic Cooperation						
Advance South Africa's interests specifically, and those of Africa more generally, through regular strategic analysis, engagement and negotiation at financial and economic forums.	Strategy papers and briefing notes developed and implemented that advance South Africa's interests.	South African position paper for the Davos meeting prepared.	Support Ministry in coordinating World Economic Forum (WEF) Africa, which will take place every two years in South Africa.			
		Implement Group of 20 (G20) finance strategy.	<ul style="list-style-type: none"> Position papers for G20 finance track. G20 finance outreach activities nationally and regionally. 			
		Implement Brazil, Russia, India, China, South Africa (BRICS) finance strategy.	<ul style="list-style-type: none"> Position papers for BRICS finance track. BRICS finance national and regional outreach activities. 			
		Conclude World Bank country partnership strategy for South Africa.	Monitor and support implementation of World Bank country partnership strategy.			
	Monitor implementation of African Development Bank (AfDB) Country Partnership Strategy (CPS).	<ul style="list-style-type: none"> 2014-15: Monitor and support implementation of AfDB CPS. 2015-16: Conduct mid-term review and implement the CPS. 2016-17: Begin consultations with stakeholders to develop a new CPS. 2017-18: Finalise and implement the new CPS. 				
	Number of governance and administrative reforms that lead to greater efficiency and effectiveness in African multilateral institutions.	Reform the Southern African Customs Union (SACU) revenue sharing formula.	Conclude and monitor implementation of the SACU revenue sharing formula.			
Use role within AfDB, SACU, Southern African Development Community (SADC) and African Union (AU) to ensure effective and efficient financial and administrative governance.		Monitor financial sustainability and governance of African institutions.				
Increase Africa's voice and South Africa's influence in international and regional institutions and forums.	International Monetary Fund (IMF) reform.	Policy proposals for IMF reform.	Monitor implementation of IMF reform.			
	Increased shareholding in the AfDB.	Increase South African shareholding in AfDB to more than the current levels.	Increase South African shareholding in AfDB from the current 4.8% to the Cabinet-mandated 6%.			
Promote integration and strengthen links with Africa by creating an enabling environment for economic activity.	Implementation of SADC's Finance and Investment Protocol (FIP).	Coordinate South Africa's alignment with the FIP and facilitate regional implementation.	Implement, monitor and evaluate implementation of FIP priorities.			
	Increase number of bilateral financial engagements with strategic economies.	Identify key areas of closer cooperation with African economies.	Develop and monitor implementation of cooperation mechanisms.			

PROGRAMME 6: INTERNATIONAL FINANCIAL RELATIONS | CONTINUED

QUARTERLY TARGETS FOR 2014/15

Performance indicator	Reporting period	Annual target	Quarterly targets			
		2014/15	Q1 (Apr – Jun)	Q2 (Jul – Sep)	Q3 (Oct – Dec)	Q4 (Jan – Mar)
Sub-programme: International Economic Cooperation						
Strategy papers and briefing notes developed and implemented that advance South Africa's interests.	Annual	Support Ministry in coordinating WEF Africa, which will take place every two years in South Africa.	<ul style="list-style-type: none"> Support the work of WEF Africa by participating in the technical working group. Assist with messaging and relevant briefing notes needed for WEF Africa event. 		Support the Ministry with content for WEF Davos 2015.	None
	Annual	Position papers for G20 finance track.		Progress report on implementation of the G20 strategy submitted to Cabinet.		
		G20 finance outreach activities nationally and regionally.				
Quarterly	<ul style="list-style-type: none"> Position papers for BRICS finance track. BRICS finance national and regional outreach activities. 	<ul style="list-style-type: none"> Lead negotiations and finalise report to leaders on the technical and operational aspects of the BRICS-led New Development Bank. Co-ordinate National Treasury's input and get final political approval for the report to the leaders on the contingent reserve arrangement (CRA). Submit South African bid document to host the BRICS-led New Development Bank. 	<ul style="list-style-type: none"> Start negotiations for the implementation of the BRICS-led New Development Bank. Start the process towards the implementation and establishment of the CRA. Lead the BRICS-level government process on the feasibility study of the re-insurance initiative. Ensure that decision on host city is announced. 	<ul style="list-style-type: none"> Continue negotiations for the implementation of the BRICS-led New Development Bank. Start the process towards the implementation and establishment of the CRA. 	Continue negotiations for the implementation of the BRICS-led New Development Bank.	

PROGRAMME 6: INTERNATIONAL FINANCIAL RELATIONS | CONTINUED

Performance indicator	Reporting period	Annual target	Quarterly targets			
		2014/15	Q1 (Apr – Jun)	Q2 (Jul – Sep)	Q3 (Oct – Dec)	Q4 (Jan – Mar)
	Quarterly	Monitor and support implementation of World Bank country partnership strategy.	Finalise the CPS action plans outlining planned activities by the World Bank local office.	Implementation of the Knowledge Hub.	First progress report on the implementation of the CPS.	<ul style="list-style-type: none"> Finalise the CPS action plans outlining planned activities by the World Bank local office. Final report and recommendation on the proposed modalities for the establishment of the Knowledge Hub.
	Quarterly	Monitor and support implementation of AfDB country strategy paper.	Bi-annual discussions and progress meeting with the AfDB Regional Director and staff.	Follow-up on key challenges with key stakeholders.	Bi-annual discussion and progress meeting with the Regional Director.	Follow-up on key challenges with key stakeholders.
Number of governance and administrative reforms that lead to greater efficiency and effectiveness in African multilateral institutions.	Annual	Conclude and monitor implementation of the SACU revenue sharing formula.	Draft outcomes of the workshop to assess South African membership of Shelter Afrique.			
	Quarterly	Monitor financial sustainability and governance of African institutions.	Draft response to African Export-Import Bank (AFREXIMBANK) on South African membership.	Draft terms of reference to assess the benefits of joining African Risk Capacity (ARC).	Draft a report on the findings on South Africa's membership of ARC.	

PROGRAMME 6: INTERNATIONAL FINANCIAL RELATIONS | CONTINUED

Performance indicator	Reporting period	Annual target	Quarterly targets			
		2014/15	Q1 (Apr – Jun)	Q2 (Jul – Sep)	Q3 (Oct – Dec)	Q4 (Jan – Mar)
IMF reform	Annual	Monitor implementation of IMF reform.	Lobby at the margins of the Spring meetings of the IMF and the World Bank, and seek inclusion of proposal in key communiqués.	Ensure support for a 3rd Board seat for Sub-Saharan Africa on the Executive Board of the IMF is included in key communiqués.	Ensure support for a 3rd Board seat for Sub-Saharan Africa on the Executive Board of the IMF is included in key communiqués.	Pursue intended outcomes.
Increased shareholding in the AfDB.	Annual	Increase South African shareholding in AfDB to more than the current levels.	Obtain the Minister's approval to acquire new shares when they become available.	Obtain the Minister's approval to acquire new shares when they become available.	Obtain the Minister's approval to acquire new shares when they become available.	Obtain the Minister's approval to acquire new shares when they become available.
Implementation of SADC's FIP.	Annual	Implement, monitor and evaluate policy.	Finalise the FIP prioritisation template.	Implementation of FIP priorities.		
Increase number of bilateral financial engagements with strategic economies.	Annual	Develop and monitor implementation of cooperation mechanisms				

PROGRAMME 6: INTERNATIONAL FINANCIAL RELATIONS | CONTINUED

EXPENDITURE ESTIMATES

SUBPROGRAMMES	2013/14	2014/15	2015/16	2016/17
	Adjusted Appropriation	Revised Baseline	Revised Baseline	Revised Baseline
	<i>Rand thousand</i>			
Programme Management for International Financial Relations	16 384	8 911	8 999	9 340
International Economic Cooperation	25 712	26 282	27 714	29 452
African Integration and Support	618 977	636 401	717 609	775 934
International Development Funding Institutions	415 921	491 923	463 849	470 240
International Projects	14 991	16 290	16 993	17 286
Total	1 091 985	1 179 807	1 235 164	1 302 252

ECONOMIC CLASSIFICATION	2013/14	2014/15	2015/16	2016/17
	Adjusted Appropriation	Revised Baseline	Revised Baseline	Revised Baseline
	<i>Rand thousand</i>			
Current payments	41 750	35 089	36 618	38 667
Compensation of employees	22 816	25 542	27 062	28 768
Goods and services	18 934	9 547	9 556	9 899
Consultants and professional services: Business and advisory services	4 002	392	359	1 009
Travel and subsistence	11 614	6 347	6 523	6 756
Venues and facilities	993	1 107	1 085	434
Transfers and subsidies	769 478	826 105	902 024	960 642
Foreign governments and international organisations	769 376	826 105	902 024	960 642
Households	102	-	-	-
Payments for capital assets	244	104	95	125
Machinery and equipment	244	104	95	125
Payments for financial assets	280 513	318 509	296 427	302 818
Total	1 091 985	1 179 807	1 235 164	1 302 252

PROGRAMME 6: INTERNATIONAL FINANCIAL RELATIONS | CONTINUED

EXPENDITURE TRENDS

The spending focus over the medium term will be on funding international obligations to manage South Africa's interests in shaping regional and global policies. The aim is to advance the economic, financial and developmental objectives of the country and of the rest of Africa. Thus, transfer payments and payments for financial assets for the equity purchase of shares constitute more than 95 per cent of this programme's expenditure. Most of the allocation for transfer payments is to the common monetary area compensation to pay for rand circulation in neighbouring countries; to the African Development Bank and African Development Fund to recapitalise the entities and buy shares; and for replenishment of the African Development Fund.

Spending is expected to increase over the medium term as a result of the allocation for the African risk capacity in the African Integration and Support subprogramme. The increase is due to the department's commitments to the African Union to assist member states to develop and improve their planning for, and responses to, extreme weather events and natural disasters. Expenditure on compensation of employees is set to increase over the medium term. This is due to cost of living adjustments to salaries and the increased programme establishment, especially for research capacity. Personnel numbers will grow from the 37 filled positions at the end of November 2013 to 41 over the medium term. Spending on goods and services, and particularly on travel and subsistence, is expected to decrease significantly in response to the requirement to cut costs. As part of Cabinet approved reductions, the department has cut R25 million, mainly from the common monetary area compensation allocation. This is due to lower than expected rand circulation to neighbouring countries; and to the closing of the financial and technical support function in the African Integration and Support subprogramme which had not incurred spending since 2006/07. The department does not expect that this will affect its ability to carry out its mandate.

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

OUTPUTS AND TARGETS

Strategic objective	Performance indicator	Previous year target	Current year target	Medium-term targets		
		2013/14	2014/15	2015/16	2016/17	2017/18
Sub-programme 1, 2 & 3:						
Civil pensions and contributions to funds (post-retirement medical benefits, injury on duty, special pensions and other benefits)						
Ensure good governance and a robust control environment.	Benefits paid on time: • Post-retirement medical benefits: 30 days. • Injury on duty: 45 days. • Special pension: 60 days.	Pay 75% of benefits within timeframe.	Pay 100% of all benefits within liability date.	Pay 100% of all benefits within liability date.	Pay 100% of all benefits within liability date.	Pay 100% of all benefits within liability date.
	100% re-engineered core business processes implemented.	60% of core business processes mapped.	80% re-engineered core business processes implemented.	85% re-engineered core business processes implemented.	90% re-engineered core business processes implemented.	95% re-engineered core business processes implemented.
Improved and integrated customer service experience.	100% customer service complaints are resolved within seven days.	100% complaints received are resolved within seven days.	100% complaints received are resolved within seven days.	100% complaints received are resolved within seven days.	100% complaints received are resolved within seven days.	100% complaints received are resolved within seven days.
	Mutually beneficial partnerships with employer departments.		Undertake focused communication initiatives for injury-on-duty and medical insurance products with four employer departments per quarter.	Undertake focused communication initiatives for injury-on-duty and medical insurance products with four employer departments per quarter.	Undertake focused communication initiatives for injury-on-duty and medical insurance products with four employer departments per quarter.	Undertake focused communication initiatives for injury-on-duty and medical insurance products with four employer departments per quarter.
	Ensure 100% compliance with National Treasury service level agreement (SLA).	90% compliance with National Treasury SLA.	100% compliance with National Treasury SLA.	100% compliance with National Treasury SLA.	100% compliance with National Treasury SLA.	100% compliance with National Treasury SLA.

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

QUARTERLY TARGETS FOR 2014/15

Performance indicator	Reporting period	Annual target	Quarterly targets			
		2014/15	Q1 (Apr – Jun)	Q2 (Jul – Sep)	Q3 (Oct – Dec)	Q4 (Jan – Mar)
Sub-programme 1, 2 & 3:						
Civil pensions and contributions to funds (post-retirement medical benefits, injury on duty, special pensions and other benefits)						
Benefits paid on time: • Post-retirement medical benefits: 30 days. • Injury-on-duty: 45 days. • Special pension: 60 days.	Quarterly	Pay 100% of all benefits within liability date.	Pay 100% of all benefits within liability date.	Pay 100% of all benefits within liability date.	Pay 100% of all benefits within liability date.	Pay 100% of all benefits within liability date.
100% re-engineered core business processes implemented.	Quarterly	80% re-engineered core business processes implemented.	20% re-engineered core business processes implemented.	40% re-engineered core business processes implemented.	60% re-engineered core business processes implemented.	80% re-engineered core business processes implemented.
100% customer service complaints resolved within seven days.	Quarterly	100% complaints received are resolved within seven days.	100% complaints received are resolved within seven days.	100% complaints received are resolved within seven days.	100% complaints received are resolved within seven days.	100% complaints received are resolved within seven days.
Mutually beneficial partnerships with employer departments.	Quarterly	Undertake focused communication initiatives for injury-on-duty and medical insurance products with four employer departments per quarter.	Four initiatives undertaken.	Four initiatives undertaken.	Four initiatives undertaken.	Four initiatives undertaken.
Ensure 100% compliance with National Treasury SLA.	Quarterly	100% compliance with National Treasury SLA.	100% compliance with National Treasury SLA.	100% compliance with National Treasury SLA.	100% compliance with National Treasury SLA.	100% compliance with National Treasury SLA.

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

EXPENDITURE ESTIMATES

SUBPROGRAMMES	2013/14	2014/15	2015/16	2016/17
	Adjusted Appropriation	Revised Baseline	Revised Baseline	Revised Baseline
	<i>Rand thousand</i>			
Government Pensions Administration Agency	51 857	55 633	50 659	53 344
Civil Pensions and Contributions to Funds	2 871 697	3 022 064	3 345 559	3 524 568
Military Pensions and Other Benefits	573 477	640 141	566 723	595 330
Total	3 497 031	3 717 838	3 962 941	4 173 242

ECONOMIC CLASSIFICATION	2013/14	2014/15	2015/16	2016/17
	Adjusted Appropriation	Revised Baseline	Revised Baseline	Revised Baseline
	<i>Rand thousand</i>			
Current payments	51 857	55 633	50 659	53 344
Goods and services	51 857	55 633	50 659	53 344
Consultants and professional services: Business and advisory services	51 857	55 633	50 659	53 344
Transfers and subsidies	3 445 174	3 662 205	3 912 282	4 119 898
Foreign governments and international organisations	2 127	2 219	2 322	2 445
Non-profit institutions	-	-	-	-
Households	3 443 047	3 659 986	3 909 960	4 117 453
Payments for capital assets	-	-	-	-
Payments for financial assets	-	-	-	-
Total	3 497 031	3 717 838	3 962 941	4 173 242

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

EXPENDITURE TRENDS

Spending on the Military Pensions and Other Benefits subprogramme increased between 2010/11 and 2013/14. This was mainly due to the extension of payment for the revised non-statutory forces dispensation, which now includes all former members with employment contracts with government departments and institutions that contribute to the Government Employees Pension Fund. Transfer payments to households made up the bulk of the programme's expenditure over the period, mainly in the form of post-retirement medical scheme contributions, the political office bearers' pension fund, injury on duty payments and special pensions.

Spending between 2010/11 and 2013/14 reduced by 78.3 per cent the backlog of applications for benefits such as injury on duty benefits. It also increased compliance with stakeholder service level agreements by 95.5 per cent. The Government Pensions Administration Agency administers pension and contributions payments on behalf of the department; in line with the improved performance, spending on the Government Pensions Administration Agency subprogramme and on goods and services grew by an average of 10.9 per cent between 2010/11 and 2013/14.

Over the medium term, the spending focus will continue to be on providing administrative support to the department for managing the payment of post-retirement pensions, medical subsidies and other benefits including special pensions; automating core processes to enhance service delivery; and reducing benefits backlogs. The modernisation project, which has a total project cost of R614 million including the contribution from the Government Employees Pension Fund, has thus far automated 30 per cent of core processes. To give effect to Cabinet's call for cost containment, R15 million has been reduced from the programme's post-retirement medical benefits over the medium term. The department does not expect that this reduction will have an adverse effect on the programme's service delivery.

PROGRAMME 8: TECHNICAL SUPPORT AND DEVELOPMENT FINANCE

OUTPUTS AND TARGETS

Strategic objective	Performance indicator	Previous year target	Current year target	Medium-term targets		
		2013/14	2014/15	2015/16	2016/17	2017/18
Sub-programme: Technical Support and Development Finance Programme Management <ul style="list-style-type: none"> Provide leadership and management of the Treasury's technical support and development finance programmes. Establish the Government Technical Advisory Centre (GTAC) as a self-standing government component. Support the regulatory functions of other National Treasury programmes relating to public-private partnerships and capital projects as and when requested. 						
Establishment of programme management office GTAC.	<ul style="list-style-type: none"> Programme office development. Governance and programme reports. 	Establish programme office and governance and reporting framework.	<ul style="list-style-type: none"> Strengthen programme office and coordinate budget and donor funding. Comply with governance and reporting requirements. 			
	GTAC established.	Establish operational GTAC.	Further develop GTAC's capacity and advisory service products.			
National capital projects appraisal and expenditure reviews.	Project appraisals and economic assessment of policy and programmes.	Perform three to five project appraisals and two expenditure reviews.	<ul style="list-style-type: none"> Perform three to five project appraisals. Strengthen major capital project appraisal capacity. Develop framework for private finance in support of infrastructure investment. Undertake five to ten performance and expenditure reviews. 			
Sub-programme: Government Technical Advisory Centre <ul style="list-style-type: none"> Build public-sector client capacity by offering a combination of diagnostic services, organisation development and programme and project implementation support over the medium-term expenditure framework period. Improve capacity in public-private partnerships' and capital projects' planning and oversight by providing advisory support to all public-private partnerships and large capital projects in development and implementation. 						
Technical support: institutional strengthening and project management.	Number of technical assistance projects supported.	90	100	100	100	100
	Percentage of clients who have observed capacity improvement.	85 per cent	85 per cent	90 per cent	90 per cent	90 per cent
	Number of knowledge products related to capacity building.	10 knowledge products (learning networks, communities of practice, case studies, learning sessions and knowledge exchange).				
Support for public-private partnership (PPP) and major capital project transactions.	PPP and capital projects supported: <ul style="list-style-type: none"> Passenger Rail Agency of South Africa (PRASA) rolling stock. Renewable energy independent power producer (REIPP) programme. Hospital revitalisation. Other projects. 	<ul style="list-style-type: none"> PRASA financial close. REIPP complete 2nd round. Hospital feasibility studies prepared. 	<ul style="list-style-type: none"> Ongoing monitoring and support for implementation of PRASA rolling stock programme. REIPP 3rd round and preparation for further support to DoE large power producer projects. Phased implementation of hospital renewal and PPP support programme. Other transaction advisory projects: approximately 10 per year. 			

PROGRAMME 8: TECHNICAL SUPPORT AND DEVELOPMENT FINANCE | CONTINUED

Strategic objective	Performance indicator	Previous year target	Current year target	Medium-term targets		
		2013/14	2014/15	2015/16	2016/17	2017/18
Sub-programme: Local Government Financial Management Support <ul style="list-style-type: none"> Strengthen the capacity of municipalities to fully implement the Municipal Finance Management Act (MFMA) and associated financial reforms. Support provincial treasuries in their oversight of municipalities. Provide financial assistance to municipalities for MFMA implementation and financial management improvement. 						
Municipal financial skills development and capacity building to support implementation of MFMA.	Number of interns appointed to municipalities.	1 390	1 390	1 390	1 390	1 390
	Number of municipalities assisted through Municipal Finance Improvement Project (MFIP).	85	All municipalities to conduct financial management capability maturity assessments.	Strengthen focus on capacity building as MFIP II implemented.		
	Audit action plans developed and implemented.	278	All municipalities.			
	Municipal compliance with Budget and Treasury Office, supply chain management, internal audit and audit committee requirements.	Develop compliance assessment tool.	Implement municipal financial management capacity assessment.			
Sub-programme: Urban Development and Support <ul style="list-style-type: none"> Promote and mobilise public- and private-sector investment in community and economic infrastructure by supporting municipalities in planning and implementing integrated neighbourhood development programmes in townships over the medium term. Support for city integration and development. 						
Support for neighbourhood development planning and projects that provide catalytic infrastructure that attracts third-party investment in township development.	Long-term urban regeneration programmes registered (cumulative).	10	13	15	17	18
	Total number of catalytic projects approved (cumulative).	300	320	340	360	380
	Number of Neighbourhood Development Partnership Grant projects under construction.	40	40	40	40	40
	Estimated third-party investment leveraged (cumulative).	R2 000 million	R2 500 million	R3 000 million	R3 500 million	R4 000 million

PROGRAMME 8: TECHNICAL SUPPORT AND DEVELOPMENT FINANCE | CONTINUED

Strategic objective	Performance indicator	Previous year target	Current year target	Medium-term targets		
		2013/14	2014/15	2015/16	2016/17	2017/18
Assistance to metropolitan municipalities to develop more inclusive, productive built environments.	Number of spatial transformation zones identified in participating municipalities (per year).	Programme inception: city plans to be developed and targets to be identified.	12	18	-	-
	Number of projects within identified zones identified for planning (per year).		8	14	20	24
	Number of integrated city development projects under implementation (per year).		2	8	14	20
Sub-programme: Gautrain loan						
Loan to Gauteng Province as contribution to financing of Gautrain project.	Loan repaid.	First repayment instalment due.	Repayment complete by 2017.			
Sub-programme: Employment Creation Facilitation						
<ul style="list-style-type: none"> Improve the long-term employment prospects for unemployed people, particularly youth and women, by promoting innovative and partnership-based approaches to job creation and business opportunities, and supporting project development in the implementation of the Jobs Fund over the medium term. Contribute to learning and innovation in employment and inclusive growth. 						
Jobs Fund: support for 150 projects and creation of 150 000 sustainable jobs.	Number of projects approved (cumulative).	90	110	125	150	150
	• Grant funding approved (cumulative).	• R5 000 million	• R6 155 million	• R7 950 million	• R7 950 million	• R9 000 million
	• Value of matched funding.	• R5 500 million	• R6 500 million	• R8 500 million	• R10 000 million	• R10 million
	• New jobs contracted (cumulative).	• 90 000	• 110 000	• 140 000	• 150 000	• 150 000
	• Placements contracted (cumulative).	• 49 000	• 56 000	• 70 000	• 70 000	• 70 000
	• Training contracted (cumulative).	• 128 085	• 140 000	• 160 000	• 160 000	• 160 000
	Value of grant funding disbursed (cumulative).	R1 200 million	R2 500 million	R3 850 million	R4 850 million	R6 000 million

PROGRAMME 8: TECHNICAL SUPPORT AND DEVELOPMENT FINANCE | CONTINUED

Strategic objective	Performance indicator	Previous year target	Current year target	Medium-term targets		
		2013/14	2014/15	2015/16	2016/17	2017/18
Contribution to learning and innovation in development, employment creation and inclusive growth.	Jobs Fund evaluation reports documented and learning about effective approaches to job creation disseminated.	<ul style="list-style-type: none"> • Three to five project case studies. • One learning intervention. • First review of Jobs Fund. 	<ul style="list-style-type: none"> • Three to five project case studies. • One learning intervention. 	<ul style="list-style-type: none"> • Three to five project case studies. • One learning intervention. • Initiate mid-term evaluation. 	<ul style="list-style-type: none"> • Mid-term Jobs Fund evaluation report completed. • One learning intervention. 	<ul style="list-style-type: none"> • One learning intervention. • Portfolio of project level evaluations.
	Employment, income distribution and inclusive growth research project.	<ul style="list-style-type: none"> • Establish three research programmes. • Initiate Econ3x3 Forum. 	<ul style="list-style-type: none"> • 10 to 15 research papers contracted. • Three to five conferences/workshops. 	<ul style="list-style-type: none"> • 10 to 15 research papers. • Three to five conferences/workshops. 	<ul style="list-style-type: none"> • Complete research programme. 	
Sub-programme: Infrastructure Development Support						
<ul style="list-style-type: none"> • Build sustainable capacity in selected municipalities and provincial Departments of Health, Education and Public Works to improve infrastructure delivery through the implementation of the infrastructure delivery improvement programme. • Placement of graduate interns in local government to support infrastructure delivery. 						
Infrastructure delivery capacity improvement in provinces.	Number of technical assistants deployed in participating departments to support the development of capacity in line with the infrastructure delivery management system (IDMS).	<ul style="list-style-type: none"> • 36 long-term technical assistants (four per province) across all nine provinces. • Five technical assistants across three national departments. 	31	34	34	
	Number of officials trained on the infrastructure delivery management (IDM) toolkit to support improved infrastructure delivery in provinces.	150 government officials trained on the IDM toolkit.	150	150	200	
Infrastructure delivery capacity improvement in municipalities.	Number of graduates trained in line with the relevant statutory body requirements in engineering, town planning, geographic information systems and project management.	250 graduates trained.	350	400	450	

PROGRAMME 8: TECHNICAL SUPPORT AND DEVELOPMENT FINANCE | CONTINUED

QUARTERLY TARGETS FOR 2014/15

Performance indicator	Reporting period	Annual target	Quarterly targets			
		2014/15	Q1 (Apr – Jun)	Q2 (Jul – Sep)	Q3 (Oct – Dec)	Q4 (Jan – Mar)
Sub-programme: Technical Support and Development Finance Programme Management <ul style="list-style-type: none"> • Provide leadership and management of the Treasury's technical support and development finance programmes. • Establish the GTAC as a self-standing government component. • Support the regulatory functions of other National Treasury programmes relating to public-private partnerships and capital projects as and when requested. 						
<ul style="list-style-type: none"> • Programme office development. • Governance and programme reports. 	Quarterly	<ul style="list-style-type: none"> • Strengthen programme office and coordinate budget and donor funding. • Comply with governance and reporting requirements. 	Complete programme office proposal.	Quarterly reporting on Programme 8.	Quarterly reporting on Programme 8.	Quarterly reporting on Programme 8.
GTAC established.	Quarterly	Further develop GTAC's capacity and advisory service products.	Establish initial organisational design.	Complete financial management and HR transition.	Quarterly reporting on GTAC.	Quarterly reporting on GTAC.
Project appraisals and economic assessment of policy and programmes.	Quarterly	<ul style="list-style-type: none"> • Perform three to five project appraisals. • Strengthen major capital project appraisal capacity. • Develop framework for private finance in support of infrastructure investment. • Undertake five to ten performance and expenditure reviews. 	<ul style="list-style-type: none"> • Quarterly reports on capital project appraisal and advice, and development of investment framework. • Initiate five to ten performance and expenditure reviews. • Support personnel review process. 	<ul style="list-style-type: none"> • Quarterly reports on capital project appraisal and advice, and development of investment framework. • Three to five review reports. 	<ul style="list-style-type: none"> • Quarterly reports on capital project appraisal and advice, and development of investment framework. • Three to five review reports. 	<ul style="list-style-type: none"> • Quarterly reports on capital project appraisal and advice, and development of investment framework. • Three to five review reports.
Sub-programme: Government Technical Advisory Centre <ul style="list-style-type: none"> • Build public-sector client capacity by offering a combination of diagnostic services, organisation development and programme and project implementation support over the medium-term expenditure framework period. • Improve capacity in public-private partnerships and capital projects planning and oversight by providing advisory support to all public-private partnerships and large capital projects in development and implementation. 						
Number of technical assistance projects supported (cumulative).	Quarterly	100	50	65	85	100
Percentage of clients who have observed capacity improvement.	Quarterly	85	85	85	85	85
Number of knowledge products related to capacity building.	Quarterly	Ten knowledge products (learning networks, communities of practice, case studies, learning sessions and knowledge exchange).	2	2	3	3

PROGRAMME 8: TECHNICAL SUPPORT AND DEVELOPMENT FINANCE | CONTINUED

Performance indicator	Reporting period	Annual target	Quarterly targets			
		2014/15	Q1 (Apr – Jun)	Q2 (Jul – Sep)	Q3 (Oct – Dec)	Q4 (Jan – Mar)
PPP and capital projects supported: • PRASA rolling stock.	Quarterly	Ongoing monitoring and support for implementation of PRASA rolling stock programme.	Quarterly reports on the performance of the rolling stock programme against targets.	Quarterly reports on the performance of the rolling stock programme against targets.	Quarterly reports on the performance of the rolling stock programme against targets.	Quarterly reports on the performance of the rolling stock programme against targets.
Renewable energy IPP programme.	Quarterly	REIPP 3 rd round and preparation for further support to Department of Energy large power producer projects.	Quarterly reports on progress linked to project life cycle.	Quarterly reports on progress linked to project life cycle.	Quarterly reports on progress linked to project life cycle.	Quarterly reports on progress linked to project life cycle.
Hospital revitalisation.	Quarterly	Phased implementation of hospital renewal and PPP support programme.	Quarterly reports on progress based on project life cycle.	Quarterly reports on progress based on project life cycle.	Quarterly reports on progress based on project life cycle.	Quarterly reports on progress based on project life cycle.
Other projects	Quarterly	Other transaction advisory projects: approximately 10 per year.	Quarterly reports on new projects registered and progress on ongoing projects.	Quarterly reports on new projects registered and progress on ongoing projects.	Quarterly reports on new projects registered and progress on ongoing projects.	Quarterly reports on new projects registered and progress on ongoing projects.
Sub-programme: Local Government Financial Management Support						
<ul style="list-style-type: none"> • Strengthen the capacity of municipalities to fully implement the Municipal Finance Management Act (MFMA) and associated financial reforms. • Support provincial treasuries in their oversight of municipalities. • Provide financial assistance to municipalities for MFMA implementation and financial management improvement. 						
Number of interns appointed to municipalities.	Quarterly	1 390	400	400	190	400
Number of municipalities assisted through MFIP.	Quarterly	Financial management capability maturity assessments in all municipalities.	Complete planning for rolling out assessment programme.	Complete procurement process and begin rollout.	Begin analysis of capability maturity assessments.	
Audit action plans developed and implemented.	Annual	All municipalities.	60	120	180	278
Municipal compliance with Budget and Treasury Office, supply chain management, internal audit and audit committee requirements.	Annual	Implement municipal financial management capacity assessment.	Phase 1 rolled out.	Phase 2 rolled out.	Assessments provided to 50 per cent of municipalities.	Assessments provided to 100 per cent of municipalities.

PROGRAMME 8: TECHNICAL SUPPORT AND DEVELOPMENT FINANCE | CONTINUED

Performance indicator	Reporting period	Annual target	Quarterly targets			
		2014/15	Q1 (Apr – Jun)	Q2 (Jul – Sep)	Q3 (Oct – Dec)	Q4 (Jan – Mar)
Sub-programme: Urban Development and Support						
<ul style="list-style-type: none"> Promote and mobilise public- and private-sector investment in community and economic infrastructure by supporting municipalities in planning and implementing integrated neighbourhood development programmes in townships over the medium term. Support for city integration and development. 						
Long-term urban regeneration programmes registered.	Annual	13	-	-	-	13
Total number of catalytic projects approved (cumulative).	Quarterly	320	300	310	315	320
Number of Neighbourhood Development Partnership Grant projects under construction.	Quarterly	40	10	20	30	40
Estimated third-party investment leveraged.	Annual	R2 500 million	-	-	-	R2 500 million
Number of spatial transformation zones identified in participating municipalities (per year).	Bi-annual	12	2	5	-	5
Number of projects within integration zones identified for planning.	Bi-annual	8	2	2	4	-
Number of integrated city development projects under implementation.	Bi-annual	2	-	-	-	2
Sub-programme: Gautrain loan						
Loan repaid	Annual	Instalment	Repayments made as due.			
Sub-programme: Employment Creation Facilitation						
<ul style="list-style-type: none"> Improve the long-term employment prospects for unemployed people, particularly youth and women, by promoting innovative and partnership-based approaches to job creation and business opportunities, and supporting project development in the implementation of the Jobs Fund over the medium term. 						
Number of projects approved.	Annual	20				20 new projects approved.
<ul style="list-style-type: none"> Value of grant funding approved. Value of matched funding. 	Annual	<ul style="list-style-type: none"> R1 155 million R1 000 million 				<ul style="list-style-type: none"> R1 155 million R1 000 million
Number of new jobs contracted.	Quarterly	30 000	5 000	5 000	10 000	10 000

PROGRAMME 8: TECHNICAL SUPPORT AND DEVELOPMENT FINANCE | CONTINUED

Performance indicator	Reporting period	Annual target	Quarterly targets			
		2014/15	Q1 (Apr – Jun)	Q2 (Jul – Sep)	Q3 (Oct – Dec)	Q4 (Jan – Mar)
Number of placements contracted.	Quarterly	7 000	1 000	1 000	2 000	3 000
Number of training places contracted.	Quarterly	11 915	3 000	4 000	3 000	1 915
Value of grant funding disbursed (in-year)	Quarterly	R1 300 million	R200 million	R200 million	R300 million	R 600 million
Jobs Fund evaluation reports documented and learning about effective approaches to job creation disseminated.	Quarterly	<ul style="list-style-type: none"> Two comparative analysis studies. One learning forum. 	Comparative analysis of work-seekers' projects completed.	Comparative analysis of enterprise development projects completed.	One learning forum.	Newsletter published.
Employment, income distribution and inclusive growth research project.	Quarterly	<ul style="list-style-type: none"> 10 to 15 research papers contracted. Four workshops and one policy conference. 	One workshop.	<ul style="list-style-type: none"> One workshop. One policy conference. 	One workshop.	One workshop.
Sub-programme: Infrastructure Development Support <ul style="list-style-type: none"> Build sustainable capacity in selected municipalities and provincial departments of health, education and public works to improve infrastructure delivery through the implementation of the infrastructure delivery improvement programme. Placement of graduate interns in local government to support infrastructure delivery. 						
Number of technical assistants deployed in participating departments to support the development of capacity in line with the IDMS.	Quarterly	31 technical assistants to support capacity building in provincial departments.	10	21	On-going monitoring and reporting.	On-going monitoring and reporting.
Number of officials trained on the IDM toolkit to support improved infrastructure delivery in provinces.	Annual	150 government officials trained on the IDM toolkit.	150			
Number of graduates trained in line with the relevant statutory body requirements in engineering, town planning, geographic information systems and project management.	Annual	350 graduates trained.	350			

PROGRAMME 8: TECHNICAL SUPPORT AND DEVELOPMENT FINANCE | CONTINUED

EXPENDITURE ESTIMATES

SUBPROGRAMMES	2013/14	2014/15	2015/16	2016/17
	Adjusted Appropriation	Revised Baseline	Revised Baseline	Revised Baseline
	<i>Rand thousand</i>			
Programme Management for Technical Support and Development Finance	12 040	12 730	12 777	13 615
Local Government Financial Management Support	546 296	577 926	604 511	636 550
Urban Development and Support	693 041	904 479	921 000	976 750
Employment Creation Facilitation	954 874	1 900 000	1 318 000	1 387 883
Government Technical Advisory Centre	65 328	67 022	70 831	74 914
Infrastructure Development Support	197 500	250 025	279 826	294 325
Total	2 469 079	3 712 182	3 206 945	3 384 037

ECONOMIC CLASSIFICATION	2013/14	2014/15	2015/16	2016/17
	Adjusted Appropriation	Revised Baseline	Revised Baseline	Revised Baseline
	<i>Rand thousand</i>			
Current payments	155 970	223 727	223 293	238 705
Compensation of employees	30 625	44 015	46 438	49 359
Goods and services	125 345	179 712	176 855	189 346
Consultants and professional services: Business and advisory services	108 962	147 385	152 611	157 818
Agency and support / outsourced services	8 979	18 858	12 780	20 269
Travel and subsistence	3 224	2 988	3 389	3 395
Transfers and subsidies	2 312 504	3 487 980	2 983 057	3 144 547
Provinces and municipalities	1 161 339	1 399 742	1 465 025	1 558 173
Provinces	-	-	-	-
Municipalities	1 161 339	1 399 742	1 465 025	1 558 173
Departmental agencies and accounts	126 462	119 898	128 349	129 522
Higher education institutions	10 000	5 800	6 200	-
Public corporations and private enterprises	1 014 703	1 962 540	1 383 483	1 456 852
Households	-	-	-	-
Payments for capital assets	605	475	595	785
Machinery and equipment	605	475	595	785
Payments for financial assets	-	-	-	-
Total	2 469 079	3 712 182	3 206 945	3 384 037

PROGRAMME 8: TECHNICAL SUPPORT AND DEVELOPMENT FINANCE | CONTINUED

EXPENDITURE TRENDS

The spending focus over the medium term will be on supporting infrastructure development through the neighbourhood development partnership grant and the integrated cities development grant, which allocates an additional Cabinet approved R150 million to the city support programme over the medium term; and on continuing to support initiatives that support sustainable job creation.

Funding for the neighbourhood development partnership grant, the local government financial management grant and the infrastructure skills development grant will build the capacity to carry out financial reform in local and provincial government, enable infrastructure development and promote public private partnership objectives. The subprogramme will also improve administrative processes through the implementing agent, the Development Bank of Southern Africa, and will ensure that approved projects are supported so that they maximise social and economic value and create jobs. Over the life of the Jobs Fund, the subprogramme aims to leverage R10 billion from third party participation through the investment of R9 billion.

The infrastructure skills development grant, which received its first allocation in 2012/13, is expected to provide training in infrastructure development and maintenance for approximately 675 graduates and interns. The aim is to enable them subsequently to register as professional artisans, technicians, engineers and other specialists. This is in line with the national development plan's objective of professionalising local government and creating a capable state. The largest expenditure item within goods and services over this period is on consultants who provide specialist infrastructure and technical support. The department does not currently have this capacity.

Expenditure is expected to increase to R1.9 billion in 2014/15 for the employment creation facilitation fund and to decrease in the subsequent years. It will wind down further in subsequent years as the fund and its projects are concluded. To increase monitoring of project performance and to provide support, expenditure on compensation of employees and goods and services is expected to increase. The unit aims to recruit for five positions to assist with administering and evaluating the fund.

ANNEXURE

ABBREVIATIONS

ACTT	Anti-corruption task team
ADF	African Development Forum
AENE	Adjusted Estimates of National Expenditure
AfDB	African Development Bank
AFREXIMBANK	African Export-Import Bank
AFS	Annual financial statements
ARC	African Risk Capacity
ASB	Accounting Standards Board
AU	African Union
AUC	African Union Commission
BAC	Bid adjudication committee
BAS	Basic accounting system
BCM	Business continuity management
BEC	Bid evaluation committee
BEPP	Built environment performance plan
BRICS	Brazil, Russia, India, China, South Africa
CABRI	Collaborative Africa Budget Reform Initiative
CDS	Credit default swap
CIPS	Chartered Institute of Purchasing and Supply
COLA	Cost-of-living adjustment
CPD	Continuous professional development
CPS	Country partnership strategy
CRA	Contingent reserve arrangement
CSP	Country strategy paper
DBSA	Development Bank of Southern Africa
DFI	Development finance institution

DG	Director-General
DIRCO	Department of International Relations and Cooperation
DoE	Department of Energy
DoRA	Division of Revenue Act
DPSA	Department of Public Service and Administration
dti	Department of Trade and Industry
EDD	Economic Development Department
ENE	Estimates of National Expenditure
ETD	Education, training and development
FIP	Finance and investment protocol
FLC	Fiscal Liabilities Committee
FMCMM	Financial management capability maturity model
FMG	Financial Management Grant
FMS	Financial management system
G20	Group of Twenty
GBS	General budget support
GDP	Gross domestic product
GEPF	Government Employees' Pension Fund
GIF	Global infrastructure facility
GRAP	Generally recognised accounting practice
GT	Generic template
GTAC	Government technical advisory centre
HR	Human resources
ICT	Information and communications technology
IDM	Infrastructure delivery management
IDMS	Infrastructure delivery management system
IFMS	Integrated financial management system
ILB	Inflation-linked bond

ANNEXURE | CONTINUED

IMF	International Monetary Fund	REIPP	Renewable energy independent power producer
IPD	Initial professional development	S&P	Standard and Poor's
IPP	Independent power producer	SAA	South African Airways
IPSASB	International Public Sector Accounting Standards Board	SACU	Southern African Customs Union
IREP	International and regional economic policy	SADC	Southern African Development Community
IT	Information technology	SANRAL	South African National Roads Agency Limited
IYM	In-year monitoring	SAPS	South African Police Service
KM	Knowledge management	SAQA	South African Qualifications Authority
MFIP	Municipal Finance Improvement Project	SARS	South African Revenue Service
MFMA	Municipal Finance Management Act	SASRIA	South African Special Risk Insurance Association
MinComBud	Ministers' Committee on the Budget	SAX	South African Express Airways
MTBPS	Medium Term Budget Policy Statement	SCM	Supply chain management
MTEC	Medium-term Expenditure Committee	SCOA	Standard chart of accounts
MTEF	Medium-term expenditure framework	SDBIP	Service delivery and budget implementation plan
NDP	National Development Plan	SISP	Strategic information system plan
NPA	National Prosecuting Authority	SLA	Service level agreement
NRF	National Revenue Fund	SMME	Small, medium and micro-sized enterprises
NT	National Treasury	SOC	State-owned company
ODA	Official development assistance	SOE	State-owned enterprise
OECD	Organisation for Economic Cooperation & Development	SOP	Standard operating procedure
PDFI	Provincial development finance institution	SP	Strategic procurement
PFM	Public finance management	SPF	Strategic procurement framework
PFMA	Public Finance Management Act	SSP	Strategic support plan
PIC	Public Investment Corporation	TB	Treasury bond
PPP	Public-private partnership	TCTA	Trans-Caledon Tunnel Authority
PPPFA	Preferential Procurement Policy Framework Act	WBG	World Bank Group
PRASA	Passenger Rail Agency of South Africa	WEF	World Economic Forum
RDP	Reconstruction and Development Programme		

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national treasury

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