

ANNUAL PERFORMANCE PLAN

2019/20



national treasury

Department:
National Treasury
REPUBLIC OF SOUTH AFRICA





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2019/20

The 2019/20 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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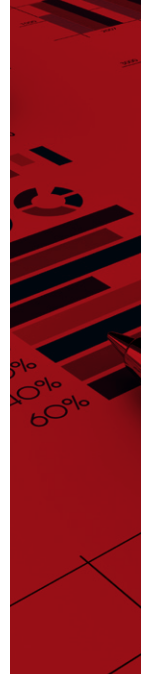
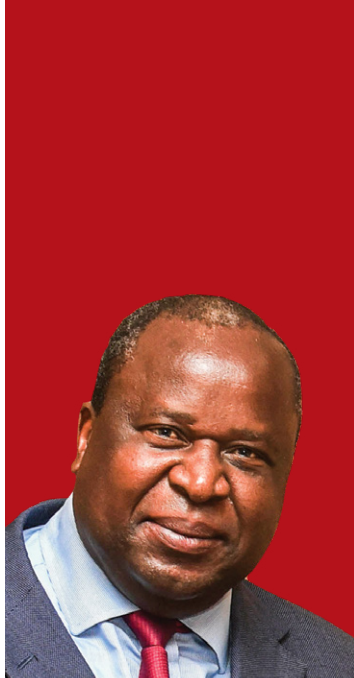
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TT Mboweni
Minister of Finance

MINISTER'S FOREWORD

This Annual Performance Plan is being tabled at a time when the South African economy is continuing to experience low domestic growth and an uncertain global economic environment. While various aspects of the global outlook remain positive, there is nevertheless greater risk, particularly for developing economies. Over the medium term, concerns about sharpening global trade disputes, volatile commodity prices and tightening financial conditions could weigh on investor confidence, leading to a less favourable environment for growth.

Government has therefore accelerated its efforts to unlock constraints to growth while simultaneously providing support to vulnerable groups. The Presidential Investment Conference and the Jobs Summit which took place during October 2018, together with the proposed government stimulus package, are intended to provide a set of reforms to support growth in the short term, while increasing the potential of the economy to grow in the medium to long term. Furthermore, the economic stimulus and recovery plan announced by the President in September 2018 seeks to focus public spending in areas that can grow the economy, create jobs, accelerate necessary growth-enhancing reforms, promote infrastructural development, and tackle difficulties in education and healthcare.

The October 2018 Jobs Summit followed extensive consultation in the National Economic Development and Labour Council, and underscored the importance of effective partnerships between the public and private sectors and civil society. One estimate from research institution Trade and Industrial Policies Strategies (TIPS) is that the jobs impact arising directly from the agreed Jobs Summit commitments could result in as many as 275 000 additional direct jobs per annum until 2020. The Jobs Summit distinguishes itself from previous engagements through clear accountability and a joint monitoring and evaluation framework that will work to bolster the impact and sustainability of Jobs Summit agreements.

Arising from the Presidential Investment Conference, investment commitments in excess of R290 billion were received as part of the plan to attract R1.2 trillion over the next five years to boost the country's economy. The President also appointed a team of investment envoys - bankers, business people, economists and former ministers - to attract new investors from the world's financial capitals.

The Investment Conference will be complemented by an infrastructure fund which aims to attract private and development finance capital to well-run public infrastructure projects that contribute to economic growth and development. The fund is also expected to identify innovative financing mechanisms and allow for accompanying regulatory reforms. Work to design the fund is under way, with assistance from the private sector and multilateral development banks.

Policy certainty in areas such as mining and energy is being restored, and the governance of state-owned companies and entities such as Eskom, Transnet and the South African Revenue Service (SARS) is being strengthened. These reforms will provide sustainable and affordable increases in basic services such as water and electricity, and will reduce the cost of doing business.

Initiatives to get the economy functioning properly and to attract investors extend far beyond the local realm. On the international front, South Africa recently signed the Kigali Declaration during an Extraordinary Summit of the Assembly of the African Union. This agreement is a significant step in establishing the African Continental Free Trade Area (AfCFTA) which was first decided upon by the Heads of State and Government of the African Union member states in 2012. The long term aim is to include all 55 states on the African continent in this agreement. Should this be achieved, it would cover 1.2 billion people and a combined gross domestic product of US\$3.4 trillion (2018 figures).

The primary aim of the AfCFTA is to create a single market for goods and services on the African continent and to harmonise the liberalisation of trade by removing barriers, diversifying markets, and facilitating trade. This would also lead to a better reallocation of resources throughout the continent. Countries such as South Africa with deep and well-developed markets stand to gain considerably from the AfCFTA, but so too would countries that are seeking improved avenues for economic growth and development. AfCFTA potentially constitutes one of the largest free trade agreements since the creation of the World Trade Organisation.

Government is committed to macroeconomic stability and prudent fiscal management. Sustainable public finances, inflation targeting and a flexible exchange rate provide a platform to attract investment and absorb external shocks. To make the most of these macroeconomic building blocks, reforms are needed to transform the structure of the economy – raising productivity, increasing competition and reducing the cost of doing business.

A watch-word in recent times has been that of “policy certainty”. Policy certainty is indeed a necessary pre-condition for improvements in the growth prospects of the South African economy. However, it must be bolstered by concerted efforts to ensure policy implementation to realise the enabling conditions for economic growth. Government and its social partners need to step up and get the economy to function properly. With national elections just around the corner, the 2019/20 financial year is likely to prove to be a watershed in setting the economic trajectory for years to come. Government must demonstrate its commitment to fiscal sustainability and to creating an environment that is conducive to economic growth.

Failure to contain expenditure will result in increasing amounts being paid on government debt. In terms of the Public Finance Management Act (PFMA), interest costs must be deducted first before the budget is allocated among the three spheres of government. While this ensures the sound management of public finances, it has resulted in increased interest payments. Interest payments have constituted the fastest growing expenditure item on South Africa’s budget over the past decade, and this has impacted negatively on the ability to pay for other government programmes and accordingly, on service delivery. Strengthening good governance and acting against corruption are key aspects in containing government expenditure.

Through its functions in setting the trajectory for national economic policy, preparing and administering government’s annual budget and managing the government’s finances, it is evident that the National Treasury is playing a significant role in the development of the country’s economy. Despite trying circumstances, the National Treasury has continued to fulfil its mandate diligently due to the commitment and perseverance of its staff.



Dondo Mogajane
Director-General



DIRECTOR-GENERAL'S FOREWORD

We are entering a much-heralded period of change, emerging from an extended period beset with international and local uncertainties. While our society continues to confront the challenges of inequality, competing interests and the contestation of policy choices, globally all governments are grappling with strengthening public service delivery as a means of transforming societies while simultaneously containing public sector expenditure growth.

The recent revitalisation of our national landscape has created possibilities for significant reforms to take place in an effort to build our economy, and nurture our society. However, this requires all of us to harness our collective efforts, commitment and capacity to meet expectations with actions, especially so for National Treasury as one of the key institutions tasked with ensuring the economy's development.

Progress has already been made in various areas as evidenced by, amongst others, the appointment of new boards at Eskom, Transnet and Denel, the finalisation of the Mining Charter and accelerating efforts to reassure investors and ratings agencies that the South African government is addressing the political and structural concerns which have inhibited the economy's growth and development. These beacons of hope, coupled with recent positive trends in the GDP figures subsequent to a period of technical recession, bode well for the South African economy in the period ahead.

With this in mind, the National Treasury has commenced a process aimed at bringing about a spirit of renewal and hope within the organisation. This approach places the National Treasury staff at the forefront of efforts to renew the organisation and to strengthen and accelerate delivery on its mandate. Measures implemented include:

- Conducting of an organisational review aimed at improving the organisational framework and optimising the roles and functions of all personnel within the National Treasury.
- Deepening a culture of doing more with less and ensuring that value for taxpayers' monies is entrenched in guiding the department's work programmes.
- Enhancing dynamic communication between the leadership of the department and staff.
- Expanding the department's planning ecosystem by conducting leadership strategic planning sessions as well as further implementing output-based operational planning at a Chief Directorate level.

It is evident that considerable effort is being focussed on personnel matters as a means of creating a conducive work environment under the leadership of senior management, with the aim of ensuring the department's position as an employer of choice within the public service and preserving its work ethic and integrity.

On the technical front, the National Treasury APP 2019/20 focuses the work of the department in the following areas:

- Further development followed by implementation of the comprehensive prudential and market conduct framework for new authorities.
- Development of retirement reform policies.
- Providing advice and input into tax policy, frameworks and legislation.
- Conducting research into key areas of the economy to better inform the implementation of economic policy.
- Coordination of the national budgeting process. This entails the overseeing of expenditure planning, leading the budget reform programme and the compilation of public finance statistics.
- Monitoring and analysing public expenditure.
- Coordination of fiscal relations between the three spheres of government - national, provincial and local. A key aspect of this is to ensure sound budgetary planning at provincial and local levels of government.
- Managing government's annual funding programme by way of optimally managing public debt, ensuring that government's liquidity requirements are met through effective cash management and overseeing state owned companies to enable their achievement of government's policy objectives in a manner that is financially and fiscally sustainable.
- Improving financial management governance and compliance across all spheres of government and in government entities, thereby giving effect to the PFMA and MFMA.
- Managing government's financial systems.
- Overseeing and improving government's supply chain management systems.
- Advancing South Africa's national economic interests specifically and those of Africa, within the context of reputable international institutions dealing with economic development.
- Effectively administering programmes in partnership with stakeholders, including employment creation facilitation via the Jobs Fund, improvement of municipal finances through the Municipal Finance Improvement Programme (MFIP) and working with cities to ensure economic growth and a reduction in poverty through the Cities Support Programme (CSP).

The National Treasury's APP for 2019/20 constitutes a far-reaching work programme aimed at achieving a significant impact on the South African economy through fiscal policy that is both developmental and growth-enhancing. As such it reflects the aspirations of the people of South Africa as encapsulated in the National Development Plan 2030 (NDP) and in the Outcomes of Government as determined by the NDP.



ANNUAL PERFORMANCE PLAN

2019/20

OFFICIAL SIGN OFF

It is hereby certified that this Annual Performance Plan:

Was developed by the management of National Treasury under the guidance
of the Honourable Minister of Finance, Mr TT Mboweni

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

Accurately reflects the performance targets that National Treasury will
endeavour to achieve given the resources made available in the budget for
2019/20.

Silindile Kubheka
Chief Financial Officer

Stadi Mngomezulu
Deputy Director-General:
Corporate Services

Dondo Mogajane
Accounting Officer:
National Treasury

Approved by:

TT Mboweni
Minister of Finance



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Department:
National Treasury
REPUBLIC OF SOUTH AFRICA

ACRONYMS AND ABBREVIATIONS

Acronym/ Abbreviation	Description
AENE	Adjusted Estimates of National Expenditure
ALM	Asset and Liability Management
APP	Annual Performance Plan
ASB	Accounting Standards Board
BEPP	Built Environment Performance Plan
BRICS	Brazil-Russia-India-China-South Africa
CBDA	Co-operative Banks Development Agency
CDS	Capacity Development Strategy
COLA	Cost-of-Living Adjustment
CSP	Cities Support Programme
DBSA	Development Bank of Southern Africa
DFIs	Development Finance Institutions
DoRA	Division of Revenue Act
DPSA	Department of Public Service and Administration
ENE	Estimates of National Expenditure
FAIS Ombud	Ombud for Financial Service Providers
FFC	Financial and Fiscal Commission
FIC	Financial Intelligence Centre
FMCMM	Financial Management Capability Maturity Model
FMG	Financial Management Grant
FSB	Financial Services Board
G20	Group of Twenty Finance Ministers and Central Bank Governors
GDP	Gross Domestic Product
GEPF	Government Employees Pension Fund
GPAA	Government Pensions Administration Agency
GRAP	Generally Recognised Accounting Practice
GTAC	Government Technical Advisory Centre
HR	Human Resources

ACRONYMS AND ABBREVIATIONS

Acronym/ Abbreviation	Description
IA	Internal Audit
ICDG	Integrated City Development Grant
ICT	Information and Communications Technology
IDIP	Infrastructure Delivery Improvement Programme
IDMS	Infrastructure Delivery Management System
IFMS	Integrated Financial Management System
IMF	International Monetary Fund
IRBA	Independent Regulatory Board of Auditors
IREP	International and Regional Economic Policy
ISDG	Infrastructure Skills Development Grant
KM	Knowledge Management
Land Bank	Land and Agricultural Development Bank
m	Million
MFIP	Municipal Finance Improvement Programme
MFMA	Municipal Finance Management Act
MINCOMBUD	Ministers' Committee on the Budget
MOF	Minister of Finance
MPAT	Management Performance Assessment Tool
MTBPS	Medium Term Budget Policy Statement
MTEC	Medium Term Expenditure Committee
MTEF	Medium Term Expenditure Framework
MTSF	Medium Term Strategic Framework
NCOP	National Council of Provinces
NDP	National Development Plan
NDPG	Neighbourhood Development Partnership Grant
NRF	National Revenue Fund
NT	National Treasury
ODA	Official Development Assistance

ACRONYMS AND ABBREVIATIONS

Acronym/ Abbreviation	Description
OPFA	Office of the Pension Fund Adjudicator
OTO	Office of the Tax Ombud
PFM	Public Finance Management
PFMA	Public Finance Management Act
PIC	Public Investment Corporation
PICC	Presidential Infrastructure Coordinating Commission
PPP	Public-Private Partnership
RDP	Reconstruction and Development Programme
SAA	South African Airways
SACU	Southern African Customs Union
SARS	South African Revenue Service
SASRIA	South African Special Risks Insurance Association
SCM	Supply Chain Management
SLA	Service Level Agreement
SOC	State-Owned Company
SOE	State-Owned Entity
WBG	World Bank Group



ANNUAL PERFORMANCE PLAN

2019/20

PART A: STRATEGIC OVERVIEW



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REPUBLIC OF SOUTH AFRICA

1. UPDATED SITUATIONAL ANALYSIS

1.1 PERFORMANCE DELIVERY ENVIRONMENT

ECONOMIC ENVIRONMENT

The South African economy has for some time expanded at a rate below that required to meaningfully address the triple challenges of poverty, inequality and unemployment. Indeed, the first two quarters of the 2018 calendar year saw the South African economy entering a technical recession with GDP contracting by 2.6 per cent quarter-on-quarter during the first quarter, followed by a second quarter contraction of 0.4 per cent quarter-on-quarter (revised from -0.7 per cent). The country exited the recession in the third quarter though, with quarter-on-quarter growth of 2.2 per cent.

The recession in the first half of 2018 was not universal, as a number of sectors of the economy expanded slightly. However, this was insufficient to offset similarly small contractions in other sectors of the economy, and a sharp decline in the agricultural sector. Improved rainfall in the Western Cape, which resulted in winter crop estimates being revised upwards, as well as later harvest of summer crops, saw the sector returning to positive output growth in the third quarter of 2018.

Capital investment by private companies, an important pre-requisite for accelerating GDP growth, fell in each of the first three quarters of 2018. This is of particular concern. Investment by general government was also relatively flat, while that of public corporations experienced a sharp decline in the third quarter of the 2018 calendar year.

When analysing available data for recent calendar years, South Africa's GDP growth picked up from 0.6 per cent in 2016 to 1.3 per cent in 2017, but remained substantially below both global growth of 3.7 per cent and sub-Saharan African growth of 2.7 per cent. The International Monetary Fund (IMF) estimated global economic growth of 3.7 per cent in 2018, 3.5 per cent for 2019, and 3.6 per cent in 2020, reflecting a slight downward revision from earlier forecasts. This is as a result of a number of factors, including:

- A slowdown in economic activity in some major advanced economies, particularly in the euro area.
- The negative effects of escalating global trade tensions.
- A weaker outlook for some key emerging market and developing economies arising from country-specific factor.
- Tighter financial conditions.
- Geopolitical tension.
- Higher oil import bills.

Growth in sub-Saharan Africa has been preliminarily estimated at 2.9 per cent in 2018, rising to 3.5 per cent in 2019 and 3.6 per cent in 2020. In contrast, ahead of the release of official statistics, the IMF had projected that South Africa would grow at 0.8 per cent in 2018, rising to 1.4 per cent in 2019 and 1.7 per cent in 2020.

Rising volatility in global markets, coupled with South Africa's poor recent GDP outcomes, require an acceleration of government's efforts to address constraints to growth while continuing to provide support to vulnerable groups. The Jobs Summit and Investment Conference, both held in the latter part of 2018, resulted in substantial private sector commitments towards addressing the economic challenges that we face. The Investment Conference, for example, saw domestic and international investors committing to over R290 billion worth of investment in the coming years. The implementation of the commitments made at these two conferences, together with the roll out of the government stimulus package announced in September 2018, constitute significant initiatives aimed at getting economic growth back on track.

THE PERCEPTIONS OF INVESTORS AND RATINGS AGENCIES

In the first quarter of 2018/19, the risk of further rating downgrades appeared to have subsided on the back of the 2018 Budget which was well received by the rating agencies. All the credit rating agencies had affirmed the sovereign's credit ratings with stable outlooks. However, in the second quarter of 2018/19, South Africa entered a technical recession, which raised concerns from rating agencies and investors. Furthermore, the financing of the new wage agreement and the recent economic stimulus package announced by the President in September 2018 as well as policy uncertainty, remained key concerns for the rating agencies. In addition, credit rating agencies highlighted the following credit weaknesses:

- Low trend growth.
- Sizeable government debt and contingent liabilities.
- A current account that is largely financed by volatile portfolio inflows, exposing the country to global financing conditions.
- High income inequality coupled with high unemployment.
- Deep-rooted social and political divisions that hamper reform advancements.
- Weak state-owned companies (SOCs).

The following, according to credit rating agencies, could lead to a positive credit rating action:

- Sufficient narrowing of the budget deficit to achieve a substantial reduction in the government debt/GDP ratio.
- The successful implementation of structural reforms to raise potential growth and employment.
- An improvement in governance standards and financial viability of SOCs.
- Subsiding the risk of deterioration in external funding sources.
- A decline in external imbalances.

On 23 November 2018, Standard and Poor's (S&P) affirmed South Africa's long term foreign and local currency credit ratings at 'BB' and 'BB+', respectively, and kept the stable outlook. On 6 December 2018, Fitch also affirmed the country's long term foreign and local currency credit ratings at 'BB+', and maintained the stable outlook.

RISING PUBLIC DEBT

Higher levels of economic growth are required to improve government revenues as a means of reducing the budget deficit and, in so doing, preventing public debt levels from increasing further. Apart from ensuring policies that are in support of economic growth, government plays an important role in reducing its own costs to the fiscus. In this severely constrained economic and fiscal environment, government needs to do more with less.

The 2018 Budget Review announced tax increases and large-scale expenditure reprioritisation to ensure that public finances are sustainable. Since then, deteriorating economic performance and revenue shortfalls contributed to some fiscal slippage against projections in the 2018 Budget. Revenue shortfalls against the 2018 Budget estimates are projected at R27.4 billion in 2018/19, R24.7 billion in 2019/20 and R33 billion in 2020/21. This mainly reflects higher-than-expected VAT refunds.

Other risks identified in the 2018 Budget include a public service wage agreement significantly above inflation, and continued decline in the financial position of some SOCs, leading to requests for budget support. The latest public service wage agreement resulted in a R30.2 billion shortfall in national and provincial departments' compensation baselines over the period of the new agreement. These pressures are being managed within departmental baselines.

Following years of tax increases and slow spending growth, there is little room for large fiscal adjustments.

Government maintains its commitment to fiscal sustainability and debt stabilisation without introducing fiscal measures that could limit economic growth. The 2018 Medium Term Budget Policy Statement (MTBPS) proposed that over the next three years, government will (i) maintain the main budget expenditure ceiling with funds reprioritised to manage spending pressures and support the President's economic stimulus and recovery plan; (ii) avoid increases in the major tax instruments unless the economic environment requires it; and (iii) retain national departments' compensation ceilings which implies continued restrictions on personnel budgets and public employment.

These fiscal measures, together with moderate recovery in economic growth, will result in the main budget primary deficit narrowing over time and gross debt stabilising at 59.6 per cent of GDP in 2023/24. The increase in debt reflects higher borrowing, rising interest rates and rand depreciation.

Government's plans to spend R5.9 trillion over the Medium Term Expenditure Framework (MTEF) period and aims to reduce poverty and inequality and increase employment and inclusive growth. These priorities are set out in the National Development Plan (NDP) and the Medium Term Strategic Framework (MTSF). Funding remains focused on ensuring access to health and education, supporting low-income households through social grants, and providing basic services such as water and electricity. Despite a constrained fiscal environment, these areas are set to grow in real terms by between 2 and 3 per cent per year. The wage bill remains the single largest driver of expenditure, but is projected to decline slightly as a share of total spending over the MTEF period.

Debt service costs constitute the fastest growing area of spending over the medium term, reflecting the widening of the budget deficit and projected increase in debt. The second fastest growing spending category is learning and culture, followed by health.

Risks to the fiscal outlook remain significant and include weak economic growth, uncertainty in the revenue outlook, and the poor financial position of major SOCs. Government has taken initial steps to strengthen governance and management of these entities. External factors, including a general rise in bond yields, slowing global growth, higher interest rates and further exchange rate depreciation, will also play a major role in government's ability to narrow the budget balance and stabilise debt. Fiscal policy and the debt management strategy will work to mitigate risks to fiscal projections.

RISK MANAGEMENT REGARDING THE CONTINGENT LIABILITIES OF STATE-OWNED COMPANIES (SOCs)

Specific processes to improve governance and the financial strength of SOCs commenced in 2017. This included the plan to recapitalise SOCs in distress.

In 2018, government continued to improve governance in SOCs with changes to the boards of a number of SOCs, including those of Eskom, SAX, Denel and Transnet. These, along with changes to the executive management of these SOCs, seek to bring stability to SOCs, and improve their performance and investor confidence in them.

In the 2018 MTBPS, government has provided financial support in the form of recapitalisations to the following SOCs:

- South African Airways (SAA) (R5 billion) to help fund debt redemptions.
- South African Post Office (SAPO) (R2.9 billion) to reduce debt levels with an addition proposed to the baseline allocation to fund its public service mandate.
- South African National Roads Agency Ltd (SANRAL) (R5.8 billion) to supplement lower than anticipated GFIP collections in order to ensure the settlement of debt.
- SA Express Airways (SAX) (R1.2 billion) to fund debt repayments.

These measures are expected assist the liquidity positions of these SOCs and improve their financial strength. Consequently, government's contingent liability exposure is expected to improve.

CREATION OF THE BUDGET FACILITY FOR INFRASTRUCTURE

The Budget Facility for Infrastructure (BFI) was formed and launched in 2017. The BFI aims to increase the rigour of technical assessment and budgeting for capital, operations and maintenance of large infrastructure projects. The BFI creates a structure that will make, assess and analyse budget submissions for infrastructure. This will be followed by recommendations to budget authorities (MTEC) and political decision-makers (MINCOMBUD).

A call for proposals was issued as part of the 2018/19 Medium Term Expenditure Committee (MTEC) guidelines. As a result, 64 projects worth R138.6 billion were submitted. The Joint Technical Committee (JTC), a multi-stakeholder committee comprising senior officials

PART A: STRATEGIC OVERVIEW - CONTINUED

from the National Treasury, the Presidential Infrastructure Coordinating Commission (PICC) and the Department of Planning Monitoring and Evaluation (DPME) managed the detailed technical assessment process. The JTC undertook an initial screening in which 38 projects were recommended for detailed assessment. Lead assessors were appointed to review projects. Of the 38 projects, only three were approved for funding. These are MyCiTi Phase 2A at a cost R7.1 billion, Limpopo Central Hospital at a cost of R4 billion, and the Student Housing Programme at a cost of R1.3 billion (Vaal University of Technology, Nelson Mandela Bay University and Sefako Makgatho Medical University). In addition, the National Research Foundation's (NRF's) South African Isotope Facility was allocated R168 million.

A second call for proposals was issued as part of the 2019/20 MTEC guidelines and closed at the end of July 2018. As a result, 63 projects worth R107.6 billion were submitted. Following an initial screening by the JTC, 33 projects were recommended for detailed assessment. They include:

- 12 student housing infrastructure projects.
- Mzivumbu Water Project.
- Mopani Emergency Works.
- Upgrade of Ebenezer and Olifantspoort Water Schemes.
- Raising of the Clanwilliam Dam.
- Mokolo and Crocodile River (West) Water Augmentation Project Phase 2A.
- Namakwa Regional Water Supply Scheme Refurbishment.
- 13 Department of Public Works harbour projects.
- Themblethu Interchange.
- George Integrated Public Transport Network.

These projects are undergoing further assessments as part of the evaluation process.

PUBLIC SECTOR PROCUREMENT

Procurement reforms and modernisation of supply chain management systems are ongoing. Government will continue leveraging public procurement to support broad socio-economic policy objectives. The Public Procurement Bill aims to eliminate fragmentation in the procurement environment by creating a single regulatory framework for public procurement. Economic transformation, expansion of the productive base of the economy, innovation and investment, strategic procurement, value for money and good governance are key aspects of procurement reforms.

Preferential Procurement Regulations published in 2017 provided the necessary instrument to support economic transformation through targeted procurement for small black-owned businesses and businesses owned by designated groups when it comes to the awarding of government contracts. This has been rolled out effectively despite challenges in interpretation of the regulations and some reported incidents of abuse.

Enhanced technology has been implemented to assist procurement practitioners to identify government employees doing business with the state. Appropriate corrective actions are then taken based on the information acquired.

FINANCIAL SECTOR REGULATION

A key aspect of the South African economy is the strength of the framework for regulating and supervising the financial sector. Recent turmoil in emerging markets has highlighted the importance of a system that enhances macroeconomic resilience. Given the developmental challenges facing the country, it is also important to ensure that the financial sector serves South Africa better. This includes strengthening the framework for market conduct and supporting the development of a more diverse financial sector to provide services that are better suited to the majority of the population. Various initiatives, in which the National Treasury is taking the lead, are underway within this sector. These are aimed primarily at ensuring that financial institutions treat their customers fairly, are able to meet their financial obligations to their customers, and at ensuring that the financial system is stable and capable of providing ongoing services that are vital to the healthy operation of the economy. The key areas are the following:

- Implementation of Twin Peaks legislation: The newly established Financial Sector Conduct Authority (FSCA) and Prudential Authority (PA) publish regulatory strategies setting out their focus areas over three years. A key focus for both new regulators will be to

build their capacity to meet their comprehensive mandates of prudential and conduct regulation and supervision of all financial institutions. Other areas of priority are:

- Strengthening the regulation and supervision of banking institutions.
- Implementing the prudential regulation and supervision of financial conglomerates, establishing a framework for significant owners, and strengthening the resolution framework for banks and systemically important financial institutions.
- Supporting financial inclusion as well as developments in financial technology (fintech). This will be supported by a fintech policy paper developed by the National Treasury.
- Supporting an inclusive and transformed financial sector.
- Providing a framework for licensing and supervising state-owned banks. Cabinet has approved the Financial Matters Amendment Bill, which provides for a licensing framework. Discussions are well advanced with the Department of Telecommunications and Postal Services on appropriate amendments to the Postbank Act.
- Introducing a formal deposit insurance scheme and providing a framework for the orderly resolution of financial institutions. This will reduce the knock-on effects of bank failures on the poor and vulnerable. In this regard, Cabinet has approved the Financial Sector Laws Amendment Bill for public consultation and the National Treasury intends introducing it into Parliament as soon as practical.
- Improved customer outcomes. Consultation on the first draft of the Conduct of Financial Institutions (COFI) Bill will take place. The new law will provide a consistent, strong and effective market conduct legislative framework that applies to all financial institutions. It aims to ensure that financial customers are treated fairly and are better protected.
- Empowering financial customers. To enhance the efficiency and effectiveness of the financial sector ombuds system, an Ombud Council will be established. In addition to creating a single point of entry into the ombuds system, the Ombud Council will also set rules for the various financial sector ombuds to adhere to minimum standards. A draft financial literacy policy, whose primary aim will be to improve financial literacy to better empower consumers in making sound financial decisions, will be issued for consultation. Improved financial literacy also supports sustainable and effective financial inclusion.
- Improved financial inclusion. A draft financial inclusion policy will be issued for consultation. To ensure necessary stakeholder buy-in, two bodies will be established to support policy implementation. An intra-government Financial Inclusion Taskforce (FIT), chaired by the National Treasury, will oversee implementation of agreed policies and interventions. A Financial Inclusion Forum (FI Forum) will allow industry and other non-governmental stakeholders to engage policymakers and regulators on strategic priorities. A National Financial Inclusion strategy will be developed from discussions arising from these two bodies.
- Financial sector transformation: The Financial Sector Code will be reviewed, taking into account deliberations of the 2017 Parliamentary hearings on transformation of the financial sector, as well as agreements reached at the Financial Sector Summit.
- Insurance roadmap: A roadmap will be published that will outline the historical development, current state and vision for the future of the insurance sector in South Africa to reach its full potential in economic development and transformation. It identifies the pillars through which this role can be realised, recognises the trade-offs to be managed, and articulates the roles and responsibilities of the state and the market respectively.

1.2. ORGANISATIONAL ENVIRONMENT

Creating a conducive organisational work environment is critical for further strengthening and advancing service delivery by the National Treasury. Accordingly, two senior level strategic planning sessions were held during the 2018/19 financial year. Arising from these sessions, an organisational optimisation plan was developed that includes various key themes and specific focus areas identified as significant in taking the department forward in future. This plan has been built around four cornerstones of organisational optimisation, namely reviewing and setting the future strategic foundation, building and reinforcing leadership, developing and strengthening support structures, and promoting and investing in partnerships.

The 2018/19 financial year also marked commencement of the National Treasury organisational review. Its aim is to determine the extent to which the department's functional structure remains aligned to its strategic objectives. Areas identified for assessment include:

- Duplication of functions and processes.
- Gaps arising from functions that have emerged in recent times but have not yet been formally allocated to specific units.
- Optimal use of human resources throughout the department to achieve an even balance in workloads and prevent the under or over utilisation of personnel.
- The need to curtail expansion in the budget for the compensation of employees.

While creating a conducive work environment and implementing an organisational review are important initiatives in the department, the primary purpose of this review is to ensure that the National Treasury can achieve its mandate and meet its obligations to the people of South Africa. This is especially important in the context of cost containment which requires the department to set an example and lead the way in doing more with less. Accordingly, National Treasury officials are constantly made aware of the department's mandate as outlined in the PFMA, which forms the bedrock of all programmes delivered. This mandate is to:

- Promote government's fiscal policy framework.
- Coordinate macroeconomic policy and intergovernmental financial relations.
- Manage the budget preparation process.
- Facilitate the Division of Revenue Act (DoRA), which provides for an equitable distribution of nationally raised revenue between national, provincial and local government.
- Monitor the implementation of provincial budgets.

1.3. REVISIONS TO LEGISLATIVE AND OTHER MANDATES

New legislation during 2018/19 that affects National Treasury is as follows:

- Appropriation Act, 2018 (Act No. 4 of 2018).
- Division of Revenue Act, 2018 (Act No. 1 of 2018) (DoRA).
- Financial Intelligence Centre Amendment Act, 2017 (Act No. 1 of 2017) (FIC Amendment Act).
- Financial Sector Regulation Act, 2017 (Act No. 9 of 2017) (FSR Act).
- Adjustments Appropriation Act, 2018 (Act No. 17 of 2018).
- Division of Revenue Amendment Act, 2018 (Act No. 14 of 2018).
- Rates and Monetary Amounts and Amendments of Revenue Laws Amendment Act, 2018 (Act No. 21 of 2018).
- Tax Administration Laws Amendment Act, 2018 (Act No. 17 of 2018).
- Taxation Laws Amendment Act, 2018 (Act No. 23 of 2018).
- Carbon Tax Bill (Bill No. 46 of 2018).

Draft legislation that will be processed during 2019/20:

- Public Procurement Bill.
- Financial Matters Laws Amendment Bill.
- Financial Services Laws General Amendment Bill.
- Municipal and Fiscal Powers and Functions Amendment Bill.
- Conduct of Financial Institutions Bill.
- Appropriation and Adjustments Appropriation Bills, 2019.
- Division of Revenue and Divisions of Revenue Amendment Bills, 2019.
- Rates and Monetary Amounts and Amendments of Revenue Laws Amendment Bill, 2019.
- Tax Administration Laws Amendment Bill, 2019.
- Taxation Laws Amendment Bill, 2019.
- Revised Treasury regulations.

1.4. STRATEGIC OUTCOME ORIENTED GOALS OF THE INSTITUTION

PROGRAMME 1: ADMINISTRATION

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

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

This programme aims to promote economic policy coherence around the objectives of growth and jobs and improve South Africa's macroeconomic and microeconomic framework by conducting ongoing analysis, research and policy advisory services. The programme supports economic growth, employment and macroeconomic stability and retirement reform by:

- Developing tax policy proposals and supporting tax legislation for the annual budget.
- Monitoring the collection of revenue through ongoing consultation with relevant stakeholders, and analysing the factors determining the tax collection.
- Providing macroeconomic forecasts and scenario modelling.
- Providing economic policy analysis, research, assessment and advice on macro and microeconomics, including government policy proposals.

PROGRAMME 3: PUBLIC FINANCE AND BUDGET MANAGEMENT

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

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

PROGRAMME 4: ASSET AND LIABILITY MANAGEMENT

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

PROGRAMME 5: FINANCIAL ACCOUNTING AND SUPPLY CHAIN MANAGEMENT SYSTEMS

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

The OAG also provides financial support through the Financial Management Grant (FMG) and technical assistance in the form of specialist advisor placements to municipalities. This augments municipal own resources to implement the reforms legislated in the Municipal Finance Management Act (MFMA). The grant further assists municipalities build institutional and technical skills in all aspects of financial management including the appointment of suitably qualified finance officials, growing the internship programme for graduates to be absorbed in municipalities, implementing budget reforms, improving supply chain management, addressing shortcomings in revenue management, strictly implementing controls in expenditure management, developing assets management plans that also address the repairs and maintenance of assets, producing accurate accounting records, assisting in achieving auditing compliance and in producing auditing reports that are reliable and of quality, and supporting the training of officials to meet the required minimum competencies.

The OCPO aims to:

- Modernise the state procurement system to be fair, equitable, transparent, competitive and cost effective.
- Enable the efficient, economic, effective and transparent utilisation of financial and other resources, including state assets, for improved service delivery.
- Promote, support and enforce the transparent and effective management of state procurement and the sound stewardship of government assets and resources.

PROGRAMME 6: INTERNATIONAL FINANCIAL RELATIONS

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

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

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

PROGRAMME 8: TECHNICAL AND MANAGEMENT SUPPORT AND DEVELOPMENT FINANCE

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

PROGRAMME 9: REVENUE ADMINISTRATION

This programme comprises transfers made to the South African Revenue Service to undertake core tax administration activities and maintain the information technology competencies that support these operations.

PROGRAMME 10: FINANCIAL INTELLIGENCE AND STATE SECURITY

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

VOTE 7: NATIONAL TREASURY RESOURCE PLAN

BUDGET SUMMARY¹

R million	2019/20					2020/21		2021/22	
	Total	Current payments	Transfers and subsidies	Payments for capital assets	Payments for financial assets	Total	Total	Total	Total
MTEF allocation									
Administration	555.7	533.4	4.1	18.2	–	599.4		636.8	
Economic Policy, Tax, Financial Regulation and Research	149.7	128.1	20.8	0.9	–	159.6		169.0	
Public Finance and Budget Management	320.0	263.3	54.3	2.4	–	325.3		344.2	
Asset and Liability Management	108.4	107.7	–	0.7	–	116.1		122.0	
Financial Accounting and Supply Chain Management Systems	1 093.6	970.0	109.7	13.9	–	1 159.2		1 222.6	
International Financial Relations	5 751.5	65.6	1 027.3	0.7	4 657.9	6 059.3		6 396.6	
Civil and Military Pensions, Contributions to Funds and Other Benefits	5 574.5	72.7	5 501.8	–	–	5 590.2		5 895.3	
Technical Support and Development Finance	2 737.6	365.3	2 372.3	–	–	2 965.4		3 176.2	
Revenue Administration	9 529.0	–	9 529.0	–	–	10 110.0		10 673.1	
Financial Intelligence and State Security	4 951.1	–	4 951.1	–	–	5 223.2		5 510.5	
Subtotal	30 771.1	2 506.1	23 570.3	36.8	4 657.9	32 307.7		34 146.3	

¹Noting that tables can be amended subject to the finalisation of the 2019 estimates of national expenditure (ENE).

BUDGET SUMMARY - continued

R million	2019/20					2020/21	2021/22
	Total	Current payments	Transfers and subsidies	Payments for capital assets	Payments for financial assets	Total	Total
Direct charge against the National Revenue Fund							
Provincial equitable share	505 553.8	–	505 553.8	–	–	542 908.6	578 645.2
Debt-service costs	202 207.8	202 207.8	–	–	–	224 066.1	247 408.4
General fuel levy sharing with metropolitan municipalities	13 166.8	–	13 166.8	–	–	14 026.9	15 182.5
National Revenue Fund payments	135.3	–	–	–	135.3	–	–
Total expenditure estimates	751 834.8	204 713.9	542 290.9	36.8	4 793.2	813 309.3	875 382.4
Executive Authority	Minister of Finance						
Accounting Officer	Director-General of the National Treasury						
Website address	www.treasury.gov.za						

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

EXPENDITURE ANALYSIS

South Africa's vision of building an inclusive economy that advances social equality is articulated in Chapter 3 of the NDP. Important aspects of this vision are evident in the various outcomes encompassed in government's 2014-2019 Medium Term Strategic Framework (MTSF), namely outcome 4 (decent employment through inclusive growth), outcome 8 (sustainable human settlements and improved quality of household life), outcome 9 (responsive, accountable, effective and efficient developmental local government) and outcome 12 (an efficient, effective and development oriented public service). The National Treasury's work programme is informed by these outcomes. Accordingly, the department's continual focus remains on directing government spending towards creating jobs, advancing economic inclusion, improving and developing infrastructure, and eliminating poverty and inequality. To this end, the National Treasury remains committed to improving efficiencies in the economy and prioritising essential sectors and services such as social protection for vulnerable members of society.

The department's focus over the medium term will be on reviewing tax policy, managing future spending growth and fiscal risk, managing government's assets and liabilities, making government procurement more efficient, strengthening financial management, and strengthening oversight structures such as audit units, audit committees and public accounts committees. Further areas of focus include efforts to improve value for money within government, strengthening the regulation of the financial sector, promoting regional and international cooperation, supporting sustainable employment, and providing support for the development of infrastructure and economically integrated cities and communities.

The department plans to transfer R1.6 trillion over the medium term to provincial governments in terms of the provincial equitable share. This includes additional funds aimed at increasing the capacity of provincial treasuries to manage municipal interventions and provincial infrastructure rollout. Funds have been added in the outer year for increased capacity in the health sector, and two conditional grants in the social development sector have been incorporated into the equitable share over the medium term. Cabinet has approved increases of R534.1 million in 2019/20, R461.7 million in 2020/21 and R1.5 billion in 2021/22 in the provincial equitable share.

The National Treasury is also responsible for servicing government's debt and distributing the general fuel levy to metropolitan municipalities. Cabinet has approved increases of R4.5 billion in 2019/20, R9.1 billion in 2020/21 and R11.9 billion in 2021/22 to cater for higher debt service costs. Over the medium term, the department anticipates spending of R202.2 billion in 2019/20, R223 billion in 2020/21 and R244.3 billion in 2021/22 to service government's debt. Spending funded through allocation of the general fuel levy to metropolitan municipalities is projected at R13.2 billion in 2019/20, R14 billion in 2020/21 and R15.2 billion in 2021/22.

The 2019 MTEF baseline includes budget baseline reductions and increases. Cabinet has approved the net change to the vote budget baseline amounting to increases of R5.4 billion in 2019/20, R9 billion in 2020/21 and R12.9 billion in 2021/22.

Reviewing tax policy and strengthening financial sector regulation

Over the medium term, the department aims to finalise proposals for tax policy amendments to meet government's revenue requirements and eliminate tax loopholes to improve fairness in the tax system. Recent amendments have included the introduction of the health promotion levy which discourages the consumption of sugary beverages, and publication of the draft Carbon Tax Bill for public comment and introduction in Parliament. The carbon tax aims to encourage investments in low carbon, energy efficient alternatives and to reduce greenhouse gas emissions. Spending on these activities over the MTEF period is projected to be R31.4 million in 2019/20, R33.7 million in 2020/21 and R35 million in 2021/22 in the Tax Policy sub-programme of the Economic Policy, Tax, Financial Regulation and Research programme.

The department is currently implementing the Financial Sector Regulation Act (Act No. 9 of 2017), which creates a new system of financial regulation by establishing a prudential authority and a financial sector conduct authority. This is an important aspect in ensuring that the financial sector serves South Africa better. The act also aims to preserve and enhance South Africa's financial stability by conferring powers on the South African Reserve Bank and by establishing a committee to oversee financial stability. The act further provides for the protection of financial customers through the creation of the conduct authority and an Ombud Council tasked with ensuring fair, effective and accessible platforms to resolve complaints.

The department recently published two bills – the Financial Matters Amendment Bill and the Financial Sector Regulation Amendment Bill. These bills provide for the licensing of state banks, the orderly curatorship and resolution of banks in distress, and the establishment of a deposit insurance scheme at the South African Reserve Bank. They are being supported through Parliament during 2018/19 and 2019/20. To streamline regulations applicable to financial institutions, the market conduct unit also plans to develop a new law for the proportionate regulation of the market conduct of all institutions in the financial sector. Spending on these activities is projected to be R24.9 million in 2019/20, R26.7 million in 2020/21 and R28.2 million in 2021/22 in the Financial Sector Policy sub-programme within the Economic Policy, Tax, Financial Regulation and Research programme.

Managing future spending growth and fiscal risk

Integrated economic interventions and fiscal measures are required to stimulate the economy, address challenges facing public finances and reduce long term risks. In this regard, over the MTEF period, the National Treasury plans to ensure that government departments adhere to spending limits, as considered during the national budget preparation process. Over the same period, the department will continue to provide financial analysis of government programmes and advise on policy and service delivery trends. Spending on related activities is expected to be R265.7 million in 2019/20, R268 million in 2020/21 and R283.8 million in 2021/22 within the Public Finance and Budget Management programme.

Managing government's assets and liabilities

Responsibility for overseeing SOEs and enabling them to meet government's policy objectives in a financially and fiscally sustainable manner rests with the National Treasury. The Treasury also compiles annual reviews of the corporate plans of all public entities listed in schedules 2 and 3B of the Public Finance Management Act, 1999 (Act No. 1 of 1999) (PFMA), as well as selected entities listed in schedule 3A of the PFMA. These reviews assess alignment with government's priorities, financial sustainability and soundness of governance. Potential risks are also identified and risk mitigation strategies developed. Furthermore, the performance of public entities is evaluated through a review of their annual reports.

To address the significant increase in government's contingent liabilities, the National Treasury will develop frameworks aimed at reducing the number of government guarantees issued to public entities over the medium term and at improving the risk exposure from such guarantees. The National Treasury will continue to finance government's gross borrowing requirements in domestic and international capital markets, taking into consideration a risk-sensitive approach to debt financing and the management of the debt portfolio over the medium term. Prudent cash management will be maintained to ensure that government is able to meet its financial obligations. Spending on these activities is projected to be R108.4 million in 2019/20, R116.1 million in 2020/21 and R122 million in 2021/22 within the Asset and Liability Management programme.

Making government procurement more efficient

The department, through the OCPO, will continue to deliver on its mandate to modernise public sector procurement and strengthen measures that promote transparency and accountability. Over the medium term, the OCPO will continue to monitor procurement and identify malpractices which result in procurement irregularities. This is to be achieved through the enforcement of procurement planning and reporting processes in order to ensure that goods and services are acquired at the right time and in the right quantity and are of the right quality.

The draft Public Procurement Bill process is to be supported during 2019/20. This will include public consultation. Once promulgated, this legislation will introduce a series of governance reforms to the contemporary public procurement process and improve access for small and medium enterprises to opportunities, thereby promoting local economic activities and creating jobs.

The state suite of construction contracts, whose primary aim is to ensure uniformity of contract management throughout the state, is to be developed. This will be achieved by standardising contracts for various types of commodities.

A process of generating revenues will also be initiated by the National Treasury and the Department of Public Works to achieve savings on state funds. It is anticipated that the process will be initiated in 2019/20 through selling surplus properties.

In respect of procurement, utilisation of items is to be simplified in the medium term through codifying one title per procurement item. This will address the current practice, which makes it difficult to analyse and report on data and to conduct sourcing strategies for commodities.

Implementation of the Strategic Procurement Framework is to be extended to local government and state-owned companies over the medium term. The e-Education Procurement and Delivery Management Standard, based on the strategic sourcing methodology, is currently being developed and is expected to be completed in 2019/20. This standard will guide e-education stakeholders through procurement and delivery management processes.

Improving transparency and simplifying doing business with the state will be continued through enhancement of the Central Supplier Database and e-tender portal. Over the medium term, policy implementation will be monitored in order to advance and modernise public sector procurement, to better understand the effects of policies, and to enable reporting regarding procurement spend, suppliers and information on tenders.

Spending on activities related to government procurement processes is projected to be R210.7 million in 2019/20, R222.8 million in 2020/21 and R234.8 million in 2021/22 within the Programme Management for Financial Accounting and Supply Chain Management Systems Office of the Chief Procurement Officer.

Strengthening government financial management

Since the adoption of Cabinet Memorandum 35 of 2013, whereby Cabinet endorsed the revised approach and solution for the Integrated Financial Management System (IFMS), significant strides have been made to ensure successful implementation of the programme. During Phase 1, software licenses were procured, pilot sites and leads sites were identified and a programme governance structure was approved. During phase 2A, the architecture planning and design phase, known as Envisioning, was completed. The highlight of phase 2A was the finalisation of artifacts that make up the IFMS blueprint which details the activities, processes, resource requirements and objectives for implementation of the IFMS programme. Key deliverables in the blueprint include the target operating model, future state architecture, implementation roadmap, the policy impact analysis, and the resource requirement analysis. It also outlines future functioning of the IFMS in national and provincial government departments.

Over the medium term, a range of activities will take place in terms of phase 2B of the programme during which stakeholders will be aligning their business processes to the solutions developed. Stakeholders will also participate in business process configuration, user acceptance testing and data purification exercises aimed at a solution that is most suited to the national and provincial environment. Spending on activities related to the IFMS is projected to be R243 million in 2019/20, R256.4 million in 2020/21 and R270.4 million in 2021/22 in the Financial Systems sub-programme within the Financial Accounting and Supply Chain Management System programme.

The department promotes and supports financial management reform and builds capacity in municipalities to improve implementation of the Municipal Finance Management Act, 2003 (Act No. 56 of 2003) through the local government financial management grant. Funds disbursed through the grant assist in: strengthening municipal budgets and improving the capacity of municipal treasuries, internal audit units and audit committees; providing for the appointment of more than 1 200 financial management interns and for their training; investing in financial management systems; implementing reforms which include the development of financial recovery plans; implementing consequence management processes; and attending to matters arising from audit outcomes.

Funding from the grant is utilised by municipalities to prepare the annual financial statements and address audit findings through the preparation of audit action plans. With the signing of the memorandum of understanding between the two departments, the latter function now shifts to the National Treasury from the Department of Cooperative Governance. The aims are to upskill and provide capacity to municipalities' internal audit units and audit committees, to improve oversight structures such as the municipal public accounts committees, and to acquire and update their financial management systems to comply with the Municipal Standard Chart of Accounts (MSCA).

Over the medium term, funding from the grant is also expected to address current reforms in financial management, and new reforms for addressing shortcomings identified in the financial management capability maturity model. The grant receives allocations of R532.8

million in 2019/20, R561.7 million in 2020/21 and R592.6 million in 2021/22 through the Local Government Financial Management Support sub-programme within the Technical Support and Development Finance programme.

Facilitating regional and international cooperation

As part of the BRICS cooperation, the New Development Bank (NDB) was founded in 2014 to mobilise resources for public and private sustainable infrastructure development projects in member countries as well as other emerging market and developing countries. Additionally, it is intended to drive existing efforts of multilateral and regional financial institutions towards global growth and development.

As part of the South African government's capital contribution to the NDB, the department transferred R5.8 billion for two capital instalments in 2015/16 and 2016/17. A third transfer of R4.1 billion was made in 2017/18. In 2018/19, a capital contribution of R4.2 billion was transferred to the NDB, with a further R13.5 billion allocated for 2019/20 to 2021/22. These allocations are detailed under the International Development Funding Institutions sub-programme within the International and Regional Economic Policy programme. Thus far the NDB has approved US\$680 million to fund development initiatives in the energy and transport and logistics sectors. Moreover, approximately US\$1.5 billion per annum is available to South Africa for funding its infrastructure build programme over the medium term.

The Common Monetary Area (CMA) resembles a currency board with the domestic currency in Swaziland, Lesotho and Namibia pegged to the South African Rand. The member states are required to supply their monetary liabilities (domestic currency) at a fixed exchange rate, which means that they must hold foreign reserves (South African Rand) parallel to their monetary liabilities, while these central banks keep their interest rates closely linked to those applied by the South African Reserve Bank. The CMA allows capital to flow freely within the monetary area and provides access to South Africa's money and capital markets for government and private firms in these member states. Furthermore, these economies effectively adopt South Africa's inflation targeting framework, thus facilitating cross border trade and investment. The difference between the value and the cost to produce the South African Rand in circulation in these member states is compensated for through seigniorage payments by South Africa. Compensation payments are projected to be R849.9 million in 2019/20, R896.7 million in 2020/21 and R946 million in 2021/22 in the African Integration and Support sub-programme within the International and Regional Economic Policy programme.

Supporting sustainable employment

The Jobs Fund was launched in 2011 with an operating budget of R9 billion and the goal of creating 150 000 permanent jobs by 2023. Through the fund, the department supports innovative, partnership-based approaches to sustainable job creation and facilitates research into employment, income distribution and inclusive growth. As at 30 September 2018, the 124 implementing projects had created 116 498 new permanent jobs, and 51 178 unemployed individuals had been placed in permanent employment. In addition, 245 743 people had benefitted from work readiness and technical training interventions. R6.7 billion of the fund's total budget has been allocated to date in a portfolio of 127 approved employment generating initiatives, and an additional R9.5 billion has been committed from project partners in the form of matched funding.

Cabinet has approved a total reduction of R489 million on transfers to the Jobs Fund. This is as follows: R170.4 million in 2019/20, R167.3 million in 2020/21 and R151.2 million in 2021/22. The department's spending on activities related to the creation of sustainable employment is projected to be R2.7 billion over the medium term in the Employment Creation Facilitation sub-programme within the Technical Support and Development Finance programme.

Supporting infrastructure development and economically integrated cities and communities

The department oversees and supports provinces and municipalities in the performance of their mandates through managing an effective system of intergovernmental relations that supports the development of compact and integrated cities and sustainable towns and rural communities.

For metropolitan municipalities, the integrated city development grant provides a financial incentive for metropolitan municipalities to plan for, prepare and implement their infrastructure investment programmes in a more focused way to promote the efficient and inclusive use of urban spaces. As part of broader engagements with metropolitan municipalities through the Cities Support Programme, 25 strategic integration zones have been identified in the built environment performance plans (BEPPs) of these municipalities. The grant supports detailed preparation of catalytic integrated land development programmes within these prioritised areas. These programmes coordinate investment in urban regeneration, integrated public transport systems, municipal services and human settlements to promote integrated, mixed-use and inclusive urban development. Funding from the grant supports programme preparation and supplements cities' capital budgets to leverage loan financing and other investments from the private sector. Total transfers to the grant over the medium term are expected to be R989.2 million in the Urban Development and Support sub-programme within the Technical Support and Development Finance programme.

The neighbourhood development partnership grant supports metropolitan municipalities and intermediate city municipalities in planning and developing multi-functional urban precincts in targeted areas. Capital funding is reserved for projects that develop catalytic infrastructure (transport, water, sewerage, energy infrastructure and community and government facilities) that will attract third-party investment to township nodes in strategic integration zones. Over the medium term, the grant is expected to support an estimated 18 urban hub precinct plans that will prioritise 60 catalytic infrastructure projects. Spending on the grant is projected at R652.2 million in 2019/20, R687.6 million in 2020/21 and R738.8 million in 2021/22 in the Urban Development and Support sub-programme within the Technical Support and Development Finance programme.

Provinces are receiving differentiated support through institutionalisation of the Infrastructure Delivery Management System (IDMS). Implementation of the co-funding model has ensured financial support for provinces to set up infrastructure units to support both provincial departments and local government. Through knowledge circles and communities of practice processes, more professionals in the public sector will be able to share industry-specific knowledge and best practices, and in so doing, advance learning and innovation. An estimated 300 provincial officials are expected to be trained on the programme's IDMS over the medium term. The programme has a projected allocation of R236.3 million over the medium term in the Infrastructure Development Support sub-programme in the Technical Support and Development Finance programme. The IDMS programme is being rolled out to municipalities from 2019/20 with the launch of the Cities Infrastructure Delivery Management (CIDM) system. Under the "One IDMS" initiative, government has standardised an approach to delivering and managing infrastructure. This will be complemented by a less complex local government IDMS for non-metropolitan municipalities and a water sector-specific IDMS in the medium term.

The infrastructure skills development grant was introduced in 2011/12 to expand and deepen the built environment skills pipeline in local government. The grant supports municipalities by recruiting and training unemployed graduates in the built environment to be professionally registered with the relevant statutory councils. The grant funds the training of 648 graduates from various municipalities, and 241 graduates have completed the training, with 200 having been permanently appointed. To support this, the grant is expected to disburse R149.4 million in 2019/20, R157.9 million in 2020/21 and R166.6 million in 2021/22 in the Infrastructure Development Support sub-programme within the Technical Support and Development Finance programme.

EXPENDITURE TRENDS

Programme	Annual budget	Adjusted appropriation	Audited outcome	Annual budget	Adjusted appropriation	Audited outcome	Annual budget	Adjusted appropriation	Audited outcome	Annual budget	Adjusted appropriation	Revised estimate	Average: Outcome/Annual budget (%)	Average: Outcome /Adjusted appropriation (%)
R million	2015/16			2016/17			2017/18			2018/19			2015/16 - 2018/19	
Programme 1	366.7	363.6	375.6	412.7	467.4	436.3	414.3	439.1	437.9	484.7	473.8	473.5	102.7%	98.8%
Programme 2	133.9	135.4	131.3	146.1	150.2	151.2	139.6	164.0	151.9	141.0	152.8	152.8	104.7%	97.5%
Programme 3	257.0	266.1	262.6	287.0	294.5	281.8	286.1	303.0	288.6	290.1	298.0	298.2	101.0%	97.4%
Programme 4	3 116.9	3 264.9	3 264.3	107.2	113.1	110.1	102.4	10 100.3	10 089.8	1 104	101.6	101.5	394.7%	99.9%
Programme 5	751.4	807.1	774.5	849.9	1 216.8	1 209.9	1 087.9	1 079.1	885.8	1 196.6	1 194.1	941.0	98.1%	88.7%
Programme 6	1 247.4	3 254.9	3 546.1	5039.1	4 978.0	4 955.8	5 836.8	5 831.4	5 469.8	5 402.1	5 542.8	5 828.2	113.0%	101.0%
Programme 7	3 962.9	3 962.9	3 967.7	4 173.2	4 462.6	4 400.2	4 835.0	4 835.0	4 618.1	5 163.8	5 163.8	5 057.3	99.5%	97.9%
Programme 8	3 143.9	2 774.6	2 472.2	2 634.7	2 612.7	2 478.4	2 873.3	2 558.5	2 526.4	2 798.8	3 012.5	2 926.8	90.9%	94.9%
Programme 9	9 434.4	9 334.4	9 334.4	10 009.2	9 363.7	9 363.7	10 218.2	10 168.2	10 218.2	9 007.2	9 007.2	9 007.2	98.1%	100.1%
Programme 10	4 542.8	4 562.1	4 562.1	4 812.5	4 812.5	4 812.5	5 005.6	5 005.6	5 105.6	4 763.5	4 763.5	4 763.5	100.6%	100.5%
Subtotal	26 957.3	28 726.1	28 690.8	28 471.4	28 471.4	28 199.8	30 799.2	40 484.3	39 792.1	29 358.4	29 710.2	29 550.0	109.2%	99.1%

EXPENDITURE TRENDS - continued

Programme	Annual budget	Adjusted appropriation	Audited outcome	Annual budget	Adjusted appropriation	Audited outcome	Annual budget	Adjusted appropriation	Revised estimate	Average: Outcome/Annual budget (%)	Average: Outcome /Adjusted appropriation (%)			
R million	2015/16	2015/16	2015/16	2016/17	2016/17	2016/17	2017/18	2017/18	2018/19	2015/16 - 2018/19	2015/16 - 2018/19			
Direct charge against the National Revenue Fund	519 893.8	525 742.6	526 636.1	569 787.4	570 833.0	570 197.1	615 856.8	616 714.0	616 347.8	663 014.1	664 004.0	665 795.9	100.4%	100.1%
Provincial equitable share	382 673.5	386 500.0	386 500.0	410 698.6	410 698.6	410 698.6	441 331.1	441 331.1	441 331.1	470 286.5	470 286.5	470 286.5	100.2%	100.0%
Debt-service costs	126 440.4	127 902.0	128 795.6	147 720.0	147 689.2	146 496.7	162 353.1	163 347.9	162 644.6	180 124.0	181 099.0	182 879.3	100.7%	100.1%
General fuel levy sharing with metropolitan municipalities	10 658.9	10 658.9	10 658.9	11 223.8	11 223.8	11 223.8	11 785.0	11 785.0	11 785.0	12 468.6	12 468.6	12 468.6	100.0%	100.0%
National Revenue Fund payments	121.0	681.7	681.7	145.0	1 221.4	1 778.0	387.6	250.0	587.1	135.1	149.9	161.5	406.8%	139.3%
Total	546 851.1	554 468.7	555 327.0	598 258.8	599 304.5	598 396.9	646 656.0	657 198.4	656 139.9	692 372.5	693 714.3	695 345.9	100.8%	100.0%
Change to 2018 Budget estimate											1 341.8			

Programme	Annual budget	Adjusted appropriation	Audited outcome	Annual budget	Adjusted appropriation	Audited outcome	Annual budget	Adjusted appropriation	Audited outcome	Annual budget	Adjusted appropriation	Revised estimate	Average: Outcome/Annual budget (%)	Average: Outcome /Adjusted appropriation (%)
R million	2015/16	2015/16	2016/17	2016/17	2016/17	2017/18	2017/18	2017/18	2018/19	2018/19	2018/19	2018/19	2015/16 - 2018/19	2015/16 - 2018/19
Economic classification														
Current payments	128 399.9	129 835.9	130 632.9	149 824.3	150 192.2	148 454.1	164 701.8	165 703.0	164 574.6	182 649.8	184 010.8	185 537.8	100.6%	99.9%
Compensation of employees	725.5	733.4	732.7	817.6	815.7	786.4	799.3	823.3	803.7	807.8	807.8	807.8	99.4%	98.4%
Goods and services	1 234.0	1 200.4	1 104.6	1 286.8	1 687.2	1 171.0	1 549.4	1 531.8	1 126.3	1 718.1	2 104.0	1 850.8	90.7%	80.5%
Interest and rent on land	126 440.4	127 902.0	128 795.6	147 720.0	147 689.2	146 496.7	162 353.1	163 347.9	162 644.6	180 124.0	181 099.0	182 879.3	100.7%	100.1%
Transfers and subsidies	414 943.1	418 317.6	418 133.0	444 099.4	443 832.7	443 701.1	476 681.9	476 352.2	476 565.4	505 164.5	505 157.9	505 141.0	100.1%	100.0%
Provinces and municipalities	394 767.6	398 594.2	398 570.7	423 409.0	423 409.0	423 376.8	454 714.4	454 714.4	454 708.9	484 296.6	484 296.6	484 296.6	100.2%	100.0%
Departmental agencies and accounts	15 420.4	15 042.1	14 816.6	15 741.5	15 096.0	15 074.1	16 281.0	15 951.0	16 251.0	14 796.7	14 624.1	14 538.3	97.5%	99.9%
Foreign governments and international organisations	854.1	777.9	831.3	838.0	925.5	907.6	917.5	913.3	1 042.1	975.5	1 137.9	1 313.3	114.2%	109.0%

EXPENDITURE TRENDS - continued

Programme	2015/16			2016/17			2017/18			2018/19			Average: Outcome /Adjusted appropriation (%)
R million	Annual budget	Adjusted appropriation	Audited outcome	Annual budget	Adjusted appropriation	Audited outcome	Annual budget	Adjusted appropriation	Audited outcome	Annual budget	Adjusted appropriation	Revised estimate	Average: Outcome/Annual budget (%)
Households	3 900.9	3 903.5	3 914.3	4 111.0	4 402.2	4 342.5	4 769.0	4 773.5	4 563.4	5 095.8	5 099.3	4 992.8	99.6%
Payments for capital assets	16.4	26.1	33.2	38.0	56.9	462.5	15.7	24.1	27.0	45.8	42.6	42.6	487.9%
Buildings and other fixed structures	–	0.4	–	–	0.2	–	–	–	–	–	–	–	–
Machinery and equipment	16.4	25.7	33.2	37.9	56.7	46.4	15.7	19.4	27.0	34.6	31.8	31.8	132.4%
Software and other intangible assets	–	–	–	0.0	0.0	416.1	–	4.7	0.0	11.3	10.8	10.8	3775.8%
Payments for financial assets	3 491.7	6 289.0	6 527.9	4 297.2	5 222.6	5 779.2	5 256.7	15 119.1	14 972.8	4 512.3	4 502.9	4 624.6	181.7%
Total	546 851.1	554 468.7	555 327.0	598 258.8	599 304.5	598 396.9	646 656.0	657 198.4	656 139.9	692 372.5	693 714.3	695 345.9	100.8%
													100.0%

EXPENDITURE ESTIMATES

Programme	Revised estimate	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
R million	2018/19	2015/16 - 2018/19	2018/19	2019/20	2020/21	2021/22	2018/19 - 2021/22	
Programme 1	473.5	9.2%	0.1%	555.7	599.4	636.8	10.4%	0.1%
Programme 2	152.8	4.1%	0.0%	149.7	159.6	169.0	3.4%	0.0%
Programme 3	298.2	3.9%	0.0%	320.0	325.3	344.2	4.9%	0.0%
Programme 4	101.5	-68.6%	0.5%	108.4	116.1	122.0	6.3%	0.0%
Programme 5	941.0	5.2%	0.2%	1 093.6	1 159.2	1 222.6	9.1%	0.1%
Programme 6	5 828.2	21.4%	0.8%	5 751.5	6 059.3	6 396.6	3.2%	0.8%
Programme 7	5 057.3	8.5%	0.7%	5 574.5	5 590.2	5 895.3	5.2%	0.7%
Programme 8	2 926.8	1.8%	0.4%	2 737.6	2 965.4	3 176.2	2.8%	0.4%
Programme 9	9 007.2	-1.2%	1.5%	9 529.0	10 110.0	10 673.1	5.8%	1.3%
Programme 10	4 763.5	1.5%	0.8%	4 951.1	5 223.2	5 510.5	5.0%	0.7%
Subtotal	29 550.0	0.9%	5.0%	30 771.1	32 307.7	34 146.3	4.9%	4.0%
Direct charge against the National Revenue Fund	665 795.9	8.2%	95.0%	721 050.3	779 913.3	838 148.0	8.0%	96.0%
Provincial equitable share	470 286.5	6.8%	68.2%	505 553.8	542 908.6	578 645.2	7.2%	66.9%
Debt-service costs	182 879.3	12.7%	24.8%	202 207.8	224 066.1	247 408.4	10.7%	27.3%
General fuel levy sharing with metropolitan municipalities	12 468.6	5.4%	1.8%	13 166.8	14 026.9	15 182.5	6.8%	1.7%

EXPENDITURE ESTIMATES - continued

Programme	Revised estimate	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
R million	2018/19	2015/16 - 2018/19	2018/19	2019/20	2020/21	2021/22	2018/19 - 2021/22	2018/19 - 2021/22
National Revenue Fund payments	161.5	-38.1%	0.1%	135.3	-	-	-100.0%	0.0%
Total	695 345.9	7.8%	100.0%	751 834.8	813 309.3	875 382.4	8.0%	100.0%
Change to 2018 Budget estimate				5 377.4	5 390.8	10 110.0	15 939.2	

Economic classification

Current payments	185 537.8	12.6%	25.1%	204 700.5	225 637.1	247 133.0	10.6%	27.6%
Compensation of employees	807.8	3.3%	0.1%	869.3	934.5	995.3	7.2%	0.1%
Goods and services	1 850.8	15.5%	0.2%	1 636.8	1 724.7	1 817.4	-0.6%	0.2%
Interest and rent on land	182 879.3	12.7%	24.8%	202 207.8	224 066.1	247 408.4	10.7%	27.3%
Transfers and subsidies	505 141.0	6.5%	73.6%	542 290.9	581 642.1	619 943.2	7.1%	71.7%
Provinces and municipalities	484 296.6	6.7%	70.3%	520 334.0	558 637.4	595 642.8	7.1%	68.9%
Departmental agencies and accounts	14 538.3	-1.1%	2.4%	15 424.0	16 403.7	17 338.7	6.0%	2.0%
Foreign governments and international organisations	1 313.3	19.1%	0.2%	1 030.1	1 086.8	1 146.6	-4.4%	0.1%

EXPENDITURE ESTIMATES - continued

Programme	Revised estimate	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
R million	2018/19	2015/16 - 2018/19		2019/20	2020/21	2021/22	2018/19 - 2021/22	
Households	4 992.8	8.6%	0.7%	5 502.7	5 514.2	5 815.1	5.2%	0.7%
Payments for capital assets	42.6	17.7%	0.0%	36.8	28.2	34.2	-7.1%	0.0%
Machinery and equipment	31.8	7.5%	0.0%	29.3	25.8	31.8	-0.1%	0.0%
Software and other intangible assets	10.8	–	0.0%	7.5	2.5	2.4	-39.4%	0.0%
Payments for financial assets	4 624.6	-9.7%	1.3%	4 793.2	4 913.7	5 183.9	3.9%	0.6%
Total	695 345.9	7.8%	100.0%	751 834.8	813 309.3	875 382.4	8.0%	100.0%

PERSONNEL INFORMATION

Vote personnel numbers and cost by salary level and programme¹

Number of posts estimated for 31 March 2019			Number and cost ² of personnel posts filled / planned for on funded establishment														Number		
			Actual			Revised estimate			Medium-term expenditure estimate						Average growth rate (%)	Average: Salary level/ Total (%)			
			2017/18			2018/19			2019/20			2020/21			2021/22		2018/19 - 2021/22		
National Treasury			Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost		
Salary level	1 011	116	1 128	803.7	0.7	1 045	807.8	0.8	1 048	869.3	0.8	1 044	934.5	0.9	1 041	995.3	1.0	-0.1%	100.0%
1 – 6	110	56	114	19.5	0.2	109	20.0	0.2	108	21.2	0.2	106	22.4	0.2	112	25.6	0.2	0.9%	10.4%
7 – 10	356	47	411	203.5	0.5	392	218.6	0.6	394	236.2	0.6	392	254.2	0.6	388	271.7	0.7	-0.3%	37.5%
11 – 12	285	3	298	249.9	0.8	260	228.1	0.9	264	248.8	0.9	261	264.0	1.0	258	279.6	1.1	-0.3%	25.0%
13 – 16	258	10	305	326.5	1.1	284	341.0	1.2	282	363.1	1.3	285	394.0	1.4	283	418.4	1.5	-0.1%	27.1%
Other	2	-	-	4.3	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Programme	1 011	116	1 128	803.7	0.7	1 045	807.8	0.8	1 048	869.3	0.8	1 044	934.5	0.9	1 041	995.3	1.0	-0.1%	100.0%
Programme 1	312	72	352	203.0	0.6	321	195.6	0.6	331	219.3	0.7	326	236.1	0.7	333	257.2	0.8	1.2%	31.4%
Programme 2	80	2	90	77.0	0.9	81	78.8	1.0	79	82.1	1.0	82	88.5	1.1	85	94.3	1.1	1.6%	7.8%
Programme 3	252	5	271	211.7	0.8	252	214.6	0.9	239	219.2	0.9	236	234.9	1.0	230	248.1	1.1	-3.0%	22.9%
Programme 4	92	4	97	75.2	0.8	98	78.7	0.8	99	84.6	0.9	99	91.2	0.9	98	96.5	1.0	-	9.4%
Programme 5	243	30	283	206.1	0.7	258	206.7	0.8	261	223.7	0.9	262	240.5	0.9	256	253.4	1.0	-0.3%	24.8%
Programme 6	32	3	35	30.7	0.9	35	33.5	1.0	39	40.4	1.0	39	43.4	1.1	39	45.9	1.2	3.7%	3.6%

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

2. Rand million.



ANNUAL PERFORMANCE PLAN

2019/20

PART B: PROGRAMME AND SUB-PROGRAMME PLANS



national treasury

Department:
National Treasury
REPUBLIC OF SOUTH AFRICA

2. PROGRAMME 1: ADMINISTRATION

2.1. PURPOSE

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

2.2. STRATEGIC OBJECTIVES

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

2.3. SUB-PROGRAMME OVERVIEW

OFFICE OF THE MINISTER AND DEPUTY MINISTER

The Minister of Finance provides strategic direction and leadership to the National Treasury. With the support of the Deputy Minister, the Minister of Finance is also responsible for policy matters and departmental outcomes.

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

OFFICE OF THE DIRECTOR-GENERAL

The Director-General supports the Minister of Finance in providing strategic direction and leadership to the National Treasury. The Director-General is also responsible for departmental outputs and implementation as well as all responsibilities conferred by being the department's accounting officer.

MANAGEMENT

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

Internal Audit contributes to the strengthening of National Treasury's accountability and enhancing public stewardship by evaluating and improving the adequacy and effectiveness of governance, risk management and control processes. The unit provides robust and

PART B: PROGRAMME AND SUB-PROGRAMME PLANS - CONTINUED

practical strategic advice and recommendations founded on aligning the business with best practice. By acting as a frame of reference, the unit also supports the OAG in providing guidance and support to internal audit functions in government.

Enterprise Risk Management improves organisational risk communication and knowledge sharing, developing a common risk language that ensures that a risk management culture is embedded in National Treasury. The unit supports evidence based decision-making by reducing uncertainty. This is realised by providing an holistic view of risk and the application of a robust risk management system. Fraud prevention is an integral part of the strategy, operations and administration function. The unit ensures that the National Treasury has a strategic risk profile register that enables coordination and alignment of strategic initiatives across the department.

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

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

Legislation Services provides legislative services which include managing the National Treasury's legislative programme, drafting or checking draft fiscal and intergovernmental and financial sector regulation legislation, and commenting on other legislation as well as advising on the interpretation of legislation.

Communication furthers transparency imperatives of the National Treasury by ensuring effective communication between the National Treasury and its stakeholders.

CORPORATE SERVICES

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

Human Resources Management ensures transactional and transformational human resources support so that the National Treasury can attract, develop and retain the skills needed to deliver on the department's mandate and objectives.

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

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

Strategic Projects and Support is responsible for preserving the National Treasury's institutional memory and tangible knowledge and providing management support to internal projects. Knowledge management deals with the conservation and pollination of organisational information created within and in partnership with the National Treasury. Records management focuses on the preservation of tangible knowledge so that it can be accessed easily and be in compliance with the National Archives Act, 2003 (Act No. 629 of 2003).

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

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

2.4. STRATEGIC PLAN OBJECTIVE ANNUAL AND MEDIUM TERM TARGETS

PERFORMANCE INDICATOR	AUDITED/ACTUAL PERFORMANCE			ESTIMATED PERFORMANCE	PLANNED PERFORMANCE CURRENT YEAR	MEDIUM TERM TARGETS (MTEF)				
	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25
Strategic Objective 1.1: Provide integrated business solutions										
1.1 % increase in Year on Year MPAT total score ¹	#	#	2%	1.5%	0.5%	0.5%	0.2%	0.1%	0.1%	0.1%
Strategic Objective 1.2: Ensure good governance and sound control environment.										
1.2 Produce an Audited Annual Report	#	#	1	1	1	1	1	1	1	1
Strategic Objective 1.3: Provide support for strategic and performance management across the organisation										
1.3 Produce an APP	#	#	1	1	1	1	1	1	1	1

2.5. PROGRAMME PERFORMANCE INDICATORS AND ANNUAL TARGETS²

PERFORMANCE INDICATOR	AUDITED/ACTUAL PERFORMANCE			ESTIMATED PERFORMANCE	PLANNED PERFORMANCE CURRENT YEAR	MEDIUM TERM TARGETS (MTEF)		
	2015/16	2016/17	2017/18			2020/21	2021/22	2022/2023
Strategic Objective 1.1: Provide integrated business solutions								
1.1.1 Percentage of Enterprise Architecture Programme implemented ³	#	#	#	#	10%	5%	15%	20%
1.1.2 Percentage saved on the Rand value budgeted for paper usage, travel and strategic sourcing	#	#	1%	1%	2%	2%	2%	2%
Strategic Objective 1.2: To ensure good governance and a sound control environment								
1.2.1 Percentage of the approved risk-based IA plan completed ⁴	N/A	100%	100%	100%	100%	100%	100%	100%
1.2.2 Number of quarterly risk implementation assessment reports produced	#	#	4	4	4	4	4	4
1.2.3 Number of quarterly reports on monitored performance of entities reporting to MoF	N/A	40	4	4	4	4	4	4
1.2.4 Percentage of Corporate Governance of ICT Program implemented ⁵	#	#	#	#	20%	40%	60%	100%

2.6. PROGRAMME PERFORMANCE INDICATOR QUARTERLY TARGETS FOR 2019/20

PERFORMANCE INDICATOR		2019/20 ANNUAL TARGETS	QUARTER 1	QUARTER 2	QUARTER 3	QUARTER 4
Strategic Objective 1.1: Provide integrated business solutions						
1.1.1	Percentage of Enterprise Architecture Programme implemented	10%	2%	3%	3%	2%
1.1.2	Percentage saved on the Rand value budgeted for paper usage, travel and strategic sourcing	2%	N/A	N/A	N/A	2%
Strategic Objective 1.2: To ensure good governance and a sound control environment.						
1.2.1	Percentage of the approved risk-based IA plan completed	100%	100%	100%	100%	100%
1.2.2	Number of quarterly risk implementation assessment reports produced	4	1	1	1	1
1.2.3	Number of quarterly reports on monitored performance of entities reporting to MoF	4	1	1	1	1
1.2.4	Percentage of Corporate Governance of ICT Program implemented	20%	5%	5%	5%	5%

2.7. EXPENDITURE TRENDS AND ESTIMATES

Administration expenditure trends and estimates by sub-programme and economic classification											
Sub-programme	Audited outcome			Adjusted appropriation	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
R million	2015/16	2016/17	2017/18	2018/19	2015/16 - 2018/19	2018/19	2019/20	2020/21	2021/22	2018/19 - 2021/22	2018/19 - 2021/22
Ministry	3.6	3.6	3.8	4.9	10.2%		4.4	4.7	5.0	0.8%	0.8%
Departmental Management	47.1	50.5	70.1	49.1	1.4%		63.3	68.3	71.8	13.5%	11.1%
Corporate Services	116.5	154.9	117.5	145.8	7.8%		155.3	162.4	172.1	5.7%	28.1%
Enterprise Wide Risk Management	27.5	26.3	28.3	31.8	4.9%		32.6	35.2	37.1	5.3%	6.0%
Financial Administration	38.7	37.9	41.5	43.7	4.1%		84.5	91.4	104.1	33.6%	14.3%
Legal Services	18.7	22.9	22.0	22.6	6.6%		22.9	24.3	25.6	4.2%	4.2%
Internal Audit	20.7	21.8	24.1	30.9	14.3%		30.2	32.4	34.4	3.7%	5.6%
Communications	10.2	8.6	12.5	11.2	3.3%		11.3	11.9	12.6	3.8%	2.1%
Office Accommodation	92.6	109.9	118.1	134.0	13.1%		151.1	168.6	174.2	9.1%	27.7%
Total	375.6	436.3	437.9	473.8	8.1%	100.0%	555.7	599.4	636.8	10.4%	100.0%
Change to 2018 Budget estimate				(10.9)			–	8.7	11.3		
Economic classification											
Current payments	347.8	392.6	421.1	439.5	8.1%	92.9%	533.4	579.2	615.0	11.9%	95.6%
Compensation of employees	182.4	195.4	203.0	195.9	2.4%	45.1%	219.3	236.1	257.2	9.5%	40.1%
Goods and services	165.4	197.2	218.1	243.6	13.8%	47.8%	314.1	343.1	357.8	13.7%	55.6%

2.7. EXPENDITURE TRENDS AND ESTIMATES - CONTINUED

Administration expenditure trends and estimates by sub-programme and economic classification									
Sub-programme	Audited outcome		Adjusted appropriation	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate		Average growth rate (%)	Average: Expenditure/ Total (%)
R million	2015/16	2016/17	2017/18	2018/19	2015/16 - 2018/19	2019/20	2020/21	2021/22	2018/19 - 2021/22
<i>of which:</i>									
Computer services	18.6	34.9	27.9	32.8	20.8%	43.3	45.4	49.3	14.5%
Consultants: Business and advisory services	7.0	4.5	7.8	11.4	17.7%	51.8	56.1	59.9	73.8%
Legal services	11.9	14.8	14.3	14.3	6.2%	15.1	15.8	16.7	5.2%
Operating leases	51.1	66.0	63.7	78.6	15.4%	88.6	103.0	102.1	9.1%
Property payments	23.1	25.3	24.0	25.7	3.7%	34.8	38.3	40.5	16.4%
Travel and subsistence	14.5	14.1	28.6	18.4	8.3%	19.8	21.4	22.2	6.5%
Transfers and subsidies	4.3	4.8	7.3	7.1	18.9%	4.1	4.3	4.5	-14.2%
Departmental agencies and accounts	1.9	2.1	2.0	2.1	4.5%	2.2	2.3	2.4	4.0%
Households	2.4	2.7	5.3	5.0	28.0%	1.9	2.1	2.1	-24.9%
Payments for capital assets	23.4	38.9	9.3	27.2	5.2%	18.2	15.9	17.3	-14.0%
Machinery and equipment	23.4	38.9	9.3	17.2	-9.8%	15.6	15.9	17.3	0.3%
Software and other intangible assets	–	–	0.0	10.1	–	2.6	–	–	-100.0%
Payments for financial assets	0.1	0.1	0.1	–	-100.0%	–	–	–	–
Total	375.6	436.3	437.9	473.8	8.1%	555.7	599.4	636.8	10.4%
					100.0%				100.0%

2.7. EXPENDITURE TRENDS AND ESTIMATES - CONTINUED

Administration expenditure trends and estimates by sub-programme and economic classification									
Sub-programme	Audited outcome		Adjusted appropriation	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate		Average growth rate (%)	Average: Expenditure/ Total (%)
R million	2015/16	2016/17	2017/18	2018/19	2015/16 - 2018/19	2019/20	2020/21	2021/22	2018/19 - 2021/22
Proportion of total programme expenditure to vote expenditure	1.3%	1.5%	1.1%	1.6%	–	1.8%	1.9%	1.9%	–
Details of transfers and subsidies									
Households Social benefits									
Current	0.8	1.2	3.7	3.2	61.4%	–	–	–	–100.0%
Employee social benefits	0.8	1.2	3.7	3.2	61.4%	–	–	–	–100.0%
Departmental agencies and accounts									
Departmental agencies (non-business entities)									
Current	1.9	2.1	2.0	2.1	4.3%	2.1	2.3	2.4	4.3%
Finance and Accounting Services Sector Education and Training Authority	1.9	2.1	2.0	2.1	4.3%	2.1	2.3	2.4	4.3%
Households									
Other transfers to households									
Current	1.4	1.1	1.4	1.8	8.5%	1.9	2.1	2.1	6.1%
Bursaries for non-employees	1.4	1.1	1.4	1.8	8.5%	1.9	2.1	2.1	6.1%

2.8. PERSONNEL INFORMATION

Administration personnel numbers and cost by salary level ¹																			
Number of posts estimated for 31 March 2019			Number and cost ² of personnel posts filled / planned for on funded establishment																
	Number of funded posts	Number of posts additional to the establishment	Actual			Revised estimate			Medium-term expenditure estimate						Average growth rate (%)	Average: Salary Level / Total (%)			
			2017/18			2018/19			2019/20		2020/21		2021/22		2018/19 - 2021/22				
			Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost		
Administration																			
Salary level	312	72	352	203.0	0.6	321	195.6	0.6	331	219.3	0.7	326	236.1	0.7	333	257.2	0.8	1.2%	100.0%
1 – 6	95	56	98	15.6	0.2	92	15.6	0.2	89	15.9	0.2	85	16.3	0.2	89	18.6	0.2	-1.1%	27.1%
7 – 10	128	9	139	71.0	0.5	123	68.8	0.6	130	77.7	0.6	130	84.1	0.6	132	92.4	0.7	2.4%	39.3%
11 – 12	50	3	58	49.5	0.9	52	48.1	0.9	56	55.1	1.0	53	56.2	1.1	54	61.5	1.1	1.3%	16.4%
13 – 16	37	4	57	62.6	1.1	54	63.2	1.2	56	70.7	1.3	58	79.4	1.4	58	84.7	1.5	2.4%	17.2%
Other	2	–	–	4.3	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–

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

2. Rand million.

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

3.1. PURPOSE

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

3.2. STRATEGIC OBJECTIVES

STRATEGIC OBJECTIVE	OBJECTIVE STATEMENT	SUB-PROGRAMMES
SO 2.1 Build economic research capacity in academic research institutions with the objective of promoting relevant research	Promoting economic research capacity in academic/research institutions through funding research relevant to the public interest. The research function provides information on topics relating to macroeconomic stability, poverty alleviation, retirement reform and financial sector development	Research
SO 2.2 Provide policy advice on the financial sector	Providing policy advice on the financial sector in relation to the regulatory framework and supporting legislation. The objective for policy is to make the financial sector safer and to treat customers more fairly and better, and to be more inclusive and have integrity. This includes implementing regulatory reforms related to the Twin Peaks system, savings and retirement reform, and improving market conduct practices in the industry to ensure that it provides more appropriate financial products	Financial Sector Policy
SO 2.3 Provide advice and input into tax policy, frameworks and legislation	Providing tax policy advice, tax revenue analysis, tax revenue forecasting and drafting the annual tax legislation as a part of the budget. The programme is responsible for developing a tax administrative system that ensures sustainable growth of the economy and improved environmental sustainability	Tax Policy
SO 2.4 Provide input into economic policy, related frameworks and strategies	Providing advice on macro and microeconomic policy, macroeconomic projections and modelling, monetary policy framework and economic sector strategies	Economic Policy

3.3. SUB-PROGRAMMES

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

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

RESEARCH

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

FINANCIAL SECTOR POLICY

This sub-programme is responsible for developing policy on the regulation of the financial sector in South Africa, on broadening access to financial services by all South Africans, and on improving the national savings rate through reforms to the legislative framework governing the savings industry, including work being undertaken towards the implementation of retirement reform proposals.

TAX POLICY

This sub-programme is responsible for preparing tax and revenue proposals for the annual national budget, and for drafting the necessary tax legislation to give effect to the proposals adopted. The unit also processes recommendations made by the Davis Tax Committee to the Minister of Finance and provides advice to the Minister on such recommendations. The unit promotes an effective, equitable and efficient tax policy framework and tax administrative system that ensures sustainable growth and delivery on government's mandate to address the needs of all South Africans. This includes providing tax proposals towards improved environmental sustainability, reduction of inequality, and raising of revenue.

ECONOMIC POLICY

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

3.4. STRATEGIC PLAN OBJECTIVE ANNUAL AND MEDIUM TERM TARGETS

PERFORMANCE INDICATOR	AUDITED/ACTUAL PERFORMANCE			ESTIMATED PERFORMANCE	PLANNED PERFORMANCE CURRENT YEAR	MEDIUM TERM TARGETS (MTEF)				
	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25
Strategic Objective 2.1: Build economic research capacity in academic research institutions with the objective of promoting relevant research										
2.1	Number of research institutions participating in building economic research capacity			#	1	1	3	3	3	3
Strategic Objective 2.2: Provide policy advice on the financial sector										
2.2	Number of policy advices on the financial sector provided			#	1	1	1	1	1	1
Strategic Objective 2.3: Provide advice and input into tax policy, frameworks and legislation										
2.3	Number of policy advices into tax policy, frameworks and legislation provided			#	2	2	2	2	2	2
Strategic Objective 2.4: Provide input into economic policy, related frameworks and strategies										
2.4	Number of inputs into economic policy and frameworks provided			#	56	56	56	56	56	56

3.5. PROGRAMME PERFORMANCE INDICATORS AND ANNUAL TARGETS 2019/20

PERFORMANCE INDICATOR	AUDITED/ACTUAL PERFORMANCE			ESTIMATED PERFORMANCE	PLANNED PERFORMANCE CURRENT YEAR	MEDIUM TERM TARGETS (MTEF)		
	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/2022	2022/23
Strategic Objective 2.1: Build economic research capacity in academic research institutions with the objective of promoting relevant research								
2.1.1	Number of papers published through the SA-TIED programme ⁶	84	80	80	50	50	50	50
Strategic Objective 2.2: Provide policy advice on the financial sector								
2.2.1	Twin Peaks model legislation developed ⁷	N/A	Progress was made but not completed. FSR Bill passed in National Assembly on 6 December 2016. NCOP deliberations held on 3 and 14 February 2017. Public hearings held on 28 March 2017 with NT response on 29 March 2017. Voting on the Bill is anticipated on 3 May 2017, after this reporting period.	Enactment and implementation of legislation to establish Twin Peaks regulatory system, including establishment of new regulatory authorities.	Development of Twin Peaks Regulations as well as a comprehensive prudential and market conduct framework for new authorities.	Development of comprehensive prudential and market conduct framework for new authorities.	N/A	N/A

3.5. PROGRAMME PERFORMANCE INDICATORS AND ANNUAL TARGETS 2019/20 - CONTINUED

PERFORMANCE INDICATOR	AUDITED/ACTUAL PERFORMANCE			ESTIMATED PERFORMANCE		PLANNED PERFORMANCE CURRENT YEAR	MEDIUM TERM TARGETS (MTEF)		
	2015/16	2016/17	2017/18	2018/19	2019/20		2020/21	2021/2022	2022/23
2.2.2 Develop savings and retirement policies ^{8 9}	N/A	2nd draft Default Regulations for Retirement funds released in December 2016.	Achieve consensus on annuitisation.	Implementation of annuitisation resolution. Full implementation of default regulations for retirement funds.	Develop retirement reform policies.		Develop governance directive for retirement funds.	Consolidation of retirement funds.	Monitoring the non-payment of pension fund contributions.
Strategic Objective 2.3: Provide advice and input into tax policy, frameworks and legislation									
2.3.1 Publish tax proposals in annual budget review	N/A	Tax proposals presented to the Minister in December 2016. Update revenue estimates for 2016 MTBPS.	Publish tax and revenue proposals on 2017 Budget.	Publish tax and revenue proposals on 2018 Budget.	Publish tax and revenue proposals on 2019 Budget.		Publish tax and revenue proposals on 2020 Budget.	Publish tax and revenue proposals on 2021 Budget.	Publish tax and revenue proposals on 2022 Budget.
			Update revenue estimates for 2017 Medium Term Budget Policy Statement (MTBPS).	Update revenue estimates for 2018 Medium Term Budget Policy Statement (MTBPS).	Update revenue estimates for 2019 Medium Term Budget Policy Statement (MTBPS).		Update revenue estimates for 2020 Medium Term Budget Policy Statement (MTBPS).	Update revenue estimates for 2021 Medium Term Budget Policy Statement (MTBPS).	Update revenue estimates for 2022 Medium Term Budget Policy Statement (MTBPS).
2.3.2 Implement legislation to give effect to tax proposals from the Budget ¹⁰	N/A	Tax Laws promulgated by the President of the Republic of South Africa in December 2016.	Prepare, publish and table tax legislation in Parliament.	Prepare, publish and table tax legislation in Parliament.	Submit tax legislation for tabling in Parliament.		Submit tax legislation for tabling in Parliament.	Submit tax legislation for tabling in Parliament.	Submit tax legislation for tabling in Parliament.

3.5. PROGRAMME PERFORMANCE INDICATORS AND ANNUAL TARGETS 2019/20 - CONTINUED

PERFORMANCE INDICATOR	AUDITED/ACTUAL PERFORMANCE			ESTIMATED PERFORMANCE	PLANNED PERFORMANCE CURRENT YEAR	MEDIUM TERM TARGETS (MTEF)		
	2015/16	2016/17	2017/18			2020/21	2021/2022	2022/23
Strategic Objective 2.4: Provide input into economic policy and frameworks								
2.4.1	Number of economic models maintained	N/A	25	25	20	20	20	20
2.4.2	Number of economic forecasts developed	N/A	6	4	4	4	4	4
2.4.3	Number of economic overview chapters published ¹¹	N/A	2	2	2	2	2	2
2.4.4	Percentage response to user requests to develop new economic models	#	#	100%	100%	100%	100%	100%
2.4.5	Percentage response to users requests for economic research and policy analysis, and assessments of government policy proposals	#	#	100%	100%	100%	100%	100%
2.4.6	Percentage response to user requests for policy and scenario modelling	#	#	100%	100%	100%	100%	100%
2.4.7	Percentage response to user requests for commentaries on economic data	#	#	100%	100%	100%	100%	100%

3.6. PROGRAMME PERFORMANCE INDICATOR QUARTERLY TARGETS FOR 2019/20

PERFORMANCE INDICATOR		2019/20 ANNUAL TARGETS	QUARTER 1	QUARTER 2	QUARTER 3	QUARTER 4
Strategic Objective 2.1: Build economic research capacity in academic research institutions with the objective of promoting relevant research						
2.1.1	Number of papers published through the SA-TIED programme	50	12	12	12	14
Strategic Objective 2.2: Provide policy advice on the financial sector						
2.2.1	Twin Peaks model legislation developed	Development of comprehensive prudential and market conduct framework for new authorities.	N/A	N/A	Submit the draft COFI Bill for tabling in Parliament.	Support the tabled COFI Bill through the Parliamentary process.
2.2.2	Develop savings and retirement policies	Develop retirement reform policies.	N/A	Commence the application of minimum training standards for retirement fund trustees.	Conduct a review of the annuities market.	Commence the programme to ensure that public pension funds are subject to the Pension Funds Act.
Strategic Objective 2.3: Provide advice and input into tax policy, frameworks and legislation						
2.3.1	Publish tax proposals in annual budget review	Publish tax and revenue proposals on 2019 Budget.	N/A	Publish revenue forecasts in MTBPS.	N/A	Publish tax proposals in 2019 Budget.
		Update revenue estimates for 2019 Medium Term Budget Policy Statement (MTBPS).				
2.3.2	Implement legislation to give effect to tax proposals from the Budget	Submit tax legislation for tabling in Parliament.	Prepare draft tax legislation.	Publish draft tax legislation.	Submit tax legislation for tabling in Parliament.	N/A
Strategic Objective 2.4: Provide input into economic policy and frameworks						
2.4.1	Number of economic models maintained	20	5	5	5	5
2.4.2	Number of economic forecasts developed	4	1	1	1	1

3.6. PROGRAMME PERFORMANCE INDICATOR QUARTERLY TARGETS FOR 2019/20 - CONTINUED

PERFORMANCE INDICATOR	2019/20 ANNUAL TARGETS	QUARTER 1	QUARTER 2	QUARTER 3	QUARTER 4
2.4.3 Number of economic overview chapters published	2	N/A	N/A	1	1
2.4.4 Percentage response to user requests to develop new economic models	100%	100%	100%	100%	100%
2.4.5 Percentage response to users requests for economic research and policy analysis, and assessments of government policy proposals	100%	100%	100%	100%	100%
2.4.6 Percentage response to user requests for policy and scenario modelling	100%	100%	100%	100%	100%
2.4.7 Percentage response to user requests for commentaries on economic data	100%	100%	100%	100%	100%

3.7. EXPENDITURE TRENDS AND ESTIMATES

Economic Policy, Tax, Financial Regulation and Research expenditure trends and estimates by sub-programme and economic classification											
Sub-programme	Audited outcome			Adjusted appropriation	Average growth rate (%)	Average: Expenditure/Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/Total (%)
R million	2015/16	2016/17	2017/18	2018/19	2015/16 - 2018/19		2019/20	2020/21	2021/22	2018/19 - 2021/22	
Programme Management for Economic Policy, Tax, Financial Regulation and Research	21.2	45.0	43.6	52.8	35.6%	27.7%	45.2	47.9	50.2	-1.7%	31.1%
Research	11.0	7.3	10.8	—	-100.0%	5.0%	—	—	—	—	—
Financial Sector Policy	27.6	24.3	24.9	23.6	-5.1%	17.1%	24.9	26.7	28.2	6.1%	16.4%
Tax Policy	27.6	30.3	28.6	30.1	2.9%	19.9%	31.4	33.7	35.0	5.2%	20.6%
Economic Policy	26.5	27.5	24.7	26.4	-0.2%	17.9%	27.5	29.6	32.7	7.4%	18.4%
Cooperative Banks Development Agency	17.3	16.9	19.3	19.9	4.7%	12.5%	20.8	21.8	23.0	5.0%	13.5%
Total	131.3	151.2	151.9	152.8	5.2%	100.0%	149.7	159.6	169.0	3.4%	100.0%
Change to 2018 Budget estimate				11.8			(0.2)	1.5	1.4		

3.7. EXPENDITURE TRENDS AND ESTIMATES - CONTINUED

Economic Policy, Tax, Financial Regulation and Research expenditure trends and estimates by sub-programme and economic classification											
Sub-programme	Audited outcome			Adjusted appropriation	Average growth rate (%)	Average: Expenditure/Total (%)	Medium-term expenditure estimate	Average growth rate (%)	Average: Expenditure/Total (%)		
R million	2015/16	2016/17	2017/18	2018/19	2015/16 - 2018/19		2019/20	2020/21	2018/19 - 2021/22		
Economic classification											
Current payments	113.6	133.3	131.5	131.7	5.1%	86.9%	128.1	136.9	145.0	3.3%	85.8%
Compensation of employees	78.2	79.7	77.0	78.7	0.2%	53.4%	82.1	88.5	94.3	6.2%	54.4%
Goods and services	35.4	53.7	54.5	53.1	14.5%	33.5%	45.9	48.3	50.7	-1.5%	31.4%
of which:											
Bursaries: Employees	0.3	0.3	0.3	0.3	5.0%	0.2%	0.4	0.4	0.4	9.0%	0.2%
Consultants: Business and advisory services	22.9	40.2	41.7	40.2	20.6%	24.7%	33.2	34.9	36.1	-3.5%	22.9%
Consumables: Stationery, printing and office supplies	0.5	1.4	3.0	1.8	51.6%	1.1%	1.4	1.5	1.6	-4.5%	1.0%
Travel and subsistence	5.1	6.6	5.0	6.0	6.0%	3.9%	6.1	6.4	6.9	4.6%	4.0%
Training and development	0.3	0.5	0.4	1.0	44.8%	0.4%	0.8	1.0	1.0	2.8%	0.6%
Operating payments	4.5	3.3	1.9	2.6	-17.2%	2.1%	2.5	2.7	3.2	7.4%	1.7%
Transfers and subsidies	17.4	17.2	19.7	20.1	4.9%	12.7%	20.8	21.8	23.0	4.6%	13.6%
Departmental agencies and accounts	17.3	16.9	19.3	19.9	4.7%	12.5%	20.8	21.8	23.0	5.0%	13.5%
Households	0.1	0.3	0.4	0.2	43.0%	0.2%	-	-	-	-100.0%	-
Payments for capital assets	0.3	0.7	0.7	0.9	48.7%	0.4%	0.9	0.9	1.0	3.0%	0.6%
Machinery and equipment	0.3	0.7	0.7	0.9	48.7%	0.4%	0.9	0.9	1.0	3.0%	0.6%
Payments for financial assets	0.0	0.0	-	-	-100.0%	-	-	-	-	-	-
Total	131.3	151.2	151.9	152.8	5.2%	100.0%	149.7	159.6	169.0	3.4%	100.0%

3.7. EXPENDITURE TRENDS AND ESTIMATES - CONTINUED

Economic Policy, Tax, Financial Regulation and Research expenditure trends and estimates by sub-programme and economic classification											
Sub-programme	Audited outcome			Adjusted appropriation	Average growth rate (%)	Average: Expenditure/Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/Total (%)
R million	2015/16	2016/17	2017/18	2018/19	2015/16 - 2018/19		2019/20	2020/21	2021/22	2018/19 - 2021/22	
Proportion of total programme expenditure to vote expenditure	0.5%	0.5%	0.4%	0.5%	–	–	0.5%	0.5%	0.5%	–	–
Details of transfers and subsidies											
Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current	17.3	16.9	19.3	19.9	4.7%	12.5%	20.8	21.8	23.0	5.0%	13.5%
Cooperative Banks Development Agency	17.3	16.9	19.3	19.9	4.7%	12.5%	20.8	21.8	23.0	5.0%	13.5%

3.8. PERSONNEL INFORMATION

Economic Policy, Tax, Financial Regulation and Research personnel numbers and cost by salary level ¹																				
Number of posts estimated for 31 March 2019			Number and cost ² of personnel posts filled/ planned for on funded establishment																Number	
		Number of posts additional to the establishment	Number of funded posts	Actual			Revised estimate			Medium-term expenditure estimate						Average growth rate (%)	Average: Salary level / Total (%)			
				2017/18			2018/19			2019/20			2020/21			2021/22			2018/19 - 2021/22	
				Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost		
Economic Policy, Tax, Financial Regulation and Research																				
Salary level	80	2		90	77.0	0.9	81	78.8	1.0	79	82.1	1.0	82	88.5	1.1	85	94.3	1.1	100.0%	
1 – 6	1	–		1	0.3	0.3	1	0.3	0.3	1	0.3	0.3	2	0.4	0.2	4	0.9	0.2	2.4%	
7 – 10	18	1		23	12.5	0.5	26	16.3	0.6	26	17.6	0.7	30	21.5	0.7	34	26.0	0.8	35.5%	
11 – 12	22	–		22	21.3	1.0	16	14.5	0.9	14	13.3	1.0	13	13.4	1.0	12	13.3	1.1	16.8%	
13 – 16	39	1		44	42.9	1.0	38	47.6	1.3	38	50.9	1.3	37	53.2	1.4	35	54.1	1.5	45.3%	

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

2. Rand million.

4. PROGRAMME 3: PUBLIC FINANCE AND BUDGET MANAGEMENT

4.1. PURPOSE

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

4.2. STRATEGIC OBJECTIVES

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

4.3. SUB-PROGRAMMES

PUBLIC FINANCE AND BUDGET MANAGEMENT

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

BUDGET OFFICE

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

PUBLIC FINANCE

Public Finance provides financial and budgetary analysis, advises on policy and service delivery trends, and manages National Treasury's relations with other national departments as well as its own analytical work. The division monitors the use of scarce public resources by national spending agencies, engaging where necessary with accounting officers and other officials to promote efficient and effective use of these resources. Based on engagements with departments, the Public Finance team provides recommendations annually to the Medium Term Expenditure Committee (MTEC).

INTERGOVERNMENTAL RELATIONS

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

4.4. STRATEGIC PLAN OBJECTIVE ANNUAL AND MEDIUM TERM TARGETS

PERFORMANCE INDICATOR	AUDITED/ACTUAL PERFORMANCE			ESTIMATED PERFORMANCE	PLANNED PERFORMANCE CURRENT YEAR	MEDIUM TERM TARGETS (MTEF)				
	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25
Strategic Objective 3.1: Developing and implementing South Africa's fiscal policy and related frameworks										
3.1 South Africa's fiscal policy and related frameworks authorised	#	#	Cabinet authorisation.	Cabinet authorisation.	Cabinet authorisation.	Cabinet authorisation.	Cabinet authorisation.	Cabinet authorisation.	Cabinet authorisation.	Cabinet authorisation.
Strategic Objective 3.2: Preparation of the national budget										
3.2 Number of budgets produced	#	#	1	1	1	1	1	1	1	1
Strategic Objective 3.3: Publication of the national budget										
3.3 Number of national budgets published	#	#	1	1	1	1	1	1	1	1
Strategic Objective 3.4: Monitoring and analysis of public expenditure and service delivery										
3.4 Number of annual expenditure reports submitted to the Standing Committee on Appropriations	#	#	160	4	4	4	4	4	4	4
Strategic Objective 3.5: Coordinating international development cooperation										
3.5 Percentage of ODA programmes coordinated	#	#	100%	100%	100%	100%	100%	100%	100%	100%

4.4. STRATEGIC PLAN OBJECTIVE ANNUAL AND MEDIUM TERM TARGETS - CONTINUED

PERFORMANCE INDICATOR	AUDITED/ACTUAL PERFORMANCE			ESTIMATED PERFORMANCE	PLANNED PERFORMANCE CURRENT YEAR	MEDIUM TERM TARGETS (MTEF)				
	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25
Strategic Objective 3.6: Coordinating intergovernmental relations										
3.6 Number of legislatively required Budget Council and Forum meetings held	#	#	3	3	3	3	3	3	3	3

4.5. PROGRAMME PERFORMANCE INDICATORS AND ANNUAL TARGETS¹²

PERFORMANCE INDICATOR	AUDITED/ACTUAL PERFORMANCE				ESTIMATED PERFORMANCE	PLANNED PERFORMANCE CURRENT YEAR	MEDIUM TERM TARGETS (MTEF)		
	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	
Strategic Objective 3.1: Developing and implementing South Africa's fiscal policy and related frameworks									
3.1.1	Number of fiscal policy chapters published ¹³	#	#	#	#	2	2	2	2
3.1.2	Number of fiscal frameworks provided	N/A	2	2	2	2	2	2	2
Strategic Objective 3.2: Preparation of the national budget...									
3.2.1	Number of budget guidelines issued	N/A	1 set of MTEF guidelines issued by July.	1 set of MTEF guidelines issued by July.	1 set of MTEF guidelines issued by July.	1 set of MTEF guidelines issued by July.	1 set of MTEF guidelines issued by July.	1 set of MTEF guidelines issued by July.	1 set of MTEF guidelines issued by July.
		1 programme scheduling MTEC meeting drafted by July.	1 programme scheduling MTEC meeting drafted by July.	1 AENE guideline issued in August.	1 AENE guideline issued in August.	1 AENE guideline issued in August.	1 AENE guideline issued in August.	1 AENE guideline issued in August.	1 AENE guideline issued in August.
		1 Adjusted Estimates of National Expenditure (AENE) guideline issued in August.	1 AENE guideline issued in August.	1 ENE guideline issued in October.	1 ENE guideline issued in October.	1 ENE guideline issued in October.	1 ENE guideline issued in October.	1 ENE guideline issued in October.	1 ENE guideline issued in October.

4.5. PROGRAMME PERFORMANCE INDICATORS AND ANNUAL TARGETS - CONTINUED

PERFORMANCE INDICATOR	AUDITED/ACTUAL PERFORMANCE		ESTIMATED PERFORMANCE	PLANNED PERFORMANCE CURRENT YEAR	MEDIUM TERM TARGETS (MTEF)		
	2015/16	2016/17	2017/18	2018/19	2020/21	2021/22	2022/23
3.2.2 Obtain budget expenditure allocation decisions from the executive	N/A	Adjustments Appropriation Bill, 2016 tabled in Parliament on 26 October 2016. 2016 Adjusted Estimates of National Expenditure tabled in Parliament on 26 October 2016. 2016 Medium Term Budget Policy Statement tabled in Parliament on 26 October 2016. Appropriation Bill, 2017 tabled in Parliament on 22 February 2017. 2017 Estimates of National Expenditure tabled in Parliament on 22 February 2017. 2017 Budget Review tabled in Parliament on 22 February 2017.	Various funding recommendations to the MTEC, the Ministers' Committee on the Budget (MINCOMBUD) and Cabinet within budget calendar timelines. 1 Cabinet endorsement of national government expenditure allocations by end of calendar year.	1 Cabinet endorsement of national government expenditure allocations by end of calendar year.	1 Cabinet endorsement of national government expenditure allocations by end of calendar year.	1 Cabinet endorsement of national government expenditure allocations by end of calendar year.	1 Cabinet endorsement of national government expenditure allocations by end of calendar year.

4.5. PROGRAMME PERFORMANCE INDICATORS AND ANNUAL TARGETS - CONTINUED

PERFORMANCE INDICATOR	AUDITED/ACTUAL PERFORMANCE			ESTIMATED PERFORMANCE	PLANNED PERFORMANCE CURRENT YEAR	MEDIUM TERM TARGETS (MTEF)		
	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23
Strategic Objective 3.3:Publication of the national budget								
3.3.1	Budget legislation and accompanying documentation tabled in Parliament and published	The ENE and AENE were compiled and tabled in line with the parliamentary Programme.	3 budget documents tabled in February. 3 budget documents tabled in October.	Appropriation Bill, ENE and Budget Review tabled in February. Adjustments Appropriation Bill, AENE and MTBPS tabled in October.	Appropriation Bill, ENE and Budget Review tabled in February. Adjustments Appropriation Bill, AENE and MTBPS tabled in October.	Appropriation Bill, ENE and Budget Review tabled in February.	Appropriation Bill, ENE and Budget Review tabled in February.	Appropriation Bill, ENE and Budget Review tabled in February.
3.3.2	Number of reports produced on public finance statistics according to function and economic classification	N/A	4	4	4	4	4	4
3.3.3	Number of reports produced on guidance given to departments and entities on the classification of expenditure	N/A	4	4	4	4	4	4

4.5. PROGRAMME PERFORMANCE INDICATORS AND ANNUAL TARGETS - CONTINUED

PERFORMANCE INDICATOR	AUDITED/ACTUAL PERFORMANCE			ESTIMATED PERFORMANCE	PLANNED PERFORMANCE CURRENT YEAR	MEDIUM TERM TARGETS (MTEF)		
	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23
Strategic objective 3.4: Monitoring and analysis of public expenditure and service delivery								
3.4.1 Percentage responses to departmental requests for PFMA and TR approvals, sectoral analysis and policy advice	N/A	98.9%	100%	100%	100%	100%	100%	100%
3.4.2 Percentage of Cabinet memos commented on ¹⁴	#	#	#	100%	100%	100%	100%	100%
3.4.3 Number of IYM feedback reports to departments ¹⁵	N/A	277	540	540	528	528	528	528
3.4.4 Number of quarterly expenditure reports submitted to the Standing Committee on Appropriations	N/A	160	160	4	4	4	4	4
3.4.5 Number of reports produced on review and implementation of the COLA costing model	N/A	3	4	4	4	4	4	4

4.5. PROGRAMME PERFORMANCE INDICATORS AND ANNUAL TARGETS - CONTINUED

PERFORMANCE INDICATOR	AUDITED/ACTUAL PERFORMANCE				ESTIMATED PERFORMANCE	PLANNED PERFORMANCE CURRENT YEAR	MEDIUM TERM TARGETS (MTEF)		
	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	
3.4.6 Percentage response to requests for support on governance and financial management monitoring and compliance system in public entities provided	N/A	100%	100%	100%	100%	100%	100%	100%	
3.4.7 Percentage of Budget Facility on Infrastructure (BFI) projects evaluated	#	#	#	#	100%	100%	100%	100%	
Strategic Objective 3.5: Coordinating international development cooperation									
3.5.1 Percentage alignment of development cooperation to government policy and priorities	N/A	100%	100%	100%	100%	100%	100%	100%	
3.5.2 Percentage of development cooperation projects in South Africa coordinated ¹⁶	N/A	100%	100%	100%	100%	100%	100%	100%	

4.5. PROGRAMME PERFORMANCE INDICATORS AND ANNUAL TARGETS- CONTINUED

PERFORMANCE INDICATOR	AUDITED/ACTUAL PERFORMANCE			ESTIMATED PERFORMANCE	PLANNED PERFORMANCE CURRENT YEAR	MEDIUM TERM TARGETS (MTEF)		
	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23
Strategic Objective 3.6: Coordination of intergovernmental relations								
3.6.1 Number of Division of Revenue and Amendment Bills published annually	N/A	3	2	2	2	2	2	2
3.6.2 Number of reforms introduced to enhance provincial and local government fiscal frameworks	N/A	4	2	2	2	2	2	2
3.6.3 Number of plans assessed to support improvements in infrastructure planning and implementation in provinces	N/A	18	36	36	36	36	36	36
3.6.4 Number of built environment performance plans assessed ¹⁷	N/A	8	8	8	8	8	8	8
3.6.5 Number of capacity building initiatives to facilitate improved planning, budgeting and financial management ¹⁸	N/A	33	59	50	31	31	31	31

4.5. PROGRAMME PERFORMANCE INDICATORS AND ANNUAL TARGETS - CONTINUED

PERFORMANCE INDICATOR	AUDITED/ACTUAL PERFORMANCE			ESTIMATED PERFORMANCE	PLANNED PERFORMANCE CURRENT YEAR	MEDIUM TERM TARGETS (MTEF)		
	2015/16	2016/17	2017/18			2020/21	2021/22	2022/23
3.6.6 Number of quarterly financial reports published	N/A	4	4	8	8	8	8	8
3.6.7 Number of provincial and municipal budgeting benchmarking exercises held to improve provincial and municipal budget credibility, composition and achievability ¹⁹	N/A	18	35	35	26	26	26	26
3.6.8 Number of annual municipal routine reports published	#	#	10	6	6	6	6	6
3.6.9 Number of support initiatives implemented in provinces ²⁰	#	#	13	13	5	5	5	5
3.6.10 Number of municipal budgeting and reporting reforms implemented ²¹	#	#	3	3	1	1	1	1

4.5. PROGRAMME PERFORMANCE INDICATORS AND ANNUAL TARGETS - CONTINUED

PERFORMANCE INDICATOR	AUDITED/ACTUAL PERFORMANCE			ESTIMATED PERFORMANCE	PLANNED PERFORMANCE CURRENT YEAR	MEDIUM TERM TARGETS (MTEF)		
	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23
3.6.11 Number of provincial and municipal mid-year budget and expenditure and performance assessment reports produced	#	#	26	26	26	26	26	26

4.6. PROGRAMME PERFORMANCE INDICATOR QUARTERLY TARGETS FOR 2019/20

PERFORMANCE INDICATOR		2019/20 ANNUAL TARGETS	QUARTER 1	QUARTER 2	QUARTER 3	QUARTER 4
Strategic Objective 3.1: Developing and implementing South Africa's fiscal policy and related frameworks						
3.1.1	Number of fiscal policy chapters published	2	N/A	N/A	1	1
3.1.2	Number of fiscal frameworks provided	2	N/A	N/A	1	1
Strategic Objective 3.2: Preparation of the national budget						
3.2.1	Number of budget guidelines issued	1 set of MTEF guidelines issued by July. 1 AENE guideline issued in August. 1 ENE guideline issued in October.	N/A	1 MTEF guideline. 1 AENE guideline.	1 ENE guideline.	N/A
3.2.2	Obtain budget expenditure allocation decisions from the executive	1 Cabinet endorsement of national government expenditure allocations by end of calendar year.	N/A	N/A	1 Cabinet endorsement of national government expenditure allocations.	N/A
Strategic Objective 3.3: Publication of the national budget						
3.3.1	Budget legislation and accompanying documentation tabled in Parliament and published	Appropriation Bill, ENE and Budget Review tabled in February. Adjustments Appropriation Bill, AENE and MTBPS tabled in October.	N/A	N/A	Adjustments Appropriation Bill, AENE and MTBPS tabled.	Appropriation Bill, ENE and Budget Review tabled.
3.3.2	Number of reports produced on public finance statistics according to function and economic classification	4	1	1	1	1

4.6. PROGRAMME PERFORMANCE INDICATOR QUARTERLY TARGETS FOR 2019/20 - CONTINUED

PERFORMANCE INDICATOR	2019/20 ANNUAL TARGETS	QUARTER 1	QUARTER 2	QUARTER 3	QUARTER 4
3.3.3	Number of reports produced on guidance given to departments and entities on the classification of expenditure	4	1	1	1
Strategic Objective 3.4: Monitoring and analysis of public expenditure and service delivery					
3.4.1	Percentage responses to departmental requests for PFMA and TR approvals, sectoral analysis and policy advice	100%	100%	100%	100%
3.4.2	Percentage of Cabinet memos commented on	100%	100%	100%	100%
3.4.3	Number of IYM feedback reports to departments	528	132	132	132
3.4.4	Number of quarterly expenditure reports submitted to the Standing Committee on Appropriations	4	1	1	1
3.4.5	Number of reports produced on review and implementation of the COLA costing model	4	1	1	1
3.4.6	Percentage response to requests for support on governance and financial management monitoring and compliance system in public entities provided	100%	100%	100%	100%
3.4.7	Percentage of Budget Facility on Infrastructure (BFI) projects evaluated	100%	100%	N/A	100%
Strategic Objective 3.5: Coordinating international development cooperation					
3.5.1	Percentage alignment of development cooperation to government policy and priorities	100%	100%	100%	100%
3.5.2	Percentage of development cooperation projects in South Africa coordinated	100%	100%	100%	100%
Strategic Objective 3.6: Coordinating intergovernmental relations					
3.6.1	Number of Division of Revenue and Division of Revenue Amendment Bills published annually	2	N/A	1	1
3.6.2	Number of reforms introduced to enhance provincial and local government fiscal frameworks	2	N/A	N/A	2

4.6. PROGRAMME PERFORMANCE INDICATOR QUARTERLY TARGETS FOR 2019/20 - CONTINUED

PERFORMANCE INDICATOR	2019/20 ANNUAL TARGETS	QUARTER 1	QUARTER 2	QUARTER 3	QUARTER 4
3.6.3 Number of plans assessed to support improvements in infrastructure planning and implementation in provinces	36	N/A	N/A	36	N/A
3.6.4 Number of built environment performance plans assessed	8	N/A	8	N/A	N/A
3.6.5 Number of capacity building initiatives to facilitate improved planning, budgeting and financial management	31	12	19	N/A	N/A
3.6.6 Number of quarterly financial reports published	8	2	2	2	2
3.6.7 Number of provincial and municipal budgeting benchmarking exercises held to improve provincial and municipal budget credibility, composition and achievability	26	17	N/A	9	N/A
3.6.8 Number of annual municipal routine reports published	6	1	N/A	4	1
3.6.9 Number of support initiatives implemented in provinces	5	2	1	1	1
3.6.10 Number of municipal budgeting and reporting reforms implemented	1	N/A	N/A	N/A	1
3.6.11 Number of provincial and municipal mid-year budget and expenditure performance assessment reports produced	26	N/A	9	N/A	17

4.7. EXPENDITURE TRENDS AND ESTIMATES

Public Finance and Budget Management expenditure trends and estimates by sub-programme and economic classification											
Sub-programme	Audited outcome			Adjusted appropriation	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
R million	2015/16	2016/17	2017/18	2018/19	2015/16 - 2018/19	2019/20	2020/21	2021/22	2018/19 - 2021/22	2019/20 - 2021/22	2018/19 - 2021/22
Programme Management for Public Finance and Budget Management	17.9	21.4	20.8	20.6	4.9%	7.1%	26.4	27.5	30.3	13.6%	8.1%
Public Finance	59.2	56.6	61.7	63.1	2.2%	21.3%	61.3	65.4	68.7	2.8%	20.1%
Budget Office and Coordination	55.4	57.0	57.7	62.8	4.3%	20.6%	63.0	67.6	71.3	4.4%	20.6%
Intergovernmental Relations	89.0	102.0	97.8	99.7	3.9%	34.3%	115.0	107.5	113.5	4.4%	33.8%
Financial and Fiscal Commission	41.2	44.8	50.6	51.8	8.0%	16.7%	54.3	57.3	60.5	5.3%	17.4%
Total	262.6	281.8	288.6	298.0	4.3%	100.0%	320.0	325.3	344.2	4.9%	100.0%
Change to 2018 Budget estimate				7.9			14.6	(5.2)	(6.8)		
Economic classification											
Current payments	218.7	235.0	236.4	243.5	3.6%	82.6%	263.3	265.4	281.1	4.9%	81.8%
Compensation of employees	192.3	201.9	211.7	214.5	3.7%	72.5%	219.2	234.9	248.1	5.0%	71.2%
Goods and services	26.4	33.1	24.7	29.0	3.3%	10.0%	44.1	30.6	33.0	4.3%	10.6%
of which:											
Bursaries: Employees	0.8	0.6	1.0	1.4	17.9%	0.3%	1.7	1.5	1.6	5.3%	0.5%
Consultants: Business and advisory services	6.8	14.2	5.1	5.8	-5.2%	2.8%	20.4	5.9	7.0	6.2%	3.0%
Consumables: Stationery, printing and office supplies	5.7	2.1	6.7	7.1	7.6%	1.9%	1.8	1.8	1.8	-36.3%	1.0%
Operating leases	0.6	0.9	0.7	0.9	11.7%	0.3%	1.0	1.1	1.2	9.9%	0.3%
Travel and subsistence	7.8	8.3	8.5	9.8	7.6%	3.0%	9.9	10.2	10.8	3.2%	3.2%

4.7. EXPENDITURE TRENDS AND ESTIMATES - CONTINUED

Public Finance and Budget Management expenditure trends and estimates by sub-programme and economic classification											
Sub-programme	Audited outcome			Adjusted appropriation	Average growth rate (%)	Average: Expenditure/Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/Total (%)
R million	2015/16	2016/17	2017/18	2018/19	2015/16 - 2018/19	2018/19	2019/20	2020/21	2021/22	2018/19 - 2021/22	2018/19 - 2021/22
Operating payments	0.2	4.4	0.0	0.1	-29.2%	0.4%	5.9	6.2	6.6	395.5%	1.5%
Transfers and subsidies	42.7	45.2	51.0	51.9	6.8%	16.9%	54.3	57.3	60.5	5.2%	17.4%
Departmental agencies and accounts	41.2	44.8	50.6	51.8	8.0%	16.7%	54.3	57.3	60.5	5.3%	17.4%
Households	1.5	0.4	0.4	0.1	-55.6%	0.2%	-	-	-	-100.0%	-
Payments for capital assets	1.1	1.5	1.1	2.6	33.9%	0.6%	2.4	2.5	2.7	0.6%	0.8%
Machinery and equipment	1.1	1.5	1.1	2.6	33.9%	0.6%	2.4	2.5	2.7	0.6%	0.8%
Payments for financial assets	0.1	0.0	0.1	-	-100.0%	-	-	-	-	-	-
Total	262.6	281.8	288.6	298.0	4.3%	100.0%	320.0	325.3	344.2	4.9%	100.0%
Proportion of total programme expenditure to vote expenditure	0.9%	1.0%	0.7%	1.0%	-	-	1.0%	1.0%	1.0%	-	-
Details of transfers and subsidies											
Households											
Social benefits											
Current	1.4	0.1	0.1	0.0	-87.0%	0.1%	-	-	-	-100.0%	-
Employee social benefits	1.4	0.1	0.1	0.0	-87.0%	0.1%	-	-	-	-100.0%	-
Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current	41.2	44.8	50.6	51.8	8.0%	16.7%	54.3	57.3	60.5	5.3%	17.4%
Financial and Fiscal Commission	41.2	44.8	50.6	51.8	8.0%	16.7%	54.3	57.3	60.5	5.3%	17.4%

4.8. PERSONNEL INFORMATION

Public Finance and Budget Management personnel numbers and cost by salary level ¹																			
Number of posts estimated for 31 March 2019			Number and cost ² of personnel posts filled / planned for on funded establishment															Number	
			Actual			Revised estimate			Medium-term expenditure estimate									Average growth rate (%)	Average: Salary level// Total (%)
			2017/18			2018/19			2019/20			2020/21			2021/22			2018/19 - 2021/22	
			Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost		
Public Finance and Budget Management			271	211.7	0.8	252	214.6	0.9	239	219.2	0.9	236	234.9	1.0	230	248.1	1.1	-3.0%	100.0%
Salary level	252	5	3	0.7	0.2	4	0.5	0.1	5	0.8	0.2	5	0.9	0.2	5	1.0	0.2	7.7%	2.0%
1 – 6	2	–																	
7 – 10	73	3	78	37.7	0.5	79	39.7	0.5	69	36.3	0.5	64	36.3	0.6	58	35.7	0.6	-9.8%	28.2%
11 – 12	101	–	105	82.7	0.8	91	79.6	0.9	90	84.3	0.9	90	90.4	1.0	90	96.7	1.1	-0.4%	37.7%
13 – 16	76	2	85	90.5	1.1	78	94.7	1.2	75	97.7	1.3	77	107.3	1.4	77	114.7	1.5	-0.4%	32.1%

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

2. Rand million.

5. PROGRAMME 4: ASSET AND LIABILITY MANAGEMENT

5.1. PURPOSE

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

5.2. STRATEGIC OBJECTIVES

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

5.3. SUB-PROGRAMMES

PROGRAMME MANAGEMENT FOR ASSET AND LIABILITY MANAGEMENT

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

STATE-OWNED COMPANIES FINANCIAL MANAGEMENT AND GOVERNANCE

This sub-programme is responsible for overseeing SOEs to enable them to meet government's policy objectives in a financially and fiscally sustainable manner, and for promoting sound corporate governance of these enterprises. Over the medium term, the unit will continue to review and compile submissions on applications for funding, guarantees and borrowing limits as well as other PFMA applications from SOCs. Where such applications are approved, the unit will monitor financial performance and adherence to any conditions. It will also continue to review SOEs' corporate plans and annual reports as they are received annually. To strengthen regulatory compliance, the unit will report on compliance by major state-owned companies with the PFMA, the Companies Act, 2008 (Act No. 71 of 2008), Treasury Regulations and the King III and IV Code on Corporate Governance.

GOVERNMENT DEBT MANAGEMENT

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

FINANCIAL OPERATIONS

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

STRATEGY AND RISK MANAGEMENT

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

5.4. STRATEGIC PLAN OBJECTIVE ANNUAL AND MEDIUM TERM TARGETS

PERFORMANCE INDICATOR	AUDITED/ACTUAL PERFORMANCE			ESTIMATED PERFORMANCE	PLANNED PERFORMANCE CURRENT YEAR	MEDIUM TERM TARGETS (MTEF)				
	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25
Strategic Objective 4.1: Exercise oversight of state-owned companies										
4.1	Percentage of oversight of state-owned companies reports			#	100%	100%	100%	100%	100%	100%
Strategic Objective 4.2: Optimal debt management and funding of government borrowing requirement										
4.2	Percentage of optimal debt management and funding of government borrowing requirements met			#	100%	100%	100%	100%	100%	100%
Strategic Objective 4.3: Ensure sound management of government's cash resources										
4.3	Percentage of government's liquidity requirements met			#	#	100%	100%	100%	100%	100%
Strategic Objective 4.4: Minimise and mitigate risks emanating from government's fiscal obligations										
4.4	Number of reports on the management of government's contingent liabilities and counterparty risk			#	#	6	6	6	6	6

5.5. PROGRAMME PERFORMANCE INDICATORS AND ANNUAL TARGETS

PERFORMANCE INDICATOR	AUDITED/ACTUAL PERFORMANCE		ESTIMATED PERFORMANCE	PLANNED PERFORMANCE CURRENT YEAR	MEDIUM TERM TARGETS (MTEF)		
	2015/16	2016/17	2017/18	2018/19	2020/21	2021/22	2022/23
Strategic Objective 4.1: Exercise oversight of state-owned companies							
4.1.1	N/A	32%	100%	100%	100%	100%	100%
4.1.2	N/A	53%	100%	100%	100%	100%	100%
4.1.3	N/A	100%	100%	100%	100%	100%	100%
4.1.4	N/A	100%	100%	100%	100%	100%	100%
4.1.5	N/A	100%	100%	100%	100%	100%	100%
4.1.6	#	1	100%	100%	100%	100%	100%

5.5. PROGRAMME PERFORMANCE INDICATORS AND ANNUAL TARGETS - CONTINUED

PERFORMANCE INDICATOR	AUDITED/ACTUAL PERFORMANCE			ESTIMATED PERFORMANCE	PLANNED PERFORMANCE CURRENT YEAR	MEDIUM TERM TARGETS (MTEF)		
	2015/16	2016/17	2017/18			2020/21	2021/22	2022/23
4.1.7 Percentage of complete board appointments recommendations received from Schedule 2 and 3B public entities reporting to the Minister of Finance reviewed ²³	#	1	100%	100%	100%	100%	100%	100%
4.1.8 Percentage of complete review requests of borrowing limit applications relating to Schedule 2 and 3B public entities reviewed	N/A	100%	100%	100%	100%	100%	100%	100%
Strategic Objective 4.2: Optimal debt management and funding of government borrowing requirement								
4.2.1 Percentage of government's annual gross borrowing requirement met	N/A	100%	100%	100%	100%	100%	100%	100%
4.2.2 Percentage of interest and redemptions met	N/A	100%	100%	100%	100%	100%	100%	100%
Strategic Objective 4.3: Ensure sound management of government's cash resources								
4.3.1 Percentage of government's liquidity requirements met	N/A	100%	100%	100%	100%	100%	100%	100% 2016/17
Strategic Objective 4.4: Minimise and mitigate risks emanating from government's fiscal obligations								
4.4.1 Percentage compliance with market and refinancing risks benchmarks	N/A	100%	100%	100%	100%	100%	100%	100%
4.4.2 Number of interactions to manage and ensure effective relations with the credit rating agencies	#	6	N/A	8	8	8	8	8
4.4.3 Number of reports on the management of government's contingent liabilities and counterparty risk	#	5	N/A	6	6	6	6	6

5.6. PROGRAMME PERFORMANCE INDICATOR QUARTERLY TARGETS FOR 2019/20

PERFORMANCE INDICATOR		2019/20 ANNUAL TARGETS	QUARTER 1	QUARTER 2	QUARTER 3	QUARTER 4
Strategic Objective 4.1: Exercise oversight of state-owned companies						
4.1.1	Percentage of complete corporate plans received from Schedule 2 and 3B public entities reviewed	100%	100%	100%	N/A	N/A
4.1.2	Percentage of annual reports received from Schedule 2 and 3B public entities reviewed	100%	100%	N/A	100%	N/A
4.1.3	Percentage of complete PFMA Section 51(g), 52, 54(2), 55, and 92 applications received from Schedule 2 and 3B public entities reviewed	100%	100%	100%	100%	100%
4.1.4	Percentage of complete guarantee applications received from Schedule 2 and 3B public entities reviewed	100%	100%	100%	100%	100%
4.1.5	Percentage of received MFMA submissions relating to tariff adjustments received from Schedule 2 and 3B public entities reviewed	100%	100%	100%	100%	100%
4.1.6	Percentage of complete remuneration review requests of executive and non-executive directors received from Schedule 2 and 3B public entities reporting to the Minister of Finance reviewed	100%	100%	100%	100%	100%
4.1.7	Percentage of complete board appointments recommendations received from Schedule 2 and 3B public entities reporting to the Minister of Finance reviewed	100%	100%	100%	100%	100%
4.1.8	Percentage of complete review requests of borrowing limit applications relating to Schedule 2 and 3B public entities reviewed	100%	100%	100%	100%	100%
Strategic Objective 4.2: Optimal debt management and funding of government borrowing requirement						
4.2.1	Percentage of government's annual gross borrowing requirement met	100%	100%	100%	100%	100%
4.2.2	Percentage of interest and redemptions met	100%	100%	100%	100%	100%

5.6. PROGRAMME PERFORMANCE INDICATOR QUARTERLY TARGETS FOR 2019/20 - CONTINUED

PERFORMANCE INDICATOR	2019/20 ANNUAL TARGETS	QUARTER 1	QUARTER 2	QUARTER 3	QUARTER 4
Strategic Objective 4.3: Ensure sound management of government's cash resources					
4.3.1	Percentage of government's liquidity requirements met	100%	100%	100%	100%
Strategic Objective 4.4: Minimise and mitigate risks emanating from government's fiscal obligations					
4.4.1	Percentage compliance with market and refinancing risks benchmarks	100%	100%	100%	100%
4.4.2	Number of interactions to manage and ensure effective relations with the credit rating agencies	2	2	3	1
4.4.3	Number of reports on the management of government's contingent liabilities and counterparty risk	1	2	2	1

5.7. EXPENDITURE TRENDS AND ESTIMATES

Asset and Liability Management expenditure trends and estimates by sub-programme and economic classification											
Sub-programme	Audited outcome			Adjusted appropriation	Average growth rate (%)	Average: Expenditure/Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/Total (%)
R million	2015/16	2016/17	2017/18	2018/19	2015/16 - 2018/19	2019/20	2020/21	2021/22	2018/19 - 2021/22		
Programme Management for Asset and Liability Management	9.2	24.4	6.1	12.0	9.4%	10.2	11.0	11.4	-1.8%	10.0%	
State-Owned Entity Financial Management and Governance	30.8	33.5	5 241.6	35.2	4.5%	36.7	39.4	41.8	6.0%	34.2%	
Government Debt Management	19.4	18.8	4 810.0	19.7	0.4%	20.8	22.2	23.4	6.0%	19.2%	
Financial Operations	21.0	22.5	22.0	24.7	5.5%	28.5	30.4	31.5	8.4%	25.7%	
Strategy and Risk Management	9.8	10.9	10.1	10.1	0.9%	12.3	13.1	13.8	11.2%	11.0%	
Financial Investments	3 174.0	–	–	–	-100.0%	–	–	–	–	–	
Total	3 264.3	110.1	10 089.8	101.6	-68.5%	108.4	116.1	122.0	6.3%	100.0%	
Change to 2018 Budget estimate				(8.8)		–	(3.3)	(4.9)			
Economic classification											
Current payments	89.1	108.9	88.9	101.0	4.3%	107.7	115.3	121.1	6.2%	99.4%	
Compensation of employees	72.1	77.0	75.2	78.7	3.0%	84.6	91.2	96.5	7.0%	78.3%	
Goods and services	17.1	31.9	13.6	22.3	9.4%	23.1	24.1	24.7	3.3%	21.0%	

5.7. EXPENDITURE TRENDS AND ESTIMATES - CONTINUED

Asset and Liability Management expenditure trends and estimates by sub-programme and economic classification									
Sub-programme	Audited outcome		Adjusted appropriation	Average growth rate (%)	Average: Expenditure/Total (%)	Medium-term expenditure estimate		Average growth rate (%)	Average: Expenditure/Total (%)
R million	2015/16	2016/17	2017/18	2018/19	2015/16 - 2018/19	2019/20	2020/21	2021/22	2018/19 - 2021/22
<i>of which:</i>									
Bursaries: Employees	0.6	0.6	0.7	0.8	11.1%	1.4	1.3	1.4	18.8%
Computer services	9.5	13.1	8.0	11.6	7.0%	12.1	12.8	13.7	5.5%
Consultants: Business and advisory services	2.2	14.1	0.1	3.4	16.8%	3.0	3.1	3.1	-3.3%
Consumables: Stationery, printing and office supplies	0.5	0.4	0.4	0.6	5.0%	0.7	0.7	0.7	6.5%
Travel and subsistence	2.3	2.1	2.6	3.1	10.5%	3.5	3.6	3.8	6.8%
Training and development	0.4	0.4	0.2	0.5	7.7%	0.8	0.9	0.9	25.9%
Transfers and subsidies	0.9	0.5	0.4	0.0	-62.6%	-	-	-	-100.0%
Households	0.9	0.5	0.4	0.0	-62.6%	-	-	-	-100.0%
Payments for capital assets	0.2	0.7	0.6	0.5	30.1%	0.7	0.8	0.8	17.6%
Machinery and equipment	0.2	0.7	0.6	0.5	30.1%	0.7	0.8	0.8	17.6%
Payments for financial assets	3 174.0	-	10 000.0	-	-100.0%	-	-	-	-
Total	3 264.3	110.1	10 089.8	101.6	-68.5%	108.4	116.1	122.0	6.3%
Proportion of total programme expenditure to vote expenditure	11.4%	0.4%	25.4%	0.3%	-	0.4%	0.4%	0.4%	-
									100.0%
									-

5.8. PERSONNEL INFORMATION

Asset and Liability Management personnel numbers and cost by salary level¹																			
Number of posts estimated for 31 March 2019			Number and cost² of personnel posts filled / planned for on funded establishment												Number				
			Actual		Revised estimate			Medium-term expenditure estimate						Average growth rate (%)	Average: Salary Level / Total (%)				
			2017/18		2018/19			2019/20			2020/21			2021/22		2018/19 - 2021/22			
Asset and Liability Management			Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost					
Salary level	92	4	97	75.2	0.8	98	78.7	0.8	99	84.6	0.9	99	91.2	0.9	98	96.5	1.0	–	100.0%
1 – 6	3	–	3	0.7	0.2	3	0.7	0.2	4	1.0	0.2	4	1.1	0.3	4	1.2	0.3	10.1%	3.8%
7 – 10	37	3	42	22.0	0.5	46	28.0	0.6	46	30.1	0.7	45	31.7	0.7	44	32.9	0.7	–1.5%	45.9%
11 – 12	33	–	32	29.9	0.9	29	27.1	0.9	29	29.0	1.0	30	32.1	1.1	30	34.4	1.1	1.1%	29.9%
13 – 16	19	1	20	22.6	1.1	20	22.9	1.1	20	24.5	1.2	20	26.3	1.3	20	28.1	1.4	–	20.3%

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

2. Rand million.

6. PROGRAMME 5: FINANCIAL ACCOUNTING AND SUPPLY CHAIN MANAGEMENT SYSTEMS

6.1. PURPOSE

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

6.2. STRATEGIC OBJECTIVES

STRATEGIC OBJECTIVE	OBJECTIVE STATEMENT	SUB-PROGRAMMES
SO 5.1 Improve financial management governance and compliance across all spheres and entities in government, giving effect to the PFMA and MFMA	<p>Governance and compliance are continuously improved across all spheres of government by:</p> <ul style="list-style-type: none"> • Maintaining and enhancing the legislative framework • Enforcing compliance with public-sector financial management legislation in each sphere of government • Providing technical support services to address implementation challenges in financial management, IA and risk management • Issuing frameworks, guidelines, circulars, Treasury Instructions and other tools to enable proper implementation of the legislation • Monitoring and evaluating financial management, IA and risk management across government • Facilitating and undertaking special investigations and performance audits to improve financial governance and compliance 	<p>Financial Management Policy and Compliance Improvement: Office of the Accountant-General</p> <ul style="list-style-type: none"> • Governance Monitoring and Compliance • Municipal Finance Management Act Implementation • Internal Audit Support and Advisory Services • Risk Management Advisory Services • Technical Support Services • Specialised Audit Services

PART B: PROGRAMME AND SUB-PROGRAMME PLANS - CONTINUED

STRATEGIC OBJECTIVE	OBJECTIVE STATEMENT	SUB-PROGRAMMES
SO 5.2 Support and facilitate capacity development across all spheres of government in order to improve financial management execution	Research, develop and implement interventions that contribute to improved public finance management (PFM) capacity, capability, and performance in all three spheres of government, through institutional, organisational, individual, and stakeholder development. This includes providing capacity and support on policies relating to accounting and reporting and IA	Financial Reporting for National Accounts and Financial Management: Office of the Accountant-General <ul style="list-style-type: none"> • Policy and Compliance Improvement • Capacity Building • Municipal Finance Improvement Programme • Specialised Audit Services • Internal Audit Support and Advisory Services • Technical Support Services • Accounting Support and Reporting
SO 5.3 Manage existing financial systems and renew these as required to exercise comprehensive financial management	Maintain existing financial systems at a level of 98 per cent availability including the provision of reliable, efficient and effective support and user training over the medium term Develop and implement the IFMS to replace ageing and fragmented financial, supply chain and HR management systems across national and provincial departments	Office of the Accountant-General <ul style="list-style-type: none"> • Financial Systems • Integrated Financial Management Systems
SO 5.4 Modernise SCM policies and procedures	Comprehensive review of SCM policies to ensure a simplified and modernised SCM environment in government, including the amendment of processes and procedures in line with the revised policies	Office of the Chief Procurement Officer
SO 5.5 Monitor and evaluate SCM performance	Exercise oversight on compliance with SCM policies, procedures, norms and standards through monitoring: <ul style="list-style-type: none"> • Published procurement plans • Published deviations and contract expansions • Bid specifications and procurement plans against SCM policies and procedures • Bid evaluation and adjudication to ensure compliance with evaluation criteria/scoring • Implementation of projects against contract specifications and conditions of tender 	Office of the Chief Procurement Officer

STRATEGIC OBJECTIVE	OBJECTIVE STATEMENT	SUB-PROGRAMMES
SO5.6 Develop and implement strategic procurement	<p>Conduct a collaborative and structured process of critically analysing government's spend and utilise this information to make better business decisions about acquiring goods and services effectively and efficiently. Strategic procurement will help government to:</p> <ul style="list-style-type: none"> • Optimise performance • Minimise costs • Improve access to business opportunities in line with government broader socio-economic objectives • Increase value per Rand spent <p>These objectives will be achieved through the publication and implementation of a strategic procurement framework, guidelines and tools</p> <p>Achieve economies of scale by collectively contracting for common goods and services</p>	Office of the Chief Procurement Officer
SO5.7 Build and strengthen stakeholder relations	Provide an environment for SCM engagements and for support to stakeholders/clients	Office of the Chief Procurement Officer
SO 5.8 Modernise and automate SCM processes	Modernise ICT to improve SCM performance and reduce the amount of paper used in processing transactions	Office of the Chief Procurement Officer

6.3. SUB-PROGRAMMES

PROGRAMME MANAGEMENT FOR FINANCIAL ACCOUNTING AND SUPPLY CHAIN SYSTEMS

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

OFFICE OF THE ACCOUNTANT-GENERAL

The purpose of this sub-programme is to facilitate accountability, governance and oversight by promoting transparent, economic, efficient and effective management in respect of revenue, expenditure, assets and liabilities in the South African public sector through:

- Financial Systems: Maintain and improve existing financial management systems and develop and implement the new IFMS. This will replace ageing and fragmented financial, supply chain and HR management systems within national and provincial departments.
- Financial Reporting for National Accounts: Provides support to all spheres of government in implementing financial reporting frameworks and preparing consolidated financial statements. Responsibilities include monthly monitoring of state budgets and expenditure reports in line with the PFMA.
- Financial Management Policy and Compliance Improvement: Promotes financial management compliance with the PFMA and MFMA through the development of supporting guides and frameworks, instructions and regulations, and provides implementation support in the three spheres of government. It regulates financial management and accounting policies and sets the risk and IA frameworks in the three spheres of government. It also provides technical and other support for institutional capacity building relating to financial management and provides assistance with specialised performance audits and investigations of malpractice across all spheres of government.

OFFICE OF THE CHIEF PROCUREMENT OFFICER

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

6.4. STRATEGIC PLAN OBJECTIVE ANNUAL AND MEDIUM TERM TARGETS

PERFORMANCE INDICATOR	AUDITED/ACTUAL PERFORMANCE		ESTIMATED PERFORMANCE	PLANNED PERFORMANCE CURRENT YEAR	MEDIUM TERM TARGETS (MTEF)					
	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25
Strategic Objective 5.1: Improve financial management governance and compliance across all spheres and entities in government, giving effect to the PFMA and MFMA										
5.1	Percentage of financial management regulations, instructions, circulars, policies, guidelines and tools published	#	100%	100%	100%	100%	100%	100%	100%	100%
Strategic Objective 5.2: Support and facilitate capacity development across all spheres of government in order to improve financial management execution										
5.2	Percentage of planned capacity development initiatives implemented	#	100%	100%	100%	100%	100%	100%	100%	100%
Strategic Objective 5.3: Manage existing financial systems and renew these as required to exercise comprehensive financial management										
5.3	Percentage alignment of financial management systems to regulations, policies and instructions	#	100%	100%	100%	100%	100%	100%	100%	100%

6.4. STRATEGIC PLAN OBJECTIVE ANNUAL AND MEDIUM TERM TARGETS - CONTINUED

PERFORMANCE INDICATOR	AUDITED/ACTUAL PERFORMANCE			ESTIMATED PERFORMANCE	PLANNED PERFORMANCE CURRENT YEAR	MEDIUM TERM TARGETS (MTEF)				
	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25
Strategic Objective 5.4: Modernise SCM policies and procedures										
5.4 Percentage of revised SCM Process and Procedures published	#	#	100%	100%	100%	100%	100%	100%	100%	100%
Strategic Objective 5.5: Monitor and evaluate SCM performance										
5.5 Percentage of SCM performance monitoring reports published on the website	#	#	100%	100%	100%	100%	100%	100%	100%	100%
Strategic Objective 5.6: Develop and implement strategic procurement										
5.6 Strategy for strategic procurement implemented	#	#	Strategy for strategic procurement developed	Strategy for strategic procurement rolled out	Strategy updated	Strategy updated	Strategy updated	Strategy updated	Strategy updated	Strategy updated
Strategic Objective 5.7: Build and strengthen stakeholder relations										
5.7 Build and strengthen stakeholder relations	#	#	Develop stakeholder engagement model	Implement stakeholder engagement model	Evaluate stakeholder engagement model	Update stakeholder engagement model	Review stakeholder engagement model	Review stakeholder engagement model	Review stakeholder engagement model	Review stakeholder engagement model

6.4. STRATEGIC PLAN OBJECTIVE ANNUAL AND MEDIUM TERM TARGETS - CONTINUED

PERFORMANCE INDICATOR			AUDITED/ACTUAL PERFORMANCE		ESTIMATED PERFORMANCE	PLANNED PERFORMANCE CURRENT YEAR	MEDIUM TERM TARGETS (MTEF)					
			2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25
Strategic Objective 5.8: Modernise and automate SCM processes												
5.8	e-Procurement implemented	#	#	Develop e-Procurement	e-Procurement – business processes redefined	Update e-procurement business processes	Update e-procurement business processes	Further improvement of e-procurement business processes	Further improvement of e-procurement business processes	Further improvement of e-procurement business processes	Further improvement of e-procurement business processes	Further improvement of e-procurement business processes

6.5. PROGRAMME PERFORMANCE INDICATORS AND ANNUAL TARGETS^{24 25}

PERFORMANCE INDICATOR	AUDITED/ACTUAL PERFORMANCE			ESTIMATED PERFORMANCE	PLANNED PERFORMANCE CURRENT YEAR	MEDIUM TERM TARGETS (MTEF)		
	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23
Strategic Objective 5.1 Improve financial management governance and compliance across all spheres and entities in government, giving effect to the PFMA and MFMA								
5.1.1	N/A	5	5	5	5	5	5	5
5.1.2	#	#	6	4	4	4	4	4
5.1.3	N/A	4	4	4	4	8	8	8
5.1.4	N/A	10	8	8	8	12	12	12
5.1.5	28	41	25	26	26	26	26	26
5.1.6	#	#	#	4	4	4	4	4

6.5. PROGRAMME PERFORMANCE INDICATORS AND ANNUAL TARGETS²

- CONTINUED

PERFORMANCE INDICATOR	AUDITED/ACTUAL PERFORMANCE			ESTIMATED PERFORMANCE	PLANNED PERFORMANCE CURRENT YEAR	MEDIUM TERM TARGETS (MTEF)		
	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23
5.1.7 Number of criminal investigation cases supported	44	74	30	30	30	30	30	30
5.1.8 Number of engagements held with public officials to address compliance and implementation of regulations, instructions and guidelines in a coordinated and consistent manner	#	#	2	2	2	2	2	2
5.1.9 Percentage of financial management grant support plans reviewed for alignment with the grant framework for municipalities	#	#	100%	100%	100%	100%	100%	100%
5.1.10 Percentage of complete requests to draft financial recovery plans responded to within 90 days of receipt	#	#	100%	100%	100%	100%	100%	100%
5.1.11 Number of municipalities assisted in addressing gaps as identified by FMCMM and financial indicator assessments	#	#	3	5	5	5	5	5

6.5. PROGRAMME PERFORMANCE INDICATORS AND ANNUAL TARGETS - CONTINUED

PERFORMANCE INDICATOR	AUDITED/ACTUAL PERFORMANCE				ESTIMATED PERFORMANCE	PLANNED PERFORMANCE CURRENT YEAR	MEDIUM TERM TARGETS (MTEF)		
	2015/16	2016/17	2017/18	2018/19			2020/21	2021/22	2022/23
5.1.12 Number of municipalities with the highest UIFW incurred annually monitored to rectify such expenditure in terms of the MFMA	#	#	10	10	10	10	10	10	10
5.1.13 Number of monthly statement reports of actual revenue and actual expenditure for the National Revenue Fund (NRF) published	N/A	12 reports published, each on the last working day of every month.	12	12	12	12	12	12	12
5.1.14 Number of consolidated annual financial statements for national departments, public entities and Reconstruction and Development Programme (RDP) Fund tabled on 31 October	N/A	1 tabling of consolidated financial statements.	2	2	2	2	2	2	2
5.1.15 Number of Modified Cash Standard published	#	#	#	1	1	1	1	1	1

6.5. PROGRAMME PERFORMANCE INDICATORS AND ANNUAL TARGETS - CONTINUED

PERFORMANCE INDICATOR	AUDITED/ACTUAL PERFORMANCE			ESTIMATED PERFORMANCE	PLANNED PERFORMANCE CURRENT YEAR	MEDIUM TERM TARGETS (MTEF)		
	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23
Strategic Objective 5.2: Support and facilitate capacity development across all spheres of government in order to improve financial management execution								
5.2.1	Number of training sessions conducted in the preparation of provincial consolidated financial statements, provincial revenue fund statements and implementation of Generally Recognised Accounting Practice (GRAP) standards	N/A	477	250	4	4	4	4
5.2.2	Percentage of the public financial management education, training and development implementation plan achieved	#	#	100%	100%	100%	100%	100%
5.2.3	Number of municipal officials trained in financial management competencies	1380	1080	1000	1 000	1 000	1 000	1 000

6.5. PROGRAMME PERFORMANCE INDICATORS AND ANNUAL TARGETS - CONTINUED

PERFORMANCE INDICATOR	AUDITED/ACTUAL PERFORMANCE			ESTIMATED PERFORMANCE	PLANNED PERFORMANCE CURRENT YEAR	MEDIUM TERM TARGETS (MTEF)		
	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23
5.2.4 Percentage of the public financial management capacity development strategy (CDS) implementation plan achieved	N/A	100%	100%	100%	100%	100%	100%	100%
5.2.5 Percentage of qualifying trainees that participate in the academic support programme for prospective chartered accountants	N/A	17	100%	100%	100%	100%	100%	100%
5.2.6 Number of municipalities monitored to comply with minimum competencies regulations for financial management	#	#	70	70	70	70	70	70
5.2.7 Number of municipalities that received disclaimers and adverse opinions prioritised by NT and PTs supported	#	#	10	30	30	30	30	30
Strategic Objective 5.3: Manage existing financial systems and renew these as required to exercise comprehensive financial management								
5.3.1 Percentage availability of current transversal systems	98%	99%	98%	98%	98%	98%	98%	98%

6.5. PROGRAMME PERFORMANCE INDICATORS AND ANNUAL TARGETS - CONTINUED

PERFORMANCE INDICATOR		AUDITED/ACTUAL PERFORMANCE			ESTIMATED PERFORMANCE	PLANNED PERFORMANCE CURRENT YEAR	MEDIUM TERM TARGETS (MTEF)		
		2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23
5.3.2	Implementation of the IFMS II plan ²⁶	#	#	#	Planning and design completed. Pilot site preparation for National Treasury and DPSA.	Functional and technical specifications of IFMS system developed.	Centralised IFMS Solution Templates developed.	IFMS Solution templates rolled out.	National roll-out of the IFMS Solution Templates.
Strategic Objective 5.4: Modernise SCM policies and procedures									
5.4.1	Number of Instructions issued in line with policy interventions and proposed designated products or categories to enhance SCM policy	N/A	22	9	6	3	3	5	3
Strategic Objective 5.5: Monitor and evaluate SCM performance									
5.5.1	Percentage of departments/' entities' deviation/expansion requests reviewed	N/A	100%	100%	100%	100%	100%	100%	100%
5.5.2	Percentage of procurement plans published on the e-tender portal	N/A	100%	100%	100%	100%	100%	100%	100%
5.5.3	Percentage of bids reviewed to ensure compliance with norms and standards	N/A	100%	100%	100%	100%	100%	100%	100%

6.5. PROGRAMME PERFORMANCE INDICATORS AND ANNUAL TARGETS - CONTINUED

PERFORMANCE INDICATOR	AUDITED/ACTUAL PERFORMANCE			ESTIMATED PERFORMANCE	PLANNED PERFORMANCE CURRENT YEAR	MEDIUM TERM TARGETS (MTEF)		
	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23
Strategic Objective 5.6: Develop and implement strategic procurement								
5.6.1	Percentage implementation of the strategic sourcing opportunities plan	#	#	#	100%	100%	100%	100%
5.6.2	Number of transversal term contracts implemented	16	28	17	22	25	28	15
Strategic Objective 5.7: Build and strengthen stakeholder relations								
5.7.1	Number of prioritised departments and entities supported on supply chain	#	#	8	10	10	10	10
Strategic Objective 5.8: Modernise and automate SCM processes								
5.8.1	Number of municipalities supported in SCM and contract management audit findings/opinions; monitoring corrective actions taken by non-compliant municipalities ²⁷	#	#	#	Metros: 1 Districts: 10 Local: 100	Non Delegated Municipalities: 17	Non Delegated Municipalities: 17	Non Delegated Municipalities: 17

6.6. PROGRAMME PERFORMANCE INDICATOR QUARTERLY TARGETS FOR 2019/20

PERFORMANCE INDICATOR		2019/20 ANNUAL TARGETS	QUARTER 1	QUARTER 2	QUARTER 3	QUARTER 4
Strategic Objective 5.1: Improve financial management governance and compliance across all spheres and entities in government, giving effect to the PFMA and MFMA						
5.1.1	Number of support plans developed for government entities struggling with financial management as identified in audit reports	5	2	3	N/A	N/A
5.1.2	Number of monitoring reports on improvement of financial management in national and provincial institutions produced	4	1	1	1	1
5.1.3	Number of guidelines to assist with the implementation of Treasury Regulations, policies and Treasury Instructions developed	4	1	1	1	1
5.1.4	Number of training sessions provided to support PFMA institutions on the implementation of Treasury Regulations, Treasury Instructions and guidelines	8	2	2	2	2
5.1.5	Number of forensic investigation reports produced	26	6	7	6	7
5.1.6	Number of specialised audit reports produced	4	1	1	1	1
5.1.7	Number of criminal investigation cases supported	30	N/A	N/A	N/A	30
5.1.8	Number of engagements held with public officials to address compliance and implementation of regulations, instructions and guidelines in a coordinated and consistent manner	2	1	N/A	N/A	1
5.1.9	Percentage of financial management grant support plans reviewed for alignment with the grant framework for municipalities	100%	N/A	N/A	N/A	100%
5.1.10	Percentage of complete requests to draft financial recovery plans responded to within 90 days of receipt	100%	100%	100%	100%	100%
5.1.11	Number of municipalities assisted in addressing gaps as identified by FMCMM and financial indicator assessments	5	N/A	N/A	N/A	5
5.1.12	Number of municipalities with the highest UFWI incurred annually monitored to rectify such expenditure in terms of the MFMA	10	N/A	N/A	N/A	10
5.1.13	Number of monthly statement reports of actual revenue and actual expenditure for the National Revenue Fund (NRF) published	12	3	3	3	3

6.6. PROGRAMME PERFORMANCE INDICATOR QUARTERLY TARGETS FOR 2019/20

- CONTINUED

PERFORMANCE INDICATOR	2019/20 ANNUAL TARGETS	QUARTER 1	QUARTER 2	QUARTER 3	QUARTER 4
5.1.14 Number of consolidated annual financial statements for national departments, public entities and Reconstruction and Development Programme (RDP) Fund tabled on 31 October	2	N/A	N/A	N/A	2
5.1.15 Number of Modified Cash Standard published	1	N/A	N/A	N/A	1
Strategic Objective 5.2: Support and facilitate capacity development across all spheres of government in order to improve financial management execution					
5.2.1 Number of training sessions conducted in the preparation of provincial consolidated financial statements, provincial revenue fund statements and implementation of Generally Recognised Accounting Practice (GRAP) standards	4	1	1	1	1
5.2.2 Percentage of the public financial management education, training and development implementation plan achieved	100%	25%	25%	25%	25%
5.2.3 Number of municipal officials trained in financial management competencies	1 000	250	250	250	250
5.2.4 Percentage of the public financial management capacity development strategy (CDS) implementation plan achieved	100%	25%	25%	25%	25%
5.2.5 Percentage of qualifying trainees that participate in the academic support programme for prospective chartered accountants	100%	100%	100%	100%	100%
5.2.6 Number of municipalities monitored to comply with minimum competencies regulations for financial management	70	N/A	N/A	N/A	70
5.2.7 Number of municipalities that received disclaimers and adverse opinions prioritised by NT and PTs supported	30	N/A	N/A	N/A	30
Strategic Objective 5.3: Manage existing financial systems and renew these as required to exercise comprehensive financial management					
5.3.1 Percentage availability of current transversal systems	98%	N/A	N/A	N/A	98%

6.6. PROGRAMME PERFORMANCE INDICATOR QUARTERLY TARGETS FOR 2019/20 - CONTINUED

PERFORMANCE INDICATOR	2019/20 ANNUAL TARGETS	QUARTER 1	QUARTER 2	QUARTER 3	QUARTER 4
5.3.2 Implementation of the IFMS II plan	Functional and technical specifications of IFMS system developed.	Project plan for the development of functional and technical specifications finalised. Organisational change management and communications tactical plan for pilot finalised. Instruction to perform work inception documents completed. Strategies for the establishment of centre of excellence finalised.	Business Transformation project streams and related Programme Governance structures established. Financial management module processes (Level 1 - 4) validated. IT readiness assessment of pilot sites completed.	Request for Proposal to SITA for the establishment of a Panel for Oracle accredited Systems Implementers issued.	Contracts with Systems Implementers finalised. Data migration and transition plan for 2020/21 completed. Standard operating procedures for the centre of excellence approved.
Strategic Objective 5.4: Modernise SCM policies and procedures					
5.4.1 Number of Instructions issued in line with policy interventions and proposed designated products or categories to enhance SCM policy	3	1	1	1	N/A
Strategic Objective 5.5: Monitor and evaluate SCM performance					
5.5.1 Percentage of departments'/entities' deviation/expansion requests reviewed	100%	100%	100%	100%	100%
5.5.2 Percentage of procurement plans published on the e-tender portal	100%	100%	100%	100%	100%

6.6. PROGRAMME PERFORMANCE INDICATOR QUARTERLY TARGETS FOR 2019/20

- CONTINUED

PERFORMANCE INDICATOR		2019/20 ANNUAL TARGETS	QUARTER 1	QUARTER 2	QUARTER 3	QUARTER 4
5.5.3	Percentage of bids reviewed to ensure compliance with norms and standards	100%	100%	100%	100%	100%
Strategic Objective 5.6: Develop and implement strategic procurement						
5.6.1	Percentage implementation of the strategic sourcing opportunities plan	100%	100%	100%	100%	100%
5.6.2	Number of transversal term contracts implemented	25	4	7	7	7
Strategic Objective 5.7: Build and strengthen stakeholder relations						
5.7.1	Number of prioritised departments and entities supported on supply chain	10	N/A	N/A	N/A	10
Strategic Objective 5.8: Modernise and automate SCM processes						
5.8.1	Number of municipalities supported in SCM and contract management audit findings/opinions; monitoring corrective actions taken by non-compliant municipalities	Non Delegated Municipalities: 17	4	4	4	5

6.7. EXPENDITURE TRENDS AND ESTIMATES

Financial Accounting and Supply Chain Management Systems expenditure trends and estimates by sub-programme and economic classification									
Sub-programme	Audited outcome		Adjusted appropriation	Average growth rate (%)	Average expenditure/Total (%)	Medium-term expenditure estimate		Average growth rate (%)	Average expenditure/Total (%)
R million	2015/16	2016/17	2017/18	2018/19	2015/16 - 2018/19	2019/20	2020/21	2021/22	2018/19 - 2021/22
Programme Management for Financial Accounting and Supply Chain Management Systems	24.7	60.2	25.5	195.7	99.3%	143.2	150.9	159.2	-6.6%
Office of the Chief Procurement Officer	55.3	67.5	71.8	69.3	7.8%	73.0	77.6	81.6	5.6%
Financial Systems	441.0	797.4	374.3	644.8	13.5%	554.5	587.3	619.5	-1.3%
Financial Reporting for National Accounts	83.0	85.1	97.3	101.8	7.1%	107.4	114.0	120.3	5.7%
Financial Management Policy and Compliance Improvement	128.5	120.3	120.5	134.6	1.6%	164.8	175.8	185.5	11.3%
Audit Statutory Bodies	41.9	79.1	196.3	47.7	4.5%	50.4	53.2	56.1	5.5%
Service Charges: Commercial Banks	0.1	0.3	0.2	0.3	33.7%	0.3	0.3	0.3	5.4%
Total	774.5	1 209.9	885.8	1 194.1	15.5%	1 093.6	1 159.2	1 222.6	0.8%
Change to 2018 Budget estimate				(2.5)		14.5	14.9	12.9	
Economic classification									
Current payments	682.9	668.8	619.1	1 079.1	16.5%	970.0	1 036.6	1 089.5	0.3%
Compensation of employees	179.5	200.5	206.1	206.6	4.8%	223.7	240.5	253.4	7.0%
Goods and services	503.4	468.2	413.0	872.5	20.1%	746.3	796.1	836.1	-1.4%
									69.6%
									89.4%
									19.8%
									100.0%

6.7. EXPENDITURE TRENDS AND ESTIMATES - CONTINUED

Financial Accounting and Supply Chain Management Systems expenditure trends and estimates by sub-programme and economic classification											
Sub-programme	Audited outcome			Adjusted appropriation	Average growth rate (%)	Average: Expenditure/Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/Total (%)
R million	2015/16	2016/17	2017/18	2018/19	2015/16 - 2018/19	2018/19	2019/20	2020/21	2021/22	2018/19 - 2021/22	2021/22
of which:											
Audit costs: External	3.9	3.8	5.7	6.1	15.9%	0.5%	5.9	6.8	6.9	4.2%	0.5%
Bursaries: Employees	2.1	2.9	2.3	1.8	-4.6%	0.2%	1.9	2.2	2.1	6.4%	0.2%
Computer services	338.8	353.2	344.2	565.6	18.6%	39.4%	476.2	511.9	536.6	-1.7%	44.8%
Consultants: Business and advisory services	137.4	88.7	41.8	268.5	25.0%	13.2%	234.6	247.1	260.9	-1.0%	21.7%
Travel and subsistence	4.2	7.6	8.3	10.6	36.4%	0.8%	11.9	11.9	12.5	5.5%	1.0%
Venues and facilities	0.3	4.3	4.3	5.4	168.9%	0.4%	5.7	6.2	6.5	6.2%	0.5%
Transfers and subsidies	83.5	121.6	251.2	104.3	7.7%	13.8%	109.7	115.5	121.9	5.3%	9.7%
Departmental agencies and accounts	83.1	120.6	249.4	102.7	7.3%	13.7%	107.9	113.8	120.1	5.4%	9.5%
Households	0.4	1.0	1.8	1.7	63.3%	0.1%	1.8	1.7	1.8	1.9%	0.1%
Payments for capital assets	8.1	419.5	15.2	10.7	9.8%	11.2%	13.9	7.1	11.3	1.7%	0.9%
Machinery and equipment	8.1	3.4	15.2	10.0	7.3%	0.9%	9.0	4.6	8.9	-3.9%	0.7%
Software and other intangible assets	-	416.1	0.0	0.7	-	10.3%	4.9	2.5	2.4	50.7%	0.2%
Payments for financial assets	0.0	0.0	0.3	-	-100.0%	-	-	-	-	-	-
Total	774.5	1 209.9	885.8	1 194.1	15.5%	100.0%	1 093.6	1 159.2	1 222.6	0.8%	100.0%
Proportion of total programme expenditure to vote expenditure	2.7%	4.3%	2.2%	4.0%	-	-	3.6%	3.6%	3.6%	-	-
Details of transfers and subsidies											

6.7. EXPENDITURE TRENDS AND ESTIMATES - CONTINUED

Financial Accounting and Supply Chain Management Systems expenditure trends and estimates by sub-programme and economic classification									
Sub-programme	Audited outcome		Adjusted appropriation	Average growth rate (%)	Average: Expenditure/Total (%)	Medium-term expenditure estimate		Average growth rate (%)	Average: Expenditure/Total (%)
R million	2015/16	2016/17	2017/18	2018/19	2015/16 - 2018/19	2019/20	2020/21	2021/22	2018/19 - 2021/22
Households									
Social benefits									
Current	0.1	0.6	0.4	1.7	0.1%	1.8	1.7	1.8	1.9%
Employee social benefits	0.1	0.6	0.4	1.7	0.1%	1.8	1.7	1.8	1.9%
Departmental agencies and accounts									
Departmental agencies (non-business entities)									
Current	83.1	120.6	249.4	102.7	13.7%	107.9	113.8	120.1	5.4%
Accounting Standards Board	11.3	12.5	13.5	14.1	1.3%	14.3	15.1	16.0	4.3%
Independent Regulatory Board for Auditors	30.0	29.0	39.6	40.9	3.4%	43.2	45.5	48.0	5.5%
Auditor-General of South Africa	41.9	79.1	196.3	47.7	9.0%	50.4	53.2	56.1	5.5%
Households									
Other transfers to households									
Current	0.1	0.0	1.2	-	-100.0%	-	-	-	-
Employee social benefits	0.1	0.0	1.2	-	-100.0%	-	-	-	-

6.8. PERSONNEL INFORMATION

Financial Accounting and Supply Chain Management Systems personnel numbers and cost by salary level¹																				
Number of posts estimated for 31 March 2019					Number and cost² of personnel posts filled / planned for on funded establishment															Number
		Number of posts additional to the establishment	Number of funded posts	Actual			Revised estimate			Medium-term expenditure estimate						Average: Salary Level/ Total (%)				
				2017/18			2018/19			2019/20			2020/21			2021/22			2018/19 - 2021/22	
				Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Average growth rate (%)	
Financial Accounting and Supply Chain Management Systems																				
Salary level	243	30																		
1 – 6	9	–																		
7 – 10	89	29																		
11 – 12	73	–																		
13 – 16	72	1																		
			283	206.1	0.7	258	206.7	0.8	261	223.7	0.9	262	240.5	0.9	256	253.4	1.0	-0.3%	100.0%	
			9	2.2	0.2	9	2.9	0.3	9	3.1	0.3	10	3.7	0.4	10	4.0	0.4	3.6%	3.7%	
			117	53.9	0.5	107	60.2	0.6	110	67.4	0.6	110	72.6	0.7	106	75.6	0.7	-0.3%	41.8%	
			74	61.1	0.8	64	48.5	0.8	65	52.7	0.8	65	56.5	0.9	63	58.5	0.9	-0.5%	24.8%	
			83	88.8	1.1	78	95.1	1.2	77	100.5	1.3	77	107.7	1.4	77	115.2	1.5	-0.4%	29.8%	

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

2. Rand million.

7. PROGRAMME 6: INTERNATIONAL FINANCIAL RELATIONS

7.1. PURPOSE

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

7.2. STRATEGIC OBJECTIVES

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

7.3. SUB-PROGRAMMES

PROGRAMME MANAGEMENT FOR INTERNATIONAL FINANCIAL RELATIONS

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

INTERNATIONAL ECONOMIC COOPERATION

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

AFRICAN INTEGRATION AND SUPPORT

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

INTERNATIONAL DEVELOPMENT FUNDING INSTITUTIONS

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

INTERNATIONAL PROJECTS

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

7.4. STRATEGIC PLAN OBJECTIVE ANNUAL AND MEDIUM TERM TARGETS

PERFORMANCE INDICATOR	AUDITED/ACTUAL PERFORMANCE				ESTIMATED PERFORMANCE	PLANNED PERFORMANCE CURRENT YEAR	MEDIUM TERM TARGETS (MTEF)				
	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	
Strategic Objective 6.1: Advance South Africa's interests specifically, and those of Africa more generally, through regular strategic analysis, engagements and negotiations at regional and global financial and economic forums											
6.1 Number of initiatives conducted to advance South Africa's interests specifically, and those of Africa more generally	#	#	22	22	22	22	22	22	22	22	22
Strategic Objective 6.2: Increase Africa's voice and South Africa's influence in international institutions and forums											
6.2 Number of strategic Ministerial briefings aimed at governance reforms in international financial institutions provided	#	#	#	4	4	4	4	4	4	4	4
Strategic Objective 6.3 : Support an enabling environment for increased economic activity within Africa											
6.3 African strategy implemented ²⁸	#	#	Draft Africa Strategy.	Approved Africa Strategy.	Approved Africa Strategy.	Africa Strategy implementation monitored.	Africa Strategy implementation monitored.	Africa Strategy implementation monitored.	Africa Strategy implementation	Africa Strategy implementation	Africa Strategy implementation

7.5. PROGRAMME PERFORMANCE INDICATORS AND ANNUAL TARGETS

PERFORMANCE INDICATOR	AUDITED/ACTUAL PERFORMANCE			ESTIMATED PERFORMANCE	PLANNED PERFORMANCE CURRENT YEAR	MEDIUM TERM TARGETS (MTEF)		
	2015/16	2016/17	2017/18			2020/21	2021/2022	2022/23
Strategic Objective 6.1: Advance South Africa's interests specifically, and those of Africa more generally, through regular strategic analysis, engagements and negotiations at regional and global financial and economic forums								
6.1.1	Percentage of obligations towards international agreements met monitored	N/A	100%	100%	100%	100%	100%	100%
6.1.2	Percentage response to customer requests on mandatory briefing notes and analyses ²⁹	#	#	100%	100%	100%	100%	100%
6.1.3	Percentage response to customer requests on ad-hoc briefing notes and analyses	#	#	100%	100%	100%	100%	100%
Strategic Objective 6.2: Increase Africa's voice and South Africa's influence in international institutions and forums								
6.2.1	Number of interventions to increase South Africa's presence within institutions of particular strategic value	N/A	3	1	1	1	1	1
6.2.2	Percentage of interventions in pursuit of institutional reform implemented	N/A	9	100%	100%	100%	100%	100%

7.5. PROGRAMME PERFORMANCE INDICATORS AND ANNUAL TARGETS - CONTINUED

PERFORMANCE INDICATOR	AUDITED/ACTUAL PERFORMANCE			ESTIMATED PERFORMANCE	PLANNED PERFORMANCE CURRENT YEAR	MEDIUM TERM TARGETS (MTEF)		
	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/2022	2022/23
Strategic Objective 6.3: Support an enabling environment for increased economic activity within Africa								
6.3.1 Number of initiatives developed to expand relations with key strategic partners in Africa	N/A	3	1	1	1	1	1	1
6.3.2 Percentage of implemented identified plans to accelerate regional integration reviewed ³⁰	N/A	100%	100%	100%	100%	100%	100%	100%

7.6. PROGRAMME PERFORMANCE INDICATOR QUARTERLY TARGETS FOR 2019/20

PERFORMANCE INDICATOR	2019/20 ANNUAL TARGETS	QUARTER 1	QUARTER 2	QUARTER 3	QUARTER 4
Strategic Objective 6.1: Advance South Africa's interests specifically, and those of Africa more generally, through regular strategic analysis, engagements and negotiations at regional and global financial and economic forums					
6.1.1	Percentage of obligations towards international agreements met and monitored	100%	100%	100%	100%
6.1.2	Percentage response to customer requests on mandatory briefing notes and analyses	100%	100%	100%	100%
6.1.3	Percentage response to customer requests on ad hoc briefing notes and analyses	100%	100%	100%	100%
Strategic Objective 6.2: Increase Africa's voice and South Africa's influence in international institutions and forums					
6.2.1	Number of interventions to increase South Africa's presence within institutions of particular strategic value	1	N/A	N/A	1
6.2.2	Percentage of interventions in pursuit of institutional reform implemented	100%	100%	100%	100%
Strategic Objective 6.3: Support an enabling environment for increased economic activity within Africa					
6.3.1	Number of initiatives developed to expand relations with key strategic partners in Africa	1	N/A	N/A	1
6.3.2	Percentage of implemented identified plans to accelerate regional integration reviewed	100%	100%	100%	100%

7.7. EXPENDITURE TRENDS AND ESTIMATES

International Financial Relations expenditure trends and estimates by sub-programme and economic classification									
Sub-programme	Audited outcome		Adjusted appropriation	Average growth rate (%)	Average: Expenditure/Total (%)	Medium-term expenditure estimate		Average growth rate (%)	Average: Expenditure/Total (%)
R million	2015/16	2016/17	2017/18	2018/19	2015/16 - 2018/19	2019/20	2020/21	2021/22	2018/19 - 2021/22
Programme Management for International Financial Relations	14.5	10.0	7.5	11.8	-6.7%	12.1	12.7	13.5	4.5%
International Economic Cooperation	30.4	38.3	36.2	42.8	12.1%	54.2	49.2	55.8	9.3%
African Integration and Support	717.5	796.7	896.3	978.8	10.9%	862.6	910.0	960.1	-0.6%
International Development Funding Institutions	2 762.7	4 091.8	4 512.0	4 489.1	17.6%	4 801.6	5 065.3	5 343.9	6.0%
International Projects	21.0	19.0	17.8	20.3	-1.1%	21.0	22.2	23.4	4.8%
Total	3 546.1	4 955.8	5 469.8	5 542.8	16.1%	5 751.5	6 059.3	6 396.6	100.0%
Change to 2018 Budget estimate				140.7		-	(2.0)	1.4	
Economic classification									
Current payments	44.7	47.2	43.1	53.9	6.4%	65.6	60.8	68.2	8.1%
Compensation of employees	28.2	32.0	30.7	33.4	5.8%	40.4	43.4	45.9	11.1%
Goods and services	16.5	15.2	12.4	20.5	7.4%	25.1	17.3	22.3	2.9%
									0.4%

7.7. EXPENDITURE TRENDS AND ESTIMATES - CONTINUED

International Financial Relations expenditure trends and estimates by sub-programme and economic classification											
Sub-programme	Audited outcome			Adjusted appropriation	Average growth rate (%)	Average: Expenditure/Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/Total (%)
R million	2015/16	2016/17	2017/18	2018/19	2015/16 - 2018/19		2019/20	2020/21	2021/22	2018/19 - 2021/22	
<i>of which:</i>											
<i>Bursaries: Employees</i>	0.1	0.2	0.2	0.4	51.5%	–	0.9	0.9	0.9	37.3%	–
<i>Consultants: Business and advisory services</i>	0.1	0.8	0.7	1.1	143.2%	–	1.3	1.0	0.0	-65.3%	–
<i>Travel and subsistence</i>	10.4	9.3	7.0	13.3	8.4%	0.2%	11.6	12.4	13.1	-0.4%	0.2%
<i>Training and development</i>	0.0	0.1	0.1	0.2	54.3%	–	0.3	0.4	0.4	28.1%	–
<i>Operating payments</i>	0.3	0.4	0.6	1.1	46.5%	–	1.1	1.2	1.5	10.4%	–
<i>Venues and facilities</i>	4.4	0.8	2.7	3.1	-10.8%	0.1%	9.0	0.6	5.4	20.2%	0.1%
Transfers and subsidies	829.2	906.4	1 041.2	1 135.2	11.0%	20.0%	1 027.3	1 083.8	1 143.4	0.2%	18.5%
Foreign governments and international organisations	829.2	906.4	1 040.9	1 135.2	11.0%	20.0%	1 027.3	1 083.8	1 143.4	0.2%	18.5%
Households	0.0	0.0	0.4	–	-100.0%	–	–	–	–	–	–
Payments for capital assets	0.2	1.1	0.2	0.7	59.7%	–	0.7	1.1	1.1	19.3%	–
Machinery and equipment	0.2	1.1	0.2	0.7	59.7%	–	0.7	1.1	1.1	19.3%	–
Payments for financial assets	2 672.0	4 001.1	4 385.3	4 353.0	17.7%	79.0%	4 657.9	4 913.7	5 183.9	6.0%	80.5%
Total	3 546.1	4 955.8	5 469.8	5 542.8	16.1%	100.0%	5 751.5	6 059.3	6 396.6	4.9%	100.0%
Proportion of total programme expenditure to vote expenditure	12.4%	17.6%	13.7%	18.7%	–	–	18.7%	18.8%	18.7%	–	–
Details of transfers and subsidies											

7.7. EXPENDITURE TRENDS AND ESTIMATES - CONTINUED

International Financial Relations expenditure trends and estimates by sub-programme and economic classification											
Sub-programme	Audited outcome			Adjusted appropriation	Average growth rate (%)	Average: Expenditure/Total (%)	Medium-term expenditure estimate		Average growth rate (%)	Average: Expenditure/Total (%)	
R million	2015/16	2016/17	2017/18	2018/19	2015/16 - 2018/19		2019/20	2020/21	2021/22	2018/19 - 2021/22	
Foreign governments and international organisations											
Current	737,6	815,7	914,1	999,1	10,6%	17,8%	883,6	932,2	983,4	-0,5%	16,0%
Common Monetary Area compensation	712,5	792,3	891,7	973,8	11,0%	17,3%	849,9	896,7	946,0	-1,0%	15,4%
Collaborative Africa Budget Reform Initiative	1,8	2,4	2,4	2,4	9,7%	–	1,8	1,9	2,0	-6,0%	–
Commonwealth Fund for Technical Cooperation	5,5	5,8	6,1	5,8	1,7%	0,1%	6,8	7,2	7,6	9,1%	0,1%
International Finance Facility for Immunisation	15,5	13,2	11,7	14,5	-2,2%	0,3%	14,2	15,0	15,8	2,9%	0,3%
African Institute for Economic Development and Planning	1,2	1,0	1,0	1,4	2,8%	–	1,4	1,5	1,6	5,5%	–
Africa Regional Technical Assistance Centre for Southern Africa	1,0	1,0	1,2	1,2	8,1%	–	1,3	1,4	1,4	5,5%	–
African Risk Capacity	–	–	–	–	–	–	8,1	8,6	9,0	–	0,1%
Capital	90,7	90,7	126,8	136,1	14,5%	2,3%	143,7	151,7	160,0	5,5%	2,5%
African Development Fund	–	–	73,2	82,5	–	0,8%	37,4	39,4	41,6	-20,4%	0,8%
World Bank Group	90,7	90,7	53,6	53,6	-16,1%	1,5%	106,4	112,2	118,4	30,2%	1,6%

7.8. PERSONNEL INFORMATION

International Financial Relations personnel numbers and cost by salary level¹																			
Number of posts estimated for 31 March 2019			Number and cost² of personnel posts filled / planned for on funded establishment																
	Number of funded posts	Number of posts additional to the establishment	Actual		Revised estimate			Medium-term expenditure estimate						Average growth rate (%)	Average: Salary Level / Total (%)				
			2017/18	2018/19	2019/20	2020/21	2021/22	2018/19 - 2021/22											
International Financial Relations			Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost					
Salary level	32	3	35	30.7	0.9	35	33.5	1.0	39	40.4	1.0	39	43.4	1.1	39	45.9	1.2	3.7%	100.0%
7 – 10	11	2	12	6.2	0.5	11	5.7	0.5	13	7.3	0.6	14	9.1	0.6	14	9.1	0.6	8.4%	33.6%
11 – 12	6	–	7	5.4	0.8	8	10.3	1.3	10	14.4	1.4	10	15.4	1.5	9	15.3	1.7	4.0%	24.3%
13 – 16	15	1	16	19.1	1.2	16	17.6	1.1	16	18.8	1.2	16	20.1	1.3	16	21.5	1.3	–	42.1%

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

2. Rand million.

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

8.1. PURPOSE

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

8.2. STRATEGIC OBJECTIVES

STRATEGIC OBJECTIVE	OBJECTIVE STATEMENT	SUB-PROGRAMMES
SO 7.1 Ensure good governance and a robust control environment for fund administration	Ensure effective administration of funds where funds paid to eligible applicants and recipients are accurate, punctual and cost effective as required by the applicable legislation	<ul style="list-style-type: none"> Civil Pensions and Contributions to Funds Military Pensions Other Benefits
SO 7.2 Provide an improved and integrated customer service experience	Improve customer service by ensuring that customer complaints are resolved within agreed timelines; build relationships with employer departments through good communication	<ul style="list-style-type: none"> Civil Pensions and Contributions to Funds Military Pensions Other Benefits

8.3. SUB-PROGRAMME OVERVIEW

CIVIL PENSIONS AND CONTRIBUTIONS TO FUNDS

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

MILITARY PENSIONS

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

OTHER BENEFITS

This sub-programme processes the payment of benefits to former members of legislative assemblies. These include payments to former members of the legislative assemblies of the former Venda, Transkei, Ciskei and Bophuthatswana governments; judges or their widows in terms of the Judges' Remuneration and Conditions of Employment Act, 1989 (Act No. 88 of 1989); and former state presidents.

8.4. STRATEGIC PLAN OBJECTIVE ANNUAL AND MEDIUM TERM TARGETS

PERFORMANCE INDICATOR	AUDITED/ACTUAL PERFORMANCE			ESTIMATED PERFORMANCE	PLANNED PERFORMANCE CURRENT YEAR	MEDIUM TERM TARGETS (MTEF)				
	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25
Strategic Objective 7.1: Ensure good governance and robust control environment for fund administration										
7.1	Improved audit outcomes	N/A	N/A	No repeat findings	No repeat findings	No repeat findings	No repeat findings	No repeat findings	No repeat findings	No repeat findings
Strategic Objective 7.2: Provide an improved and integrated customer service experience										
7.2	Percentage of customer complaints responded to	N/A	N/A	100%	100%	100%	100%	100%	100%	100%

8.5. PROGRAMME PERFORMANCE INDICATORS AND ANNUAL TARGETS

PERFORMANCE INDICATOR	AUDITED/ACTUAL PERFORMANCE			ESTIMATED PERFORMANCE	PLANNED PERFORMANCE CURRENT YEAR	MEDIUM-TERM TARGETS (MTEF)			
	2015/16	2016/17	2017/18			2018/19	2020/21	2021/2022	2022/23
Strategic Objective 7.1: Ensure good governance and robust control environment for fund administration									
7.1.1	Percentage of benefits validated for payment paid within liable dates	92.5%	95%	95%	96%	96%	100%	100%	100%
7.1.2	Percentage compliance with SLA between the National Treasury and GPAA specifically Programme 7 related indicators	97.5%	83%	97%	97.5%	97.5%	100%	100%	100%
7.1.3	Percentage integrity of client data	68.25%	100%	80%	85%	85%	90%	95%	98%
Strategic Objective 7.2: Provide an improved and integrated customer service experience									
7.2.1	Percentage of customer service complaints responded to within seven days of receipt ³¹	100%	100%	100%	100%	100%	100%	100%	100%

8.6. PERFORMANCE INDICATOR QUARTERLY TARGETS FOR 2019/20

PERFORMANCE INDICATOR		2019/20 ANNUAL TARGETS	QUARTER 1	QUARTER 2	QUARTER 3	QUARTER 4
Strategic Objective 7.1: Ensure good governance and robust control environment for fund administration						
7.1.1	Percentage of benefits validated for payment paid within liable dates	96%	96%	96%	96%	96%
7.1.2	Percentage compliance with SLA between NT and GPAA specifically Programme 7 related indicators	97.5%	97.5%	97.5%	97.5%	97.5%
7.1.3	Percentage integrity of client data	85%	85%	85%	85%	85%
Strategic Objective 7.2: Provide an improved and integrated customer service experience						
7.2.1	Percentage of customer service complaints responded to within seven days of receipt	100%	100%	100%	100%	100%

8.7. EXPENDITURE TRENDS AND ESTIMATES

Civil and Military Pensions, Contributions to Funds and Other Benefits expenditure trends and estimates by sub-programme and economic classification									
Sub-programme	Audited outcome		Adjusted appropriation	Average growth rate (%)	Average Expenditure/Total (%)	Medium-term expenditure estimate		Average growth rate (%)	Average Expenditure/Total (%)
R million	2015/16	2016/17	2017/18	2018/19	2015/16 - 2018/19	2019/20	2020/21	2021/22	2018/19 - 2021/22
Government Pensions Administration Agency	56.6	61.3	62.1	68.9	6.8%	72.7	76.7	80.9	5.5%
Civil Pensions and Contributions to Funds	3 156.5	3 249.2	3 614.4	4 151.4	9.6%	4 496.8	4 452.5	4 695.0	4.2%
Military Pensions and Other Benefits	754.6	1 089.7	941.6	943.6	7.7%	1 005.0	1 061.1	1 119.4	5.9%
Total	3 967.7	4 400.2	4 618.1	5 163.8	9.2%	5 574.5	5 590.2	5 895.3	4.5%
Change to 2018 Budget estimate				–		–	(291.0)	(309.4)	
Economic classification									
Current payments	56.6	61.3	62.1	68.9	6.8%	72.7	76.7	80.9	5.5%
Goods and services	56.6	61.3	62.1	68.9	6.8%	72.7	76.7	80.9	5.5%
of which:									
Consultants: Business and advisory services	56.6	61.3	62.1	68.9	6.8%	72.7	76.7	80.9	5.5%
Transfers and subsidies	3 911.1	4 338.9	4 556.0	5 094.9	9.2%	5 501.8	5 513.5	5 814.4	4.5%
Foreign governments and international organisations	2.1	1.2	1.3	2.7	9.0%	2.8	3.0	3.2	5.5%
Households	3 909.0	4 337.6	4 554.8	5 092.2	9.2%	5 498.9	5 510.5	5 811.2	4.5%
									98.6%
									98.7%
									0.1%
									1.3%
									1.3%

8.7. EXPENDITURE TRENDS AND ESTIMATES - CONTINUED

Civil and Military Pensions, Contributions to Funds and Other Benefits expenditure trends and estimates by sub-programme and economic classification									
Sub-programme	Audited outcome		Adjusted appropriation	Average growth rate (%)	Average: Expenditure/Total (%)	Medium-term expenditure estimate		Average growth rate (%)	Average: Expenditure/Total (%)
R million	2015/16	2016/17	2017/18	2018/19	2015/16 - 2018/19	2019/20	2020/21	2021/22	2018/19 - 2021/22
Payments for financial assets	0.0	–	0.0	–	-100.0%	–	–	–	–
Total	3 967.7	4 400.2	4 618.1	5 163.8	9.2%	5 574.5	5 590.2	5 895.3	4.5%
Proportion of total programme expenditure to vote expenditure	13.8%	15.6%	11.6%	17.4%	–	18.1%	17.3%	17.3%	–
Details of transfers and subsidies									
Households									
Social benefits									
Current	3 909.0	4 337.6	4 554.7	5 092.2	9.2%	5 498.9	5 510.5	5 811.2	4.5%
Other benefits	82.5	92.8	87.8	94.6	4.7%	104.1	109.8	115.9	7.0%
Injury on duty	514.9	563.5	599.0	652.3	8.2%	688.8	726.7	766.7	5.5%
Post-retirement medical scheme	2 107.4	2 133.5	2 458.8	2 850.3	10.6%	2 893.3	3 064.7	3 233.3	4.3%
Special pensions	439.8	447.8	460.0	468.2	2.1%	468.0	480.0	506.4	2.6%
Political Office Bearers Pension Fund	–	–	–	68.3	–	323.2	50.0	50.4	-9.6%
Pension benefits: President of South Africa	7.3	7.7	7.4	11.7	17.3%	12.9	14.3	15.1	8.7%
Military pensions: Ex-servicemen	2.9	2.3	1.8	1.6	-17.8%	2.8	2.6	2.7	19.7%
					–				–

8.7. EXPENDITURE TRENDS AND ESTIMATES - CONTINUED

Civil and Military Pensions, Contributions to Funds and Other Benefits expenditure trends and estimates by sub-programme and economic classification									
Sub-programme	Audited outcome		Adjusted appropriation	Average growth rate (%)	Average: Expenditure/Total (%)	Medium-term expenditure estimate		Average growth rate (%)	Average: Expenditure/Total (%)
R million	2015/16	2016/17	2017/18	2018/19	2015/16 - 2018/19	2019/20	2020/21	2021/22	2018/19 - 2021/22
South African citizen force	166,2	175,5	191,0	193,6	5,2%	205,3	217,1	229,1	5,8%
Other benefits: Ex-servicemen	10,5	12,3	11,5	11,0	1,7%	18,3	19,9	21,0	24,0%
Non-statutory forces	575,0	899,6	737,3	737,3	8,6%	778,6	821,4	866,6	5,5%
Post-retirement medical scheme: Parliamentary staff	2,2	2,4	–	2,9	9,7%	3,2	3,5	3,7	8,5%
Contribution to provident funds for associated institutions	0,3	0,3	0,2	0,3	-0,9%	0,4	0,4	0,4	6,7%
					–				–
Foreign governments and international organisations									
Current	2,1	1,2	1,3	2,7	9,0%	2,8	3,0	3,2	5,5%
United Kingdom tax	2,1	1,2	1,3	2,7	9,0%	2,8	3,0	3,2	5,5%
					–				0,1%

9. PROGRAMME 8: TECHNICAL AND MANAGEMENT SUPPORT AND DEVELOPMENT FINANCE

9.1. PURPOSE

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

9.2. STRATEGIC OBJECTIVES

STRATEGIC OBJECTIVE	OBJECTIVE STATEMENT	SUB-PROGRAMMES
SO 8.1 Establish the GTAC as a centre of excellence in public sector advisory services, transaction support, project management and public finance management	Build public sector capacity through diagnostic and advisory services and support for organisational development, specialised procurement, improved public finance management and programme and project implementation	<ul style="list-style-type: none"> • GTAC
SO 8.2 Local government financial management improvement	Strengthen public finance management capacity in municipalities and support provincial treasury oversight of local government financial management	<ul style="list-style-type: none"> • Financial management grant
SO 8.3 Promotion of urban integration and neighbourhood development	Promote public and private investment in city development, integrated urban networks and neighbourhood development initiatives	<ul style="list-style-type: none"> • Urban Development and Support • Neighbourhood Development Partnership Grant • Integrated City Development Grant
SO 8.4 Facilitation of employment creation and inclusive growth	Promote innovative and partnership-based approaches to employment creation, work-seeker support and enterprise development	<ul style="list-style-type: none"> • Employment Creation Facilitation • Jobs Fund
SO 8.5 Improved infrastructure planning, management and skills development	Support infrastructure planning, implementation and skills development in provinces and municipalities	<ul style="list-style-type: none"> • Infrastructure Development Support • Infrastructure Skills Development Grant • Infrastructure Delivery Improvement Programme

9.3. SUB-PROGRAMME OVERVIEW

GOVERNMENT TECHNICAL ADVISORY CENTRE (GTAC)¹

In support of the National Treasury and its functions as set out in the PFMA, GTAC administers the Employment Creation Facilitation Programme, the Municipal Finance Improvement Programme, and contributes to the City Support and Infrastructure Delivery Improvement Programmes of the Intergovernmental Relations division.

PART B: PROGRAMME AND SUB-PROGRAMME PLANS - CONTINUED

Within the context of the NDP and the Medium Term Strategic Framework (MTSF), GTAC contributes to building a capable and development-oriented state while also strengthening capacity to work with the private sector in promoting growth, employment, infrastructure investment and public service delivery.

LOCAL GOVERNMENT FINANCIAL MANAGEMENT SUPPORT

The Local Government Financial Management Support sub-programme has one component:

The Municipal Finance Improvement Programme (MFIP), which provides technical assistance and support to the National Treasury, provincial treasuries and municipalities by placing long term advisors with experience and expertise in municipal financial management to facilitate key reforms, improvements and skills transfer.

The third phase of the MFIP (MFIP III) commenced in April 2017 and draws extensively on the experiences and lessons of the first two phases of the programme. The MFIP is administered by a Programme Management Unit (PMU) located functionally in the OAG and is led by the Head of the Programme Management (PMU). GTAC provides administrative support to the PMU. Its responsibilities include assigning municipal finance specialists to assist national and provincial treasuries to improve their ability to monitor and support municipalities, and placing long term advisors directly at municipalities, based on requests for assistance and diagnostic assessment outcomes.

The main intended outcomes of the MFIP are improved financial management capacity, qualified finance officers, enhanced budget and financial management practices, and improved financial health and audit outcomes. The MFIP is overseen by a steering committee chaired by the Accountant-General and constituted by national and provincial programme stakeholders.

URBAN DEVELOPMENT AND SUPPORT

Urban Development and Support consists of two programmes:

The Neighbourhood Development Partnership Programme, which supports municipal planning and investment in targeted locations, aimed at attracting and sustaining third-party capital investment and business development towards spatial and economic transformation, with a focus on improving the quality of life and access to opportunities in under-served townships or settlements.

Within the programme, the Neighbourhood Development Partnership Grant (NDPG) was introduced to ensure investment in under-served residential neighbourhoods and to leverage private sector development in these areas.

The NDP's Urban Network Strategy targets urban hub precincts with secondary linkages to under-served residential areas and built environment upgrade projects in urban or rural townships. The NDPG consists of two complementary components: a technical assistance grant for municipal planning of potential capital projects in urban hubs across sectors and spheres, and a capital grant for funding selected catalytic projects in urban hubs.

The programme aims to encourage complementary public and private investment in these targeted locations and in this way contribute to the broader goal of liveable, sustainable, resilient, efficient and integrated towns and cities. The Urban Network Strategy aims to optimise the spatial impact of public infrastructure investment, fiscal and regulatory measures and coordinated urban management in identified transit-oriented urban hubs. NDP projects in rural municipalities are supported in collaboration with the Department of Rural Development and Land Reform.

The Cities Support Programme (CSP) aims to promote cities that are inclusive, productive and sustainable through accelerated and more inclusive development in major urban areas. This is delivered by focusing on improvements to cities' governance and built environment planning, improved human settlements and public transport management, local economic development and environmental sustainability as well as climate resilience. The CSP includes technical assistance, peer learning, collaborative reviews and development finance support and is implemented through a partnership model that includes the Development Bank of Southern Africa, the World Bank, SA Cities Network and GTAC.

The Integrated City Development Grant (ICDG) was introduced in 2013/14 and is a component of the National Treasury's broader Cities Support Programme (CSP). The ICDG is intended as an incentive to metropolitan municipalities to strengthen planning and delivery capacity and to target infrastructure spending to transform inefficient urban landscapes into more inclusive, productive and sustainable spatial forms. Eligibility is restricted to municipalities with sound financial management and acceptable levels of capital expenditure performance. The first transfer was subject to each municipality submitting a Council-approved BEPP in the prescribed format by 31 May 2019. The second transfer will only be released to municipalities that have submitted annual circular 88 indicators in the prescribed format, as well as their Cities Infrastructure Delivery and Management (CIDMS) Readiness Assessments.

The NDPG is administered by the Neighbourhood Development Programme under the Intergovernmental Relations division, while the CSP reports to the Provincial and Local Government Infrastructure units of the Intergovernmental Relations division.

EMPLOYMENT CREATION FACILITATION

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

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

INFRASTRUCTURE DEVELOPMENT SUPPORT

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

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

Municipalities apply for funding from the ISDG through a business plan which demonstrates that they have suitable projects, and training and mentoring capacity to support identified graduates in engineering, town planning, architecture, quantity surveying, geographic information systems and project management on the "road-to-registration" with the relevant statutory councils. The business plan must include an absorption strategy for successful candidates in the applicant municipality or in another municipality.

The key intended outcomes of the grant are to develop technical capacity in local government and increase the number of qualified and professionally registered graduates in built environment disciplines. The grant is administered by the Provincial and Local Government Infrastructure Unit of the Intergovernmental Relations division and its requirements are set out in the ISDG Guidelines published by the unit.

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

9.4 STRATEGIC PLAN OBJECTIVE ANNUAL AND MEDIUM TERM TARGETS

PERFORMANCE INDICATOR		AUDITED/ACTUAL PERFORMANCE				ESTIMATED PERFORMANCE	PLANNED PERFORMANCE CURRENT YEAR	MEDIUM TERM TARGETS (MTEF)				
		2015/16	2016/17	2017/18	2018/19			2019/20	2020/21	2021/22	2022/23	2023/24
Strategic Objective 8. Establishment of GTAC as a centre of excellence in public sector advisory services, transaction support, project management and public finance management												
8.1	Number of knowledge engagements delivered ³²	#	#	#	#	4	4	4	4	4	4	4
Strategic Objective 8.2: Local government financial management improvement												
8.2	Number of technical advisors maintained at National Treasury, provincial treasuries and municipalities through the Municipal Finance Improvement Programme (MFIP) ³³	N/A	N/A	50	60	60	70	70	70	70	70	70
Strategic Objective 8.3: Promotion of urban integration and neighbourhood development												
8.3	Number of Urban Integration and Neighbourhood development initiatives supported	None	None	34	46	44	44	48	48	48	48	48
Strategic Objective 8.4: Facilitation of employment creation and inclusive growth												
8.4	Number of permanent jobs created (cumulative across the term of the programme)	N/A	N/A	150 000	150 000	150 000	150 000	150 000	150 000	150 000	150 000	150 000
Strategic Objective 8.5: Improved infrastructure planning, management and skills development												
8.5	Number of capacity improvement initiatives in infrastructure planning, management and skills development done ³⁴	N/A	N/A	557	1007	1018	1018	1018	1018	1018	1018	1018

9.5. PROGRAMME PERFORMANCE INDICATORS AND ANNUAL TARGETS³⁵

PERFORMANCE INDICATOR		AUDITED/ACTUAL PERFORMANCE			ESTIMATED PERFORMANCE	PLANNED PERFORMANCE	MEDIUM TERM TARGETS (MTEF)		
		2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/2022	2022/23
Strategic Objective 8.1: Establishment of GTAC as a centre of excellence in public sector advisory services, transaction support, project management and public finance management									
8.1.1	Number of GTAC quarterly reports on progress produced	N/A	4	4	4	4	4	4	4
Strategic Objective 8.2: Local government financial management improvement									
8.2.1	Number of technical advisors placed at National Treasury, provincial treasuries and municipalities through the Municipal Finance Improvement Programme (MFIP)	N/A	N/A	50	60	60	70	70	70
Strategic Objective 8.3: Promotion of urban integration and neighbourhood development									
8.3.1	Number of investment plans completed	N/A	4	4	4	2	2	2	2
8.3.2	Number of catalytic projects approved	352	360	20	20	20	20	20	20
8.3.3	Number of programmes in Integration Zones identified for planning	13	12	12	12	12	12	14	14
8.3.4	Number of programmes in Integration Zones under implementation	13	8	10	10	10	10	12	12
Strategic Objective 8.4: Facilitation of employment creation and inclusive growth									
8.4.1	Number of Jobs Fund projects approved (cumulative across the term of the project)	104	125	140	150	150	150	150	150

9.5. PROGRAMME PERFORMANCE INDICATORS AND ANNUAL TARGETS - CONTINUED

PERFORMANCE INDICATOR	AUDITED/ACTUAL PERFORMANCE			ESTIMATED PERFORMANCE	PLANNED PERFORMANCE	MEDIUM TERM TARGETS (MTEF)		
	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/2022	2022/23
8.4.2 Grant funding approved (cumulative across the term of the project)	R5 499m	R6 508m	R7 000m	R7 880m	R7 880m	R7 880m	R7 880m	R7 880m
8.4.3 Matched funding committed (cumulative across the term of project)	R6 398m	R9 099m	R7 000m	R7 880m	R7 880m	R7 880m	R7 880m	R7 880m
8.4.4 New jobs contracted (cumulative across the term of project)	1 19 888	136 069	150 000	150 000	150 000	150 000	150 000	150 000
8.4.5 Number of placements contracted (cumulative across the term of project) ³⁶	85 851	90 087	100 000	105 000	80 000	80 000	80 000	80 000
8.4.6 Number of training opportunities contracted (cumulative across the term of project) ³⁷	207 291	224 089	227 000	240 000	250 000	250 000	250 000	250 000
8.4.7 Value of grant funding disbursed (cumulative across the term of project) ³⁸	R3 227m	R3 734m	R4 677m	R5 015m	R5 825m	R6 695m	R7 645m	R7 880m
8.4.8 Number of Jobs Fund evaluation reports and dissemination of learning conducted	3 reports.	Mid-term evaluation report.	Portfolio of evaluation.	2 project evaluation reports.	2 project evaluation reports.	2 project evaluation reports.	2 project evaluation reports.	2 project evaluation reports.
	1 event	1 learning event.	1 learning event.	1 learning event.	1 learning event.	1 learning event.	1 learning event.	1 learning event.
Strategic Objective 8.5: Improved infrastructure planning, management and skills development								
8.5.1 Percentage response to procure approved Professional Service Providers to assist with institutionalising the IDMS	#	#	100%	100%	100%	100%	100%	100%

9.5. PROGRAMME PERFORMANCE INDICATORS AND ANNUAL TARGETS - CONTINUED

PERFORMANCE INDICATOR	AUDITED/ACTUAL PERFORMANCE			ESTIMATED PERFORMANCE	PLANNED PERFORMANCE	MEDIUM TERM TARGETS (MTEF)		
	2015/16	2016/17	2017/18			2020/21	2021/2022	2022/23
8.5.2 Number of officials trained on the infrastructure delivery management system initiatives	183	160	100	500	500	500	500	500
8.5.3 Number of graduates in training for professional registration	435	435	400	500	500	500	500	550
8.5.4 Number of capacity improvement initiatives undertaken to support infrastructure delivery ³⁹	#	#	9	7	18	18	18	18

9.6. PROGRAMME PERFORMANCE INDICATOR QUARTERLY TARGETS FOR 2019/20

PERFORMANCE INDICATOR		2019/20 ANNUAL TARGETS	QUARTER 1	QUARTER 2	QUARTER 3	QUARTER 4
Strategic Objective 8.1: Establishment of GTAC as a centre of excellence in public sector advisory services, transaction support, project management and public finance management						
8.1.1	Number of GTAC quarterly reports on progress produced	4	1	1	1	1
Strategic Objective 8.2: Local government financial management improvement						
8.2.1	Number of technical advisors placed at National Treasury provincial treasuries and municipalities through the Municipal Finance Improvement Programme (MFIP)	60	N/A	N/A	N/A	60
Strategic Objective 8.3: Promotion of urban integration and neighbourhood development						
8.3.1	Number of investment plans completed	2	0	1	0	1
8.3.2	Number of catalytic projects approved	20	5	5	5	5
8.3.3	Number of programmes in Integration Zones identified for planning	12	0	6	6	0
8.3.4	Number of programmes in Integration Zones under implementation	10	0	5	5	0
Strategic Objective 8.4: Facilitation of employment creation and inclusive growth						
8.4.1	Number of Jobs Fund projects approved (cumulative across the term of the project)	150	150	N/A	N/A	N/A
8.4.2	Grant funding approved (cumulative across the term of the project)	R7 880m	R7 880m	N/A	N/A	N/A
8.4.3	Matched funding committed (cumulative across the term of project)	R7 880m	R7 880m	N/A	N/A	N/A
8.4.4	New jobs contracted (cumulative across the term of project)	150 000	N/A	N/A	N/A	150 000
8.4.5	Number of placements contracted (cumulative across the term of project)	80 000	N/A	N/A	N/A	80 000
8.4.6	Number of training opportunities contracted (cumulative across the term of project)	250 000	N/A	N/A	N/A	250 000

9.6. PROGRAMME PERFORMANCE INDICATOR QUARTERLY TARGETS FOR 2019/20

- CONTINUED

PERFORMANCE INDICATOR	2019/20 ANNUAL TARGETS	QUARTER 1	QUARTER 2	QUARTER 3	QUARTER 4
8.4.7 Value of grant funding disbursed (cumulative across the term of project)	R 5 825m	N/A	N/A	N/A	R5 825m
8.4.8 Number of Jobs Fund evaluation reports and dissemination of learning conducted	2 project evaluation reports.	N/A	N/A	1 project evaluation report	1 project evaluation report
	1 learning event.	N/A	N/A	1 learning event	N/A
Strategic Objective 8.5: Improved infrastructure planning, management and skills development					
8.5.1 Percentage response to procure approved Professional Service Providers to assist with institutionalising the IDMS	100%	100%	100%	100%	100%
8.5.2 Number of officials trained on the infrastructure delivery management system initiatives	500	N/A	N/A	N/A	500
8.5.3 Number of graduates in training for professional registration	500	N/A	N/A	N/A	500
8.5.4 Number of capacity improvement initiatives undertaken to support infrastructure delivery	18	N/A	N/A	N/A	18

9.7. EXPENDITURE TRENDS AND ESTIMATES

Technical Support and Development Finance expenditure trends and estimates by sub-programme and economic classification											
Sub-programme	Audited outcome			Adjusted appropriation	Average growth rate (%)	Average Expenditure/Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average Expenditure/Total (%)
R million	2015/16	2016/17	2017/18	2018/19	2015/16 - 2018/19		2019/20	2020/21	2021/22	2018/19 - 2021/22	
Local Government Financial Management Support	573.9	587.9	627.8	645.5	4.0%	23.2%	681.4	718.5	758.0	5.5%	23.6%
Urban Development and Support	848.3	873.9	972.9	924.8	2.9%	34.5%	962.2	1 015.0	1 090.4	5.6%	33.6%
Employment Creation Facilitation	749.5	698.2	593.1	689.0	-2.8%	26.0%	800.1	916.8	992.5	12.9%	28.6%
Government Technical Advisory Centre	83.6	88.0	80.8	71.9	-4.9%	3.1%	61.7	71.5	79.3	3.3%	2.4%
Infrastructure Development Support	216.9	230.4	251.8	681.4	46.5%	13.2%	232.1	243.8	256.0	-27.8%	11.9%
Total	2 472.2	2 478.4	2 526.4	3 012.5	6.8%	100.0%	2 737.6	2 965.4	3 176.2	1.8%	100.0%
Change to 2018 Budget estimate				213.7			(250.2)	(761.5)	(775.4)		
Economic classification											
Current payments	283.8	310.4	327.8	794.2	40.9%	16.4%	365.3	388.3	411.9	-19.7%	16.5%
Goods and services	283.8	310.4	327.8	794.2	40.9%	16.4%	365.3	388.3	411.9	-19.7%	16.5%
of which:											
Consultants: Business and advisory services	283.8	310.4	327.8	394.2	11.6%	12.5%	365.3	388.3	411.9	1.5%	13.1%
Transfers and subsidies	2 188.4	2 168.0	2 198.5	2 218.4	0.5%	83.6%	2 372.3	2 577.1	2 764.3	7.6%	83.5%
Provinces and municipalities	1 411.8	1 454.4	1 592.7	1 541.5	3.0%	57.2%	1 613.5	1 701.9	1 815.1	5.6%	56.1%

9.7. EXPENDITURE TRENDS AND ESTIMATES - CONTINUED

Technical Support and Development Finance expenditure trends and estimates by sub-programme and economic classification											
Sub-programme	Audited outcome			Adjusted appropriation	Average growth rate (%)	Average: Expenditure/Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/Total (%)
R million	2015/16	2016/17	2017/18	2018/19	2015/16 - 2018/19	2018/19	2019/20	2020/21	2021/22	2018/19 - 2021/22	
Departmental agencies and accounts	776.6	713.6	605.8	676.9	-4.5%	26.4%	758.8	875.2	949.1	11.9%	27.4%
Total	2 472.2	2 478.4	2 526.4	3 012.5	6.8%	100.0%	2 737.6	2 965.4	3 176.2	1.8%	100.0%
Proportion of total programme expenditure to vote expenditure	8.6%	8.8%	6.3%	10.1%	-	-	8.9%	9.2%	9.3%	-	-
Details of transfers and subsidies											
Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current	776.1	713.6	605.0	676.1	-4.5%	26.4%	758.0	874.4	948.2	11.9%	27.4%
Government Technical Advisory Centre	776.1	713.6	605.0	676.1	-4.5%	26.4%	758.0	874.4	948.2	11.9%	27.4%
Capital	0.5	-	0.7	0.8	12.8%	-	0.8	0.9	0.9	5.5%	-
Government Technical Advisory Centre	0.5	-	0.7	0.8	12.8%	-	0.8	0.9	0.9	5.5%	-
Provinces and municipalities											
Municipalities											
Municipal bank accounts											
Current	577.0	595.7	642.8	646.1	3.8%	23.5%	682.2	719.6	759.2	5.5%	23.6%
Local government financial management grant	452.5	465.3	502.0	504.6	3.7%	18.3%	532.8	561.7	592.6	5.5%	18.4%

9.7. EXPENDITURE TRENDS AND ESTIMATES - CONTINUED

Technical Support and Development Finance expenditure trends and estimates by sub-programme and economic classification											
Sub-programme	Audited outcome			Adjusted appropriation	Average growth rate (%)	Average: Expenditure/Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/Total (%)
R million	2015/16	2016/17	2017/18	2018/19	2015/16 - 2018/19		2019/20	2020/21	2021/22	2018/19 - 2021/22	
Infrastructure skills development grant	124.5	130.5	140.8	141.5	4.4%	5.1%	149.4	157.9	166.6	5.6%	5.2%
Capital	834.9	858.7	950.0	895.5	2.4%	33.7%	931.2	982.3	1 055.9	5.6%	32.5%
Integrated city development grant	251.3	266.8	292.1	293.6	5.3%	10.5%	310.1	327.3	351.9	6.2%	10.8%
Neighbourhood development partnership grant	583.6	591.9	657.8	601.9	1.0%	23.2%	621.2	654.9	704.1	5.4%	21.7%



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PART C: LINKS TO OTHER PLANS



national treasury

Department:
National Treasury
REPUBLIC OF SOUTH AFRICA

10. LINKS TO LONG TERM INFRASTRUCTURE AND OTHER CAPITAL PLANS

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

11. CONDITIONAL GRANTS

No changes to the status of the conditional grants, noting the possible effect of budget constraints.

- Local Government: Financial Management Grant
- Integrated City Development Grant
- Neighbourhood Development Partnership Grant
- Infrastructure Skills Development Grant

Name of the grant	Local Government: Financial Management Grant
Purpose	To promote and support reforms in financial management by building capacity in municipalities to implement the Municipal Finance Management Act (MFMA)
Performance Indicator	Number of technical advisors placed at National Treasury, provincial treasuries and municipalities through the Municipal Finance Improvement Programme (MFIP)
Continuation	Continuing
Motivation	Facilitate the improvement of financial management capacity, qualified finance officers, enhanced budget and financial management practices, and improved financial health and audit outcomes

Name of the grant	Integrated City Development Grant
Purpose	To provide a financial incentive for metropolitan municipalities to achieve a more compact, inclusive, productive, and sustainable urban spatial form
Performance Indicator	Number of investment plans completed
Continuation	Continuing
Motivation	Provides a financial incentive for metropolitan municipalities to plan for, prepare and implement their infrastructure investment programmes in a more focused way to promote the efficient and inclusive use of urban spaces

Name of the grant	Neighbourhood Development Partnership Grant
Purpose	Provide spatially targeted capital funding of intergovernmental project pipelines, supporting and facilitating economic development opportunities in previously disadvantaged areas
Performance Indicator	Number of programmes in integration zones identified for planning
Continuation	Continuing
Motivation	Supports metropolitan municipalities and intermediate city municipalities in planning and developing multi-functional urban precincts in targeted areas

Name of the grant	Infrastructure Skills Development Grant
Purpose	To recruit unemployed graduates at the municipalities for training and professional development, as per the requirements of the relevant statutory councils within the built environment
Performance Indicator	Number of graduates in training for professional registration
Continuation	Continuing
Motivation	Supports municipalities by recruiting and training unemployed graduates within the built environment to get them professionally registered with the relevant statutory councils

12. PUBLIC-PRIVATE PARTNERSHIPS

The department provides advisory services to municipal, provincial and national departments in terms of public-private partnerships. The department does not have any public-private partnerships.

13. PUBLIC ENTITIES REPORTING TO THE MINISTER

Name of entity	Legislative mandate	Nature of operation	Current annual budget
Accounting Standards Board (ASB)	Public Finance Management Act, 1999 (Act No. 1 of 1999)	Serve the public interest by setting Standards of Generally Recognised Accounting Practice (GRAP) and providing guidance for financial and other performance information reported by the public sector	R14.340 million
Co-operative Banks Development Agency (CBDA)	Co-operative Banks Act, 2007 (Act No. 40 of 2007)	To support, promote and develop cooperative banking, and to register, supervise and regulate deposit taking financial services cooperatives, savings and credit cooperatives, community banks and village banks as cooperative banks	R20.759 million
Financial Advisory and Intermediary Services Ombud (FAIS Ombud)	Financial Advisory and Intermediary Services Act, 2002 (Act No. 37 of 2002) (FAIS Act) Financial Services Ombud Schemes Act, 2004 (Act No. 37 of 2004)	Resolve financial services complaints in an economical, informal and expeditious manner that flows directly from section 20 of the FAIS Act	R54.695 million
Financial and Fiscal Commission (FFC)	Constitution of the Republic of South Africa Act, 1996 (Act No. 108 of 1996), Chapter 13, Section 224	Make recommendations to organs of state on financial and fiscal matters in accordance with section 220 of the Constitution.	R54.319 million
Financial Sector Conduct Authority (FSCA)	Financial Sector Regulation Act, 2017 (Act No. 9 of 2017)	Regulate and supervise the financial services sector's market conduct, ensuring the integrity and efficiency of the formal markets and allied institutions, protecting consumers of financial services and improving access which includes providing financial literacy programmes	R934.116 million
Financial Intelligence Centre (FIC)	Financial Intelligence Centre Act, 2001 (Act No. 38 of 2001) (FICA)	Identify the proceeds of crime, combat money laundering and terror financing, exchange information with law enforcement and other local and international agencies, supervise and enforce compliance with the act and facilitate effective supervision and enforcement with supervisory bodies	R295.258 million

PART C: LINKS TO OTHER PLANS - CONTINUED

Name of entity	Legislative mandate	Nature of operation	Current annual budget
Government Pensions Administration Agency (GPAA)	Public Service Act of 1994 (Proclamation No. 103 of 1994) (PSA)	Administer benefits on behalf of Government Employees Pension Fund (GEPF) and the National Treasury. These include pension benefits, funeral benefits, post-retirement medical subsidies, military pensions, injury on duty payments and special pensions	R1.133 billion
South African Revenue Service (SARS)	South African Revenue Service Act, 1997 (Act No. 34 of 1997)	Collect all revenue due to the state and support Government in meeting its key growth and developmental objectives by facilitating legitimate trade, protecting South African ports of entry and eliminating illegal trade and tax evasion	R10.943 billion
Office of the Pension Funds Adjudicator (OPFA)	Pension Funds Act, 1956 (Act No. 24 of 1956).	Investigate and determine complaints lodged in terms of the Pension Funds Act	R66.539 million
Independent Regulatory Board for Auditors (IRBA)	Auditing Profession Act, 2005 (Act No. 26 of 2005)	Protect the sections of the public that rely on the services of registered auditors, and provide support to registered auditors	R131.959 million
Government Technical Advisory Centre (GTAC)	Section 7A (4) of the Public Service Act (1994) through Government Notice 261, Gazette 35194, of 30 March 2012	Assist organs of state in building their capacity for efficient, effective and transparent financial management. GTAC stimulates debate and promotes discourse in the public economics space using a range of communications and knowledge management approaches to optimise learning across the public sector	R61.734 million
Office of the Tax Ombud (OTO)	Tax Administration Act, 2011 (Act No. 28 of 2011), Section 16(1)	Review and address any complaint by a taxpayer regarding a service matter, or a procedural or administrative matter arising from the application of the provisions of a tax Act by South African Revenue Services (SARS)	R35.030 million
Development Bank of Southern Africa (DBSA)	Development Bank of Southern Africa Act, 1997 (Act No. 13 of 1997)	Advance the development impact in the region by expanding access to development finance and effectively integrated and implementing sustainable development solutions	R 5.721 million
Public Investment Corporation (PIC)	Financial Advisory and Intermediary Services Act, 2002 (Act No. 37 of 2002)	The PIC manages assets for clients, all of which are public sector entities. The PIC operates principally in South Africa, while also investing offshore and in the rest of the African continent	R1.182 million
Land and Agricultural Development Bank of South Africa (Land Bank)	Land and Agricultural Development Bank Act, 2002 (Act No. 15 of 2002)	Provide financial services to the commercial farming sector and to agribusiness and make available new, appropriately designed financial products that would facilitate access to finance by new entrants to agriculture from historically disadvantaged backgrounds	R 4.668 million

PART C: LINKS TO OTHER PLANS - CONTINUED

Name of entity	Legislative mandate	Nature of operation	Current annual budget
SASRIA SOC Limited	Reinsurance of Damages and Losses Act, 1989 (Act No. 56 of 1989) Conversion of SASRIA Act, 1998 (Act No. 134 of 1998)	Offer insurance to all individuals and businesses that own assets in South Africa, as well as to government entities	R2.357 million



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PART D: ANNEXURES



national treasury

Department:
National Treasury
REPUBLIC OF SOUTH AFRICA

14. ANNEXURE ON NATIONAL TREASURY'S 2015/19 STRATEGIC PLAN

In line with the communiqué dated 23 October 2018, which was sent by the DPME for the attention of all Directors-General in respect of the preparation and (re)tabling of strategic plans following general elections in 2019, it was stated that departments whose plans do not cover the 2019/20 financial year are advised to amend their strategic plans by adding an Annexure to the 2019/20 APP to cover the 2019/20 financial year.

This Annexure to National Treasury's 2019/20 APP accordingly confirms that the department's 2019/20 APP is based on its current strategic plan and serves to amend the strategic plan to cover the 2019/20 financial year.

National Treasury

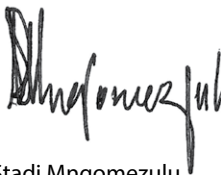
STRATEGIC PLAN 2015/19 ANNEXURE

OFFICIAL SIGN-OFF

It is hereby certified that this Strategic Plan Annexure 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.



Silindile Kubheka
Chief Financial Officer



Stadi Mngomezulu
Deputy Director-General: Corporate Services



Dondo Mogajane
Accounting Officer: National Treasury

Approved by:



TT Mboweni
Minister of Finance

15. ENDNOTES

APPLICABLE TO ALL PROGRAMMES

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

N/A – No target set for the period.

¹ Performance indicator 1.1 “% increase in Year on Year MPAT total score” targets revised to reflect the National Treasury’s constant striving to further improve its performance.

² Performance indicator “Percentage completion of the business continuity strategy” monitored in the 2018/19 APP has been removed as implementation ended in financial year 2018/19.

³ Performance indicator 1.1.1 “Percentage of Enterprise Architecture Programme implemented” is a new indicator.

⁴ Performance indicator 1.2.1 “Percentage of the approved risk-based IA plan completed” revised. Previously “Percentage completion of the approved risk-based IA plan”.

⁵ Performance indicator 1.2.4 “Percentage of Corporate Governance of ICT Program implemented” is a new indicator.

⁶ Performance indicator 2.1.1 “Number of papers published through the (SA-TIED) programme” revised. Previously “Number of papers published in association with academic research institutions”. SA-TIED is a new broader programme which has replaced the individual research institution-based approach.

⁷ Performance indicator 2.2.1 “Twin Peaks model legislation developed” revised. Previously “Twin Peaks model legislation implemented”.

⁸ Performance indicator 2.2.2 “Develop savings and retirement policies” revised. Previously “Implement savings and retirement policies”.

⁹ Performance indicator 2.2.2 “Develop savings and retirement policies” previously “Implement savings and retirement policies” targets revised to align with the revised indicator.

¹⁰ Performance indicator 2.3.2 “Implement legislation to give effect to tax proposals from the Budget” targets have been revised to align with the technical requirement to avoid a simultaneous measurement of multiple variables.

¹¹ Performance indicator 2.4.3 “Number of economic overview chapters published” revised. Previously “Chapter 2 of the MTBPS and Budget Review published”.

¹² Performance indicator previously “Maintain the expenditure ceiling” monitored in the 2018/19 financial year AAP has been removed due to the department not having control over government’s or Cabinet’s decisions to maintain or exceed the expenditure ceiling.

¹³ Performance indicator 3.1.1 “Number of fiscal policy chapters published” is a new indicator.

¹⁴ Performance indicator 3.4.2 “Percentage of Cabinet memos commented on” revised. Previously “Percentage comments to Cabinet memos”.

- ¹⁵ Performance indicator 3.4.3 “Number of IYM feedback reports to departments” targets revised to reflect the exclusion of Parliament in the analysis and feedback reporting; Parliament does not report to the executive arm of the state.
- ¹⁶ Performance indicator 3.5.2 “Percentage of development cooperation projects in South Africa coordinated” revised. Previously “Percentage management and coordination of development cooperation in South Africa”.
- ¹⁷ Performance indicator 3.6.4 “Number of built environment performance plans assessed” revised. Previously “Number of built environment performance plans assessed to support improvement in the metropolitan municipalities”.
- ¹⁸ Performance indicator 3.6.5 “Number of capacity building initiatives to facilitate improved planning, budgeting and financial management” targets revised due to being moved for reporting under Programme 8 to avoid duplication, and two training courses being combined into one for each of the nine provinces and only one for national departments.
- ¹⁹ Performance indicator 3.6.7 “Number of provincial and municipal budgeting benchmarking exercises held to improve provincial and municipal budget credibility, composition and achievability” targets revised due to the number of benchmark meetings being reduced after consultations with the provinces.
- ²⁰ Performance indicator 3.6.9 “Number of support initiatives implemented in provinces” targets revised due to the responsibility of institutionalising the province specific strategy being assigned to provincial treasuries.
- ²¹ Performance indicator 3.6.10 “Number of municipal budgeting and reporting reforms implemented” targets revised due to one project being completed in the 2018/19 financial year and the other being reassigned to another department.
- ²² Performance indicator 4.1.3 “Percentage of complete PFMA Section 51(g), 52, 54(2), 55, and 92 applications received from Schedule 2 and 3B public entities reviewed” revised. Previously “Percentage of complete PFMA Section 52, 54(2), 55, and 92 applications received from Schedule 2 and 3B public entities reviewed”.
- ²³ Performance indicator 4.1.7 “Percentage of complete board appointments recommendations received from Schedule 2 and 3B public entities reporting to the Minister of Finance reviewed” revised. Previously “Percentage of complete board appointments recommendations from Schedule 2 and 3B public entities reporting to the Minister of Finance received and reviewed”.
- ²⁴ Arising out of the internal review, the following performance indicators monitored in 2018/19 APP have been removed and reassigned to operational monitoring.
- i. Performance indicator previously 5.1.1 “Number of workshops conducted on IA and risk management guidelines”
 - ii. Performance indicator previously 5.1.2 “Number of institutions whose Audit Committees have been provided with support”
 - iii. Performance indicator previously 5.1.4 “Number of training sessions conducted in risk management”
 - iv. Performance indicator previously 5.1.5 “Number of guidelines on risk management curriculum developed for institutions of higher learning”
 - v. Performance indicator previously 5.1.15 “Percentage of requests to the MFMA helpdesk responded to within 30 days of receipt”
 - vi. Performance indicator previously 5.1.19 “Percentage compliance with the banking services for national government:
 - Daily bank reconciliation of NRF
 - Electronic verification of supplier banking details within four working days”
 - vii. Performance indicator previously 5.1.21 “Percentage of comments provided to Standard Setters on local and international exposure drafts”
 - viii. Performance indicator previously 5.1.23 “Percentage responses to queries logged on the SCOA helpdesk”
 - ix. Performance indicator previously 5.5.4 “Percentage of projects inspected to verify if the delivery of awarded contracts is aligned with the contract conditions”
 - x. Performance indicator previously 5.7.1 “Number of stakeholder engagements conducted”
 - xi. Performance indicator previously 5.8.1 “Number of tenders published on e-tenders publication portal”

PART D: ANNEXURES - CONTINUED

- ²⁵ Performance indicator previously 5.8.2 "Number of business processes defined for SCM" monitored in the 2018/19 financial year's APP has been removed as implementation ended in the 2018/19 financial year.
- ²⁶ Performance indicator 5.3.2 "Implementation of the IFMS II plan" targets revised due to project timelines extended amid limited human resource capacity.
- ²⁷ Performance indicator 5.8.1 previously 5.8.3 "Number of municipalities supported in SCM and contract management audit findings/ opinions; monitoring corrective actions taken by non-compliant municipalities" notes an increase in targets between APP 2019/20 and the recorded targets in APP 2018/19.
- ²⁸ Performance indicator 6.3 "African strategy implemented" targets revised from the 2019/20 financial year onwards to more accurately reflect the National Treasury's contribution to the African strategy.
- ²⁹ Performance indicator 6.1.2 "Percentage response to customer requests on mandatory briefing notes and analyses" revised. Previously "Percentage response to customer requests on mandatory briefing notes and analysis".
- ³⁰ Performance indicator 6.3.2 "Percentage of implemented identified plans to accelerate regional integration reviewed" revised. Previously "Percentage of implemented identified projects and plans to accelerate regional integration reviewed".
- ³¹ Performance indicator 7.2.1 "Percentage of customer service complaints responded to within seven days of receipt" revised. Previously "Percentage of customer service complaints responded to within seven days".
- ³² Performance indicator 8.1 "Number of knowledge engagements delivered" is new. The previous performance indicator "Management support delivers an unqualified audit" is reassigned to GTAC as a fully functional component with its own APP. The new indicator is linked to the purpose of GTAC.
- ³³ Performance indicator 8.2 "Number of technical advisors maintained at National Treasury, provincial treasuries and municipalities through the Municipal Finance Improvement Programme (MFIP) revised. Previously "Number of technical advisors placed at National Treasury, provincial treasuries and municipalities through the Municipal Finance Improvement Programme (MFIP)".
- ³⁴ Performance indicator 8.5 "Number of capacity improvement initiatives in infrastructure planning, management and skills development done" targets revised to correctly reflect the totality of the planned outputs.
- ³⁵ Arising out of the internal review, the following performance indicators and targets monitored in the 2018/19 financial year's APP have been removed as they are reported against in GTAC:
- i. Performance indicator 8.1.2 "Number of technical advisory projects supported"
 - ii. Performance indicator 8.1.3 "Number of transaction advisory projects registered"
 - iii. Performance indicator 8.1.4 "Number of capital project appraisal reports completed"
 - iv. Performance indicator 8.1.5 "Number of performance and expenditure reviews supported"
- ³⁶ Performance indicator 8.4.5 "Number of placements contracted (cumulative across the term of project)" targets revised due to the withdrawal of projects that offer placements lasting longer than 12 months.
- ³⁷ Performance indicator 8.4.6 "Number of training opportunities contracted (cumulative across the term of project)" notes an increase in targets between APP 2019/20 and the recorded targets in APP 2018/19.
- ³⁸ Performance indicator 8.4.7 "Value of grant funding disbursed (cumulative across the term of project)" targets revised to reflect the performance of the grant
- ³⁹ Performance indicator 8.5.4 "Number of capacity improvement initiatives undertaken to support infrastructure delivery" notes an increase in targets between APP 2019/20 and the recorded targets in APP 2018/19.

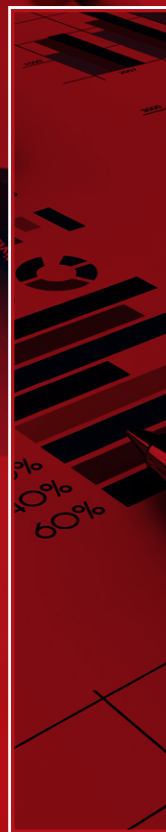
NOTES

NOTES

This image shows a single sheet of white paper with horizontal ruling lines. The lines are evenly spaced and run across the width of the page. There are no margins, text, or other markings on the paper.

ANNUAL PERFORMANCE PLAN

2019/20



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