



2024/25



NATIONAL TREASURY
**ANNUAL
PERFORMANCE
PLAN**



national treasury

Department:
National Treasury
REPUBLIC OF SOUTH AFRICA





2024/25



NATIONAL TREASURY

ANNUAL PERFORMANCE PLAN

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2024/25



NATIONAL TREASURY

ANNUAL PERFORMANCE PLAN

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EXECUTIVE AUTHORITY STATEMENT



Mr Enoch Godongwane
Minister of Finance, MP

Over the coming year, the National Treasury will continue taking strategic action to secure our long-term growth prospects. There are no easy solutions to our country's economic challenges. What is needed is for us as a department, as a government, and as a nation, to make the difficult and informed trade-offs necessary to revive our economy.

The South African economy and fiscal position is plagued by various factors. Firstly, inflation, globally has remained stubbornly high pushing up the cost-of-living for households, interest rates across the economy and government's borrowing costs have risen. Of key concern is that the world is experiencing increasing risks, including escalating tensions in the Middle East, the continuing Russia-Ukraine war, and lingering uncertainty about the strength of China's economic recovery. In this regard, economic growth remains low by historical standards and financial risks continue to rise because of higher interest rates due to inflationary pressures. Secondly, the persistence and severity of load-shedding domestically remains a binding constraint to production, investment and employment. Lastly, some of the downside risks to the fiscal outlook have materialised, including weaker revenue collection and higher debt-service costs.

Because of the dire economic situation, urgent and considered actions are required. The National Treasury aims to contribute to fostering higher and more inclusive economic growth, address fiscal vulnerability and stabilise public finances. These are preconditions for addressing poverty and unemployment. As outlined in the 2023 Medium-Term Budget Policy Statement (MTBPS), we will continue pursuing the objective of high and sustained economic expansion.

Moreover, in 2024 government remains committed to measures that will improve employment and reduce inequality, requiring a balanced approach that stabilises debt, improves the quality of spending through more effective procurement management measures, addressing shortcomings in the framework for combating money laundering and other financial crimes, and improving the delivery of critical capital projects.

We will expand our efforts to stabilise state-owned companies (SOCs) and to ensure that they are financially and fiscally sustainable while delivering on the national growth and development objectives. We also remain committed to navigating the difficult domestic and global economic conditions through stable, balanced and clear policies that support faster growth and address emerging fiscal risks. We have responded to the electricity crisis by taking over R254 billion of Eskom's debt, to ease pressure on the company's balance sheet, and enable it to invest in transmission and distribution infrastructure, while conducting the maintenance essential to improving the availability of electricity.

EXECUTIVE AUTHORITY STATEMENT

Additional allocations to SARS support continued efforts to rebuild the institution and improve revenue collection. At the same time, we will publish draft taxation legislation to improve the economic fairness and effectiveness of the tax system.

We are speedily implementing the action plan agreed to by South Africa and the Financial Action Task Force (FATF). Government is working diligently and collaboratively to meet all of the deficiencies identified and believes that an exit from the grey-list can take place as early as the first few months of 2025.

In relation to municipalities, decisive action is needed to restore the integrity of the sector. Unfunded mandates, over expenditure, and ineffective revenue management practices have manifested in many municipalities defaulting on payments to creditors and falling into financial and service delivery crisis. Furthermore, personnel expenditure is crowding out spending on service delivery and investment. In response, the Treasury has placed 25 municipalities under mandatory intervention under section 139(5) of the Constitution, while three municipalities are subject to mandatory intervention under section 139(7). Going forward, we will support a country-wide roll-out of training to support the implementation of the Municipal Standard Chart of Accounts (mSCOA), in addition to the provision of a number of free tools and training opportunities.

Finally, the National Treasury is working on deepening the country's trade links with the region and with other parts of the world. This, together with our participation in global institutions such as the World Bank, the IMF, and the AfDB, is key to strengthening our position within multilateral forums. Following the successful hosting of the BRICS Summit, South Africa will host the G20 in 2025, and we look forward to driving the agenda for international financial and economic cooperation through this important forum.

I express my appreciation to the Director-General, Dr Duncan Pieterse and staff of the National Treasury, who continue to execute their responsibilities with dedication and pride. I also wish to thank the President, the Deputy President and my Cabinet colleagues for their continued support. Finally, my sincere appreciation to the Deputy Minister of Finance, Dr. David Masondo for his consistent and invaluable contribution to the Finance portfolio.



ENOCH GODONGWANA, MP

Minister of Finance

DEPUTY MINISTER'S STATEMENT



Dr David Masondo, MP
Deputy Minister of Finance

The fundamental challenge that South Africa faces is a lack of economic growth. The South African economy continues to experience negative per capita GDP growth in real terms. This has led to weak employment opportunities, higher inequality and a persistence in poverty in numerous parts of the country.

With all of these constraints, growth must be stimulated from somewhere. It is for this reason that in addition to providing a clear and stable macroeconomic framework and fiscal strategy, government has embarked on a structural reform agenda that is aimed at liberalising the network industries dominated by inefficient state-owned companies.

The most obvious component of the reform agenda is dealing with a shortfall of electricity supply and an inefficient freight logistics system, both a legacy of the past era of corruption and mismanagement of our state-owned enterprises. As severe as these constraints may be, they also present an impetus for change and opportunities for investment. Through Operation Vulindlela we are driving a far-reaching reform agenda to modernize and transform South Africa's economy. A key objective of this structural reform programme is to liberalise and enable private sector participation in network industries, which have historically been dominated by state-owned monopolies like Eskom and Transnet.

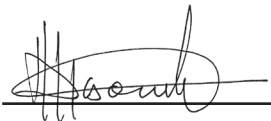
In the energy sector, the reforms aim to enable private sector investment in electricity generation for the first time and achieve energy security. We have already implemented regulatory changes to allow private investment in generation facilities of any size, which have unlocked a massive pipeline of investment with more than 10,000 MW of new wind, solar and battery storage capacity already in development. These projects will both help to address the shortfall in supply and facilitate our transition away from coal power towards clean energy sources. In the logistics sector, we are implementing reforms to open access to the freight rail network, so that private rail operators can compete with Transnet. This includes establishing an independent Infrastructure Manager.

Reforms in the telecommunications sector aim to increase network speed and quality, expand broadband access and reduce costs. Having completed the auction of spectrum for mobile network operators to enable the rollout of 5G networks across the country, unlocking billions of Rands of new investment in telecommunications infrastructure.

Finally, we are prioritising and will continue to invest substantially in water resource infrastructure, which are critical for investment.

DEPUTY MINISTER’S STATEMENT

Overall, the work that government is undertaking to improve the conditions for economic growth and investment in SA will bear fruit. Although there are real domestic challenges and some exacerbated by the global disruptions, the steps we will implement in 2024 will result in material improvements and vindicate the confidence of investors.

A handwritten signature in black ink, appearing to read 'Masondo', is positioned above a solid horizontal line.

DR DAVID MASONDO, MP
DEPUTY MINISTER OF FINANCE

ACCOUNTING OFFICER'S STATEMENT



Dr DUNCAN PIETERSE
Director-General

This year we celebrate 30 years of democracy in the final year of implementing government priorities set by the 5th administration and as articulated in the MTSF 2019-2024.

While the impact of low growth on public finances remains a considerable challenge, we need to continue to respond to the needs of all citizens, the priorities of our communities and our national developmental imperatives. The complexity of increasing fiscal demands and constrained resources requires government prioritisation to deliver reliable public services and ensure a responsive administration.

National Treasury is mindful of the extraordinary responsibilities and obligations arising out of our constitutional mandate. Our commitments are framed in our efforts to build stable and sustainable public finances, alongside economic reforms and a transparent fiscal policy while building partnership with all stakeholders both domestically and internationally.

The Annual Performance Plan 2024/25 represents an ambitious programme of work for National Treasury requiring determined effort to implement growth enhancing reforms, narrow the budget deficit, increase support for blended infrastructure delivery, stabilise local government and support the sustainability of state-owned companies. In addition, reforms of the public procurement system will continue to be introduced, accountability and transparency in the management of the country's financial resources strengthened and South Africa's economic interests promoted and protected regionally and globally.

National Treasury will continue to focus on the following areas of work:

- Coordination of the national budget process.
- Monitoring and analysing public expenditure as well as managing future spending growth and fiscal risk.
- Coordination of fiscal relations between the three spheres of government with emphasis on ensuring sound budgetary planning at provincial and local levels of government.
- Providing advice and input into tax policy, frameworks and legislation and strengthening financial sector regulation.
- Conducting of research into strategic areas of the economy to better inform the implementation of economic policy.
- 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.

ACCOUNTING OFFICER'S STATEMENT

- Strengthening public sector financial management as well as improving financial management governance and compliance across all spheres of government and in government entities.
- Managing government's financial systems.
- Overseeing and modernising government's supply chain management systems and making government procurement more transparent, efficient, effective and economical.
- Advancing South Africa's national economic interests, within the context of reputable international institutions dealing with economic development and facilitating regional and international cooperation.
- Supporting infrastructure development and economically integrated cities and communities.

Key to all of these endeavours is the National Treasury team whose dedication and diligence allows us to execute these focus areas in the best interests of society as a whole. Our institution-building efforts will concentrate on implementing key development initiatives to enhance the work environment and further build organisational resilience with the implementation of phase 1 of the Organisational Review and introduction of a suite of leadership training and mentorship programmes.



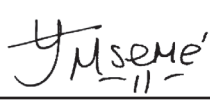
DR DUNCAN PIETERSE

DIRECTOR-GENERAL

OFFICIAL SIGN-OFF

It is hereby certified that this Annual Performance Plan:

- Was developed by the management of the National Treasury under the guidance of the Honorable Minister of Finance, Mr E Godongwana;
- Takes into account all the relevant policies, legislation and other mandates for which the National Treasury is responsible;
- Accurately reflects the outcomes and outputs which the National Treasury will endeavor to achieve over the 2024/25 period.

Signature:  _____

Ms Laura Mseme

Chief Director: Strategic Planning, Monitoring and Evaluation

Signature:  _____

Mr Sandile Malimela

Acting Chief Financial Officer

Signature:  _____

Mr Stadi Mngomezulu

Deputy Director-General: Corporate Services

Signature:  _____

Dr Duncan Pieterse

Accounting Officer: National Treasury

Approved by:

Signature:  _____

Mr Enoch Godongwana

Minister of Finance, MP



2024/25



2024/25 ANNUAL PERFORMANCE PLAN

PART A: OUR MANDATE



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1. UPDATES TO THE RELEVANT LEGISLATIVE AND POLICY MANDATES

Constitutional mandate

The National Treasury's legislative mandate arises from Chapter 13, Section 216(1) of the Constitution, which calls for the establishment of a national treasury to ensure transparency, accountability and sound financial controls in the management of the country's public finances.

Legislative and policy mandate

National Treasury's legislative mandate is based on Chapter 13, Section 216(1) of the Constitution, which calls for the establishment of a national treasury to ensure transparency, accountability and sound financial controls in the management of the country's public finances. This role is further elaborated in the Public Finance Management Act (PFMA) (1999). The department is mandated to promote the national government's fiscal policy and the coordination of macroeconomic policy; ensure the stability and soundness of the financial system and financial services; coordinate intergovernmental financial and fiscal relations; manage the budget preparation process; and enforce transparency and effective management in respect of revenue and expenditure, assets and liabilities, public entities and constitutional institutions. Accordingly, for the period under review the National Treasury's legislative and other mandates remain applicable.

The National Treasury mandate is further elaborated in the Municipal Financial Management Act Section 5(2), monitoring of municipal budgets, promote good budgets and fiscal management by municipalities, accounting and reporting, monitor, support and assess compliance and investigate any system of financial management and internal control in municipalities and municipal entities. The mandate extends to issuance of regulations on all aspects of the Municipal Financial Management Act, which includes investments, borrowing, budgeting, accounting, assets, reporting, competencies, expenditure and cost containment, supply chain, public private partnerships, financial misconduct and criminal procedures, amongst others.

2. UPDATES TO INSTITUTIONAL POLICIES AND STRATEGIES

Institutional policies

Tax Administration Laws Amendment Act 2012 (Act 21 of 2012)

Taxation Laws Amendment Act 2012 (Act 22 of 2012)

The Adjustments Appropriation Act 2012 (Act 17 of 2012)

The Appropriation Act 2012 (Act 7 of 2012)

The Co-Operative Banks Act 2007 (Act 40 of 2007)

The Credit Rating Services Act 2012 (Act 24 of 2012)

The Development Bank of Southern Africa Act 1997 (Act 13 of 1997)

The Division of Revenue Act 2012 (Act 5 of 2012)

The Division of Revenue Amendment Act 2012 (Act 18 of 2012)

The Financial Intelligent Centre Act 2001 (Act 38 of 2001)

The Financial Advisory and Intermediaries (FAIS) Act 2002 (Act 37 of 2002)

2. UPDATES TO INSTITUTIONAL POLICIES AND STRATEGIES

The Financial Markets Act 2012 (Act 19 of 2012)

The Financial Sector Regulation Act 2017 (Act 9 of 2017)

The Land and Agricultural Development Bank Act 2002 (Act 15 of 2002)

The Lotteries Act 1997 (Act 57 of 1997)

The Lotteries Amendment Act 2013 (Act 32 of 2013)

The Municipal Finance Management Act 2003 (Act 56 of 2003)

The National Credit Act (NCA) 2005 (Act 34 of 2005)

The National Gambling Act 2004 (Act 7 of 2004)

The Public Investment Corporation Act 2004 (Act 23 of 2004)

The Public Finance Management Act 1999 (Act 1 of 1999)

The Rates and Monetary Amounts and Amendment of Revenue Laws Act 2012 (Act 13 of 2012)

The South African Revenue Service Act 1997 (Act 34 of 1997)

The South African Reserve Bank (SARB) Act 1989 (Act 90 of 1989)

The Tax Administration Act 2011 (Act 28 of 2011).

3. UPDATES TO RELEVANT COURT RULINGS

The department has no specific court rulings that have a significant, ongoing impact on its operations or service delivery obligations.



2024/25



2024/25 **ANNUAL PERFORMANCE PLAN**

PART B: OUR STRATEGIC FOCUS



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4. SITUATIONAL ANALYSIS

4.1 Updated External Environment Analysis

Growth has slowed substantially from its post-COVID rebound. The GDP growth slowed from 4.7 per cent in 2021 to 1.9 per cent in 2022, and the MTBPS forecasts that growth in 2023 will decline further to 0.8 per cent, before accelerating to 1.0 per cent in 2024.

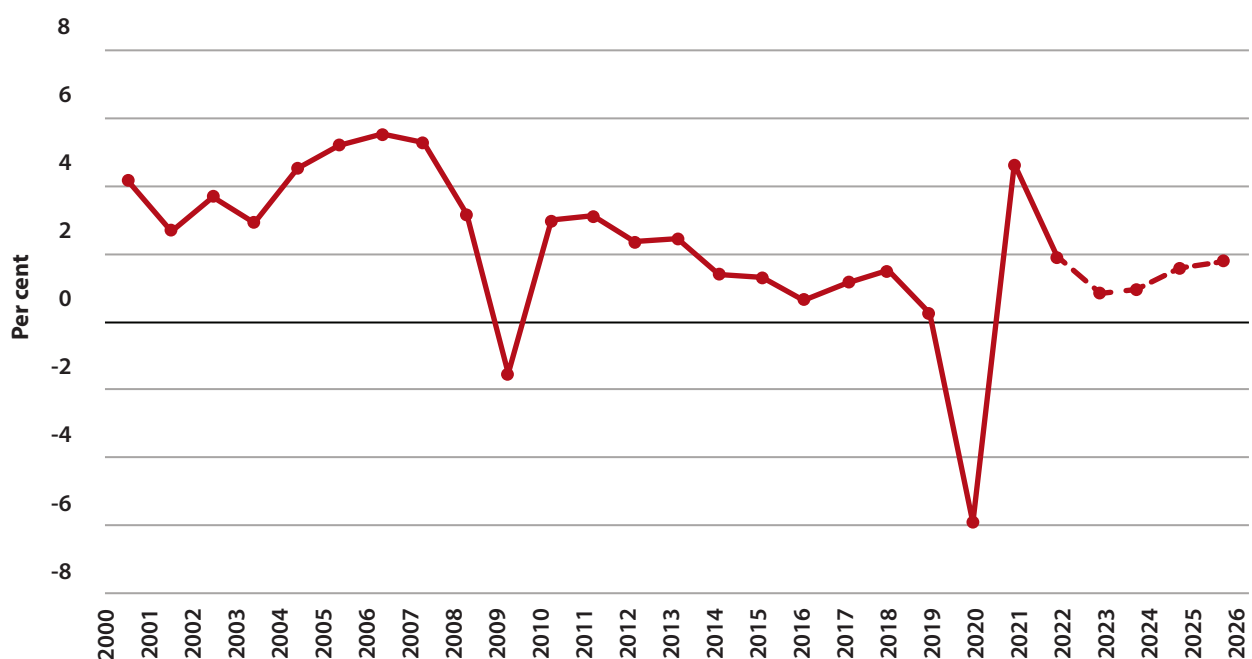
This slowing domestic growth comes as global risks, including the long-term consequences of the pandemic, the war in Ukraine, an increasing property sector crisis in China and increasing geo-economic fragmentation, increasingly constrain output.

The supportive global environment that bolstered growth in the immediate aftermath of the COVID-19 pandemic, high global commodity prices in particular, has waned significantly. In addition, a number of events over the past year have given rise to a degree of volatility in global markets, including the collapse of small-to-medium size banks in March 2023, the ongoing war in the Ukraine and the flare up of hostilities between Israel and Palestine.

This is in addition to domestic constraints that continue to hamper growth, including the ongoing energy crisis and persistent constraints in network industries that have hampered economic activity, while high inflation and unemployment have continued to weigh on private consumption.

These longstanding domestic impediments to faster growth have been aggravated by recent shocks re-emphasising the need to implement the economic recovery plan, including through Operation Vulindlela, to narrow the gap between South Africa's poor economic outcomes and its aspirations.

Figure 1: Real GDP growth and projections



4. SITUATIONAL ANALYSIS

Encouragingly, the labour market has posted a slow, modest improvement. Having lagged the post-COVID recovery in GDP, employment levels have now recovered past pre-COVID levels as at Q3 2023, more than two years since the peak of the pandemic saw the loss of 2.2 million jobs in Q2 2020 alone. There are now 325 000 more jobs than there were in Q4 2019 that preceded the pandemic. As at Q3 2023, South Africa's official (narrow) unemployment rate sits at 31.9%, an improvement from 32.6% in the previous quarter following a 2.4% q/q increase (+6.2% y/y) in employment.

It is worth noting that public employment programmes including the Expanded Public Works Programme (EPWP) and the Presidential Youth Employment Initiative (PYEI) have been the key drivers of post-COVID employment. The long-term impact of these limited-time job opportunities remains uncertain. The long-term prospects for South Africa's employment will be ultimately determined by the pace at which structural impediments, such as low growth, poor educational outcomes, spatial Apartheid legacies and others, are addressed.

Table 1: Macroeconomic projections (2023 Medium Term Budget Policy Statement)

Calendar year	2022	2023	2024	2025	2026
	Actual	Estimate	Forecast		
Percentage change unless otherwise indicated					
Household consumption	2,5	0,8	1,4	1,5	1,7
Gross fixed-capital formation	4,8	6,2	3,6	4,6	3,4
Real GDP growth	1,9	0,8	1,0	1,6	1,8
GDP at current prices (R billion)	6 628,6	6 947,3	7 321,4	7 786,8	8 288,7
CPI inflation	6,9	6,0	4,9	4,6	4,5
Current account balance (% of GDP)	-0,5	-2,4	-3,0	-3,0	-3,1

The COVID-19 pandemic placed extreme pressure on already stressed public resources resulting in an unprecedented widening of the budget deficit and a spike in debt stock. In addition, higher global monetary policy rates and inflationary pressures have led to an increase in the weighted cost of funding – the average- funding cost weighted proportionally by each funding instrument – rose from 8.3 per cent in February 2023 to 9.5 per cent in October 2023. Debt-service costs are expected to rise from 5.1 per cent in 2023/24 to 5.4 per cent of GDP by 2025/26.

4. SITUATIONAL ANALYSIS

Figure 2: Main budget primary balance*

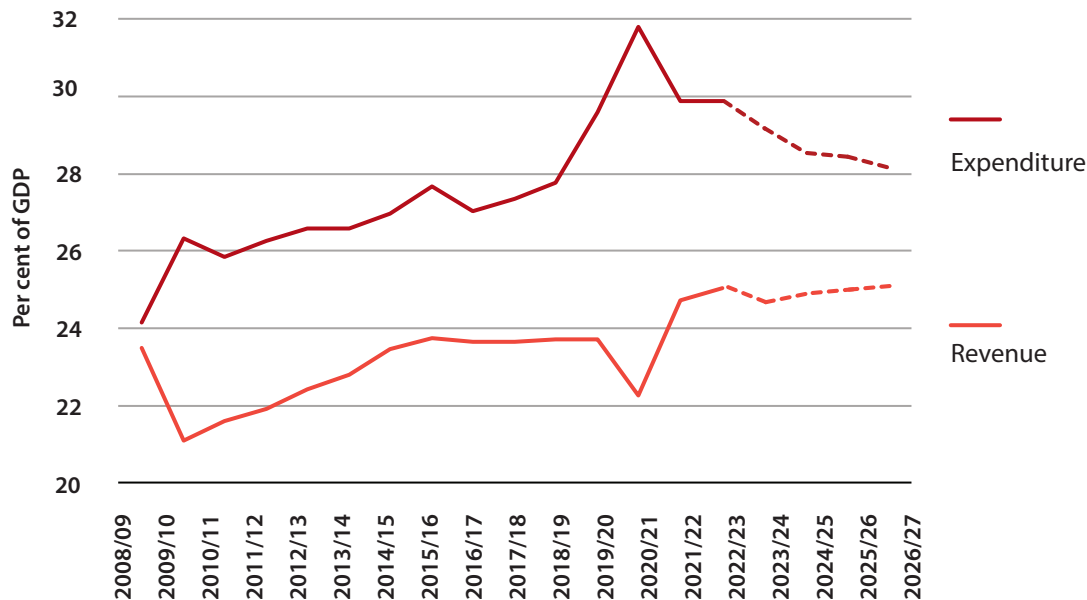
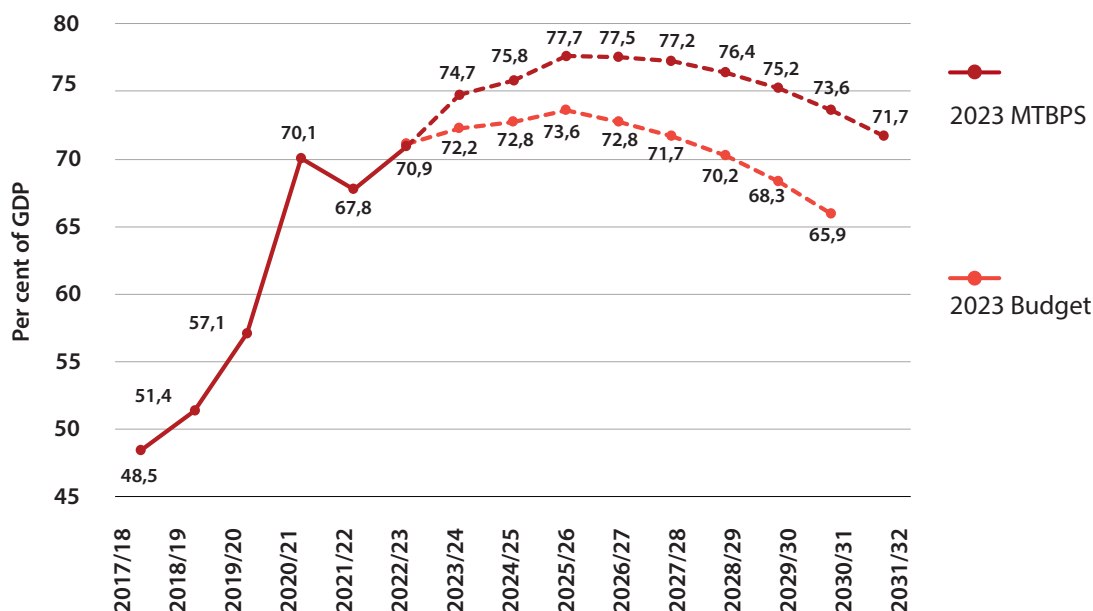


Figure 3: Gross debt-to-GDP outlook



Fiscal metrics continued to slowly improve after the severe shock of the COVID-19 pandemic, which saw increased expenditures provided in response to COVID-19, combined with contractions in tax revenue and economic growth. The main budget deficit reached 9.9 per cent of GDP in 2020/21, before narrowing to 4.6 per cent in 2021/22, and 4.2 per cent in 2022/23. Gross government debt, however, rose to 71.1 per cent of GDP in 2022/23 from 68 per cent in 2021/22 because of a direct debt takeover of a portion of Eskom's loan portfolio. The 2023 MTBPS has set a target for gross government debt to peak at 77.7 per cent in 2025/26.

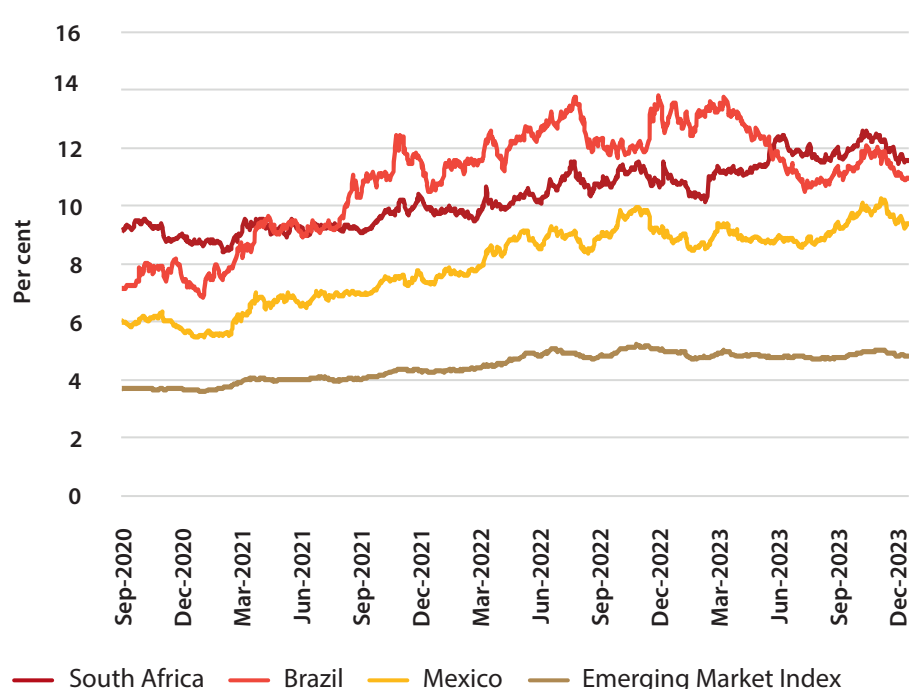
4. SITUATIONAL ANALYSIS

Key elements of the medium-term fiscal strategy include the following:

- Realising a primary budget surplus in the current year, meaning that revenue will exceed non-interest spending for the first time since 2008/09.
- Stabilising debt to enable government to arrest the trend of rising debt-service costs. Debt will stabilise in 2025/26 as originally intended. Debt-service costs will peak as a proportion of revenue in 2026/27.
- Protecting social spending
- Implementing a reconfiguration of government functions
- Keeping the composition of spending broadly in line with existing policy
- Introducing moderate revenue increases to support fiscal consolidation, while limiting the negative effects on the economy
- Developing new fiscal anchors to ensure sustainable public finances. Work on these is under way, and an update will be provided in the 2024 Budget

The fiscal trajectory has deteriorated relative to expectations at the time of the Budget 2023. However, the global expectations that monetary policy is set to begin easing has seen bond yields (i.e. the cost of borrowing) decline significantly.

Figure 4: 10-year sovereign bond yields



Looking forward, the 2023 MTBPS presented a strategy to support the economy, stabilise the public finances and protect the social wage. The fiscal strategy aims to continue rebuilding the public finances by narrowing the budget deficit and stabilising debt. Over the Medium Term Expenditure Framework (MTEF) period, government will focus on increasing infrastructure investment, reconfiguring the operations of the state to ensure greater efficiency, and maintaining a prudent fiscal stance that stabilises debt and debt-service costs.

4. SITUATIONAL ANALYSIS

The reforms embodied in the Economic Reconstruction and Recovery Plan (ERRP) and Operation Vulindlela (a collaboration between the National Treasury and the Presidency aimed at fasttracking the necessary structural reforms and supporting economic recovery) continue apace. Progress on these initiatives included, inter alia:

In the energy sector:

- The amendment of Schedule 2 of the Electricity Regulation Act to remove the licensing requirement for generation projects of any size. More than 100 projects are now at various stages of development, representing over 10 000 MW of new generation capacity and over R200 billion of private sector investment.
- Accelerating procurement of new generation capacity.
- Facilitation of the procurement of independent power by municipalities.
- Progress on the unbundling of Eskom into separate entities for generation, transmission and distribution.
- Addressing Eskom's debt burden. The 2023 Budget introduced R254 billion in debt relief to Eskom, subject to strict conditions. This will relieve pressure on the utility's balance sheet, enabling it to conduct necessary maintenance and supporting the restructuring of the electricity market. The Eskom Debt Relief Bill was passed in the National Assembly last week.
- And introducing tax incentives to support small scale embedded generation.

In freight logistics:

- Transnet is working to establish a separate Infrastructure Manager within Transnet Freight Rail (TFR), which will enable third party access to the core rail network.
- Measures to improve the performance of the container terminals at the Durban Pier 2 Container Terminal and Ngqura Container Terminal as well as crowd in private sector investment.
- Passing of the Economic Regulation of Transport Bill in the National Assembly. This is a critical step towards reform of the freight logistics system, in establishing a transport economic regulator that will oversee third party access to the rail network.

In digital communications:

- The gazetting of the Rapid Deployment Policy and Policy Direction as well as a standard draft by-law for wayleave approvals which will help to accelerate the rollout of telecommunications infrastructure such as fibre and towers.

4.2 Updated Internal Situational Analysis

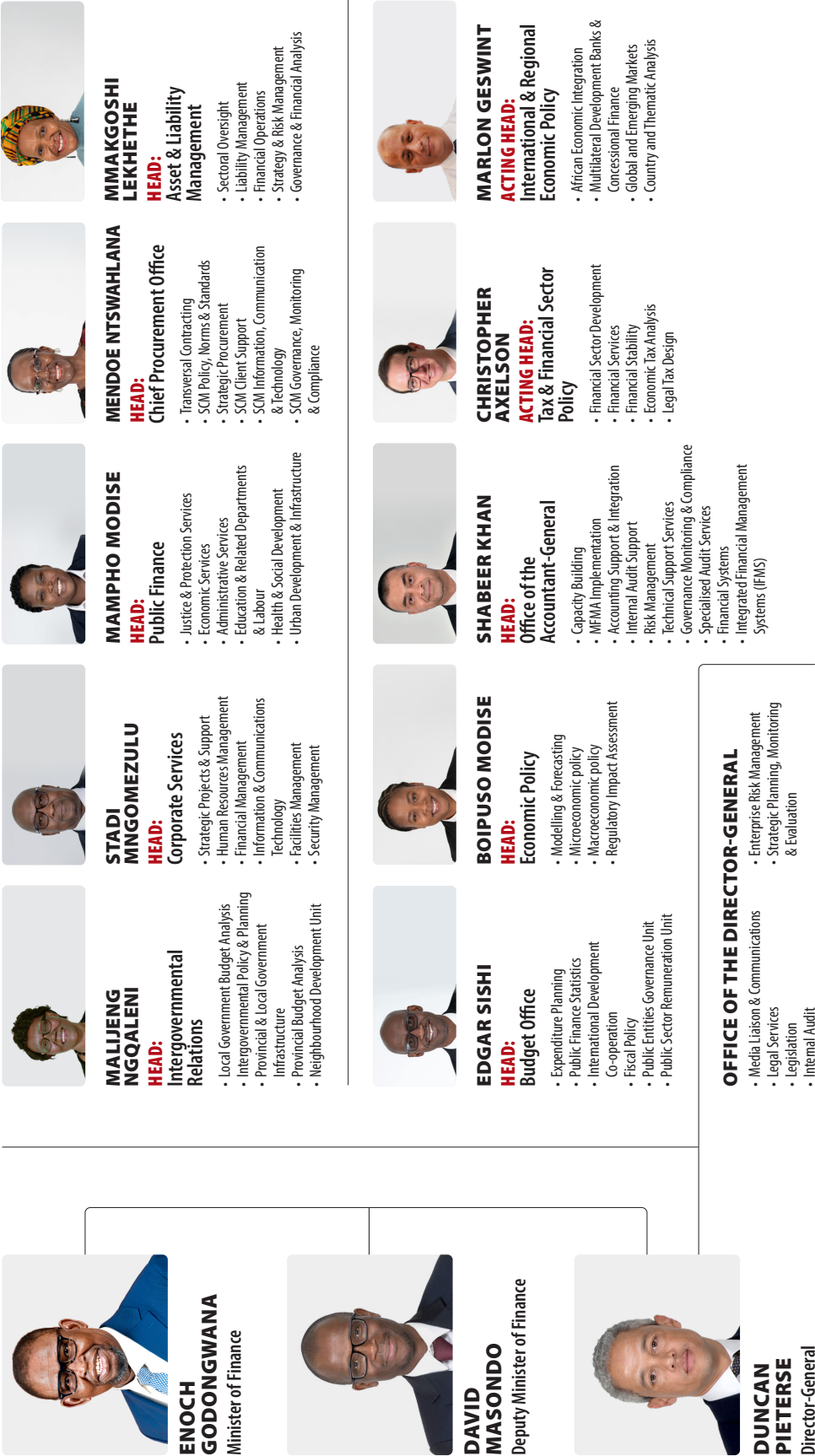


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ORGANOGRAM

AS AT 02 OCTOBER 2023



4. SITUATIONAL ANALYSIS

The first phase of the Organisational Review was completed in the 2023/24 financial year following extensive consultation with all stakeholders, subsequently, the rollout of the new organisational structure will commence in the 2024/25 financial year. This is a critical milestone of the medium-term Organisational Optimisation Plan aimed at enhancing institutional efficiency and effectiveness. A new operating structure will be gradually introduced into the National Treasury environment in a controlled, and considerate manner guided by change management principles. The intention is to ensure the continued strengthening of the institution's structural nimbleness, appropriateness, and applicability.

Over the medium term, the Organisational Optimisation Plan will continue to direct organisational development and progress. Annual priority areas have been identified for implementation across the four pillars that constitute the plan which includes measures in pillar 1 to strengthening governance, planning, people and financial management services, in pillar 2 building and reinforcing organisational leadership and strengthening internal collaboration protocols between divisions, in pillar 3 by developing and strengthening organisational structures, including capacity building, reinforcing trust and enhancing communication and pillar 4 establishing and further promoting partnerships. It is anticipated that benefits of this programme will intensify throughout the organisation during the coming period.

The development of skills within National Treasury continues to be a key priority. Focus will be on developing leadership and management skills, including behavioural and generic competencies over the short to medium term, allowing for these skills to develop and address the department's medium to long term capacity needs. In addition, the National Treasury's Graduate Development Programme (GDP) will continue to provide a strong foundation at entry level positions into the department. A Mentorship and Coaching Framework has been put in place and is being implemented across the performer levels and is informed by the organisational skills needs analysis. Through the increased integration between talent acquisition, the GDP and talent management the department is enabled to focus on building talent internally. This supports the retention objectives through a focus on creating internal opportunities for employees, including international secondments, rotation within the department and promotion opportunities. The GDP continues to build a strong foundation with interns in scarce and critical skills areas including economics, tax, finances, auditing and legal.

The department's recruitment plans are aligned to the availability of funds with recruitment being undertaken following assessment of the financial sustainability of such posts. The current approach is that critical positions that become vacant are filled immediately, where required the approved Practice Note will be implemented on positions taking longer to be replaced or where there are no intentions to fill the positions. On such instances, funds will be reprioritised to fund other critical vacancies to ensure that divisions are fully capacitated with key skills. As an additional measure, the department will embark on a staggered approach (gradually filling positions as per their prioritised status) when filling critical positions as and when they become vacant due to natural attrition.

During the 2024/25 the department's Performance Management System will be enhanced with implementation of the revised Performance Management as well as the Recognition and Rewards Policies. The department will continue to ensure alignment between individual performance reviews with institutional performance monitoring through the operational planning instruments, namely the Divisional Operational Plans as well as the Chief Directorate Operational Plans.

Information Communication Technology (ICT) capability will be enhanced in line with the dynamic business needs of the divisions. The focus will be on investing in the upgrade and replacement of obsolete ICT infrastructure, enhancement of Business Continuity solutions as well as proactive monitoring of vulnerability threats within the NT ICT environment. In addition, the programme to modernise systems and automate processes across the department will

4. SITUATIONAL ANALYSIS

be accelerated. Anticipated highlights of these endeavors in 2024/25 financial year will be to accelerate the roll out of the bespoke Organisational Performance Management and Monitoring System (OPMMS) designed by NT to automate and integrate Risk Management, Organisational Performance Management, Demand Management, Budgeting, Audit Finding Registers, Learning and Innovation as well as Employee Performance monitoring.

The DG's Special Committee on Mainstreaming of Gender Matters will continue with the work on the seven thematical focus areas. The values and ethics workstream advocates for gender mainstreaming during the recruitment process undertaken by the department. The workstream on policy seek to oversee gender mainstreaming in the development of and subsequent implementation of departmental policies. The workstream on human resource development work on ensuring that personnel development initiatives are sensitive to mainstreaming gender matters. Inclusivity workstream oversee the interest of women in career pathing and growth. The gender mainstreaming campaigns workstream coordinates various advocacy campaigns on gender matters. The facilities and security workstream seek to ensure a safe working environment for women by advocating against women abuse and bullying in the workplace.

The department conducts advocacy programmes and interventions aimed at gender mainstreaming, youth and disabilities through promotion of rights, empowerment, equality and development, inter alia: Women Empowerment and Leadership Programme; Development of the Gender Responsive Planning, Budgeting, Monitoring, Evaluation and Auditing Training Manual for public finance; Gender mainstreaming of the capacity development strategy for public finance management; Waste Sector Knowledge Learning and Sharing Platform and the Gender Responsive Planning, Budgeting, Monitoring, Evaluation and Auditing Road map for departments.

In collaboration with the Department of Planning, Monitoring and Evaluation (DPME) and the Department of Women, Youth, Person with Disabilities (DWYPD), an Interdepartmental Task Team has been established to oversee the implementation of the roadmap on Gender Responsive Budget. Using the World Bank's Gender Needs Assessment (GNA), the Interdepartmental Task Team identified Women Economic Empowerment (WEE) as the gap to be tagged in the 2024 MTEF process. Ten departments were identified to participate in the tagging exercise and guidance material was developed and workshops held with pilot departments. The observation emerging from the tagging process is that most departments are not aware of the gender gaps and their departments' contributions towards eradicating them. Over the medium term, the focus will be to support departments in the development of interventions, activities, and performance indicators. Four of the departments that provided information related to women economic empowerment will be included in the mini gender budget statement publication in February 2024. In this regard, the department is assisted by a technical team from the International Monetary Fund (IMF) in the development of the mini gender budget statement and reviewing the first pilot to improve in the next budget process.

NT SCM practices will continue to be strengthened with the further implementation of measures to enhance efficiencies and compliance including the recommendations arising out of the SCM performance evaluation. The department will continue to report on procurement statistics on a quarterly basis by gender, youth and persons with disabilities.

National Treasury will continue to enhance the interconnectedness of the planning ecosystem, institutional performance monitoring, individual performance monitoring and institutional risk management. Work will continue to ensure that programmes are underpinned by the National Treasury's mandate and coupled to government priorities. This integrated planning and monitoring network enables informed analysis and evidence-based decisions making. The modernisation and automation of integrated planning, monitoring and reporting will be further advanced with the full roll out of the Organisational Performance Monitoring Management System (OPMMS).

4. SITUATIONAL ANALYSIS

Strengthening of risk management will continue with the implementation of organisational practices arising out of the adoption of the revised Risk Management Governance Structure. Moreover, emphasis will be placed on the annual implementation of the risk-based internal audit plans as well as monitoring audit findings registers.



2024/25



2024/25 **ANNUAL PERFORMANCE PLAN**

PART C: MEASURING OUR PERFORMANCE



national treasury

Department:
National Treasury
REPUBLIC OF SOUTH AFRICA

5. PROGRAMME 1: ADMINISTRATION

Purpose: Provide strategic leadership, management and support services to the department.

5.1 Sub-Programmes:

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 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 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 a holistic view of risks and the application of robust risk management system. Fraud prevention is an integral part of the strategy, operations and administration function. The unit ensures that National Treasury has a strategic risk profile register that enables coordination and alignment of strategic initiatives across the department.

Strategic Planning, Monitoring and Evaluation is tasked with embedding planning into National Treasury including facilitating the 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 effective and efficient 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.

5. PROGRAMME 1: ADMINISTRATION

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 National Treasury transparency imperatives by ensuring effective communication between National Treasury and its stakeholders.

Corporate Services

The Corporate Services division delivers and oversees shared services in alignment with 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 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 a cohesive compliant service delivery environment, the unit strives to attain this balance of achieving service excellence and maintaining an agile internal control environment to instill fiscal discipline within National Treasury.

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

Strategic Projects and Support is responsible for preserving the institutional memory and tangible knowledge of the department, as well as providing management support to internal projects. Knowledge management is the custodian of the preservation and dissemination of organisational information created within and in-collaboration with other entities. Records management focuses on the preservation of tangible knowledge so that it can be easily retrieved 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.

5. PROGRAMME 1: ADMINISTRATION

5.2 Outcomes, Outputs, Output Indicators and Targets

No.	Outcomes	Outputs	Output Indicators	Annual Targets							
				Audited / Actual Performance				Estimated Performance	Planned Performance Current Year	MTEF Period	
				2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28
1.1.1	Sound financial controls and management of public finances	ICT service delivery reports	Percentage of ICT service delivery standards met	90%	90%	95%	93%	94%	94%	95%	95%
1.1.2		Audit Outcome	Audit Opinion Obtained	Unqualified audit opinion with 37.7% fewer findings than 2019/20 on financial performance information	Qualified audit opinion with 62.5% more findings than 2020/21 on financial performance information	Qualified audit opinion with 38% fewer findings than 2021/22 on financial performance information	Unqualified audit opinion with 15% fewer findings than 2022/23 on financial performance information	Unqualified audit opinion with 12% fewer findings than 2023/24 on financial performance information	Unqualified audit opinion with 10% fewer findings than 2024/25 on financial performance information	Unqualified audit opinion with 7% fewer findings than 2025/26 on financial performance information	Unqualified audit opinion with 5% fewer findings than 2026/27 on financial performance information
				Unqualified audit opinion with 100% fewer findings than 2019/20 on non-financial performance information	Unqualified audit opinion with 100% more findings than 2020/21 on non-financial performance information	Unqualified audit opinion with 100% fewer findings than 2021/22 on non-financial performance information	Unqualified audit opinion with no audit findings on non-financial performance information	Unqualified audit opinion with no audit findings on non-financial performance information	Unqualified audit opinion with no audit findings on non-financial performance information	Unqualified audit opinion with no audit findings on non-financial performance information	Unqualified audit opinion with no audit findings on non-financial performance information

5. PROGRAMME 1: ADMINISTRATION

No.	Outcomes	Outputs	Output Indicators	Annual Targets								
				Audited / Actual Performance				Estimated Performance	Planned Performance Current Year	MTEF Period		
				2020/21	2021/22	2022/23	2023/24			2024/25	2025/26	2026/27
1.1.3		Risk Management Maturity report	Risk Management Maturity Assessment level achieved	3.9	5	5	5	5	5	5	5	
1.1.4		Annual Training report	Percentage spend of training and development budget	50.6%	60%	62%	70%	70%	75%	80%	80%	
1.1.5		Quarterly reports	Number of quarterly reports on the implementation of the action plan on the mainstreaming of women, youth and persons with disabilities produced	#	#	#	#	4	4	4	4	

5. PROGRAMME 1: ADMINISTRATION

5.3 Output Indicators: Annual and Quarterly Targets

No.	Output Indicators	Annual Target	Quarter 1	Quarter 2	Quarter 3	Quarter 4
1.1.1	Percentage of ICT service delivery standards met	94%	94%	94%	94%	94%
1.1.2	Audit Opinion Obtained	Unqualified audit opinion with 12% fewer findings than 2023/24 on financial performance information	N/A	N/A	N/A	Unqualified audit opinion with 12% fewer findings than 2023/24 on financial performance information
		Unqualified audit opinion with no audit findings on non-financial performance information	N/A	N/A	N/A	Unqualified audit opinion with no audit findings on non-financial performance information
1.1.3	Risk Management Maturity Assessment level achieved	5	N/A	N/A	N/A	5
1.1.4	Percentage spend of training and development budget	70%	10%	21%	21%	18%
1.1.5	Number of quarterly reports on the implementation of the action plan on the mainstreaming of women, youth and persons with disabilities produced	4	1	1	1	1

5. PROGRAMME 1: ADMINISTRATION

Explanation of planned performance over the medium-term period

The administration programme will continue to be the anchor for good governance, effective compliance and efficient administration by providing integrated organisational services across the department. Central to this is ensuring business continuity, knowledge management, and information and communication technology. The programme will continue with concerted efforts to enhance corporate risk management and ensure a sound control environment through the yearly implementation of risk-based internal audit plans. National Treasury will continue to strive for an unqualified audit opinion with zero material misstatement in financial information.

Human Resources Management (HRM) will continue to impact positively on the business of the department through ensuring that all transactional and transformational HRM support services are rendered effectively and efficiently. In this regard, dedicated focus will be on enhancing institutional capability with targeted initiatives being undertaken to enable the department to attract, develop and retain the skills needed to deliver on its mandate. This recruitment drive is informed by the objective of promoting National Treasury as the employer of choice with diversity management at the center of HRM's business processes.

The ICT unit will continue to enhance institutional productivity and business continuity through the ICT governance, ICT front office service delivery and the capacity of the ICT back office. A dedicated focus will be given to expanding the National Treasury's knowledge-sharing and preservation systems. Strengthening of governance, transparency and accountability will continue to be a focus area in the medium term through enhanced coordination of assurance activities.

The risk management, business continuity, anti-corruption and ethics functions remain committed to ensuring good governance. Risk management is a crucial element of institutional governance that ensures minimisation of the impact of threats to the mandate and reputation of the NT. A risk management culture continues to be entrenched through annual risk assessments and quarterly monitoring of mitigation strategies. The risk management function has matured further through the development of the risk appetite and tolerance thresholds, that define the NT's philosophy towards risk and guides all employees on options to manage risks. The Department's risk maturity will be enhanced through conducting risk awareness and advocacy initiatives on a quarterly basis. The Risk Management Committee provides oversight over the effectiveness of the risk management function, the management of strategic risks, recommends risk management governance documents and monitors progress on risk management activities.

National Treasury will enhance the implementation of its ethics and anti-corruption management processes to promote an ethical organisational culture that foster efficient use of resources. This includes the implementation of the ethics and anti-corruption awareness plan to respond to topical ethical issues such as whistleblowing and lifestyle audits. The Ethics and Anti-Corruption Implementation Matrix as well as conducting Lifestyle Audit will be prioritised during the 2024/25 financial year. In-year monitoring reports on identified risks will be presented to the Risk Management Committee to assess effectiveness of risk mitigation actions.

Over the medium term, the National Treasury will enhance capacity for strategic planning, project planning, performance management and reporting across the organisation. In this regard, the Strategic Planning, Monitoring and Evaluation unit will further strengthen and expand the National Treasury's planning and reporting ecosystem. The implementation of the recently introduced project management monitoring and reporting will be advanced over the medium term with the introduction of project planning assessments. Overall, the focus of the Strategic Planning, Monitoring and Evaluation unit will be to ensure that the programmes of the divisions are coupled to the department's mandate,

5. PROGRAMME 1: ADMINISTRATION

National Development Plan's (NDP) priorities, Medium Term Strategic Framework (MTSF) outcomes, and targets relating to women, youth, and persons with disabilities. Building on the rolled out operational planning for all Divisions and Chief Directorates, the department will further strengthen the integration between institutional performance and individual performance. The implementation of operational planning constitutes a critical additional layer of the planning system with operational objectives for each chief directorate creating a seamless alignment between organisational and individual performance. This level of planning will further contribute to aligning the planning practices with risk management and informing audit focus areas. All efforts in the immediate term will be harnessed to the performance review of the last 5 year term and the development of the new planning instruments for the coming 5 year term.

During the 2024/25 financial year, the department will accelerate the rollout of the Organisational Performance Management and Monitoring System (OPMMS) aimed at creating an automating platform for integrating planning, budgeting, procurement, risk management, innovation and learning processes. The OPMMS presents uncharted waters in the public services as it is developed inhouse to enhance efficiency and effectiveness of Programme 1 functions through an automated strategic management information system that has the capability to integrate both strategic and operational management process across the institutional governance spectrum.

The Public Entities Oversight unit will oversee the portfolio of public entities under the Ministry of Finance. Central to this work is providing continuous support to the Minister of Finance in his role as the executive authority to oversee public entities reporting to the Ministry, by reviewing quarterly reports, analysing annual reports to assess financial performance of entities including irregular, unauthorised, wasteful and fruitless expenditure. The unit will also review strategic plans and annual performance plans for approval and tabling in Parliament, and assists entities with performance planning, budgeting, human resources performance management and respond to internal audit findings and financial reporting.

Legislation will continue to routinely protect the interest of National Treasury during the legislation process, which entails processing annual budget legislation and other draft legislation. Linked to this is scrutinising the legislation according to needs identified by the National Treasury and government more broadly.

Legal Services will provide a comprehensive legal advisory service to the National Treasury to assist in executing its mandate effectively within the rule of law.

The Communications unit will be the voice of National Treasury in the national discourse on public finances and its management.

The administration programme contributes towards achieving the MTSF Priority 1 Outcome: A functional, efficient and integrated government.

5. PROGRAMME 1: ADMINISTRATION

5.4 Programme Resource Considerations

5.4.1 Expenditure trends and estimates

Table 8.6 Administration expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
R million	2020/21	2021/22	2022/23	2023/24	2020/21 - 2023/24	2020/21 - 2023/24 (%)	2024/25	2025/26	2026/27	2023/24 - 2026/27	2023/24 - 2026/27 (%)
Ministry	3.7	3.7	4.0	4.6	7.4%	0.8%	4.8	5.0	5.2	4.5%	0.9%
Departmental Management	24.7	36.4	59.8	67.7	39.9%	9.1%	60.6	63.6	66.7	-0.5%	11.3%
Corporate Services	171.9	149.8	163.3	274.9	16.9%	36.5%	166.2	175.4	184.3	-12.5%	34.9%
Enterprise-wide Risk Management	29.5	32.5	33.1	40.7	11.3%	6.5%	41.7	43.1	45.9	4.1%	7.5%
Financial Administration	46.9	54.9	54.6	60.9	9.1%	10.4%	50.8	53.1	55.5	-3.1%	9.6%
Legal Services	25.1	26.3	24.8	24.3	-1.1%	4.8%	24.9	26.0	27.2	3.7%	4.5%
Internal Audit	19.6	18.8	19.7	24.5	7.8%	4.0%	28.0	29.4	31.0	8.2%	4.9%
Communications	9.5	10.8	10.6	8.8	-2.6%	1.9%	8.5	8.9	9.6	3.2%	1.6%
Office Accommodation	165.4	121.8	117.0	139.0	-5.6%	26.1%	137.5	143.7	150.5	2.7%	24.9%
Total	496.3	455.1	486.8	645.4	9.1%	100.0%	522.9	548.2	575.9	-3.7%	100.0%
Change to 2023 Budget estimate				-			(48.0)	(48.1)	(47.7)		
Economic classification											
Current payments	450.0	432.4	452.0	539.1	6.2%	89.9%	504.9	529.3	556.6	1.1%	92.9%
Compensation of employees	188.3	202.5	208.6	219.6	5.3%	39.3%	227.9	237.9	248.7	4.2%	40.7%
Goods and services	261.7	229.9	243.4	319.5	6.9%	50.6%	277.1	291.4	308.0	-1.2%	52.2%
<i>of which:</i>											
Audit costs: External	8.6	11.8	10.1	11.0	8.6%	2.0%	11.8	12.2	12.8	5.0%	2.1%
Computer services	45.5	52.1	59.4	97.0	28.7%	12.2%	67.4	72.1	76.6	-7.6%	13.7%
Contractors	12.6	14.9	15.5	19.9	16.6%	3.0%	15.2	15.8	16.8	-5.6%	3.0%
Operating leases	126.8	73.1	72.7	88.1	-11.4%	17.3%	89.3	93.4	98.5	3.8%	16.1%

5. PROGRAMME 1: ADMINISTRATION

Subprogramme	Audited outcome				Adjusted appropriation	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate				Average growth rate (%)	Average: Expenditure/ Total (%)
	2020/21	2021/22	2022/23	2023/24				2020/21 - 2023/24	2024/25	2025/26	2026/27		
R million													
Transfers and subsidies	5.5	5.9	11.0	5.6	5.6	0.9%	1.3%	5.1	5.1	5.3	5.1	-3.5%	0.9%
Departmental agencies and accounts	2.6	2.2	2.3	2.5	2.5	-1.2%	0.5%	2.6	2.6	2.8	2.4	-1.7%	0.5%
Households	2.8	3.7	8.8	3.1	3.1	2.9%	0.9%	2.4	2.4	2.5	2.6	-5.0%	0.5%
Payments for capital assets	40.8	16.7	23.7	100.7	100.7	35.1%	8.7%	12.9	13.6	13.6	14.2	-48.0%	6.2%
Machinery and equipment	27.8	16.7	23.6	95.2	95.2	50.7%	7.8%	12.8	13.5	13.5	14.1	-47.1%	5.9%
Software and other intangible assets	13.0	-	0.1	5.5	5.5	-25.1%	0.9%	0.1	0.1	0.1	0.1	-75.1%	0.2%
Payments for financial assets	0.0	-	0.1	-	-	-100.0%	-	-	-	-	-	-	-
Total	496.3	455.1	486.8	645.4	645.4	9.1%	100.0%	522.9	522.9	548.2	575.9	-3.7%	100.0%
Proportion of total programme expenditure to vote expenditure	1.5%	0.7%	1.3%	1.9%	1.9%	-	-	1.6%	1.6%	1.6%	1.7%	-	-
Details of transfers and subsidies													
Households													
Social benefits													
Current	0.8	1.7	7.3	0.8	0.8	-1.5%	0.5%	-	-	-	-	-100.0%	-
Employee social benefits	0.8	1.7	7.3	0.8	0.8	-1.5%	0.5%	-	-	-	-	-100.0%	-
Other transfers to households													
Current	2.0	2.0	1.5	2.3	2.3	4.6%	0.4%	2.4	2.4	2.5	2.6	4.8%	0.4%
Bursaries for non-employees	2.0	2.0	1.5	2.3	2.3	4.6%	0.4%	2.4	2.4	2.5	2.6	4.8%	0.4%
Departmental agencies and accounts													
Departmental agencies (non-business entities)													
Current	2.6	2.2	2.3	2.5	2.5	-1.2%	0.5%	2.6	2.6	2.8	2.4	-1.7%	0.5%
Finance and Accounting Services	2.6	2.2	2.3	2.5	2.5	-1.2%	0.5%	2.6	2.6	2.8	2.4	-1.7%	0.5%
Sector Education and Training Authority													

5. PROGRAMME 1: ADMINISTRATION

5.4.2 Personnel Information

Table 8.7 Administration personnel numbers and cost by salary level¹

Number of posts estimated for 31 March 2024		Number and cost ² of personnel posts filled/planned for on funded establishment														Number			
Number of funded posts	Number of posts additional to the establishment	Actual			Revised estimate			Medium-term expenditure estimate						Average growth rate (%)	Average: Salary level/ Total (%)				
		2022/23			2023/24			2024/25			2025/26			2026/27			2023/24 - 2026/27		
Administration		Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost			
Salary level	331	78	325	208.6	0.6	329	219.6	0.7	323	227.9	0.7	320	237.9	0.7	318	248.7	0.8	-1.0%	100.0%
1 – 6	110	72	109	29.5	0.3	111	31.4	0.3	109	32.8	0.3	109	34.8	0.3	109	36.8	0.3	-0.6%	34.0%
7 – 10	120	2	113	64.4	0.6	114	68.0	0.6	114	72.3	0.6	116	78.1	0.7	118	84.2	0.7	1.2%	35.9%
11 – 12	59	–	58	53.4	0.9	57	54.7	1.0	55	56.3	1.0	52	55.9	1.1	49	56.0	1.1	-4.9%	16.5%
13 – 16	42	4	45	61.3	1.4	46	65.5	1.4	44	66.5	1.5	43	69.1	1.6	42	71.7	1.7	-3.0%	13.6%

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

2. Rand million.

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

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

6.1 Sub-Programmes:

Research

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

Financial Sector Policy

This sub-programme is responsible for developing policy relating to the regulation of the financial sector in South Africa, with specific focus on making it safer by increasing resilience, stability, enhancing integrity and competition, and making it serve South Africans better including broadening access to financial services, and improving household savings rate through continuing retirement reforms.

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 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 Review and Medium-Term Budget Policy Statement (MTBPS) and scenario modelling. The sound policy advice helps to improve South Africa's macroeconomic and microeconomic frameworks and assists in promoting economic policy coherence in relation to the objectives of growth and job creation, as policy advice is mainly focused on creating decent employment through inclusive economic growth.

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

6.2 Outcomes, Outputs, Output Indicators and Targets

No.	Outcomes	Outputs	Output Indicators	Annual Targets									
				Audited / Actual Performance				Estimated Performance	Planned Performance Current Year	MTEF Period			
				2020/21	2021/22	2022/23	2023/24			2024/25	2025/26	2026/27	2027/28
2.1.1	Coherent economic policy advocated	Research papers	Number of research papers completed	64	50	15	30	45	30	8	8		
2.1.2		Financial sector legislation	Financial sector legislation drafted	Financial sector legislation submitted for tabling in Parliament	Financial sector legislation submitted for tabling in Parliament	Financial sector legislation submitted to Cabinet	Financial sector legislation submitted to Cabinet	Financial sector legislation submitted to Cabinet	Financial sector legislation submitted to Cabinet	Financial sector legislation submitted to Cabinet	Financial sector legislation submitted to Cabinet		
2.1.3		Tax legislation	Legislation to give effect to tax proposals from the Budget drafted	#	#	#	Tax legislation submitted for tabling in Parliament	Tax legislation submitted to Parliament	Tax legislation submitted to Parliament	Tax legislation submitted to Parliament	Tax legislation submitted to Parliament	Tax legislation submitted to Parliament	Tax legislation submitted to Parliament
2.1.4		FATF Action Plan Progress Reports	Number of progress reports on the implementation of FATF Action Plan produced	#	#	#			3	N/A		N/A	N/A
2.1.5	Sustainable public finances	Economic forecasts	Number of economic forecasts developed	4	4	4	4	4	4	4	4	4	4
2.1.6	Coherent economic policy advocated	Analysis and advice	Number of macro and microeconomic policy analysis and advice reports produced	#	#	8	8	8	8	8	8	8	8

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

6.3 Output Indicators: Annual and Quarterly Targets

No.	Output Indicators	Annual Target	Quarter 1	Quarter 2	Quarter 3	Quarter 4
2.1.1	Number of research papers completed	45	N/A	N/A	N/A	45
2.1.2	Financial sector legislation drafted	Financial sector legislation submitted to Cabinet	N/A	N/A	N/A	Financial sector legislation submitted to Cabinet
2.1.3	Legislation to give effect to tax proposals from the Budget drafted	Tax legislation submitted to Parliament	N/A	Draft tax legislation published	Tax legislation submitted to Parliament	N/A
2.1.4	Number of progress reports on the implementation of FATF Action Plan produced	3	1	N/A	1	1
2.1.5	Number of economic forecasts developed	4	1	1	1	1
2.1.6	Number of macro and microeconomic policy analysis and advice reports produced	8	N/A	N/A	N/A	8

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

Explanation of planned performance over the medium-term period

The Economic Policy, Tax, Financial Regulation and Research programme will develop tax policy proposals that seek to meet government revenue requirements and draft tax legislation as well as tax regulations. This entails conducting research on appropriate tax designs for all proposed recommendations. Extensive stakeholder engagements are conducted through workshops and meetings with affected parties on an annual basis. This includes in November of every year, the Programme invites taxpayers and tax practitioners to submit tax proposals (relating to required amendments to both the Income Tax and the VAT Acts) for the following year. Stakeholder engagement sessions are held in December on these submissions to give taxpayers and tax practitioners a hearing on their submissions. Subsequent to that, another engagement session is held for taxpayers and tax practitioners in the following year after the draft tax legislation has been published for public comment in order to hear and resolve their queries and questions on the draft legislation.

As part of the annual budgeting cycle, the programme will continue to provide advice to the Minister of Finance on amendments to tax rates and threshold related to the annual budget. This includes making tax proposals and the technical work done to draft the necessary legislative amendments required to give effect to the tax proposals. These tax proposals initiatives contribute towards achieving the institutional outcome: coherent economic policy advocated.

As part of the work National Treasury does to enhance economic growth, focus will be on support initiatives aimed at securing financial stability and promoting access to the financial sector for all residents and those doing business with South Africa. Central to this is the regulation of the financial sector to ensure safety and improved customer services. In this regard, the review of the financial sector code is still underway between the Financial Sector Transformation Council constituencies. This initiative contributes towards the achievement of the MTSF Priority 2 Intervention: Review the financial sector code to support transformation. Also, in progress as part of encouraging good market conduct and consumer confidence in the financial sector, is the comprehensive reform of the financial ombud system.

In pursuit of the National Treasury outcome: coherent economic policy advocated, the department will provide macro and microeconomic policy analysis and advice. In this regard, eight reports are planned to be produced during the 2024/25 financial year and this will continue annually over the medium term period with a cumulative total of 32 reports projected to be completed by the end of the outer year 2027/28 financial year. Linked to this is the portfolio of economic research work that is managed through the Research sub-programme with 91 research papers planned to be delivered in total over the medium term. These are research papers completed through the National Treasury programmes, including research papers published by National Treasury staff and research partners including academic institutions and policy institutes. The research work supports policy making for inclusive growth and economic transformation in the Southern Africa region.

Over the medium term, the Economic Policy sub-programme will prepare the macroeconomic forecasts that underpin the fiscal framework, conduct model development and maintenance, further strengthen its modelling capabilities, formulate and assess structural reform priorities and conduct research to inform economic policy. This set of performance initiatives contribute towards achieving the Medium-Term Strategic Framework Priority 1 intervention: Ensuring the macroeconomic policy alignment and coherence.

South Africa's Just Energy Transition Investment Plan (JET IP) for the initial period 2023-2027 was launched during COP 27. The JETIP was developed through a country-owned, country-led engagement process, involving multiple stakeholders.

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

The process of developing the JET IP was overseen by the Presidential Climate Finance Task Team and drew on South Africa's extensive knowledge base amongst policymakers, academia, civil society, and business. The JETIP represents one milestone in a longer-term process towards transitioning the economy, society and for achieving environmental change. Following the launch of the JETIP, government through the Presidency, working with the partners will develop a comprehensive implementation plan for the Just Energy Transition which is expected among others to detail the financing structures, timing of financial flows, and other implementation modalities, which will, inter alia, address governance, accountability, results monitoring, and evaluation mechanisms to ensure the achievement of desired and impactful outcomes, with refinements where necessary in response to unfolding conditions. Key guiding principles on financing are set out in section 5.6 of the recently published JETIP, including an outline of what the JETIP Implementation Plan should entail; these are set out under section 7 of the Plan. Together with other key government departments, the National Treasury is looking forward to support and provide technical guidance on the JETIP Implementation Plan.

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

6.4 Programme Resource Considerations

6.4.1 Expenditure trends and estimates

Table 8.8 Economic Policy, Tax, Financial Regulation and Research expenditure trends and estimates by subprogramme and economic classification

Subprogramme	2020/21	2021/22	2022/23	Adjusted appropriation	Average growth rate (%)	Average Expenditure Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average Expenditure Total (%)
R million	2020/21	2021/22	2022/23	2023/24	2020/21 - 2023/24	2024/25	2025/26	2026/27	2023/24 - 2026/27		
Programme Management for Economic Policy, Tax, Financial Regulation and Research	37.1	31.1	21.0	38.9	1.6%	41.6	44.7	47.0	6.5%	27.8%	
Financial Sector Policy	18.0	21.2	21.2	33.1	22.5%	26.0	27.2	28.4	-4.9%	18.5%	
Tax Policy	27.4	28.0	29.4	28.9	1.8%	31.2	32.6	34.1	5.7%	20.5%	
Economic Policy	21.8	24.7	26.8	28.5	9.5%	32.5	34.2	35.8	7.9%	21.2%	
Cooperative Banks Development Agency	20.5	20.3	20.8	20.9	0.7%	16.9	17.8	18.9	-3.4%	12.0%	
Total	124.7	125.3	119.1	150.4	6.4%	148.1	156.6	164.3	3.0%	100.0%	
Change to 2023 Budget estimate				-		(24.3)	(24.3)	(24.8)			
Economic classification											
Current payments	104.0	104.0	95.6	120.5	5.0%	130.4	137.6	144.3	6.2%	86.0%	
Compensation of employees	71.7	78.6	76.7	87.0	6.6%	90.3	94.2	98.6	4.3%	59.7%	
Goods and services	32.2	25.3	18.9	33.6	1.4%	40.1	43.4	45.7	10.8%	26.3%	
<i>of which:</i>											
Bursaries: Employees	0.4	0.3	0.2	0.6	16.5%	0.6	0.6	0.6	4.3%	0.4%	
Consultants: Business and advisory services	27.3	21.6	12.9	22.9	-5.6%	28.2	30.7	32.3	12.2%	18.4%	
Consumables: Stationery, printing and office supplies	0.7	0.3	1.1	1.5	25.8%	1.5	1.7	1.7	6.1%	1.0%	
Travel and subsistence	0.2	0.1	1.9	3.7	167.8%	4.8	5.1	5.4	14.3%	3.1%	
Training and development	0.1	0.2	0.0	0.6	100.3%	0.9	1.0	1.0	16.5%	0.6%	

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

Subprogramme	Audited outcome				Adjusted appropriation	Average growth rate (%)	Average: Expenditure Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure Total (%)
R million	2020/21	2021/22	2022/23	2023/24	2023/24	2020/21 - 2023/24	2023/24	2024/25	2025/26	2026/27	2023/24 - 2026/27	2026/27
Operating payments	2.7	2.6	2.0	2.8	2.8	1.8%	1.9%	2.6	2.7	2.8	0.5%	1.8%
Transfers and subsidies	20.7	20.8	21.6	28.9	28.9	11.8%	17.7%	16.9	17.8	18.9	-13.2%	13.3%
Departmental agencies and accounts	20.5	20.3	20.8	28.9	28.9	12.2%	17.4%	16.9	17.8	18.9	-13.2%	13.3%
Households	0.2	0.5	0.8	-	-	-100.0%	0.3%	-	-	-	-	-
Payments for capital assets	0.1	0.5	1.9	0.9	0.9	127.1%	0.7%	0.9	1.1	1.2	8.3%	0.7%
Machinery and equipment	0.1	0.5	1.9	0.9	0.9	127.1%	0.7%	0.9	1.1	1.2	8.3%	0.7%
Payment for financial assets	-	-	0.0	-	-	-	-	-	-	-	-	-
Total	124.7	125.3	119.1	150.4	150.4	6.4%	100.0%	148.1	156.6	164.3	3.0%	100.0%
Proportion of total programme expenditure to vote expenditure	0.4%	0.2%	0.3%	0.4%	0.4%	-	-	0.4%	0.5%	0.5%	-	-
Details of transfers and subsidies												
Households												
Social benefits												
Current	0.2	0.5	0.8	-	-	-100.0%	0.3%	-	-	-	-	-
Employee social benefits	0.2	0.5	0.8	-	-	-100.0%	0.3%	-	-	-	-	-
Departmental agencies and accounts												
Departmental agencies (non-business entities)												
Current	20.5	20.3	20.8	28.9	28.9	12.2%	17.4%	16.9	17.8	18.9	-13.2%	13.3%
Cooperative Banks Development Agency	20.5	20.3	20.8	20.9	20.9	0.7%	15.9%	16.9	17.8	18.9	-3.4%	12.0%
Financial Sector Conduct Authority	-	-	-	8.0	8.0	-	1.5%	-	-	-	-100.0%	1.3%

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

6.4.2 Personnel Information

Table 8.9 Economic Policy. Tax. Financial Regulation and Research personnel numbers and cost by salary level¹

Number of posts estimated for 31 March 2024		Number and cost ² of personnel posts filled/planned for on funded establishment														Number			
Number of funded posts	Number of posts additional to the establishment	Actual			Revised estimate			Medium-term expenditure estimate						Average growth rate (%)	Average Salary level/ Total (%)				
		2022/23		Unit cost	2023/24		Unit cost	2024/25		Unit cost	2025/26		Unit cost	2026/27		Unit cost			
Economic Policy, Tax, Financial Regulation and Research		Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost			
Salary level	86	5	77	76.7	1.0	83	87.0	1.0	83	90.3	1.1	82	94.2	1.2	81	98.6	1.2	-0.8%	100.0%
1 – 6	5	4	5	1.6	0.3	5	1.7	0.3	5	1.8	0.4	5	1.9	0.4	5	2.0	0.4	–	6.1%
7 – 10	20	–	23	13.4	0.6	24	14.7	0.6	25	16.4	0.7	25	17.3	0.7	25	18.4	0.7	1.4%	30.1%
11 – 12	26	–	14	13.7	1.0	17	17.6	1.0	19	21.0	1.1	20	22.5	1.2	20	23.9	1.2	4.4%	22.9%
13 – 16	35	1	35	48.0	1.4	37	53.0	1.4	33	51.2	1.5	32	52.5	1.6	32	54.3	1.7	-5.1%	40.9%

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

2. Rand million.

7. PROGRAMME 3: PUBLIC FINANCE AND BUDGET MANAGEMENT

Purpose: Provide analysis and advice on fiscal policy and public finances, intergovernmental financial relations, expenditure planning and priorities. Manage government's annual budget process and provide public finance management support. Facilitate employment creation and high-impact government initiatives and strengthen infrastructure planning and delivery.

7.1 Sub-Programmes:

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 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.

7. PROGRAMME 3: PUBLIC FINANCE AND BUDGET MANAGEMENT

7.2 Outcomes, Outputs, Output Indicators and Targets

No.	Outcomes	Outputs	Output Indicators	Annual Targets								
				Audited / Actual Performance				Estimated Performance	Planned Performance Current Year	MTEF Period		
				2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	
3.1.1	Sustainable public finances	Published budget legislation and documentation	Published budget legislation and documentation	Appropriation Bill, ENE and Budget Review published in February	Appropriation Bill, ENE and Budget Review published in February	Appropriation Bill, ENE and Budget Review published	Appropriation Bill, ENE and Budget Review published	Appropriation Bill, ENE and Budget Review published	Appropriation Bill, ENE and Budget Review published	Appropriation Bill, ENE and Budget Review published	Appropriation Bill, ENE and Budget Review published	
				Adjustments Appropriation Bill, AENE and MTBPS published in October	Adjustments Appropriation Bill, AENE and MTBPS published in November	Adjustments Appropriation Bill, AENE and MTBPS published	Adjustments Appropriation Bill, AENE and MTBPS published	Adjustments Appropriation Bill, AENE and MTBPS published	Adjustments Appropriation Bill, AENE and MTBPS published	Adjustments Appropriation Bill, AENE and MTBPS published	Adjustments Appropriation Bill, AENE and MTBPS published	
3.1.2		DoR Bill DoR Amendment Bill	Number of Division of Revenue and Division of Revenue Amendment Bills published annually	3	2	2	2	2	2	2	2	
3.1.3		Provincial and local government fiscal policy reforms	Number of reforms introduced to enhance provincial and local government fiscal frameworks	3	3	3	3	2	2	2	2	
3.1.4		Progress reports on the economic development strategies produced	Number of progress reports on the implementation of the township economic development strategies produced	#	#	#	1	1	1	1	1	

7. PROGRAMME 3: PUBLIC FINANCE AND BUDGET MANAGEMENT

No.	Outcomes	Outputs	Output Indicators	Annual Targets								
				Audited / Actual Performance			Estimated Performance	Planned Performance Current Year	MTEF Period			
				2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	
3.1.5		Infrastructure plans assessment reports	Percentage of infrastructure plans assessment reports reviewed	#	#	100%	100%	100%	100%	100%	100%	100%
3.1.6	Coherent economic policy advocated	Catalytic projects prioritised for implementation	Number of catalytic projects prioritised for implementation	#	#	#	#	18	40	40	40	40
3.1.7	Sustainable public finances	Quarterly financial status reports	Number of quarterly financial reports published	8	8	8	8	8	8	8	8	8
3.1.8		Financial recovery plans	Percentage of requests to prepare mandatory financial recovery plans responded to within 90 days of receipt	100%	0%	0%	100%	100%	100%	100%	100%	100%
3.1.9		SCOA reports	Number of quarterly expenditure reports submitted to the Standing Committee on Appropriations	4	4	4	4	4	4	4	4	4

7. PROGRAMME 3: PUBLIC FINANCE AND BUDGET MANAGEMENT

No.	Outcomes	Outputs	Output Indicators	Annual Targets								
				Audited / Actual Performance			Estimated Performance	Planned Performance Current Year	MTEF Period			
				2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	
3.1.10	Sustainable public finances	Functional budget group reports	Number of functional budget group reports produced	#	#	#	#	7	7	7	7	7
3.1.11		Technical advisors in place	Number of technical advisors placed at National Treasury, provincial treasuries and municipalities through the Municipal Finance Improvement Programme (MFIP)	73	73	65	80	80	80	80	80	80
3.1.12		Grant funding disbursed	Value of grant funding disbursed (cumulative across the term of project)	R5 687m	R6 075m	R6 465m	R7 350m	R7 513m	R7 880m	N/A	N/A	N/A

7. PROGRAMME 3: PUBLIC FINANCE AND BUDGET MANAGEMENT

7.3 Output Indicators: Annual and Quarterly Targets

No.	Output Indicators	Annual Target	Quarter 1	Quarter 2	Quarter 3	Quarter 4
3.1.1	Published budget legislation and documentation	Appropriation Bill, ENE and Budget Review published	N/A	N/A	N/A	Appropriation Bill, ENE and Budget Review published
		Adjustments Appropriation Bill, AENE and MTBPS published	N/A	N/A	Adjustments Appropriation Bill, AENE and MTBPS published	N/A
3.1.2	Number of Division of Revenue and Division of Revenue Amendment Bills published annually	2	N/A	N/A	1	1
3.1.3	Number of reforms introduced to enhance provincial and local government fiscal frameworks	2	N/A	N/A	N/A	2
3.1.4	Number of progress reports on the implementation of the township economic development strategies produced	1	N/A	N/A	N/A	1
3.1.5	Percentage of infrastructure plans assessment reports reviewed	100%	N/A	N/A	100%	N/A
3.1.6	Number of catalytic projects prioritised for implementation	18	N/A	N/A	9	9
3.1.7	Number of quarterly financial reports published	8	2	2	2	2
3.1.8	Percentage of requests to prepare mandatory financial recovery plans responded to within 90 days of receipt	100%	100%	100%	100%	100%
3.1.9	Number of quarterly expenditure reports submitted to the Standing Committee on Appropriations	4	1	1	1	1
3.1.10	Number of functional budget group reports produced	7	N/A	N/A	7	N/A
3.1.11	Number of technical advisors placed at National Treasury, provincial treasuries and municipalities through the Municipal Finance Improvement Programme (MFIP)	80	80	80	80	80
3.1.12	Value of grant funding disbursed (cumulative across the term of project)	R7 513m	N/A	N/A	N/A	R7 513m

7. PROGRAMME 3: PUBLIC FINANCE AND BUDGET MANAGEMENT

Explanation of planned performance over the medium-term period

Central to the outcome of ensuring sustainable public finances, is National Treasury's responsibility of ensuring transparency, accountability and sound financial control in the management of public finances. In this regard, the Budget Office will coordinate the national budgeting process which includes resource allocation to meet priorities set by government and overseeing expenditure planning. The Public Finance sub-programme will continue to conduct in year monitoring of expenditure of all budget votes. Linked to this is managing, developing and providing analysis of the government fiscal framework underpinning the annual Budget Review and Medium Term Budget Policy Statement.

As preparation and publication of National Budgets require extensive stakeholder consultation, the Budget Office will manage local and international stakeholder relations for the budget process through various budget consultative sessions.

Over the medium term, the Public Finance sub-programme will continue with the critical work of classification of revenue, expenditure, assets and liabilities and institutional sectors manuals that meet national and international standards in pursuit of the outcome of sustainable public finances. Fiscal policy advice will be provided by monitoring economic and fiscal trends and advising on policy options and the budget framework.

As part of the contribution towards the MTSF Priority 1 intervention: strengthening municipal financial system, the Intergovernmental Relations (IGR) division will provide support to municipalities during the municipal budgeting process. The intention is to support all municipalities to adopt funded budgets. This will be done through the annual benchmark engagements, mid-year budgeting and in-year performance monitoring. Linked to this is the provision of continuous support on revenue management and mSCOA implementation to ensure improved quality of data. National Treasury will strengthen its capacity to support municipalities with the development of Financial Recovery Plans.

Over the medium term, dedicated focus will be on the enhancements to the provincial and local government fiscal frameworks with respect to grant reforms, and improved regulation of development charges through amendments to the Municipal Fiscal Powers and Functions Act. As part of the broader national government budgeting system and process, IGR will coordinate inputs to the division of nationally raised revenue between the three spheres of government, the annual Division of Revenue Bill and Division of Revenue Amendment Bill. This includes the development of the framework for managing conditional grants. These sets of interventions contribute towards achieving the institutional outcome: Sustainable public finances.

The department plans to introduce the smart meters indirect grant over the medium term. This grant is aimed at supporting local government efforts to improve efficiency, billing accuracy and service delivery by empowering municipalities to deploy smart meter technology. This is expected to enhance revenue generation and cost recovery, and underscores the department's commitment to sustainable development and the prioritisation of investing in energy infrastructure at the local government level.

The division will continue to assess provincial budgets through participation in provincial MTECs and provide stakeholders with feedback via the budget benchmark exercise process. The monitoring of the implementation of provincial budgets will be done monthly as well as through adhoc provincial budget visits. Continuous support and capacity building initiatives such as the Division of Revenue Bill workshops, the essentials of budget formulation and budget analysis courses will be conducted.

7. PROGRAMME 3: PUBLIC FINANCE AND BUDGET MANAGEMENT

The work on the Infrastructure Delivery Management System will continue during the 2024/25 financial year. The objective of the project is to standardise infrastructure service delivery within all spheres of government to enhance alignment in infrastructure planning, budgeting, implementation, and reporting. In the main, the priority is to ensure that the infrastructure value chain is auditable in accordance with the IDMS Methodology. This includes the enhancement of IDMS and IDM Toolkit, development of structured training, upgrading of the IT Platform, establishment and facilitation of Communities of Practice and Knowledge Circle.

The infrastructure delivery management tools (IDMS Toolkits, Infrastructure Progression Model, Infrastructure Reporting Model) are continuously being improved. Training programmes on IDMS are undertaken to support and capacitate provinces and municipalities in the management of infrastructure. National Treasury will continue to support the Departments of Education and Health with the support provided on the integrated spatially referenced planning as well as assessing the infrastructure investment in all provinces.

The Cities Support Programme will continue to provide support for spatialised, integrated and participatory economic development planning, through the implementation of Township Economic Development Strategies in 5 metros. Working with intergovernmental partners, National Treasury will focus on reforms required in the areas of climate responsiveness, economic development, public transport, governance, and leadership areas. Specific focus areas related to these reforms include support selected cities to enhance customer-interfacing business processes as part of the improvement of the ease of doing business climate within these municipalities (SNDB localised), support for the deepening of municipal access to and utilisation of anonymised tax data (the city-spatialised economic data initiative-City SEAD), support for efficiencies in metro water and energy businesses, as well as support for improved infrastructure planning and management. All of these initiatives under Cities Support Programme contribute towards the achievement of the MTSF Priority 5 Outcome: Integrated service delivery, settlement transformation, inclusive growth in urban and rural areas.

In the pursuit of fostering an outcome of a coherent economic policy advocated, the National Treasury will execute the Neighbourhood Development Partnership Programme (NDPP). Over the medium term, this programme is set to bring to fruition 35 approved catalytic projects in strategically targeted areas within metropolitan cities, intermediate cities, and rural towns.

The primary areas of focus include the preparation of spatially targeted investment plans followed by the execution of capital projects. The purpose of these endeavours is twofold: firstly, to eliminate spatial inequality, and secondly, to harness both public and private sector investments in strategic locales across the nation. This concerted effort is directed at eradicating disparities and enhancing the overall development landscape.

Furthermore, the enhancement of community safety will be championed, along with the initiation of economic development projects in townships, particularly aimed at empowering communities. The approach will involve extending support and funding to projects and programmes, underpinned by a commitment to sustainability. The ultimate objective is to foster self-sustaining communities within various municipalities, ranging from major metropolitan areas to intermediate cities and small towns.

As these are intergovernmental initiatives that require extensive cooperation and partnership, IGR will strengthen collaboration with key national and provincial departments, municipalities, private sector and civil society stakeholders. The intention is to improve alignment and coordination in respect of public sector interventions where possible.

7. PROGRAMME 3: PUBLIC FINANCE AND BUDGET MANAGEMENT

In the area of implementing targeted interventions for local economic development within rural municipalities, the department remains steadfast in its support for the recently included rural municipalities - expanding the NDPP portfolio to 47 municipalities. The NDPP approach extends beyond financial incentives to include various forms of non-financial support. Moreover, there is concerted efforts to streamline regulations that might impede progress, thus ensuring the seamless integration of township economies into the broader local economic development landscape.

Collectively, these initiatives under the NDPP umbrella make substantial contributions to the realisation of MTSF Priority 2: Outcome: Enhanced quality and quantity of infrastructure investments, geared towards fostering growth and employment opportunities.

As part of contributing towards the achievement of the MTSF Priority 1: building a capable, ethical and developmental state, National Treasury's Municipal Finance Improvement Programme (MFIP) supports all three spheres of government to effectively perform their responsibilities regarding local government financial management compliance, support, monitoring and oversight. The MFIP will continue supporting the financial management reform agenda and address the financial management performance challenges evident in local government. The programme remains strategically aligned to the six local government game changers, adopted by the Budget Council, designed to build the institutional and technical financial management capacity of NT, Provincial Treasuries (PTs) and Municipalities. Over the medium term, MFIP aims to facilitate improved local government financial management capacity, enhanced budget and financial management practices and improved audit outcomes.

During the 2024/25, the department will undertake a comprehensive redesign of the Municipal Finance Improvement Programme. The Programme has been running as the anchor for financial management support intervention since its inception on 01 April 2011 under auspices of the Office of the Accountant General and has since then been implemented through procurement and deployment of 80 Technical Advisors to Provincial Treasuries and selected municipalities. As the programme is about to conclude the third three-year phase of implementation, the department conducted an internal evaluation of the programme which recommended that there is a need to redesign the implementation model to enhance the financial management interventions to municipalities and government institutions.

The Jobs Fund was established in the context of high levels of unemployment and a constrained public purse. The intent was to catalyse innovative solutions for job creation by using public funds to leverage private sector resources to pilot and test interventions that would support the creation of sustainable jobs. The Jobs Fund has concluded ten funding rounds, including the COVID-19 relief support funding round. The fund offers matched funding grants across four funding windows namely, enterprise development, infrastructure, support for work seekers and institutional capacity building. Grant funding is made available through a competitive process to initiatives that innovatively solve employment challenges and have potential to be scale.

The Fund was allocated R9bn inclusive of the operating budget, and over the implementation period has disbursed R6.6bn to projects and has raised R13.4 bn in matched funding from its project partners. Over the medium term, the Fund will continue to drive value for money by supporting competitive interventions that will result in sustainable and scalable job creation solutions. It will continue to crowd-in the private sector and other resources to achieve greater social impact, and it will also continue to collaborate and disseminate the knowledge and lessons derived from the robust evaluation of its portfolio of projects. The Jobs Fund contributes to the achievement of the objectives set in the MTSF Priority 2: Economic transformation and job creation.

7. PROGRAMME 3: PUBLIC FINANCE AND BUDGET MANAGEMENT

7.4 Programme Resource Considerations

7.4.1 Expenditure trends and estimates

Table 8.10 Public Finance and Budget Management expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
R million	2020/21	2021/22	2022/23	2023/24	2020/21 - 2023/24	2024/25	2025/26	2026/27	2023/24 - 2026/27		
Programme Management for Public Finance and Budget Management	14.1	20.4	18.5	35.0	35.4%	0.6%	28.5	29.7	31.1	-3.9%	0.8%
Public Finance	68.6	69.7	74.4	66.6	-1.0%	1.8%	69.2	72.3	75.6	4.3%	1.8%
Budget Office and Coordination	55.5	58.8	65.1	68.3	7.2%	1.6%	71.1	74.3	77.8	4.4%	1.8%
Intergovernmental Relations	92.5	107.3	181.2	177.1	24.2%	3.7%	330.8	360.6	377.0	28.6%	7.7%
Financial and Fiscal Commission	63.8	63.2	63.8	59.1	-2.5%	1.6%	60.3	63.0	65.8	3.7%	1.5%
Facilitation of Conditional Grants	1 481.9	2 366.2	2 379.6	2 384.6	17.2%	56.7%	2 424.0	1 822.5	1 906.0	-7.2%	53.0%
Catalytic Infrastructure and Development Support Programme	311.0	677.8	741.5	565.6	22.1%	15.1%	785.7	951.0	1 117.4	25.5%	21.2%
Government Technical Advisory Centre	609.8	837.3	765.6	655.2	2.4%	18.9%	411.4	432.4	454.7	-11.5%	12.1%
Total	2 697.2	4 200.8	4 289.8	4 011.5	14.1%	100.0%	4 181.0	3 805.7	4 105.5	0.8%	100.0%
Change to 2023 Budget estimate				—			769.7	240.0	376.4		
Economic classification											
Current payments	559.7	764.5	840.8	775.4	11.5%	19.3%	1 284.3	1 486.6	1 680.7	29.4%	32.5%
Compensation of employees	212.6	223.0	234.9	248.8	5.4%	6.0%	251.5	262.6	274.6	3.3%	6.4%
Goods and services	347.1	541.5	605.9	526.6	14.9%	13.3%	1 032.8	1 224.0	1 406.1	38.7%	26.0%

7. PROGRAMME 3: PUBLIC FINANCE AND BUDGET MANAGEMENT

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
R million	2020/21	2021/22	2022/23	2023/24	2020/21 - 2023/24	2024/25	2025/26	2026/27	2023/24 - 2026/27		
<i>of which:</i>											
Bursaries: Employees	1.2	0.7	1.1	1.2	0.2%	–	1.4	1.6	1.6	10.6%	–
Computer services	1.1	1.2	1.3	4.0	55.2%	0.1%	1.4	1.5	1.5	-27.4%	0.1%
Consultants: Business and advisory services	339.2	532.5	594.0	503.4	14.1%	13.0%	512.0	552.3	583.3	5.0%	13.4%
Inventory: Other suppliers	–	–	–	0.1	–	–	500.0	650.0	800.0	–	12.1%
Travel and subsistence	0.6	1.6	5.6	8.9	150.5%	0.1%	8.8	9.2	9.7	3.1%	0.2%
Operating payments	2.7	3.5	2.1	3.8	12.5%	0.1%	3.8	4.0	4.2	3.3%	0.1%
Transfers and subsidies	2 136.2	3 434.6	3 445.0	3 233.0	14.8%	80.6%	2 894.3	2 316.5	2 422.0	-9.2%	67.5%
Provinces and municipalities	1 481.9	2 366.2	2 379.6	2 384.6	17.2%	56.7%	2 424.0	1 822.5	1 906.0	-7.2%	53.0%
Departmental agencies and accounts	99.7	237.2	139.5	135.3	10.7%	4.0%	131.9	138.1	144.8	2.3%	3.4%
Public corporations and private enterprises	553.0	830.6	924.6	712.8	8.8%	19.9%	338.2	355.6	371.0	-19.6%	11.0%
Households	1.6	0.5	1.4	0.3	-41.9%	–	0.3	0.3	0.3	-6.6%	–
Payments for capital assets	1.2	1.7	4.0	3.0	34.6%	0.1%	2.4	2.6	2.8	-3.3%	0.1%
Machinery and equipment	1.2	1.7	4.0	3.0	34.6%	0.1%	2.4	2.6	2.8	-3.3%	0.1%
Payments for financial assets	0.0	–	0.0	–	-100.0%	–	–	–	–	–	–
Total	2 697.2	4 200.8	4 289.8	4 011.5	14.1%	100.0%	4 181.0	3 805.7	4 105.5	0.8%	100.0%
Proportion of total programme expenditure to vote expenditure	7.9%	6.7%	11.4%	11.7%	–	–	12.6%	11.2%	11.8%	–	–
Details of transfers and subsidies											
Households											
Social benefits											
Current	1.6	0.5	1.1	0.3	-41.9%	–	0.3	0.3	0.3	-6.6%	–
Employee social benefits	1.6	0.5	1.1	0.3	-41.9%	–	0.3	0.3	0.3	-6.6%	–
Other transfers to households											

7. PROGRAMME 3: PUBLIC FINANCE AND BUDGET MANAGEMENT

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)		Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
	2020/21	2021/22	2022/23		2023/24	2020/21 - 2023/24		2024/25	2025/26	2026/27		
R million												
Current	-	-	0.3	-	-	-	-	-	-	-	-	-
Employee social benefits	-	-	0.3	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts												
Departmental agencies (non-business entities)												
Current	99.7	237.2	139.5	135.3	10.7%	4.0%	131.9	138.1	144.8	2.3%	3.4%	3.4%
Financial and Fiscal Commission	63.8	63.2	63.8	59.1	-2.5%	1.6%	60.3	63.0	65.8	3.7%	1.5%	1.5%
Government Technical Advisory Centre	35.9	74.0	52.9	52.7	13.7%	1.4%	51.0	53.5	55.9	2.0%	1.3%	1.3%
Government Technical Advisory Centre: Independent power producer project preparation support	-	100.0	-	-	-	0.7%	-	-	-	-	-	-
Government Technical Advisory Centre: Support on infrastructure planning	-	-	22.7	23.5	-	0.3%	20.7	21.7	23.1	-0.6%	0.6%	0.6%
Provinces and municipalities												
Municipal bank accounts												
Current	688.7	707.3	725.6	719.9	1.5%	18.7%	747.6	762.5	797.4	3.5%	18.8%	18.8%
Local government financial management grant	544.9	552.1	566.4	568.6	1.4%	14.7%	582.2	589.7	616.7	2.7%	14.6%	14.6%
Infrastructure skills development grant	143.9	155.2	159.2	151.4	1.7%	4.0%	165.4	172.8	180.7	6.1%	4.2%	4.2%
Capital	793.1	1 658.9	1 654.0	1 664.7	28.0%	38.0%	1 676.4	1 060.0	1 108.6	-12.7%	34.2%	34.2%
Programme and project preparation support grant	313.7	341.3	360.9	318.7	0.5%	8.8%	385.8	390.8	408.7	8.6%	9.3%	9.3%
Neighbourhood development partnership grant	479.4	1 317.6	1 293.1	1 346.0	41.1%	29.2%	1 290.6	669.2	699.9	-19.6%	24.9%	24.9%
Public corporations and private enterprises												

7. PROGRAMME 3: PUBLIC FINANCE AND BUDGET MANAGEMENT

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)	Average: Expenditure/Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/Total (%)
	2020/21	2021/22	2022/23				2024/25	2025/26	2026/27		
R million											
Other transfers to public corporations											
Current	40.0	233.8	288.8	198.8	70.6%	5.0%	40.0	40.0	40.0	-41.4%	2.0%
Development Bank of Southern Africa	40.0	153.7	95.0	–	-100.0%	1.9%	–	–	–	–	–
Development Bank of Southern Africa: Support to the Infrastructure Fund operations	–	80.2	41.8	46.3	–	1.1%	40.0	40.0	40.0	-4.7%	1.0%
Development Bank of Southern Africa: Support to the Infrastructure Fund social housing programme	–	–	152.0	152.5	–	2.0%	–	–	–	-100.0%	0.9%

7. PROGRAMME 3: PUBLIC FINANCE AND BUDGET MANAGEMENT

Number of posts estimated for 31 March 2024		Number and cost ² of personnel posts filled/planned for on funded establishment												Number						
Number of funded posts	Number of posts of posts additional to the establishment	Actual			Revised estimate			Medium-term expenditure estimate						Average growth rate (%)	Average: Salary level/ Total (%)					
		Number	Cost	Unit cost	Number	Cost	Unit cost	2023/24			2024/25			2025/26			2026/27			2023/24 - 2026/27
Public Finance and Budget Management	Salary level	10	244	245	234.9	1.0	248	248.8	1.0	236	251.5	1.1	232	262.6	1.1	230	274.6	1.2	-2.4%	100.0%
	1 – 6	9	10	8	2.5	0.3	8	2.7	0.3	8	2.8	0.4	8	3.0	0.4	8	3.2	0.4	–	3.4%
	7 – 10	1	65	71	43.2	0.6	74	48.0	0.6	70	48.0	0.7	70	50.9	0.7	72	55.6	0.8	-0.9%	30.3%
	11 – 12	–	92	89	88.6	1.0	89	92.7	1.0	84	93.1	1.1	81	95.9	1.2	78	97.8	1.2	-4.1%	35.1%
	13 – 16	–	77	77	100.7	1.3	77	105.4	1.4	74	107.7	1.5	73	112.8	1.5	72	118.0	1.6	-2.3%	31.2%

2. Rand million.

8. PROGRAMME 4: ASSET AND LIABILITY MANAGEMENT

Purpose: To prudently manage government's financial assets and liabilities.

8.1 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 (SOCs) Financial Management and Governance

This sub-programme is responsible for overseeing SOCs 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.

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 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.

8. PROGRAMME 4: ASSET AND LIABILITY MANAGEMENT

8.2 Outcomes, Outputs, Output Indicators and Targets

No.	Outcomes	Outputs	Output Indicators	Annual Targets								
				Audited / Actual Performance		Estimated Performance	Planned Performance Current Year	MTEF Period				
								2020/21	2021/22	2022/23	2023/24	2024/25
4.1.1	Sound financial controls and management of public finances	Reviewed planning and performance documents	Percentage of complete corporate plans received from Schedule 2 and 3B public entities reviewed	100%	100%	100%	100%	100%	100%	100%	100%	100%
4.1.2			Percentage of annual reports received from Schedule 2 and 3B public entities reviewed	100%	100%	100%	100%	100%	100%	100%	100%	100%
4.1.3		Reviewed complete applications	Percentage of complete PFMA Section 51(g), 52, 54(2), 55, and 92 applications received from Schedule 2 and 3B public entities reviewed	100%	86%	93%	100%	100%	100%	100%	100%	100%
4.1.4			Percentage of complete review requests of borrowing limit applications relating to Schedule 2 and 3B public entities reviewed	100%	100%	100%	100%	100%	100%	100%	100%	100%
4.1.5		Annual gross borrowing requirement and refinancing risks benchmarks reports	Percentage of complete guarantee applications received from Schedule 2 and 3B public entities reviewed	100%	100%	100%	100%	100%	100%	100%	100%	100%
4.1.6			Percentage of annual gross borrowing requirement met in compliance to the risk benchmarks	#	#	#	100%	100%	100%	100%	100%	100%

8. PROGRAMME 4: ASSET AND LIABILITY MANAGEMENT

8.3 Indicators: Annual and Quarterly Targets

No.	Output Indicators	Annual Target	Quarter 1	Quarter 2	Quarter 3	Quarter 4
4.1.1	Percentage of complete corporate plans received from Schedule 2 and 3B public entities reviewed	100%	100%	100%	100%	100%
4.1.2	Percentage of annual reports received from Schedule 2 and 3B public entities reviewed	100%	100%	100%	100%	100%
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 review requests of borrowing limit applications relating to Schedule 2 and 3B public entities reviewed	100%	100%	100%	100%	100%
4.1.5	Percentage of complete guarantee applications received from Schedule 2 and 3B public entities reviewed	100%	100%	100%	100%	100%
4.1.6	Percentage of annual gross borrowing requirement met in compliance to the risk benchmarks	100%	100%	100%	100%	100%

8. PROGRAMME 4: ASSET AND LIABILITY MANAGEMENT

Explanation of planned performance over the medium-term period

The performance indicators set for the Asset and Liability Management programme seeks to achieve the National Treasury outcome: Sound financial controls and management of public finances. In this regard, the programme will continue over the medium term to promote and enforce prudent financial management of state-owned companies (SOCs) through financial analysis and oversight. Central to this work is the objective of enhancing policy, regulatory and sector reforms that will enable SOCs to be as self-sustainable as possible with reduced reliance on government support. Significant effort will be placed on strengthening and capacitating SOC Boards that report to the Minister of Finance with members that have relevant skills, experience, and competencies. The review of the applications received from Schedule 2 and 3B public entities contribute towards achieving the institutional outcome: Sound financial controls and management of public finances.

The financing of government's gross borrowing requirement and ensuring the sound management of government's cash resources will continue. The programme will implement and monitor the Approved Guarantee Reduction Framework/ Minimum Criteria on new or additional guarantee requests. All of these concerted efforts are aimed at improving the outlooks and credit ratings of the sovereign which contributes towards achieving the institutional outcome: Sound financial controls and management of public finances.

8. PROGRAMME 4: ASSET AND LIABILITY MANAGEMENT

8.4 Programme Resource Considerations

8.4.1 Expenditure trends and estimates

Table 8.12 Asset and Liability Management expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)	Average Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average Expenditure/ Total (%)
R million	2020/21	2021/22	2022/23	2023/24	2020/21 - 2023/24	2020/21 - 2023/24	2024/25	2025/26	2026/27	2023/24 - 2026/27	2023/24 - 2026/27
Programme for Management for Asset and Liability Management	6.3	7.6	18.7	62,6	114.7%	0.3%	33.3	33.3	34.9	-17.7%	15.3%
State-owned Entity Financial Management and Governance	2 962.1	26 600.9	5 148.8	535,0	-43.5%	99.1%	38.8	40.5	42.3	-57.1%	61.3%
Government Debt Management	19.9	18.5	20.6	21,3	2.3%	0.2%	22.8	23.8	24.9	5.3%	8.7%
Financial Operations	25.0	25.8	27.9	27,3	3.0%	0.3%	24.7	25.9	27.2	-0.1%	9.8%
Strategy and Risk Management	9.2	10.4	9.5	12,4	10.5%	0.1%	12.8	13.4	14.0	4.1%	4.9%
Total	3 022.6	26 663.2	5 225.5	658,7	-39.8%	100.0%	132.4	136.9	143.3	-39.9%	100.0%
Change to 2023 Budget estimate				-			(2.6)	(2.6)	(2.6)		
Economic classification											
Current payments	95.3	97.9	112.8	159,9	18.9%	1.3%	131.6	136.1	142.4	-3.8%	53.2%
Compensation of employees	80.0	83.4	84.1	90,0	4.0%	0.9%	93.3	97.4	101.9	4.2%	35.7%
Goods and services	15.2	14.5	28.7	69,9	66.2%	0.4%	38.2	38.6	40.5	-16.6%	17.5%
<i>of which:</i>											
Audit costs: External	1.4	1.4	1.3	1,6	2.7%	-	1.6	1.7	1.7	4.1%	0.6%
Bursaries: Employees	0.3	0.3	1.1	0,9	40.2%	-	0.8	0.8	0.9	-1.0%	0.3%
Computer services	10.6	10.0	10.8	9,6	-3.5%	0.1%	5.1	5.4	5.8	-15.4%	2.4%

8. PROGRAMME 4: ASSET AND LIABILITY MANAGEMENT

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
R million	2020/21	2021/22	2022/23	2023/24	2020/21 - 2023/24	2020/21 - 2023/24	2024/25	2025/26	2026/27	2023/24 - 2026/27	2023/24 - 2026/27
Consultants: Business and advisory services	2.3	2.1	12.8	53.6	186.2%	0.2%	26.3	26.1	27.3	-20.2%	12.4%
Travel and subsistence	0.0	0.1	1.7	2.6	277.6%	-	2.5	2.6	2.8	2.5%	1.0%
Training and development	0.0	0.2	0.2	0.3	104.1%	-	0.6	0.6	0.6	35.7%	0.2%
Transfers and subsidies	1.0	0.9	0.7	-	-100.0%	-	-	-	-	-	-
Households	1.0	0.9	0.7	-	-100.0%	-	-	-	-	-	-
Payments for capital assets	0.6	1.5	1.1	0.7	5.1%	-	0.8	0.8	0.9	7.8%	0.3%
Machinery and equipment	0.6	1.5	1.1	0.7	5.1%	-	0.8	0.8	0.9	7.8%	0.3%
Payments for financial assets	2 925.7	26 562.9	5 110.9	498.0	-44.6%	98.7%	-	-	-	-100.0%	46.5%
Total	3 022.6	26 663.2	5 225.5	658.7	-39.8%	100.0%	132.4	136.9	143.3	-39.9%	100.0%
Proportion of total programme expenditure to vote expenditure	8.9%	42.8%	13.9%	1.9%	-	-	0.4%	0.4%	0.4%	-	-
Details of transfers and subsidies											
Households											
Social benefits											
Current	1.0	0.9	0.7	-	-100.0%	-	-	-	-	-	-
Employee social benefits	1.0	0.9	0.7	-	-100.0%	-	-	-	-	-	-

8. PROGRAMME 4: ASSET AND LIABILITY MANAGEMENT

8.4.2 Personnel information

Table 8.13 Asset and Liability Management personnel numbers and cost by salary level¹

Number of posts estimated for 31 March 2024			Number and cost ² of personnel posts filled/planned for on funded establishment																Number	
Salary level	Number of funded posts	Number of posts of additional to the establishment	Actual			Revised estimate			Medium-term expenditure estimate						Average growth rate (%)	Average: Salary level/ Total (%)				
			2022/23			2023/24			2024/25			2025/26			2026/27			2023/24 - 2026/27		
			Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost			
104	12	Asset and Liability Management	101	84.1	0.8	105	90.0	0.9	103	93.3	0.9	102	97.4	1.0	102	101.9	1.0	-0.9%	100.0%	
1 – 6	13	12	15	5.0	0.3	17	5.8	0.3	18	6.6	0.4	18	7.0	0.4	18	7.4	0.4	1.9%	17.2%	
7 – 10	37	–	38	24.8	0.7	40	27.3	0.7	38	27.4	0.7	39	30.0	0.8	41	33.3	0.8	1.0%	38.1%	
11 – 12	33	–	28	28.8	1.0	28	30.2	1.1	27	30.9	1.1	26	31.6	1.2	25	32.2	1.3	-3.7%	26.0%	
13 – 16	21	–	20	25.6	1.3	20	26.8	1.3	20	28.4	1.4	19	28.9	1.5	18	29.0	1.6	-3.4%	18.7%	

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

2. Rand million.

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

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

9.1 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 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: Maintains and improves existing financial management systems and develops and implements Integrated Financial Management Systems (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.

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

9.2 Outcomes, Outputs, Output Indicators and Targets

No.	Outcomes	Outputs	Output Indicators	Annual Targets							
				Audited / Actual Performance				Estimated Performance	Planned Performance Current Year	MTEF Period	
				2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28
5.1.1	Sound financial controls and management of public finances	Public Finance Norms and Standards	Percentage of norms and standards developed	#	#	100%	100%	100%	100%	100%	100%
		Legislative reforms (Amendment of the PFMA and MFMA)	Amendments to the PFMA and MFMA published	#	#	#	PFMA and MFMA amendments published for public comments	N/A	N/A	N/A	
5.1.3		Public Finance Management Capacity Development Programmes reports	Number of Public Finance Management Capacity Development Programmes progress reports produced	18	20	28	22	15	15	15	
5.1.4		Transversal systems available	Percentage availability of transversal systems	99.9%	100%	100%	98%	98%	98%	98%	
5.1.5		Statutory reports	Number of statutory reports produced	20	21	21	20	19	19	19	

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

No.	Outcomes	Outputs	Output Indicators	Annual Targets							
				Audited / Actual Performance			Estimated Performance	Planned Performance Current Year	MTEF Period		
				2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28
5.1.6		Change requests on transversal systems implemented	Percentage of change requests on transversal systems implemented	#	#	#	#	95%	95%	95%	95%
5.1.7		SCM compliance report	Number of quarterly compliance reports produced	1	4	4	4	4	4	4	4
5.1.8		Approved SCM directives	Percentage of approved SCM directives	100%	100%	100%	100%	100%	100%	100%	100%
5.1.9		Progress reports on SCM institutional support	Number of progress reports on SCM institutional support programme conducted	#	#	4	4	4	4	4	4

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

No.	Outcomes	Outputs	Output Indicators	Annual Targets							
				Audited / Actual Performance				Estimated Performance	Planned Performance Current Year	MTEF Period	
				2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28
5.1.10		Transversal term contracts	Number of transversal term contracts implemented	41	35	27	13	13	10	10	10
5.1.11		Strategic sourcing opportunities plan reports	Percentage implementation of the strategic sourcing opportunities plan	59%	93%	98%	100%	100%	100%	100%	100%
5.1.12		Procurement legislation	Procurement legislation developed	#	#	Public Procurement Bill submitted to Cabinet	Draft Public Procurement Regulations produced	Draft Public Procurement Regulations produced	Public Procurement Regulations promulgated	N/A	N/A

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

9.3 Output Indicators: Annual and Quarterly Targets

Output Indicators	Annual Target	Quarter 1	Quarter 2	Quarter 3	Quarter 4
5.1.1 Percentage of norms and standards developed	100%	N/A	N/A	N/A	100%
5.1.2 Amendments to the PFMA and MFMA published	PFMA and MFMA amendments published for public comments	N/A	N/A	N/A	PFMA and MFMA amendments published for public comments
5.1.3 Number of Public Finance Management Capacity Development Programmes progress reports produced	15	4	3	4	4
5.1.4 Percentage availability of transversal systems	98%	N/A	N/A	N/A	98%
5.1.5 Number of statutory reports produced	19	5	5	4	5
5.1.6 Percentage of change requests on transversal systems implemented	95%	N/A	N/A	N/A	95%
5.1.7 Number of quarterly compliance reports produced	4	1	1	1	1
5.1.8 Percentage of approved SCM directives	100%	100%	100%	100%	100%
5.1.9 Number of progress reports on SCM institutional support programme conducted	4	1	1	1	1
5.1.10 Number of transversal term contracts implemented	13	2	1	1	9
5.1.11 Percentage implementation of the strategic sourcing opportunities plan	100%	100%	100%	100%	100%
5.1.12 Procurement legislation developed	Draft Public Procurement Regulations produced	N/A	N/A	N/A	Draft Public Procurement Regulations produced

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

Explanation of planned performance over the medium-term period

The Office of the Accountant-General is in the process of finalising and addressing amendments to the Public Finance Management Act (PFMA), the Treasury Regulations as well as the Municipal Finance Management Act (MFMA) to further enhance the effectiveness and efficiency of financial management legislation, align and streamline processes, strengthen accountability and enforcement measures, within institutions that must comply with the PFMA and MFMA.

In the 2024/25 financial year, the OAG will develop a comprehensive instruction framework that consolidates all instructions issued to date and capture all provisions that are not legal in nature in a guidance framework. In addition, a compliance reporting framework will be developed to assist institutions with processes, principles, and reporting of unauthorised, irregular and fruitless and wasteful expenditure. A new instruction on Cost Containment Measures will be implemented to ensure that all expenditure incurred by respective institutions is necessary, appropriate, cost-effective and eliminates non-essential expenditure. National Treasury will provide routine information sessions to PFMA institutions to assist with the interpretation, application and implementation of the PFMA, Treasury Regulations and the MFMA.

The OAG will continue to monitor progress on late payment of suppliers and this process will be enhanced and improved through a revision of the Treasury Instruction of 2011. The Instruction will be amended with the Treasury Regulations to extend application of this provision to public entities (where necessary). The division, together with other stakeholders, will ensure that non-payment queries are escalated to those institutions that are owing suppliers. It will also continue to analyse and monitor progress on the financial management and compliance matters of institutions that must comply with the PFMA and report to oversight structures on strategic initiatives taken by the OAG in addressing transversal matters.

The OAG will continue to promote good financial governance and improve the capacity and competency in the three spheres of government, and public entities, by enhancing a deeper understanding and practical implementation of the financial reforms. This will contribute towards improved monitoring, reporting and enforcement of the legal framework as contained in the PFMA and MFMA. The division will also encourage modernisation and use of technology in dealing with the various disciplines of financial management, will host CFO and other forums to promote the objectives of good financial governance, participate in awareness raising sessions and conduct training on financial reforms and related accounting, auditing and risks measures. Support and assistance will be provided to national, provincial, local government, and entities on a demand driven basis and to address key strategic priorities. The process for the resolution of audit disputes will be enhanced. Reports will be published as required by the PFMA and MFMA on a regular basis to enhance oversight and accountability. These reports will include preparation and tabling in Parliament of the consolidated financial statements of national departments and public entities as well as reports to oversight structures on audit outcomes.

In addition, focus will remain on sound financial management with the OAG to continue its initiatives on the PFMA and MFMA reforms and supporting measures. Continued coordination and collaboration with key stakeholders, such as all PFMA institutions at national government level, public entities, provincial treasuries and MFMA institutions at municipalities. As the amendments to the legislation is enacted, measures will be introduced to give effect to the improved coherence, realignment and consistent implementation and application of the Municipal Systems Act and the MFMA. The helpdesk facility plays a key role in providing clear, concise, objective interpretation, advice, guidance and comments as required by the MFMA. This facility is available to both the private and public sector institutions. The web-enabled support and tools such as the Financial Management Capability Maturity Model assessments, the audit

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

of action plans and the e-monitor tools will be tested and implemented in municipalities, and opportunities for their expansion to include national and provincial departments over the medium term will be explored. This will enable seamless monitoring, oversight, reporting and support measures by stakeholders. The Financial Management Grant administered by the OAG will continue to address strategic areas and augment municipal resources to implement these reforms.

As part of the endeavour to contribute towards the MTSF Priority 1, the OAG will continue to provide support to capacity building initiatives in all spheres of government (national, provincial and local levels). This will be implemented according to the approved Procurement Infrastructure & Knowledge Management (PINK) Programme. The professionalisation of PFM practitioners will be strengthened, with particular emphasis on Supply Chain Management practitioners. The OAG will continue to produce home grown Chartered Accountants through the Chartered Accountancy Academy; as well as deploy interns in local government to develop their skills and provide opportunities for employment in municipalities.

In the financial year 2024/25, the Office the Chief Procurement Officer (OCPO) will continue with the focus of the Public Procurement Bill (the Bill) through the Parliamentary process before ascending into an Act and commence with drafting the regulation to the Bill. The Bill will strategically elevate public procurement by providing for a single procurement statute and regulatory oversight body as well as setting uniform norms and standards for all organs of state. To provide a framework for the preferential procurement as envisaged in the Constitution, the Bill seeks amongst others, to establish a procurement system that enable the Minister of Finance to issue regulations to differentiate procurement that is commodity or sector specific. In addition, a dispute mechanism that ensures independent, impartial, and expeditious resolution of disputes will be introduced as part of the broader procurement reforms. The development of the Procurement Bill contributes towards the achievement of the target set for the MTSF Priority 1 Intervention: Implement measures to support procurement reform and fiscal sustainability.

The Preferential Procurement Regulations, 2022 (PPR, 2022) were implemented with effect from 16 January 2023, which was prior to the expiry of the suspension of the period of invalidity that was confirmed by the Constitutional Court. In the 2023/24 financial year, the OCPO is providing support with regard to the implementation of the Preferential Procurement Regulations by all applicable organs of state. These preferential procurement initiatives contribute towards achieving the MTSF Priority 1 intervention: Support localisation and industrialisation through government procurement.

The National Treasury through the OCPO, will continue to issue compliance reports in the interest of public procurement system transparency. Compliance will be further strengthened through publishing approved SCM directives, providing support to empower public supply chain practitioners, increase the coverage of transversal term contracts and report of the roll-out and institutionalisation of the Strategic Procurement Framework and Good Practice Guides. In addition, the department will provide further support to the organs of state through implementation of the support plan. The top 20 organs of state have been identified where SCM maturity and performance will be assessed, support plans strengthened, and projects undertaken by these institutions monitored and verified. These sets of targets contribute towards achieving the National Treasury outcome: Sound financial controls and management of public finances.

In pursuit of the National Development Plan (NDP)'s priorities of promoting a capable, ethical and developmental state, the department will continue to increase its efficiency through publication of tenders on the eTender portal, registration of suppliers on the Central Supplier Database and verification of organs of state employees who are conducting business with the state through the Central Supplier Database. These will include making procurement data available in internationally recognised open contracting data standards which will enable enhanced procurement reporting and

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

monitoring of procurement spend. The programme will also implement a Codification Project that will overhaul the current disparate government wide procurement spend through the standardisation of items. All these efforts are in pursuit of the MTSF Priority 1 intervention: Implement measures to support procurement reform and fiscal sustainability.

National Treasury will roll-out and institutionalise the Strategic Procurement Framework and Good Practice guides. This will create a differentiated procurement approach that is aimed at fostering open market competition based on demand and supply. The National Treasury is continuing with the implementation of the Online Travel Booking Solution for government. The tool aims to enable all organs of state to procure travel and accommodation services directly, reduce the high travel expenditure, standardise travel processes and reduce dependency on travel agencies. National Treasury will continue to conduct research on procurement concepts contained in the Public Procurement Bill. These concept documents will be used as inputs to the Public Procurement Regulations and may also serve as guidance documents for procuring institutions to assist with the implementation of these concepts. The department will continue the facilitation and management of transversal term contracts on behalf of the state. This is part of the endeavor to achieve the MTSF Priority 1 intervention: Implement measures to support procurement reform and fiscal sustainability.

In an endeavor to strengthen supply chain management capacity and respond to the government program of professionalising SCM across government, the OCPO will prioritise and strengthen partnerships with higher learning institutions over the medium term. In this regard, support will be provided to students studying qualifications in logistics and public administration through guest lecturing and review of curriculum content to align to the competencies required in the public sector. Work on exploring options for the development of supply chain management and public procurement qualifications will continue in partnership with higher learning institutions to increase the number of aligned qualifications.

Work will be undertaken with donor funders to explore and introduce transparency mechanisms in public procurement over the MTEF. These will include open contracting and gender-responsive budgeting within public procurement in collaboration with civil society. Within government, supply chain management forums will be sustained.

Focus will be directed to the strengthening of the internal control environment in organs of state through establishing and building on governance structures and the SCM legislative framework in those organs of state. The governance structures will ensure that the pillars of accountability, assurance, fairness, transparency, leadership (NT) and stakeholder engagement (external) are inculcated in the procurement process of organs of state. It is also the intent of NT to increase visibility with initiatives such as the development of support plans for identified organs of state based on the SCM performance of the identified institution. The support plan will address those governance matters that the institution is grappling by turning around the internal control environment. National Treasury will continue to advance transparency in the procurement process through publication of procurement by other means and through contract modification. These publications also foster public confidence in the Public SCM System.

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

9.4 Programme Resource Considerations

9.4.1 Expenditure trends and estimates

Table 8.14 Financial Accounting and Supply Chain Management Systems expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome				Adjusted appropriation	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
R million	2020/21	2021/22	2022/23	2023/24	2023/24	2020/21 - 2023/24	2023/24	2024/25	2025/26	2026/27	2023/24 - 2026/27	2026/27
Programme Management for Financial Accounting and Supply Chain Management Systems	32.1	42.9	41.8	60.5	60.5	23.5%	5.7%	74.7	80.3	86.3	12.6%	9.3%
Office of the Chief Procurement Officer	64.6	67.7	73.6	75.3	75.3	5.2%	9.1%	82.1	85.7	89.6	5.9%	10.2%
Financial Systems	355.1	400.7	317.6	473.8	473.8	10.1%	50.0%	335.7	340.5	358.8	-8.9%	46.2%
Financial Reporting for National Accounts	105.1	107.2	111.3	114.5	114.5	2.9%	14.2%	120.3	126.9	132.8	5.1%	15.2%
Financial Management Policy and Compliance Improvement	89.5	92.9	122.2	145.9	145.9	17.7%	14.6%	136.5	141.8	149.6	0.9%	17.6%
Audit Statutory Bodies	50.0	50.0	50.0	50.0	50.0	-	6.5%	-	-	-	-100.0%	1.5%
Service Charges: Commercial Banks	0.2	0.3	0.2	0.3	0.3	17.3%	-	0.4	0.4	0.4	4.6%	-
Total	696.6	761.7	716.7	920.3	920.3	9.7%	100.0%	749.7	775.6	817.5	-3.9%	100.0%
Change to 2023 Budget estimate				-	-			(430.0)	(456.8)	(471.4)		
Economic classification												
Current payments	581.1	645.7	597.2	795.9	795.9	11.1%	84.6%	679.4	699.4	737.8	-2.5%	89.3%
Compensation of employees	196.9	208.0	213.1	232.6	232.6	5.7%	27.5%	237.7	248.1	259.5	3.7%	30.0%
Goods and services	384.1	437.7	384.1	563.2	563.2	13.6%	57.2%	441.7	451.2	478.3	-5.3%	59.3%
<i>of which:</i>												
Audit costs: External	4.9	8.4	5.1	9.6	9.6	25.3%	0.9%	10.0	10.4	10.9	4.4%	1.2%

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

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
	2020/21	2021/22	2022/23	2023/24	2020/21 - 2023/24	2020/21 - 2023/24	2024/25	2025/26	2026/27	2023/24 - 2026/27	2023/24 - 2026/27
R million											
Bursaries: Employees	1.6	0.8	1.2	2.3	13.2%	0.2%	2.8	2.9	3.0	9.2%	0.3%
Computer services	325.7	369.8	292.3	430.4	9.7%	45.8%	292.1	305.2	321.8	-9.2%	41.4%
Consultants: Business and advisory services	44.0	50.9	75.4	103.9	33.2%	8.9%	113.3	108.2	116.8	4.0%	13.6%
Travel and subsistence	0.9	1.7	5.4	6.7	95.3%	0.5%	9.5	10.0	10.5	16.5%	1.1%
Venues and facilities	0.8	2.6	1.1	1.6	25.3%	0.2%	4.4	4.6	4.8	43.4%	0.5%
Transfers and subsidies	112.9	112.1	112.5	112.4	-0.1%	14.5%	64.1	67.0	70.0	-14.6%	9.6%
Departmental agencies and accounts	108.6	109.0	110.3	110.5	0.6%	14.2%	62.2	65.0	68.0	-15.0%	9.4%
Households	4.3	3.1	2.3	1.9	-23.0%	0.4%	1.9	1.9	2.0	1.4%	0.2%
Payments for capital assets	2.6	3.9	6.9	12.0	66.9%	0.8%	6.2	9.3	9.7	-6.8%	1.1%
Machinery and equipment	2.6	3.9	6.9	12.0	66.9%	0.8%	6.2	9.3	9.7	-6.8%	1.1%
Payments for financial assets	0.1	-	0.0	-	-100.0%	-	-	-	-	-	-
Total	696.6	761.7	716.7	920.3	9.7%	100.0%	749.7	775.6	817.5	-3.9%	100.0%
Proportion of total programme expenditure to vote expenditure	2.0%	1.2%	1.9%	2.7%	-	-	2.4%	2.3%	2.3%	-	-
Details of transfers and subsidies											
Households											
Social benefits											
Current	3.7	1.8	1.6	1.9	-19.2%	0.3%	1.9	1.9	2.0	1.4%	0.2%
Employee social benefits	3.7	1.8	1.6	1.9	-19.2%	0.3%	1.9	1.9	2.0	1.4%	0.2%
Other transfers to households											
Current	0.6	1.3	0.7	-	-100.0%	0.1%	-	-	-	-	-
Bursaries for non-employees	0.6	1.3	0.7	-	-100.0%	0.1%	-	-	-	-	-
Departmental agencies and accounts											
Departmental agencies (non-business entities)											

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

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)		Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
	2020/21	2021/22	2022/23		2020/21 - 2023/24	2023/24		2024/25	2025/26	2026/27		
R million												
Current	108.6	109.0	110.3	110.5	0.6%	110.5	14.2%	62.2	65.0	68.0	-15.0%	9.4%
Accounting Standards Board	14.4	14.4	14.6	14.6	0.5%	14.6	1.9%	14.8	15.5	16.2	3.5%	1.9%
Independent Regulatory Board for Auditors	44.2	44.6	45.7	45.9	1.2%	45.9	5.8%	47.4	49.5	51.8	4.1%	6.0%
Auditor-General of South Africa	50.0	50.0	50.0	50.0	-	50.0	6.5%	-	-	-	-100.0%	1.5%

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

9.4.2 Personnel information

Table 8.15 Financial Accounting and Supply Chain Management Systems personnel numbers and cost by salary level¹

Number of posts estimated for 31 March 2024		Number and cost ² of personnel posts filled/planned for on funded establishment												Number		
Number of funded posts	Number of posts of additional to the establishment	Actual			Revised estimate			Medium-term expenditure estimate						Average growth rate (%)	Average: Salary level/ level/ Total (%)	
		2022/23		2023/24		2024/25		2025/26		2026/27						
		Number	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost				
Financial Accounting and Supply Chain Management Systems																
Salary level	269	43	268	213.1	0.8	280	232.6	0.8	267	248.1	0.9	264	259.5	1.0	-1.9%	100.0%
1 – 6	11	7	11	3.9	0.4	11	4.0	0.4	10	4.1	0.4	10	4.4	0.4	-3.1%	3.8%
7 – 10	119	35	122	64.7	0.5	128	70.9	0.6	124	73.0	0.6	124	81.5	0.7	-1.1%	46.4%
11 – 12	69	–	61	54.9	0.9	65	61.4	0.9	63	63.2	1.0	63	71.0	1.1	-1.0%	23.4%
13 – 16	70	1	74	89.7	1.2	76	96.3	1.3	72	97.6	1.3	67	102.6	1.5	-3.9%	26.4%

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

2. Rand million.

10. PROGRAMME 6: INTERNATIONAL FINANCIAL RELATIONS

Purpose: Advocate for South Africa's financial, economic and developmental interests in forums regionally and globally.

10.1 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 (AfDB), New Development Bank (NDB), the United Nations Economic Commission for Africa, the New Partnership for Africa's Development, the Group of G20 (G20), the Brazil- Russia-India-China-South Africa (BRICS) group of countries, the International Monetary Fund (IMF), the Paris Club, Organisation for Economic Cooperation and Development (OECD) and the Group of 24 (G24).

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 development banks (MDBs) and oversee South Africa's relationship with these institutions. It transfers funds to the AfDB, the World Bank Group (WBG) and the NDB to buy shares that contribute to the increases in authorised capital of the MDBs; and it makes contributions to the replenishment of the African Development Fund and the International Development Association to support African development through provision of concessional loans and grants to low income countries.

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.

10. PROGRAMME 6: INTERNATIONAL FINANCIAL RELATIONS

10.2 Outcomes, Outputs, Output Indicators and Targets

No.	Outcome	Output	Output Indicators	Annual Targets							
				Audited/Actual Performance		Estimated Performance	Planned Performance Current Year	MTEF Period			
				2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28
6.1.1	Coherent economic policy advocated	Economic surveillance response-reports	Percentage of economic surveillance reports responded to	100%	100%	100%	100%	100%	100%	100%	100%
6.1.2		Advocacy forums	Number of advocacy forums hosted for uptake of development finance	1	1	3	2	1	1	1	1
6.1.3		Country partnership framework progress reports	Number of country partnership framework progress reports produced	3	3	2	2	1	1	1	1
6.1.4		Engagement strategies and priorities developed	Number of engagement strategies and priorities developed	2	N/A	2	2	7	4	3	3
6.1.5		Outcomes of South Africa's engagements in regional and global forums analysis reports	Number of analysis reports on the outcomes of South Africa's engagements in regional and global forums produced	1	1	1	1	3	3	3	3
6.1.6		Policy positions	Percentage of policy positions developed	100%	100%	100%	100%	100%	100%	100%	100%

10. PROGRAMME 6: INTERNATIONAL FINANCIAL RELATIONS

10.3 Output Indicators: Annual and Quarterly Targets

No.	Output Indicators	Annual Targets	Quarter 1	Quarter 2	Quarter 3	Quarter 4
6.1.1	Percentage of economic surveillance reports responded to	100%	100%	100%	100%	100%
6.1.2	Number of advocacy forums hosted for uptake of development finance	1	N/A	N/A	N/A	1
6.1.3	Number of country partnership framework progress reports produced	1	N/A	N/A	N/A	1
6.1.4	Number of engagement strategies and priorities developed	7	3	3	N/A	1
6.1.5	Number of analysis reports on the outcomes of South Africa's engagements in regional and global forums produced	3	1	1	N/A	1
6.1.6	Percentage of policy positions developed	100%	100%	100%	100%	100%

10. PROGRAMME 6: INTERNATIONAL FINANCIAL RELATIONS

Explanation of planned performance over the medium-term period

The Programme will continue to advance South Africa's interest through representation in international and regional financial institutions, as well as managing bilateral and multilateral relationships.

The African Union Scale of Assessment for the period 2024-2026 has been approved by the African Union Executive Council in July 2023. This scale is used to review the financial obligations of African Union member states, including South Africa, for contributions into the Union's budget. Going forward, over the medium term, the National Treasury will participate in the development of the AU budget process. This engagement will be to ensure that the AU budget is tabled within the agreed ceiling of Member States contribution in line with the approved Scale of Assessment.

Central to the implementation of the country partnership framework, will be the review of the SADC Protocol on Finance and Investment as it has become the principal focus with the conclusion of assessments done on the implementation of the protocol by member states. The outcome of this work will usher in a new roadmap deepening regional integration in the SADC financial and monetary sector. The protocol aims to improve the investment climate in each state and region; and achieve the preparation, co-operation, and harmonisation necessary for regional financial integration. The programme will continue over the medium term to produce annual analysis reports on the outcomes of South Africa's engagements in regional and global forums.

Work on the development of the country partnership framework as well as engagement strategies will continue over the medium term. In this regard, the focus will be on the Southern African Customs Union (SACU) as it is entering an implementation phase of the 2022-2027 SACU Strategic Plan adopted in June 2022 at the Summit in Botswana. Prominence will, amongst others, be placed on frontline issues of trade development especially industrialisation, export and investment promotion and leveraging of the African Continental Free Trade Area (AfCFTA) opportunities. Concerted efforts will also be directed towards realising the imperatives of the finance and resource mobilisation pillar including, the strengthening of tax administration and developing appropriate and effective financing instruments to deepen regional integration all in support of the objective to ensure that SACU remains a viable trade and investment market.

The programme initiatives contribute towards achieving the objectives set for MTSF Priority 7: A better Africa and World, with the immediate priority of contributing towards economic recovery and reconstruction in the post COVID-19 pandemic era. This includes overseeing implementation of country partnership programs aligned to the uptake of development finance/funding to South Africa from the African Development Bank Group (AfDB), the World Bank Group (WBG) and the New Development Bank (NDB), which will contribute to economic growth and development. Country partnership framework reports will assess the progress made on the implementation of targeted economic growth and development of the country partnership frameworks for the WBG, the AfDB, NDB and the Joint Work Programme for the OECD. Also, it will be important to provide responses to the economic reports, for example those issued by organisations such as the International Monetary Fund (IMF), which inform investor sentiment.

Over the medium term, the programme will develop engagement strategies and priorities, and analysis on outcomes of South Africa's engagements in regional and global forums by developing appropriate policy positions relating to the agenda of South Africa's engagement, amongst others, in the AU, SACU, SADC, WBG, AfDB, G20, G24, NDB, IMF, Institute of International Finance (IIF) and Paris Club.

10. PROGRAMME 6: INTERNATIONAL FINANCIAL RELATIONS

The National Treasury, supported by the South African Reserve Bank (SARB), will chair and deliver the finance track agenda during South Africa's chair ship of the G20 in 2024/25. The finance track deliverables will form part of the President's broader deliverables at the Leaders' Summit in 2025.

The outputs on the economic surveillance response-reports; country partnership framework progress reports as well as reports on the South Africa's engagements in regional and global forums contribute towards achieving the institutional outcome: Coherent economic policy advocated.

10. PROGRAMME 6: INTERNATIONAL FINANCIAL RELATIONS

10.4 Programme Resource Considerations

10.4.1 Expenditure trends and estimates

Table 8.16 International Financial Relations expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
R million	2020/21	2021/22	2022/23	2023/24	2020/21 - 2023/24	2023/24	2024/25	2025/26	2026/27	2023/24 - 2026/27	
Programme Management for International Financial Relations	5.4	4.7	10.1	11.0	27.2%	11.0	10.6	11.1	11.6	1.8%	0.4%
International Economic Cooperation	25.8	27.7	30.5	40.6	16.4%	40.6	58.5	63.1	66.4	17.8%	2.0%
African Integration and Support	766.6	1 569.2	1 664.2	1 540.5	26.2%	1 540.5	1 638.7	1 716.6	1 799.9	5.3%	58.5%
International Development Funding Institutions	5 822.3	6 203.4	1 119.3	1 130.0	-42.1%	1 130.0	1 030.7	1 076.4	1 125.7	-0.1%	38.1%
International Projects	20.5	21.5	24.5	27.0	9.6%	27.0	27.2	28.2	29.4	2.9%	1.0%
Total	6 640.5	7 826.5	2 848.6	2 749.1	-25.5%	2 749.1	2 765.7	2 895.5	3 033.0	3.3%	100.0%
Change to 2023 Budget estimate				-		-	(110.4)	(109.4)	(109.6)		
Economic classification											
Current payments	30.8	32.2	40.2	51.0	18.3%	51.0	68.2	73.2	77.0	14.7%	2.4%
Compensation of employees	29.1	30.5	33.0	31.1	2.2%	31.1	31.7	33.1	34.6	3.7%	1.1%
Goods and services	1.7	1.7	7.1	19.9	128.3%	19.9	36.5	40.1	42.4	28.6%	1.2%
<i>of which:</i>											
Administrative fees	0.0	0.1	0.1	0.3	247.6%	0.3	0.6	0.7	0.7	27.8%	-
Bursaries: Employees	0.2	0.2	0.1	0.7	54.3%	0.7	0.4	0.4	0.4	-13.8%	-
Consultants: Business and advisory services	0.7	-	0.0	2.8	59.8%	2.8	2.6	0.6	0.7	-37.7%	0.1%
Travel and subsistence	0.1	0.9	5.7	10.9	391.6%	10.9	10.1	10.7	11.1	0.6%	0.4%
Operating payments	0.5	0.4	0.9	1.3	43.1%	1.3	1.4	1.4	1.5	3.7%	-
Venues and facilities	-	-	0.0	3.2	-	3.2	20.6	25.5	27.1	103.5%	0.7%

10. PROGRAMME 6: INTERNATIONAL FINANCIAL RELATIONS

Subprogramme	Audited outcome				Adjusted appropriation	Average growth rate (%)	Average Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average Expenditure/ Total (%)
	2020/21	2021/22	2022/23	2023/24				2024/25	2025/26	2026/27		
R million												
Transfers and subsidies	922.1	1 744.2	1 848.1	1 743.2	1 743.2	23.7%	31.2%	1 846.5	1 933.6	2 026.6	5.1%	66.0%
Foreign governments and international organisations	922.0	1 744.2	1 847.9	1 743.2	1 743.2	23.7%	31.2%	1 846.5	1 933.6	2 026.6	5.1%	66.0%
Households	0.1	0.0	0.2	0.0	0.0	-78.0%	-	-	-	-	-100.0%	-
Payments for capital assets	0.3	0.2	0.2	0.7	0.7	35.4%	-	1.0	1.0	1.0	16.3%	-
Machinery and equipment	0.3	0.2	0.2	0.7	0.7	35.4%	-	1.0	1.0	1.0	16.3%	-
Payments for financial assets	5 687.4	6 049.9	960.2	954.2	954.2	-44.8%	68.0%	850.1	887.7	928.4	-0.9%	31.6%
Total	6 640.5	7 826.5	2 848.6	2 749.1	2 749.1	-25.5%	100.0%	2 765.7	2 895.5	3 033.0	3.3%	100.0%
Proportion of total programme expenditure to vote expenditure	19.5%	12.5%	7.6%	8.0%	8.0%	-	-	8.3%	8.5%	8.7%	-	-
Details of transfers and subsidies												
Households												
Social benefits												
Current	0.1	0.0	0.2	0.0	0.0	-78.0%	-	-	-	-	-100.0%	-
Employee social benefits	0.1	0.0	0.2	0.0	0.0	-78.0%	-	-	-	-	-100.0%	-
Foreign government and international organisations												
Current	787.1	1 605.3	1 668.6	1 561.8	1 561.8	25.7%	28.0%	1 665.9	1 744.9	1 829.3	5.4%	59.4%
Common Monetary Area compensation	763.0	1 565.7	1 622.1	1 529.0	1 529.0	26.1%	27.3%	1 633.3	1 711.0	1 794.0	5.5%	58.3%
Collaborative Africa Budget Reform Initiative	2.2	2.3	2.6	3.0	3.0	10.7%	0.1%	2.6	2.7	2.8	-2.4%	0.1%
Commonwealth Fund for Technical Cooperation	5.7	5.9	6.4	7.0	7.0	7.3%	0.1%	6.3	6.6	7.0	-	0.2%
International Finance Facility for Immunisation	14.8	15.6	18.0	20.0	20.0	10.5%	0.3%	20.9	21.6	22.4	3.9%	0.7%
African Institute for Economic Development and Planning	1.3	1.1	-	1.5	1.5	3.5%	-	1.4	1.5	1.6	2.5%	0.1%
Regional Technical Assistance Centre for Southern Africa	0.1	-	1.3	1.4	1.4	162.3%	-	1.4	1.5	1.5	4.5%	0.1%

10. PROGRAMME 6: INTERNATIONAL FINANCIAL RELATIONS

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)		Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
	2020/21	2021/22	2022/23		2023/24	2020/21 - 2023/24		2024/25	2025/26	2026/27		
R million	2020/21	2021/22	2022/23	2023/24	2020/21 - 2023/24	2024/25	2025/26	2026/27	2023/24 - 2026/27	2023/24 - 2026/27	2023/24 - 2026/27	
New Development Bank Project Preparation Fund	–	14.6	18.2	–	–	–	–	–	–	–	–	
Capital	134.9	138.9	179.2	181.4	10.4%	180.6	188.7	197.4	2.8%	6.5%	6.5%	
African Development Fund	78.6	79.2	77.7	109.4	11.7%	114.3	119.4	124.9	4.5%	4.1%	4.1%	
World Bank Group	56.3	59.7	63.3	66.3	5.6%	66.3	69.3	72.5	3.0%	2.4%	2.4%	
Financial Intermediary Fund	–	–	38.3	5.7	–	–	–	–	-100.0%	–	–	

10. PROGRAMME 6: INTERNATIONAL FINANCIAL RELATIONS

10.4.2 Personnel information

Table 8.17 International Financial Relations personnel numbers and cost by salary level¹

Number of posts estimated for 31 March 2024			Number and cost ² of personnel posts filled/planned for on funded establishment														Number		
Number of funded posts	Number of posts additional to the establishment	Actual	Revised estimate	Medium-term expenditure estimate										Average growth rate (%)	Average: Salary level/ Total (%)				
				2022/23			2023/24			2024/25			2025/26			2026/27			2023/24 - 2026/27
International Financial Relations		Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost			
Salary level	32	2	30	33.0	1.1	26	31.1	1.2	25	31.7	1.3	24	33.1	1.4	24	34.6	1.5	-3.5%	100.0%
1 – 6	2	2	2	0.6	0.3	2	0.7	0.3	2	0.7	0.4	1	0.2	0.4	1	0.2	0.4	-34.5%	5.2%
7 – 10	10	–	8	5.6	0.7	7	5.0	0.7	6	4.0	0.7	6	4.3	0.8	7	5.6	0.8	-2.0%	25.0%
11 – 12	7	–	6	6.4	1.1	4	4.1	1.2	4	4.3	1.2	4	4.6	1.3	4	4.9	1.4	–	14.4%
13 – 16	13	–	14	20.3	1.5	14	21.3	1.5	14	22.6	1.6	14	24.0	1.7	13	23.9	1.8	-2.0%	55.4%

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

2. Rand million.

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

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

11.1 Sub-Programmes:

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.

Other Benefits

This sub-programme processes the payment of benefits to former members of 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 or their widows.

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

11.2 Outcomes, Outputs, Output Indicators and Targets

No.	Outcomes	Outputs	Output Indicators	Annual Targets							
				Audited / Actual Performance		Estimated Performance	Planned Performance Current Year	MTEF Period			
				2020/21	2021/22			2022/23	2023/24	2024/25	2025/26
7.1.1	Sound financial control and management of public finances	Validated benefits payment reports	Percentage of benefits validated paid within liable dates	100%	99.9%	99.9%	99%	99%	99%	99%	99%
7.1.2		Fraudulent claims reports	Percentage reduction of fraudulent claims	100% fewer fraudulent claims than 2019/20	100% fewer fraudulent claims than 2020/21	99.9% fewer fraudulent claims than 2021/22	98% fewer fraudulent claims than 2022/23	98.5% fewer fraudulent claims than 2023/24	99% fewer fraudulent claims than 2024/25	99% fewer fraudulent claims than 2025/26	99% fewer fraudulent claims than 2026/27
7.1.3		Exceptions report	Percentage integrity of client data	100%	100%	99.9%	99%	99%	99%	99%	99%

11.3 Output Indicators: Annual and Quarterly Targets

No.	Output Indicators	Annual Target	Quarter 1	Quarter 2	Quarter 3	Quarter 4
7.1.1	Percentage of benefits validated paid within liable dates	99%	99%	99%	99%	99%
7.1.2	Percentage reduction of fraudulent claims	98.5% fewer fraudulent claims than 2023/24	N/A	N/A	N/A	98.5% fewer fraudulent claims than 2023/24
7.1.3	Percentage integrity of client data	99%	99%	99%	99%	99%

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

Explanation of planned performance over the medium-term period

Programme 7 contributes towards achieving the National Treasury outcome: Sound financial controls and management of public finances. In adherence to the high standards of services for its clients, the programme is committed to paying 99% of benefits within 20 working days. In addition, the programme aims to achieve 99 percent integrity of client data by continuously conducting data cleansing, maintenance and monitoring. The focus areas over the medium term will be on improving turnaround times in payment of medical accounts within Military Pension, extending the training of employer departments in processing injury on duty claims and dealing with re-engineering of post-retirement medical subsidy processes and automation; amending the Special Pensions Act, embarking on an advocacy campaign to ensure that pharmacies, medical practitioners, hospitals and medical specialists are fully aware of the programme processes regarding treatment and servicing of military pensioners; ensuring that the effective and efficient internal controls are maintained and continuously improved; amalgamation of the Temporary Employees Pension Fund (TEPF) and Associated Institutions Pension Fund (AIPF) with the Government Employees Pension Fund (GEPPF); automation of injury on duty wards through the interfacing with Compensation Fund; and separating the processing of post-retirement medical subsidy from the pension retirement processes.

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

11.4 Programme Resource Considerations

11.4.1 Expenditure trends and estimate

Table 8.18 Civil and Military Pensions, Contributions to Funds and Other Benefits expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome				Adjusted appropriation	Average growth rate (%)	Average: Expenditure/Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/Total (%)
R million	2020/21	2021/22	2022/23	2023/24	2023/24	2020/21 - 2023/24	2024/25	2025/26	2026/27	2023/24 - 2026/27		
Government Pensions Administration Agency	60.0	61.7	64.4	72.5	72.5	6.5%	1.0%	66.7	70.2	75.9	1.5%	1.0%
Civil Pensions and Contributions to Funds	4 749.3	5 766.3	6 493.4	6 315.5	6 315.5	10.0%	94.7%	6 749.9	7 021.4	7 355.0	5.2%	95.4%
Military Pensions and Other Benefits	379.5	214.9	215.8	244.9	244.9	-13.6%	4.3%	251.5	265.0	277.4	4.2%	3.6%
Total	5 188.8	6 042.8	6 773.6	6 632.9	6 632.9	8.5%	100.0%	7 068.1	7 356.6	7 708.4	5.1%	100.0%
Change to 2023 Budget estimate				-	-			(287.1)	(328.0)	(328.3)		
Economic classification												
Current payments	60.0	61.7	64.4	72.5	72.5	6.5%	1.0%	66.7	70.2	75.9	1.5%	1.0%
Goods and services	60.0	61.7	64.4	72.5	72.5	6.5%	1.0%	66.7	70.2	75.9	1.5%	1.0%
of which:												
Consultants: Business and advisory services	60.0	61.7	64.4	72.5	72.5	6.5%	1.0%	66.7	70.2	75.9	1.5%	1.0%
Transfers and subsidies	5 128.8	5 981.1	6 709.2	6 560.4	6 560.4	8.6%	99.0%	7 001.4	7 286.5	7 632.4	5.2%	99.0%
Foreign governments and international organisations	-	0.6	0.6	1.0	1.0	-	-	0.7	0.7	0.9	-4.2%	-
Households	5 128.8	5 980.5	6 708.6	6 559.4	6 559.4	8.5%	98.9%	7 000.7	7 285.7	7 631.5	5.2%	99.0%
Payments for financial assets	-	0.0	-	-	-	-	-	-	-	-	-	-
Total	5 188.8	6 042.8	6 773.6	6 632.9	6 632.9	8.5%	100.0%	7 068.1	7 356.6	7 708.4	5.1%	100.0%
Proportion of total programme expenditure to vote expenditure	15.2%	9.7%	18.1%	19.3%	19.3%	-	-	21.3%	21.6%	22.2%	-	-

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

Subprogramme	R million			Audited outcome	Adjusted appropriation	Average growth rate (%)	Average: Expenditure/Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/Total (%)
	2020/21	2021/22	2022/23					2024/25	2025/26	2026/27		
Details of transfers and subsidies												
Households												
Social benefits												
Current	5 128.8	5 980.5	6 708.6		6 559.4	8.5%	98.9%	7 000.7	7 285.7	7 631.5	5.2%	99.0%
Contribution to provident funds for associated institutions	0.2	0.3	0.3		0.3	17.9%	–	0.3	0.4	0.4	9.6%	–
Parliamentary awards	0.0	0.0	–		–	-100.0%	–	–	–	–	–	–
Other benefits	30.0	120.6	113.8		115.8	56.9%	1.5%	116.0	121.4	127.2	3.2%	1.7%
Injury on duty	572.3	717.4	831.3		788.2	11.3%	11.8%	757.9	809.7	847.4	2.4%	11.1%
Post-retirement medical scheme	3 584.2	4 448.6	5 070.1		4 816.8	10.4%	72.7%	5 305.9	5 492.3	5 749.9	6.1%	74.3%
Special pensions	552.9	464.8	466.9		495.0	-3.6%	8.0%	504.8	525.4	549.9	3.6%	7.2%
Political Office Bearers Pension Fund	–	–	–		3.3	–	–	32.6	34.9	37.5	124.5%	0.4%
Pension benefits: President of South Africa	6.1	10.4	10.4		15.1	35.3%	0.2%	13.7	14.4	15.2	0.3%	0.2%
Military pensions: Ex-service personnel	0.3	0.6	0.5		1.8	91.1%	–	1.2	2.0	2.1	5.3%	–
South African citizen force	268.2	201.3	203.5		228.9	-5.1%	3.7%	237.2	247.9	259.4	4.3%	3.4%
Civil protection	0.0	0.0	–		0.0	-1.5%	–	0.0	0.0	0.0	4.6%	–
Other benefits: Ex-service personnel	8.6	12.9	11.8		14.2	18.1%	0.2%	13.1	15.1	15.9	4.0%	0.2%

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

Subprogramme	Audited outcome				Adjusted appropriation	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate				Average growth rate (%)	Average: Expenditure/ Total (%)		
	2020/21	2021/22	2022/23	2023/24				2024/25	2025/26	2026/27	2023/24 - 2026/27				
R million															
Non-statutory forces	102.4	–	–	–	–	-100.0%	0.4%	–	–	–	–	–	–		
Post-retirement medical scheme: Parliamentary staff	3.5	3.6	–	–	3.7	1.8%	–	3.9	4.0	4.2	–	4.5%	0.1%		
Early retirement costs	–	–	–	–	76.3	–	0.3%	79.7	83.3	87.1	–	4.5%	1.1%		
Foreign governments and international organisations															
Current	–	0.6	0.6	1.0	–	–	–	0.7	0.7	0.9	–4.2%	–	–		
United Kingdom tax	–	0.6	0.6	1.0	–	–	–	0.7	0.7	0.9	–4.2%	–	–		

12. EXPENDITURE OVERVIEW

The department's budget over the medium term is R3.276 trillion, of which 61.8 per cent (R2.024 trillion) is for transfers to provincial governments for the provincial equitable share. The increase on the department's baseline amounts to R1.884 trillion over the medium term in relation to the provincial equitable share for adjustments to the compensation of employees.

The department has an increase to its baseline related to transfers and subsidies over the medium term: R1.203 billion to the South African Revenue Service to implement capital projects; and the following decreases to its baseline related to transfers and subsidies over the medium term: R1.628 billion towards the secret services to support its operations; R63 million to the Financial Intelligence Centre to support its operations by increasing capacity to produce intelligence reports, capability to analyse big data and respond timeously to stakeholders' for intelligence products.

The budget allocation per economic classification over the medium term is as follows: R2.924 billion on compensation of employees; R6.489 billion on goods and services; R89.858 billion on transfers and subsidies; R82.3 million on payment of capital assets; and R2.666 billion on payment for financial Assets.

Compensation of employees

The budget allocation for compensation of employees in 2024/25 financial year is R909 million which is earmarked for the headcount averaging 1 100 per annum. In a period between 2021/22 and 2023/24 there has been a slight increase of 3.7 per cent from 1 033 to 1 071 on the headcount largely due to the replacement of vacant positions during this period. Over the medium term, budget allocation for compensation of employees is R 2.924 billion.

Goods and services

Over the medium term, expenditure on goods and services is projected to be R6.489 billion with the amount of R1.933 billion allocated for the 2024/25 financial year. These funds are budgeted for various line items which cover the day-to-day spending on the operation of the department. However, a significant part of the spending on goods and services is on consultancy services and computer services. These two-line items are the main cost drivers of the department on goods and services spending, with consultancy services projected to spend R2.397 billion over the medium term, inventory other supplies amount to R1.950 billion whilst the computer services budgeted at R1.156 billion.

The consultancy services spending is largely within the catalytic infrastructure and development support programme which comprises of the Municipal Finance Improvement Programme (MFIP), Infrastructure Delivery Improvement Programme (IDIP), Cities Support Programme (CSP), Neighbourhood Development Partnership Grant-indirect (NDPG) as well as the Municipal Revenue Management Improvement Programme (MRMIP).

Expenditure on other supplies as the second largest cost driver is mainly on the Intergovernmental Relations which provides capital and operational subsidies to implement and co-fund smart metering systems on behalf of municipalities.

Expenditure on computer services as the third largest cost driver is mainly on the financial systems which comprises of the maintenance and support of the legacy systems – basic accounting system (BAS), personal and salaries management system (PERSAL), logistical information system (LOGIS), and Vulindlela.

12. EXPENDITURE OVERVIEW

Transfers and subsidies

The transfers and subsidies are allocated a budget amount of R89.858 billion over the medium term. This constitutes the largest spending component for the department. This expenditure item comprises of different categories of transfers i.e., department agencies account largely for public entities reporting to the Minister of Finance, the conditional grants to municipalities, the civil and military pensions as well as the foreign governments and international organisations. For the 2024/25 financial year, the transfer and subsidies are allocated R29.5 billion.

Transfers or allocations to the public entities reporting under the department consist of the Financial Intelligence Centre (FIC), Accounting Standards Board (ASB), Independent Regulatory Board of Auditors (IRBA), Financial and Fiscal Commission (FFC) and South African Revenue Service (SARS) amongst others. The SARS constituted 46.1 per cent or R33.203 billion of the transfers total spending of R71.978 billion over the three previous financial years. This trend continues over the medium term with 41.9 per cent or R 37.666 billion of the R89.858 billion total transfers budget allocated to SARS.

The Conditional Grants to various municipalities in line with the Division of Revenue Act (DORA) comprise of the NDPG, Infrastructure Skills Development Grant (ISDG), Programme and Project Preparation Support Grant (PPPSG) and Local Government Financial Management Grant (LGFMG) which are consistent with spending year on year. Included in the expenditure was also spending towards job creation on the Jobs Fund projects, the transfer payment to the Government Technical Advisory Centre (GTAC). These constituted approximately 8.7 per cent or R6.228 billion in spending for the past three financial years. Over the medium term, the budget allocation for Conditional Grants is R 6.152 billion, with R2.424 billion budgeted for the 2024/25 financial year.

For the 2024/25 financial year, the NDPG is budgeted with R 1.291 billion, LGFMG is budgeted with R582 million; the PPPSG is budgeted with R386 million and the ISDG is budgeted with R165 million.

The Civil and Military Pensions, Contributions to Funds and Other Benefits also comprise a significant portion of the department's spending. The major contributors to the spending on this area are mainly the transfer payments to the Post-Retirement Medical Benefits (PRMB), the Special Pensions, Injury on Duty and the SA Citizen Forces to the Government Pensions Administration Agency (GPAA). These constituted approximately 25 per cent or R18.005 billion in spending for the past three financial years.

Over the medium term, the budget allocation for the Civil Pensions and Contributions to Funds is R21.126 billion, the GPAA is allocated R213 million and the R794 million is budgeted for the Military Pensions and Other Benefits. The Civil Pensions and Contributions to Funds constitute the largest portion of the total budget allocation at 95.5 per cent or R21.126 of the total allocation of R22.133 budget over the medium term. Similarly for the 2023/24 financial year, 95.54 per cent or R6.186 billion of the total allocation of R7.134 is budgeted for the Civil Pensions and Contributions to Funds.

International commitments are also part of the large spending on transfers as it constituted approximately 6.3 per cent or R4.515 billion in spending for the past three financial years. These commitments are under the Common Monetary Area (CMA) compensation, the Collaborative Africa Budget Reform Initiative (CABRI), Commonwealth Fund for Technical Cooperation (CFTC), International Finance Facility for Immunisation (IFFI), African Development Bank and Fund (AfDB) and the World Bank.

12. EXPENDITURE OVERVIEW

Over the medium term, the international commitments include budget allocation for the International Development Funding Institutions with the total amount of R3.233 billion allocated for the next three years, Africa Integration and Support with the total budget allocation of R5.155 billion and R188 million allocated for the International Economic Cooperation. The impact of the foreign exchange rate poses ongoing risk on budget allocation. There is high volatility on the Rand exchange rate against the US Dollar. The budgeted amount most often tends to be lesser than the actual payments, therefore resulting in a significant budget shortfall. Due to tight fiscal constraints, the department is unable to budget at the highest forecasted exchange rate.

For the Africa Integration and Support, 99 per cent or R4.873 billion of the total budget allocation of R5.155 billion over the medium term is budgeted for Common Monetary Area compensation, with the Collaborative Africa Budget Reform Initiative allocated R8.012 million, the African Regional Technical Centre for Southern Africa budgeted with R4.433 million and the Africa Institute for Development and Economic Planning allocated R4.519 million. Similarly for the 2024/25 financial year, the Common Monetary Area compensation is budgeted with R1.633 billion from the total budget allocation of R1.639 billion.

Payment for capital assets

The payment for capital assets is budgeted at R82.3 million over the medium term, with R 24.1 million budgeted for the 2024/25 financial year. There is an average decline of 44 per cent i.e., from R148.6 to R82.3 million in the past 3 years compared to the medium term because of Cost Containment Measures implementation resulted from budget constraints.

Payment for financial assets

The payment for financial assets is also one of the biggest cost drivers within the department over the medium term. Over the medium term, the department has allocated a budget amount of R2.666 billion on payment for financial assets, with R850 million budgeted for the 2024/25 financial year.

Over the medium term, the spending priorities for the department are consistent with the past 3 financial years. The spending drivers for the department have not changed and the spending configuration and composition is still more aligned and relevant to the department's mandate.

13. NATIONAL TREASURY KEY RISKS TABLE

OUTCOME	RISK DESCRIPTION	MITIGATION
Coherent economic policy advocated	Inability to pay capital contribution to Multilateral Development Banks resulting in loss of voting shares and influence	<ul style="list-style-type: none"> - Funds have been secured through engagements with internal and external stakeholders for honouring capital obligations. Shares have therefore been secured in the African Development Bank and New Development Bank.
Sustainable public finance	Disruptions and delays in implementing interventions in municipalities in terms of S139 of the Constitution due to security threats and inadequate staff capacity within the NT to develop Financial Recovery Plans.	<ul style="list-style-type: none"> - A panel of experts has been procured for the development of Financial Recovery Plans. - Internal capacity has been augmented to respond to municipalities requiring national intervention and development of financial recovery plans. - Security plans, including the use of closed protection are implemented and SAPS are deployed to minimise safety and security threats to Administrators and staff deployed at Municipalities.
Sound financial controls and management of public finances	Unavailability of the SCM ICT systems (e- tendering and CSD and Data warehouse)	<ul style="list-style-type: none"> - External service provider secured to support and improve client support. - SLA in place with and Operational Level Agreement with ICT NT and external service provider. - ICT infrastructure improved to cater for increased use of systems.
Sound financial controls and management of public finances	Delays in finalization of the regulatory framework and potential legal challenges.	<ul style="list-style-type: none"> - Engage in different forums such as Chief Financial Officers' Fora, Technical Committee on Finance, SCM Fora, Provincial Treasuries, other Divisions of the National Treasury, and other external stakeholders to ensure buy-in by state institutions into the regulatory framework prior to issuance thereof. - Issue Public Procurement Bill to regulate procurement in the Public Service.
Sustainable public finance	Ineffective oversight of State-Owned Entities (SOEs) to provide timely analysis and informed decision-making.	<ul style="list-style-type: none"> - National Treasury attends oversight monitoring committees together with SOE management teams to: - Monitor SOE financials, governance, performance and progress against committed turn-around times, and Monitor and enforce SOE adherence to the PFMA, Memorandum of Incorporation, King IV Code on Corporate Governance and Companies Act provisions to influence sustainable SOE finances. Skills and capacity augmentation of SOE monitoring teams within the NT is ensured to enable adequate implementation of monitoring activities.

15. PUBLIC ENTITIES

Name of Public Entity	Mandate	Key Outputs	Annual Budget 2024/25
Accounting Standards Board (ASB)	To develop uniform standards of Generally Recognised Accounting Practice (GRAP) for all spheres of government in terms of Section 216(1) (a) of the Constitution and the Public Finance Management Act, 1999 (Act No. 1 of 1999), as amended.	Standards of GRAP developed. Research that ensures Standards of GRAP respond to broader financial reporting needs. Development of international standards influenced.	R15.114 million
Co-operative Banks Development Agency (CBDA)	To create a strong and vibrant cooperative banking sector.	Co-operative banking sector known and recognised. Products and services offered by partners and stakeholders leveraged on through collaborations and agreements.	R20.966 million
Development Bank of Southern Africa (DBSA)	The DBSA is a development finance institution (DFI) that is wholly owned by the government of the Republic of South Africa. The DBSA has a mandate to promote inclusive and sustainable economic development and growth, human resources and institutional capacity development, support development projects and programmes in the region, and promote regional integration through infrastructure development that improves the quality of life for people in Africa.	To advance development impact in the region, by expanding access to development finance, and effectively integrate and implement sustainable development solutions. Ensure Financial Sustainability Promoting an Inclusive Economic Recovery in South Africa	R13.097 billion
Financial and Fiscal Commission (FFC)	To make recommendations to Parliament, provincial legislatures, organized local government and other organs of state on financial and fiscal matters as envisaged in the Constitution and other national legislation. Financial and Fiscal Commission Act No. 99 of 1997 as amended	Annual submissions, policy briefs, technical reports and reports on financial and fiscal matters.	R61.787 million
Financial Intelligence Centre (FIC)	To identify the proceeds of crime, combat money laundering and terror financing.	Awareness of the FIC Act. Supervision of the FIC Act Enforcement of the FIC Act.	R424.705 million
Financial Sector Conduct Authority (FSCA)	To enhance the efficiency and integrity of financial markets; promote fair customer treatment by financial institutions; provide financial education and promote financial literacy; and assist in maintaining financial stability	Invoiced levies collected. penalties from regulated entities collected. License applications completed within 90 days. Implemented Consumer Education initiatives.	R1.088 billion

15. PUBLIC ENTITIES

Name of Public Entity	Mandate	Key Outputs	Annual Budget 2024/25
Government Pensions Administration Agency (GPAA)	Responsible for administering pensions on behalf of GEPP in terms of the Government Employees Pension (GEP) Law of 1996 on behalf of GEPP's Board of Trustees.	Reduced unclaimed benefits. National Treasury death benefits paid within 60 days after duly completed documents are received. National Treasury membership certificates issued within 30 days of admission.	R1.477 billion
Government Technical Advisory Centre (GTAC)	To assist organs of state to build their capacity for efficient, effective and transparent financial management.	Capital appraisal report completed. Knowledge products produced. Institutional development support provided.	R260.767 million
Independent Regulatory Board for Auditors (IRBA)	To protect the sections of the public that rely on the services of registered auditors, and to provide support to registered auditors. It is required to ensure that only suitably qualified individuals are admitted to the auditing profession, and that registered auditors deliver services of the highest quality and adhere to the highest ethical standards.	Issued auditing pronouncements, auditor reports and comment letters. Issued additional guidance on ethical issues, comment letters and Code amendments. Disciplinary strategy developed, adopted and implemented.	R218.223 million
Land and Agricultural Development Bank of South Africa (Land Bank)	Provide finance for emerging farmers in pursuit of the equitable ownership of land, agrarian reform and land distribution. Remove the legacy of past racial and gender discrimination. Promote food security and support commercial agriculture.	Developed solutions for balance sheet challenges. Profit optimisation. Client value proposition and product offering.	R2.354 billion
Office of the Ombud for Financial Services Providers (FAIS Ombud)	To resolve complaints in an economical, informal and expeditious manner flows from Section 20 of the FAIS Act. A further mandate is derived from the Financial Services Ombud Schemes Act, 2004 (Act No. 37 of 2004).	Report on complaints closed within 9 months of date of receipts. Report on complaints closed within 8 months of date of receipts. Property syndication report.	R88.211 million
Ombud Council (OC)	To oversee ombud schemes and to ensure adequate coverage of complaints against financial product and service providers by appropriate ombud schemes	Participation in and/or facilitation of ombud scheme consumer education programmes or initiatives. Action plan to address jurisdiction issues and resolve overlaps. Resolved complaints.	R25.430 million

15. PUBLIC ENTITIES

Name of Public Entity	Mandate	Key Outputs	Annual Budget 2024/25
Office of the Pension Funds Adjudicator (OPFA)	To ensure a procedurally fair, economical and expeditious resolution of complaints in terms of the Act by ensuring that its services are accessible to all; investigating complaints in a procedurally fair manner; reaching a just and expeditious resolution of complaints in accordance with the law; being innovative and proactive in thought and in action; and supporting, encouraging and providing opportunities for individual growth.	Receipt of complaints acknowledged within 2 working days. Premature complaints referred to respondents for resolution directly with the complainant within 5 working days of receipt. Closed complaints allocated for closure within 2 working days as: abandoned, withdrawn, duplicates, out of jurisdiction.	R108.017 million
Office of the Tax Ombud (OTO)	To 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 SARS; and review, at the request of the Minister or at the initiative of the Tax Ombud with the approval of the Minister, any systematic and emerging issues related to a service matter or the application of the provisions of this Act or procedural or administrative provisions of a tax Act.	Reviewed and addressed complaints by taxpayers against SARS. Stakeholder engagements and collaboration promoted. Agile organisation that can scale efficiently to meet taxpayers demand created.	R53.542 million
Public Investment Corporation	The PIC's mandate is centred on investing funds received or held by, for or on behalf of the Government of South Africa and certain bodies, councils, funds and accounts. The clients of the PIC are mainly pension, provident, social security and guardian funds. Therefore, the PIC's mandate is to invest funds on behalf of these clients, based on investment mandates agreed with each client, and are approved and regulated by the Financial Sector Conduct Authority (FSCA).	Client benchmark portfolio returns exceeded and compliance with client risk parameters. Contribution towards the growth and transformation of the economy through unlisted investments.	R2.007 billion
South African Revenue Service (SARS)	To collect all revenue due to the state and to 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.	Collection of revenue as agreed with the Minister. Revenue collected from identified compliance initiatives. Reduced number of disputes lodged with SARS.	R12.862 billion

15. PUBLIC ENTITIES

Name of Public Entity	Mandate	Key Outputs	Annual Budget 2024/25
South African Special Risks Insurance Association (SASRIA)	Sasria operates under a dual mandate, which focuses on offering short-term insurance coverage against specific risks such as civil commotion, public disorder, strikes, riots, terrorism, and matters connected therewith. Legislatively, as a short-term insurance company, Sasria is mandated to provide coverage for special risk events in terms of the Re-insurance of Material Damages Act and is regulated by the Financial Sector Conduct Authority. In terms of the entity's strategic mandate, Sasria is required to make a positive contribution to transforming the financial services industry in line with the National Development Plan (NDP), to create a sustainable economic environment.	Fast-tracked claims turnaround time. Value-add delivered to the customer.	R6.564 billion

16. INFRASTRUCTURE PROJECTS

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

17. 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.

18. ENDNOTES

Applicable to all Programmes

The department has developed new indicators or revised its indicators and/or targets to ensure compliance with the revised framework for Strategic Plans and Annual Performance Plan. Please refer to these endnotes for information

- No historical information.

N/A – No target set for the period.



2024/25



2024/25 ANNUAL PERFORMANCE PLAN

PART D: TECHNICAL INDICATOR DESCRIPTIONS



national treasury

Department:
National Treasury
REPUBLIC OF SOUTH AFRICA

PROGRAMMES

PROGRAMME 1

Output Indicator no 1.1.1	
Indicator Title	Percentage of ICT service delivery standards met
Definition	This indicator measures the delivery against the service level agreements
Source of data	Service Level Agreement reports
Method of Calculation / Assessment	$\frac{\text{Number of ICT Service Level Agreement standards met} + \text{Environment Infrastructure standards met}}{\text{Total number of ICT standards}} \times 100$
Means of verification	Progress report that records actual performance against planned performance
Assumptions	Service level agreements finalised with the divisions
Disaggregation of Beneficiaries (where applicable)	Target for Women: N/A Target for Youth: N/A Target for People with Disabilities: N/A
Spatial Transformation (where applicable)	Reflect on contribution to spatial transformation priorities: N/A Reflect on the spatial impact area: N/A
Calculation Type	Non-cumulative
Reporting Cycle	Quarterly
Desired performance	94% of ICT service delivery standards met
Indicator responsibility	Chief Directorate: Information & Communication Technology

Output Indicator no 1.1.2	
Indicator Title	Audit Opinion Obtained
Definition	This is an opinion expressed by the external auditors on the financial statements of the department at financial year-end and the annual performance report of that financial year
Source of data	Audited Annual Report
Method of Calculation / Assessment	Verify if the opinion expressed by the external auditors on the financial statements and the annual performance report is unqualified $\frac{\text{No. of findings in the current financial year} - \text{No. of findings in the previous financial year}}{\text{No. of findings in the previous financial year}} \times 100$
Means of verification	Audited Annual Report
Assumptions	The department's financial statements and non-financial performance will be audited
Disaggregation of Beneficiaries (where applicable)	Target for Women: N/A Target for Youth: N/A Target for People with Disabilities: N/A
Spatial Transformation (where applicable)	Reflect on contribution to spatial transformation priorities: N/A Reflect on the spatial impact area: N/A
Calculation Type	Non-cumulative
Reporting Cycle	Annually
Desired performance	Unqualified audit opinion with 12% fewer findings than 2023/24 on financial performance information Unqualified audit opinion with no audit findings on non- financial performance information
Indicator responsibility	Chief Directorate: Financial Management (Chief Financial Officer) Chief Directorate: Strategic Planning, Monitoring & Evaluation

PROGRAMMES

Output Indicator no 1.1.3

Indicator Title	Risk Management Maturity Assessment level achieved
Definition	The Risk Management Maturity Assessment is a subset of National Treasury's Financial Management Capability Maturity Model (FMCMM). It isolates the relevant risk management components of the FMCMM and provides a simplified and consistent assessment methodology for the institution to determine its risk management maturity.
Source of data	Risk Management Maturity Assessment level report
Method of Calculation / Assessment	Verify the actual rating achieved for the financial year in the Risk Management Maturity Assessment Report which provides a performance score on the rating of 1-6 with 1 being the lowest and 6 the highest
Means of verification	Risk Management Maturity Assessment report that records actual performance against planned performance
Assumptions	That the Risk Management Maturity Assessment will be conducted by the department
Disaggregation of Beneficiaries (where applicable)	Target for Women: N/A Target for Youth: N/A Target for People with Disabilities: N/A
Spatial Transformation (where applicable)	Reflect on contribution to spatial transformation priorities: N/A Reflect on the spatial impact area: N/A
Calculation Type	Non-cumulative
Reporting Cycle	Annually
Desired performance	Achieve level 5 in Risk Management Maturity Assessment
Indicator responsibility	Chief Directorate: Risk Management (Chief Risk Officer)

Output Indicator no 1.1.4

Indicator Title	Percentage spend of training and development budget
Definition	This indicator measures the department's expenditure on training and development against the total amount budgeted for training & development in a financial year
Source of data	Audited Financial Statements
Method of Calculation / Assessment	$\frac{\text{Total amount spent on training \& development}}{\text{Total amount budgeted for training \& development in the financial year}} \times 100$ The total amount spent on training and development is the amount spent in the period under review.
Means of verification	Audited Financial Statements
Assumptions	The department will budget for training and development
Disaggregation of Beneficiaries (where applicable)	Target for Women: N/A Target for Youth: N/A Target for People with Disabilities: N/A
Spatial Transformation (where applicable)	Reflect on contribution to spatial transformation priorities: N/A Reflect on the spatial impact area: N/A
Calculation Type	Cumulative (year-end)
Reporting Cycle	Quarterly
Desired performance	70% of the budgeted amount on training and development spent
Indicator responsibility	Chief Directorate: Human Resources Management

PROGRAMMES

Output Indicator no 1.1.5

Indicator Title	Number of quarterly reports on the implementation of the action plan on the mainstreaming of women, youth and persons with disabilities produced
Definition	This indicator monitors implementation of the department's action plan on the mainstreaming of women, youth and persons with disabilities
Source of data	Progress reports that record actual performance against planned performance
Method of Calculation / Assessment	Simple count of quarterly reports on the implementation of the department's action plan on the mainstreaming of women, youth and persons with disabilities
Means of verification	Quarterly Reports
Assumptions	The department will have an action plan on the mainstreaming of women, youth and persons with disabilities
Disaggregation of Beneficiaries (where applicable)	Target for Women: N/A Target for Youth: N/A Target for People with Disabilities: N/A
Spatial Transformation (where applicable)	Reflect on contribution to spatial transformation priorities: N/A Reflect on the spatial impact area: N/A
Calculation Type	Cumulative (year-end)
Reporting Cycle	Quarterly
Desired performance	4 quarterly reports on the implementation of the action plan on the mainstreaming of women, youth and persons with disabilities produced
Indicator responsibility	Chief Directorate: Human Resources Management

PROGRAMME 2

Output Indicator no 2.1.1

Indicator Title	Number of research papers completed
Definition	Number of research papers completed through NT managed research programs and projects
Source of data	Research papers as saved on Economic Policy iDrive
Method of Calculation / Assessment	Simple count of research papers completed
Means of verification	Research papers completed through NT managed research programs and projects
Assumptions	That the funding and staff capacity is available to complete the research papers specified
Disaggregation of Beneficiaries (where applicable)	Target for Women: N/A Target for Youth: N/A Target for People with Disabilities: N/A
Spatial Transformation (where applicable)	Reflect on contribution to spatial transformation priorities: N/A Reflect on the spatial impact area: N/A
Calculation Type	Non-cumulative
Reporting Cycle	Annually
Desired performance	45 research papers completed
Indicator responsibility	DDG: Economic Policy

PROGRAMMES

Output Indicator no 2.1.2

Indicator Title	Financial sector legislation drafted
Definition	Draft financial sector legislation, regulation and standards aim to make the financial sector safer, treat customers more fairly, to be more inclusive and have integrity. The financial sector legislation to be submitted to Cabinet is set out in the legislative programme submitted to the Leader of Government Business, as amended. The legislation must be submitted by the end of the financial year and in-year targeted dates are not considered
Source of data	Submission memo by the Minister to Cabinet
Method of Calculation / Assessment	Verify if a memo was submitted by Minister asking Cabinet to approve the financial sector legislation
Means of verification	Submission memo by the Minister to Cabinet
Assumptions	That the public comment process is completed as planned That the Minister approves the legislation for submission to Cabinet
Disaggregation of Beneficiaries (where applicable)	Target for Women: N/A Target for Youth: N/A Target for People with Disabilities: N/A
Spatial Transformation (where applicable)	Reflect on contribution to spatial transformation priorities: N/A Reflect on the spatial impact area: N/A
Calculation Type	Non-cumulative
Reporting Cycle	Annually
Desired performance	Financial sector legislation submitted to Cabinet
Indicator responsibility	DDG: Tax and Financial Sector Policy

Output Indicator no 2.1.3

Indicator Title	Legislation to give effect to tax proposals from the Budget drafted
Definition	Tax legislation refers to Rates and Monetary Amounts Amendment Bill and Taxation Laws Amendment Bill, to enable proposals from the Budget Review and Budget Speech to be implemented by the Treasury
Source of data	Parliamentary papers
Method of Calculation / Assessment	Verify if the tax proposals were introduced in Parliament by the Minister
Means of verification	Parliamentary papers
Assumptions	That the public comment process is completed as planned That the Minister approves the legislation for submission to Parliament
Disaggregation of Beneficiaries (where applicable)	Target for Women: N/A Target for Youth: N/A Target for People with Disabilities: N/A
Spatial Transformation (where applicable)	Reflect on contribution to spatial transformation priorities: N/A Reflect on the spatial impact area: N/A
Calculation Type	Non-cumulative
Reporting Cycle	Bi-annually
Desired performance	Tax legislation submitted to Parliament
Indicator responsibility	DDG: Tax and Financial Sector Policy

PROGRAMMES

Output Indicator no 2.1.4

Indicator Title	Number of progress reports on the implementation of FATF Action Plan produced
Definition	The Financial Action Task Force (FATF) has listed South Africa as a “jurisdiction under increased monitoring”, or more commonly referred to as FATF’s “grey” list. FATF assessed that the country needed to make further and sustained progress in addressing the eight (8) areas of strategic deficiencies related to the effective implementation of South Africa’s Anti-Money Laundering/Combating the Financing of Terrorism (AML/CFT) laws. South Africa has therefore adopted an action plan to address the deficiencies identified.
Source of data	National Treasury Reports
Method of Calculation / Assessment	Simple count of progress reports on the implementation of FATF Action Plan produced
Means of verification	FATF Action Plan Progress Reports
Assumptions	There are still strategic deficiencies that must be addressed Reports are required by FATF
Disaggregation of Beneficiaries (where applicable)	Target for Women: N/A Target for Youth: N/A Target for People with Disabilities: N/A
Spatial Transformation (where applicable)	Reflect on contribution to spatial transformation priorities: N/A Reflect on the spatial impact area: N/A
Calculation Type	Cumulative (year-end)
Reporting Cycle	Quarterly
Desired performance	3 reports on the implementation of FATF Action Plan produced
Indicator responsibility	DDG: Tax and Financial Sector Policy

Output Indicator no 2.1.5

Indicator Title	Number of economic forecasts developed
Definition	Economic forecasts inform the budget and Medium-Term Budget Policy Statement (MTBPS) and scenario modelling.
Source of data	Developed quarterly economic forecasts
Method of Calculation / Assessment	Simple count of economic forecasts developed
Means of verification	Quarterly economic forecasts approved by DDG: Economic Policy
Assumptions	Sufficient resources skilled in using econometric tools
Disaggregation of Beneficiaries (where applicable)	Target for Women: N/A Target for Youth: N/A Target for People with Disabilities: N/A
Spatial Transformation (where applicable)	Reflect on contribution to spatial transformation priorities: N/A Reflect on the spatial impact area: N/A
Calculation Type	Cumulative (year-end)
Reporting Cycle	Quarterly
Desired performance	4 economic forecasts developed
Indicator responsibility	DDG: Economic Policy

PROGRAMMES

Output Indicator no 2.1.6

Indicator Title	Number of macro and microeconomic policy analysis and advice reports produced
Definition	This refers to research outputs approved by the DDG, including research papers, research notes, technical analysis, reviews and assessments of external proposals, reports on key sectors and microeconomic constraints, information reports, reports on the state of the economy and macro- and microeconomic trends and variables. Reports can be in word form or presentation form
Source of data	Analysis reports
Method of Calculation/ Assessment	Simple count of research outputs of macro- and micro-economic policy analysis and advice reports
Means of verification	Macro and microeconomic policy analysis and advice reports
Assumptions	That there are sufficient resources available to conduct the research
Disaggregation of Beneficiaries (where applicable)	Target for Women: N/A Target for Youth: N/A Target for People with Disabilities: N/A
Spatial Transformation (where applicable)	Reflect on contribution to spatial transformation priorities: N/A Reflect on the spatial impact area: N/A
Calculation Type	Non-cumulative
Reporting Cycle	Annually
Desired performance	8 macro and microeconomic policy analysis and advice reports produced
Indicator responsibility	DDG: Economic Policy

PROGRAMME 3

Output Indicator no 3.1.1

Indicator title	Published budget legislation and documentation
Definition	This is the tabling of budget legislation and accompanying explanatory memoranda in Parliament, and availing them as publications
Source of data	Parliamentary administrative records and National Treasury internet postings
Method of calculation / Assessment	Verify - Appropriation Bill published on the National Treasury's website Verify - Budget Review document published on the National Treasury's website Verify - Estimates of National Expenditure document published on the National Treasury's website Verify - Adjustments Appropriation Bill published on the National Treasury's website Verify - Medium Term Budget Policy Statement document published on the National Treasury's website Verify - Adjusted Estimates of National Expenditure document published on the National Treasury's website
Means of verification	Documents published on the National Treasury website
Assumptions	National Treasury website is available
Disaggregation of Beneficiaries (where applicable)	Target for Women: N/A Target for Youth: N/A Target for People with Disabilities: N/A
Spatial Transformation (where applicable)	Reflect on contribution to spatial transformation priorities: N/A Reflect on the spatial impact area: N/A
Calculation type	Non-cumulative
Reporting cycle	Bi-Annually
Desired performance	Publication of Appropriation Bill, ENE and Budget Review Publication of Adjustments Appropriation Bill, AENE and MTBPS
Indicator responsibility	DDG: Budget Office

PROGRAMMES

Output Indicator no 3.1.2

Indicator Title	Number of Division of Revenue and Division of Revenue Amendment Bills published annually
Definition	The Division of Revenue Bill and Division of Revenue Amendment Bill are bills tabled in Parliament by the Minister of Finance to determine and adjust budget allocations to provinces and municipalities
Source of data	Parliament's Announcements Tablings Committees (ATC) document that records all bills tabled
Method of Calculation / Assessment	Simple count of Division of Revenue Bill and Division of Revenue Amendment Bill reflected in the ATC as being tabled each financial year
Means of verification	Published Division of Revenue Bill and Division of Revenue Amendment Bill
Assumptions	Bills tabled by Minister in Parliament
Disaggregation of Beneficiaries (where applicable)	Target for Women: N/A Target for Youth: N/A Target for People with Disabilities: N/A
Spatial Transformation (where applicable)	Reflect on contribution to spatial transformation priorities: N/A Reflect on the spatial impact area: N/A
Calculation Type	Cumulative (year-end)
Reporting Cycle	Bi-Annually
Desired performance	1 Division of Revenue Bill and 1 Division of Revenue Amendment Bill published annually
Indicator responsibility	Chief Directorate: Intergovernmental Policy and Planning

Output Indicator no 3.1.3

Indicator Title	Number of reforms introduced to enhance provincial and local government fiscal frameworks
Definition	<p>Changes to the structure of the financing of provinces and local government. This can include changes to the way equitable share allocations are calculated or changes to conditional grant allocation mechanisms or rules or the introduction of new grants or dissolution of grants. It can also include changes to existing instruments/sources or the introduction of additional own revenue instruments/sources to provinces or local government</p> <p>The reforms will emanate from any of the following workstreams</p> <ul style="list-style-type: none"> - Reviewing of the local government capacity system to improve capability support provided to municipalities through the grants system. - Reviewing of the conditional grant system - Processing reforms to development charges, as contained in the Municipal Fiscal Powers and Functions Amendment Bill
Source of data	Explanatory Memorandum to the Division of Revenue Bill (published on the National Treasury website as Annexure W1 to the Budget Review) Municipal Fiscal Powers and Functions Amendment Bill and relevant internal policy documents published on the National Treasury website.
Method of Calculation / Assessment	Simple count of reforms introduced to enhance provincial and local government fiscal frameworks
Means of verification	Reforms reflected in the Division of Revenue Bill, Municipal Fiscal Powers and Functions Amendment Bill, and other policy documents
Assumptions	This indicator requires interpretation of changes to provincial or local government grants to be described in the Explanatory Memorandum to the Division of Revenue Bill and changes to existing instruments/ sources or the introduction of additional municipal own revenue instruments to be legislated through the Municipal Fiscal Powers and Functions Act

PROGRAMMES

Output Indicator no 3.1.3

Disaggregation of Beneficiaries (where applicable)	Target for Women: N/A Target for Youth: N/A Target for People with Disabilities: N/A
Spatial Transformation (where applicable)	Reflect on contribution to spatial transformation priorities: N/A Reflect on the spatial impact area: N/A
Calculation Type	Non-cumulative
Reporting Cycle	Annually
Desired performance	2 reforms introduced to enhance provincial and local government fiscal frameworks
Indicator responsibility	Chief Directorate: Intergovernmental Policy and Planning

Output Indicator no 3.1.4

Indicator Title	Number of progress reports on the implementation of the township economic development strategies produced
Definition	Metro township economic development strategies have been developed for 5 townships and the focus is on ensuring these strategies are implemented.
Source of data	Progress report on the implementation of the township economic development strategies in 5 metros produced
Method of Calculation / Assessment	Simple count of progress reports on the implementation of the township economic development strategies in 5 metros produced
Means of verification	Progress report on the implementation of the township economic development strategies in 5 metros produced
Assumptions	Sufficient capacity in metros to plan and implement the strategies Private sector and national departments support in line with the strategies
Disaggregation of Beneficiaries (where applicable)	Target for Women: N/A Target for Youth: N/A Target for People with Disabilities: N/A
Spatial Transformation (where applicable)	Reflect on contribution to spatial transformation priorities: Supports economic development in marginalised townships Reflect on the spatial impact area: Marginalised townships in the pilot metros
Calculation Type	Non-cumulative
Reporting Cycle	Annually
Desired performance	1 progress report on the implementation of the township economic development strategies produced
Indicator responsibility	Chief Directorate: Neighbourhood Development Programme Chief Directorate: Provincial and Local Government Infrastructure

PROGRAMMES

Output Indicator no 3.1.5

Indicator Title	Percentage of infrastructure plans assessment reports reviewed
Definition	The indicator measures the ability of provincial departments to improve their infrastructure planning and the institutionalisation of the infrastructure delivery management system (IDMS)
Source of data	Assessment documents of the user asset management plans and infrastructure programme management plans
Method of Calculation / Assessment	$\frac{\text{Number of infrastructure plans reviewed}}{\text{Number of infrastructure plans received}} \times 100$
Means of verification	Infrastructure plans assessment review reports
Assumptions	Timeous submission by provincial departments
Disaggregation of Beneficiaries (where applicable)	Target for Women: N/A Target for Youth: N/A Target for People with Disabilities: N/A
Spatial Transformation (where applicable)	Reflect on contribution to spatial transformation priorities: N/A Reflect on the spatial impact area: N/A
Calculation Type	Non-cumulative
Reporting Cycle	Annually
Desired performance	100% of infrastructure plans assessment reports reviewed
Indicator responsibility	Chief Directorate: Provincial and Local Government Infrastructure

Output Indicator no 3.1.6

Indicator Title	Number of catalytic projects prioritised for implementation
Definition	Catalytic projects are identified within spatially targeted areas as part of the investment planning and preparation and are set out in investment plans. The indicator monitors the number of these catalytic projects that have been prioritised for implementation. A catalytic project can be a single municipal project or a component
Source of data	Approved investment plans
Method of Calculation / Assessment	Simple count of the catalytic projects prioritised for implementation
Means of verification	Meeting records with list of projects prioritised.
Assumptions	Municipalities to drive implementation of the investment plan and the associated intergovernmental project pipeline Municipalities organise themselves to better engage with the private sector and to improve public sector investment coordination to better attract private sector investments
Disaggregation of Beneficiaries (where applicable)	Target for Women: N/A Target for Youth: N/A Target for People with Disabilities: N/A
Spatial Transformation (where applicable)	Diverse land uses introduced into spatially targeted areas
Calculation Type	Cumulative (year-end)
Reporting Cycle	Bi-annually
Desired performance	18 catalytic projects prioritised for implementation
Indicator responsibility	Chief Directorate: Neighbourhood Development Partnership Programme

PROGRAMMES

Output Indicator no 3.1.7

Indicator Title	Number of quarterly financial reports published
Definition	Quarterly financial reports are published on the National Treasury website to comply with section 32 of the PFMA and Section 71 of the MFMA and Section 10 of DoRA. Summary of financial and conditional grant performance for all provinces
Source of data	PFMA: Nine electronic submissions in Excel format (IYM Model) from provincial treasuries to CD: PBA. Currently submitted via email, validated and stored on network drive (K drive) at NT MFMA & DORA: Expenditure reports submitted by Transferring Officers in terms of municipal grant transfers and section 71 monthly and quarterly expenditure reports submitted by municipalities via the Local Government Database and Reporting System (LGDRS), validated and stored on network drive (K drive) at NT
Method of Calculation / Assessment	Simple count of quarterly financial reports published
Means of verification	Quarterly financial reports published
Assumptions	Timeous submission and accuracy of information submitted by municipalities and TNOs
Disaggregation of Beneficiaries (where applicable)	Target for Women: N/A Target for Youth: N/A Target for People with Disabilities: N/A
Spatial Transformation (where applicable)	Reflect on contribution to spatial transformation priorities: N/A Reflect on the spatial impact area: N/A
Calculation Type	Cumulative (year-end)
Reporting Cycle	Quarterly
Desired performance	8 quarterly financial reports published
Indicator responsibility	Chief Directorate: Provincial Budget Analysis Chief Directorate: Local Government Budget Analysis

PROGRAMMES

Output Indicator no 3.1.8

Indicator Title	Percentage of requests to prepare mandatory financial recovery plans responded to within 90 days of receipt
Definition	<p>Mandatory financial recovery plans are prepared in terms of section 139 of the MFMA for municipalities, whom as a result of a crisis in their financial affairs, are in serious or persistent material breach of their obligations to provide basic services or to meet their financial commitments or admit that they are unable to meet their obligations or financial commitments.</p> <p>The 90 days required for the preparation of the mandatory Financial Recovery Plans (FRP) commences after the finalisation and submission, as determined by National Treasury of the following legislated processes:</p> <ul style="list-style-type: none"> (i) the determination of the reasons for the crisis in the municipality's financial affairs; and (ii) the assessment of the municipality's financial state. <p>The determination of finalisation of (i) and (ii), is defined in an approval memo signed by the Deputy Director-General: Intergovernmental Relations (DDG: IGR) or a person delegated by the DDG: IGR: or submission of status quo assessment to the MEC for Finance by the Head: Municipal Financial Recovery Service.</p> <p>A Financial Recovery Plan is considered complete when it is submitted to the MEC for Finance in a provincial mandatory intervention and Minister of Finance in a national intervention for approval.</p>
Source of data	<p>Tracking register of municipalities approved for mandatory FRP assistance.</p> <p>Approval memo signed by the DDG: IGR or a person delegated by the DDG: IGR.</p> <p>Submission memo of the FRP to the Minister of Finance or email submission of status quo assessment and/ or FRP by the Head: Municipal Financial Recovery Service to the MEC for Finance.</p>
Method of Calculation / Assessment	$\frac{\text{Number of mandatory financial recovery plans prepared within 90 days}}{\text{Total number of municipalities approved for mandatory FRP assistance}} \times 100$
Means of verification	Mandatory financial recovery plans prepared and submitted within the 90 days of receipt
Assumptions	<p>Timely submission of relevant information by municipalities to commence with the preparation of the financial recovery plans.</p> <p>Timeous availability of MEC for Finance and CoGTA for statutory required consultative meetings before finalisation of the FRP.</p>
Disaggregation of Beneficiaries (where applicable)	<p>Target for Women: N/A Target for Youth: N/A</p> <p>Target for People with Disabilities: N/A</p>
Spatial Transformation (where applicable)	Reflect on contribution to spatial transformation priorities: N/A Reflect on the spatial impact area: N/A
Calculation Type	Non-cumulative
Reporting Cycle	Quarterly
Desired performance	100% of requests to prepare mandatory financial recovery plans responded to within 90 days of receipt
Indicator responsibility	Chief Directorate: Municipal Financial Recovery Service

PROGRAMMES

Output Indicator no 3.1.9

Indicator title	Number of quarterly expenditure reports submitted to the Standing Committee on Appropriations
Definition	Provide the Standing Committee on Appropriation with summary of quarterly expenditure for departments
Source of data	Quarterly expenditure reports with financial data extracted from Vulindlela
Method of calculation	Simple count of reports submitted to the Standing Committee on Appropriations
Means of verification	Reports submitted to the Standing Committee on Appropriations
Assumptions	Information on Vulindlela is updated in line with departments' expenditure reports
Disaggregation of Beneficiaries (where applicable)	Target for Women: N/A Target for Youth: N/A Target for People with Disabilities: N/A
Spatial Transformation (where applicable)	Reflect on contribution to spatial transformation priorities: N/A Reflect on the spatial impact area: N/A
Calculation type	Cumulative (year-end)
Reporting cycle	Quarterly
Desired performance	4 quarterly expenditure reports submitted to the Standing Committee on Appropriations
Indicator responsibility	Chief Directorate: Economic Services Chief Directorate: Administrative Services Chief Directorate: Health and Social Development Chief Directorate: Educational and Related Departments and Labour Chief Directorate: Justice and Protection Services Chief Directorate: Urban Development and Infrastructure

PROGRAMMES

Output Indicator no 3.1.10

Indicator Title	Number of functional budget group reports produced
Definition	Budget process technical engagements take place within functional groupings. There are seven (7) function groups which deliberate on policy priorities and outcomes of their respective function groups and facilitate the reprioritisation of existing budget allocations towards these priorities. Functional budget group reports in the format of presentations are prepared for consideration by the Technical Committee on Budget (TCB).
Source of data	Departments and entities workbooks
Method of Calculation / Assessment	Simple count of functional budget group reports produced
Means of verification	Functional budget group presentations
Assumptions	Functional budget group meetings are convened.
Disaggregation of Beneficiaries (where applicable)	Target for Women N/A Target for Youth: N/A Target for People with Disabilities: N/A
Spatial Transformation (where applicable)	Reflect on contribution to spatial transformation priorities: N/A Reflect on the spatial impact area: N/A
Calculation Type	Non-cumulative
Reporting Cycle	Annually
Desired performance	7 functional budget group reports produced
Indicator responsibility	Chief Directorate: Economic Services Chief Directorate: Administrative Services Chief Directorate: Health and Social Development Chief Directorate: Educational and Related Departments and Labour Chief Directorate: Justice and Protection Services Chief Directorate: Urban Development and Infrastructure

Output Indicator no 3.1.11

Indicator Title	Number of technical advisors placed at National Treasury, provincial treasuries and municipalities through the Municipal Finance Improvement Programme (MFIP)
Definition	The MFIP aims to assist and support all three spheres of government to effectively perform their responsibilities regarding local government financial management compliance, support, monitoring and oversight
Source of data	Appointment letters of technical advisors
Method of Calculation / Assessment	Simple count of MFIP technical advisors placed at National Treasury, provincial treasuries and municipalities. This is a number of technical advisors as at 31 March
Means of verification	Appointment letters of technical advisors
Assumptions	Minimal data limitation as this is compiled using adopted and agreed-upon provincial and municipal support plans which contain targets of achievement against identified outcomes Timeous information submitted by provinces and municipalities
Disaggregation of Beneficiaries (where applicable)	Target for Women: N/A Target for Youth: N/A Target for People with Disabilities: N/A
Spatial Transformation (where applicable)	Reflect on contribution to spatial transformation priorities: N/A Reflect on the spatial impact area: N/A
Calculation Type	Non-cumulative
Reporting Cycle	Quarterly
Desired performance	80 technical advisors placed at National Treasury, provincial treasuries and municipalities through the Municipal Finance Improvement Programme (MFIP)
Indicator responsibility	Chief Directorate: Municipal Finance Improvement Programme (Programme Management Unit)

PROGRAMMES

Output Indicator no 3.1.12	
Indicator Title	Value of grant funding disbursed (cumulative across the term of project)
Definition	<p>Denotes the Rand-value of grant funding disbursed to contracted Jobs Fund projects</p> <p>The Jobs Fund operates on an advance disbursement principle in its dealings with its Partners on a quarterly basis</p> <p>Disbursements enable the projects to undertake their implementation plan activities, which are converted to outputs and these in turn are converted to the desired outcomes. Tracking the flow of disbursement is important in ensuring that the Jobs Fund projects are on course to meet their quarterly and ultimately overall contracted results</p>
Source of data	As per grants disbursement payment schedule and supported by proof of payments
Method of Calculation / Assessment	Simple count of the sum of all payments made to eligible Jobs Fund projects
Means of verification	Grants disbursement payment schedule and supported by proof of payments
Assumptions	The data will be accurate to the extent that the projects request disbursements as per their disbursement schedule; however, this may be impacted on by projects that have not accurately projected expenditure, external (environment and internal project challenges); change in project implementation model
Disaggregation of Beneficiaries (where applicable)	<p>Target for Women: N/A</p> <p>Target for Youth: N/A</p> <p>Target for People with Disabilities: N/A</p>
Spatial Transformation (where applicable)	<p>Reflect on contribution to spatial transformation priorities: N/A</p> <p>Reflect on the spatial impact area: N/A</p>
Calculation Type	Cumulative (from project inception to date)
Reporting Cycle	Annually
Desired performance	R7 513m grant funding disbursed (cumulative across the term of project)
Indicator responsibility	DDG: Employment Facilitation

PROGRAMMES

PROGRAMME 4

Output Indicator no 4.1.1	
Indicator Title	Percentage of complete corporate plans received from Schedule 2 and 3B public entities reviewed
Definition	<p>Review the Water Boards' corporate plans within four months of 1st of June each year, following receipt of complete submissions by 31st May each year as stipulated in the legislation</p> <p>Review the corporate plans within four months of 1st March each year, following receipt of complete submissions by 28 February each year as stipulated in the legislation, for all other operational and non-exempt Schedule 2 and 3 B public entities excluding Water Boards. Corporate plans are regarded as complete when they follow the format prescribed in the Treasury Instruction Note, have been approved by the Accounting Authority and there is no information requested from the entity that is outstanding.</p> <p>Late submissions/revised submissions will be reviewed within four months from the date of submission. Any Corporate plans (schedule 2 and 3B) submitted past the 30 days will not be considered for a review i.e. 30 March for schedule 2 entities and 30 June for Schedule 3B entities</p> <p>Reports are compiled on the reviewed corporate plans</p>
Source of data	Signed-off corporate plans of Schedule 2 and 3B from Board
Method of Calculation / Assessment	<p><u>Number of complete corporate plans of schedule 2 and 3B SOC's received and reviewed by the division within 4 months of receipt and the cut-off date</u> x100</p> <p>Total number of complete corporate plans received from schedule 2 and 3B SOC's within the cut-off date</p> <p>The four months for schedule 2 and 3B SOC's (excluding water boards) begins on 01 March of each year; and</p> <p>The four months for water boards begins on 01 June of each year</p> <p>Late submission for Water Boards past 30 June in any year will not be considered for review. Late submissions past 31 March in any year will not be considered for review (excluding water boards).</p>
Means of verification	Signed-off reports (Director-level) on review of corporate plans of Schedule 2 and 3B SOC's, DFIs and water boards received
Assumptions	<p>No late submission of Corporate Plans from SOC's</p> <p>No delays due to Accounting Authorities requests to amend Corporate Plans</p> <p>Incomplete submissions are not considered until all required information is received</p>
Disaggregation of Beneficiaries (where applicable)	<p>Target for Women: N/A</p> <p>Target for Youth: N/A</p> <p>Target for People with Disabilities: N/A</p>
Spatial Transformation (where applicable)	<p>Reflect on contribution to spatial transformation priorities: N/A</p> <p>Reflect on the spatial impact area: N/A</p>
Calculation Type	Non-cumulative
Reporting Cycle	Quarterly
Desired performance	100% of complete corporate plans received from Schedule 2 and 3B public entities reviewed within the stipulated timeframe
Indicator responsibility	Chief Directorate: Governance and Financial Analysis

PROGRAMMES

Output Indicator no 4.1.2

Indicator Title	Percentage of annual reports received from Schedule 2 and 3B public entities reviewed
Definition	<p>Review the Water Boards' annual reports within four months of 1st of December each year, following complete submissions by the 30th of November each year as stipulated in the legislation</p> <p>Review the annual reports for all other operational and non-exempt Schedule 2 and 3B public entities excluding Water Boards within four months of 1st September each year, following complete submissions by 31st August each year as stipulated in the legislation. Annual reports are regarded as complete when they have been signed off by the auditor general/external auditors, executive authority and Board, and there is no information requested from the entity that is outstanding</p> <p>Late submissions will be reviewed within four months from the date of submission, however, documents received later than 31 March each year for Water Boards and later than 31 December for all other Schedule 2 and 3B entities except Water Boards (as defined above) will not be reviewed after this cut-off date</p> <p>Reports are compiled on the reviewed annual reports</p>
Source of data	Signed-off annual report of Schedule 2 and 3B of SOEs
Method of Calculation / Assessment	<p><u>Number of complete annual reports of schedule 2 and 3 B SOCs, DFIs and water boards received and reviewed by the division within 4 months of receipt and cut-off date</u> x100</p> <p>Total number of complete annual reports received from Schedule 2 and 3B SOCs within the cut-off date</p> <p>The four months for schedule 2 and 3B entities (excluding water boards) begins on 01 September of each year; while the four months for water boards begins on 01 December of each year</p> <p>Late submissions/revised submissions will be reviewed within four months from the date of submission; however, there will be a cut-off date on submissions valid for review of 31 March each year for water boards and 31 December for all other Schedule 2 and 3B entities (defined above)</p> <p>Any submissions made post this date will not be reviewed</p>
Means of verification	Signed-off reports (Director-level) on review of annual reports of Schedule 2 and 3B SOCs, DFIs and water boards received
Assumptions	<p>No late submission of annual reports from SOCs, DFI & WBs</p> <p>No requests from Executive Authorities for extensions or to make amendments to annual reports which may result in delays</p> <p>Incomplete submissions are not considered until all required information is received</p>
Disaggregation of Beneficiaries (where applicable)	<p>Target for Women: N/A</p> <p>Target for Youth: N/A</p> <p>Target for People with Disabilities: N/A</p>
Spatial Transformation (where applicable)	<p>Reflect on contribution to spatial transformation priorities: N/A</p> <p>Reflect on the spatial impact area: N/A</p>
Calculation Type	Non-cumulative
Reporting Cycle	Quarterly
Desired performance	100% of annual reports received from Schedule 2 and 3B public entities reviewed within the stipulated timeframe
Indicator responsibility	Chief Directorate: Governance and Financial Analysis

PROGRAMMES

Output Indicator no 4.1.3

Indicator Title	Percentage of complete PFMA Section 51(g), 52, 54(2), 55, and 92 applications received from Schedule 2 and 3B public entities reviewed
Definition	<p>Review all complete section 51(g), 52, 55 and 92 applications from Schedule 2 and 3B public entities within 4 months of receipt from Ministry of Finance</p> <p>For public entities that have the Minister of Finance as the Executive Authority, section 54(2) must be reviewed within 30 calendar days of receipt from Ministry of Finance or within a longer period as may be agreed to between the public entity and the National Treasury</p> <p>For public entities that do not have the Minister of Finance as the Executive Authority, section 54(2) applications are sent by the public entity to the National Treasury for information only</p> <p>For public entities that do not have the Minister of Finance as the Executive Authority, but a section 54(2) application has to be reviewed and approved by the National Treasury in fulfilment of section 70 regarding guaranteed conditions, within 30 calendar days of receipt from Ministry of Finance or within a longer period as may be agreed to between the public entity and the National Treasury</p>
Source of data	Signed-off submissions at DDG level, prepared in response to applications for PFMA applications
Method of Calculation / Assessment	<p><u>Number of complete applications reviewed by the division within stipulated timeframes</u> x100</p> <p>Total number of complete applications received</p>
Means of verification	Signed-off submissions at DDG level, prepared in response to applications for PFMA applications
Assumptions	<p>No Inter-temporal differences between the submissions received during the course of the year and those responded to, due to additional information being required to finalise the review of submissions and applications received</p> <p>Incomplete submissions are not considered until all required information is received</p>
Disaggregation of Beneficiaries (where applicable)	<p>Target for Women: N/A</p> <p>Target for Youth: N/A</p> <p>Target for People with Disabilities: N/A</p>
Spatial Transformation (where applicable)	<p>Reflect on contribution to spatial transformation priorities: N/A</p> <p>Reflect on the spatial impact area: N/A</p>
Calculation Type	Non-cumulative
Reporting Cycle	Quarterly
Desired performance	100% of complete PFMA Section 51(g), 52, 54(2), 55 and 92 applications received from Schedule 2 and 3B public entities reviewed within the stipulated timeframe
Indicator responsibility	<p>Chief Directorate: Sector Oversight</p> <p>Chief Directorate: Governance and Financial Analysis</p>

PROGRAMMES

Output Indicator no 4.1.4

Indicator Title	Percentage of complete review requests of borrowing limit applications relating to Schedule 2 and 3B public entities reviewed
Definition	Review schedule 2, 3B, SOCs, DFIs and WBs borrowing limit applications in terms of the PFMA
Source of data	Application letter from the Executive Authority or Chairperson of the Board in the case of entities reporting to the Minister of Finance
Method of Calculation / Assessment	<u>Number of complete applications for borrowing limits reviewed by ALM division within 60 business days</u> x 100 Number of complete applications for borrowing limits received by ALM division
Means of verification	Review/assessment memo signed at Director-level to the Secretariat of the Asset and Liability Management Review and Monitoring Committee (ALMRMC) and the Fiscal Liability Committee (FLC) Date count starts from when the application is sent from the Minister of Finance's office to the ALM division
Assumptions	Incomplete submissions are not considered until all required information is received Request for review of borrowing limit applications relating to Schedule 2 and 3B public entities received.
Disaggregation of Beneficiaries (where applicable)	Target for Women: N/A Target for Youth: N/A Target for People with Disabilities: N/A
Spatial Transformation (where applicable)	Reflect on contribution to spatial transformation priorities: N/A Reflect on the spatial impact area: N/A
Calculation Type	Non-cumulative
Reporting Cycle	Quarterly
Desired performance	100% of complete borrowing limit applications received from Schedule 2 and 3B public entities reviewed within the stipulated timeframes
Indicator responsibility	Chief Directorate: Governance and Financial Analysis

PROGRAMMES

Output Indicator no 4.1.5	
Indicator Title	Percentage of complete guarantee applications received from Schedule 2 and 3B public entities reviewed
Definition	Review the completed guarantee applications The applications must be reviewed within 30 calendar days of receipt from the Ministry of Finance and signed off by the Director
Source of data	Signed-off reports at Director-level
Method of Calculation / Assessment	<u>Number of complete applications for guarantees reviewed within 30 calendar days of receipt by ALM division</u> x100 Number of complete applications for guarantees received
Means of verification	Signed-off reports at Director-level
Assumptions	Incomplete submissions are not considered until all required information is received The date count starts from when the application is sent from the Minister's Office to the ALM division
Disaggregation of Beneficiaries (where applicable)	Target for Women: N/A Target for Youth: N/A Target for People with Disabilities: N/A
Spatial Transformation (where applicable)	Reflect on contribution to spatial transformation priorities: N/A Reflect on the spatial impact area: N/A
Calculation Type	Non-cumulative
Reporting Cycle	Quarterly
Desired performance	100% of complete guarantee applications received from Schedule 2 and 3B public entities reviewed within the stipulated timeframes
Indicator responsibility	Chief Directorate: Sector Oversight Chief Directorate: Governance and Financial Analysis

PROGRAMMES

Output Indicator no 4.1.6

Indicator Title	Percentage of annual gross borrowing requirement met in compliance to the risk benchmarks
Definition	Finance government's annual gross borrowing requirements through various debt instruments and the change in cash and other balances
Source of data	Annual gross borrowing requirement is sourced from the Budget tabled annually by the Minister of Finance Annual gross borrowing requirement met is sourced from the Statement of the National Revenue, Expenditure and Borrowing document
Method of Calculation / Assessment	Gross borrowing requirement is the sum of revenue, expenditure, debt due for repayment, and the Eskom debt-relief arrangement $\frac{\text{Annual gross borrowing requirement met}}{\text{Annual gross borrowing requirement}} \times 100$
Means of verification	Annual gross borrowing requirement is sourced from the Budget tabled annually by the Minister of Finance" and from "the Statement of the National Revenue, Expenditure and Borrowing" document
Assumptions	Accurate revenue and expenditure forecasts Favourable market conditions.
Disaggregation of Beneficiaries (where applicable)	Target for Women: N/A Target for Youth: N/A Target for People with Disabilities: N/A
Spatial Transformation (where applicable)	Reflect on contribution to spatial transformation priorities: N/A Reflect on the spatial impact area: N/A
Calculation Type	Non-cumulative
Reporting Cycle	Quarterly
Desired performance	100% of annual gross borrowing requirement met in compliance to the risk benchmarks
Indicator responsibility	Chief Directorate: Liability Management

PROGRAMMES

PROGRAMME 5

Output Indicator no 5.1.1

Indicator Title	Percentage of norms and standards developed
Definition	Develop and/or maintain (update) the provisions of the PFMA and MFMA, Treasury Regulations and Treasury Instructions for PFMA and MFMA compliant institutions
Source of data	Existing legislative framework, transversal matters raised by PFMA and MFMA compliant institutions, matters arising from Provincial Accountant-General forums and any other information related to financial management received from internal divisions within National Treasury
Method of Calculation / Assessment	<u>Number of norms and standards developed</u> x100 Number of norms and standards identified for development
Means of verification	Norms and standards developed and/or maintained(updated)
Assumptions	New norms and standards identified for development
Disaggregation of Beneficiaries (where applicable)	Target for Women: N/A Target for Youth: N/A Target for People with Disabilities: N/A
Spatial Transformation (where applicable)	Reflect on contribution to spatial transformation priorities: N/A Reflect on the spatial impact area: N/A
Calculation Type	Non-cumulative
Reporting Cycle	Annually
Desired performance	100% norms and standards developed and/or maintained (updated)
Indicator responsibility	Chief Directorate: Internal Audit Support Chief Directorate: Governance Monitoring & Compliance Chief Directorate: MFMA Implementation

Output Indicator no 5.1.2

Indicator Title	Amendments to the PFMA and MFMA published
Definition	This refers to finalising the amendments to the Public Finance Management Act (PFMA) and Municipal Finance Management Act (MFMA) aimed at enhancing the effectiveness and efficiency of financial management legislation by aligning and streamlining processes, strengthening accountability and enforcement measures, within institutions that must comply with the PFMA and MFMA.
Source of data	Submission memo by the Minister to Cabinet
Method of Calculation / Assessment	Verify if PFMA and MFMA amendments were published for public comments
Means of verification	National Treasury website, government gazette
Assumptions	That the consultation process is completed as planned That the Minister approves the amendments published for public comments
Disaggregation of Beneficiaries (where applicable)	Target for Women: N/A Target for Youth: N/A Target for People with Disabilities: N/A
Spatial Transformation (where applicable)	Reflect on contribution to spatial transformation priorities: N/A Reflect on the spatial impact area: N/A
Calculation Type	Non-cumulative
Reporting Cycle	Annually
Desired performance	PFMA and MFMA amendments published for public comments
Indicator responsibility	Chief Directorate: Governance Monitoring & Compliance Chief Directorate: MFMA Implementation

PROGRAMMES

Output Indicator no 5.1.3

Indicator Title	Number of Public Finance Management Capacity Development Programmes progress reports produced
Definition	Public Finance Management Capacity Development Programmes support the local, provincial and national government to strengthen the implementation of both MFMA and PFMA reforms across government and development of law enforcement agencies for utilisation of PFMA and MFMA for case law on criminal convictions A consolidated report of progress on the delivery of public finance management capacity development programmes is produced
Source of data	The monitoring reports of the delivery of the various public finance management capacity development training programmes being conducted
Method of Calculation / Assessment	Simple count of Public Finance Management Capacity Development Programmes progress reports produced
Means of verification	Reports on the Public Finance Management Capacity Development initiatives progress reports produced
Assumptions	Officials register for the training courses offered by National Treasury Training programmes conducted
Disaggregation of Beneficiaries (where applicable)	Target for Women: N/A Target for Youth: N/A Target for People with Disabilities: N/A
Spatial Transformation (where applicable)	Reflect on contribution to spatial transformation priorities: N/A Reflect on the spatial impact area: N/A
Calculation Type	Cumulative (year-end)
Reporting Cycle	Quarterly
Desired performance	15 Public Finance Management Capacity Development Programmes progress reports produced
Indicator responsibility	Chief Directorate: Capacity Building Chief Directorate: Specialised Audit Services Chief Directorate: Accounting Support and Reporting Chief Directorate: MFMA Implementation

PROGRAMMES

Output Indicator no 5.1.4

Indicator Title	Percentage availability of transversal systems
Definition	Maintenance of current transversal systems: Basic Accounting System (BAS), LOGIS and PERSAL. Ensure that these systems are available to government users during working hours in line with SLA Agreements
Source of data	Call centre logs, mainframe audit trails and other formal user requests
Method of Calculation / Assessment	$\frac{\text{Number of normal working days} - \text{Number of normal working days mainframe was unavailable}}{\text{Number of normal working days}} \times 100$
Means of verification	Report on the availability of transversal system
Assumptions	That the data is available for analysis and reporting
Disaggregation of Beneficiaries (where applicable)	Target for Women: N/A Target for Youth: N/A Target for People with Disabilities: N/A
Spatial Transformation (where applicable)	Reflect on contribution to spatial transformation priorities: N/A Reflect on the spatial impact area: N/A
Calculation Type	Non-cumulative
Reporting Cycle	Annually
Desired performance	Maintain 98% availability of systems during working hours in line with SLA with service provider
Indicator responsibility	Chief Directorate: Financial Systems

Output Indicator no 5.1.5

Indicator Title	Number of statutory reports produced
Definition	Reports are produced to improve financial management statutory compliance across all spheres and entities in government, giving effect to the PFMA and MFMA
Source of data	Existing legislative framework, transversal matters raised by PFMA and MFMA institutions, Financial Management Grant, other matters arising from Provincial Accountant-General forums and any other information related to financial management received from internal divisions within National Treasury
Method of Calculation / Assessment	Simple count of statutory reports produced
Means of verification	Statutory reports produced
Assumptions	Reports are prescribed by legislation
Disaggregation of Beneficiaries (where applicable)	Target for Women: N/A Target for Youth: N/A Target for People with Disabilities: N/A
Spatial Transformation (where applicable)	Reflect on contribution to spatial transformation priorities: N/A Reflect on the spatial impact area: N/A
Calculation Type	Cumulative (year-end)
Reporting Cycle	Quarterly
Desired performance	19 statutory reports produced
Indicator responsibility	Chief Directorate: Governance Monitoring & Compliance Chief Directorate: MFMA Implementation Chief Directorate: Accounting Support and Reporting

PROGRAMMES

Output Indicator no 5.1.6

Indicator Title	Percentage of change requests on transversal systems implemented
Definition	<p>These are the changes requested on the Basic Accounting System (BAS), LOGIS and PERSAL. These changes have a direct impact on the Mainframe Hosting Services rendered to National Treasury by SITA.</p> <p>A change request on the transversal system is complete when it is approved by the relevant deputy director.</p> <p>Implementation refers to a change request that has been signed off as complete by the relevant deputy director.</p>
Source of data	Report on the Service Level Agreement (SLA) as delivered by SITA Hosting Services based at Centurion
Method of Calculation / Assessment	$\frac{\text{Number of approved change requests implemented within 12 months of receipt}}{\text{Total number of approved change requests}} \times 100$
Means of verification	Report on the Service Level Agreement (SLA) as delivered by SITA Hosting Services based at Centurion
Assumptions	That the data is available for analysis and reporting
Disaggregation of Beneficiaries (where applicable)	<p>Target for Women: N/A</p> <p>Target for Youth: N/A</p> <p>Target for People with Disabilities: N/A</p>
Spatial Transformation (where applicable)	<p>Reflect on contribution to spatial transformation priorities: N/A</p> <p>Reflect on the spatial impact area: N/A</p>
Calculation Type	Non-cumulative
Reporting Cycle	Annually
Desired performance	95% of change requests on transversal systems implemented
Indicator responsibility	Chief Directorate: Financial Systems

Output Indicator no 5.1.7

Indicator Title	Number of quarterly compliance reports produced
Definition	Quarterly supply chain compliance report (procurement plans, deviations, expansions, bid reviews, tender publications, contract awarded, projects visited and data analytics)
Source of data	Procurement plans, departmental deviation and expansions reports, bid reviews, contracts awarded and project visited to test compliance with policy, cancellation of tenders, norms and standards and any SCM prescripts, list of tenders published online
Method of Calculation / Assessment	Simple count of number of reports issued
Means of verification	<p>Approved report by the CD: GMC by the 7th of the next quarter</p> <p>Requests received after the 15th of the last month of the quarter will be counted to the next quarter</p>
Assumptions	All institutions submit their procurement plans and implementation reports on time
Disaggregation of Beneficiaries (where applicable)	<p>Target for Women: N/A</p> <p>Target for Youth: N/A</p> <p>Target for People with Disabilities: N/A</p>
Spatial Transformation (where applicable)	<p>Reflect on contribution to spatial transformation priorities: N/A</p> <p>Reflect on the spatial impact area: N/A</p>
Calculation Type	Cumulative (year-end)
Reporting Cycle	Quarterly
Desired performance	4 approved compliance reports
Indicator responsibility	<p>Chief Directorate: SCM Governance, Monitoring & Compliance</p> <p>Chief Directorate: SCM Information and Communication Technology</p>

PROGRAMMES

Output Indicator no 5.1.8

Indicator Title	Percentage of approved SCM directives
Definition	Developed SCM directives (instruction notes, circulars, frameworks and guidelines) approved
Source of data	Policy directives Policy implementation challenges that require policy review Changes or new policies that impact on the SCM Audit and Compliance reports
Method of Calculation / Assessment	$\frac{\text{Number of directives approved}}{\text{Number of policy interventions identified}} \times 100$
Means of verification	Approved SCM directives
Assumptions	Requests for policy directives are received Policy interventions are identified
Disaggregation of Beneficiaries (where applicable)	Target for Women: N/A Target for Youth: N/A Target for People with Disabilities: N/A
Spatial Transformation (where applicable)	Reflect on contribution to spatial transformation priorities: N/A Reflect on the spatial impact area: N/A
Calculation Type	Non-Cumulative
Reporting Cycle	Quarterly
Desired performance	100% approved SCM directives
Indicator responsibility	Chief Directorate: SCM Policy and Legal

Output Indicator no 5.1.9

Indicator title	Number of progress reports on SCM institutional support programme conducted
Definition	The programme refers to a plan of interventions and support to improve SCM performance in departments, entities and municipalities
Source of data	Records/minutes of meetings/letters/ reports/ emails of SCM institutional support provided
Method of calculation	Simple count of number of progress reports on SCM institutional support programme produced
Means verification	Approved report by CD: SCM GMC and CD: SCM Stakeholders and Clients Management
Assumptions	There are institutions that require SCM support NT to provide SCM support as requested
Disaggregation of Beneficiaries (where applicable)	Target for Women: N/A Target for Youth: N/A Target for People with Disabilities: N/A
Spatial Transformation (where applicable)	Reflect on contribution to spatial transformation priorities: N/A Reflect on the spatial impact area: N/A
Calculation Type	Cumulative (year-end)
Reporting Cycle	Quarterly
Desired performance	4 progress reports on SCM institutional support programme conducted
Indicator responsibility	Chief Directorate: SCM Stakeholder and Client Management Chief Directorate: SCM Governance Monitoring & Compliance

PROGRAMMES

Output Indicator no 5.1.10

Indicator Title	Number of transversal term contracts implemented
Definition	<p>A transversal contract refers to a contract for common goods or services or ad hoc goods or services in which more than one government institution participates</p> <p>A national procurement system refers to expansion of the present portfolio of transversal contracts to include various commodities purchased routinely by departments</p> <p>Implemented refers to transversal contracts that are renewed, effected for the first time or supplementary contract(s) to existing transversal contract(s).</p>
Source of data	<p>List of transversal term contracts implemented</p> <p>An annual transversal term contract register is maintained by the Chief Directorate: Transversal Contracting</p>
Method of Calculation / Assessment	Simple count of the number of transversal term contracts implemented
Means of verification	Bid Adjudication Committee reports
Assumptions	There are goods and services that can be procured as a transversal contract
Disaggregation of Beneficiaries (where applicable)	<p>Target for Women: N/A</p> <p>Target for Youth: N/A</p> <p>Target for People with Disabilities: N/A</p>
Spatial Transformation (where applicable)	<p>Reflect on contribution to spatial transformation priorities: N/A</p> <p>Reflect on the spatial impact area: N/A</p>
Calculation Type	Cumulative (year-end)
Reporting Cycle	Quarterly
Desired performance	13 transversal term contracts implemented
Indicator responsibility	Chief Directorate: Transversal Contracts

Output Indicator 5.1.11

Indicator Title	Percentage implementation of the strategic sourcing opportunities plan
Definition	Strategic sourcing refers to the identification of sourcing opportunities, development of sourcing strategies and implementation (hand-over) of sourcing strategies. It includes research on procurement related concepts such as Value-for-money in the procurement cycle, as an example.
Source of data	<p>The Strategic Sourcing Opportunities Plan</p> <p>Various ERP systems across government (BAS, LOGIS, Payment systems, Order systems)</p>
Method of Calculation / Assessment	<p>$\frac{\text{Actual strategic sourcing opportunities plan implemented}}{\text{Planned strategic sourcing opportunities plan to be implemented}} \times 100$</p>
Means of verification	Progress report that records actual performance against planned performance
Assumptions	Data is accessible
Disaggregation of Beneficiaries (where applicable)	<p>Target for Women: N/A</p> <p>Target for Youth: N/A</p> <p>Target for People with Disabilities: N/A</p>
Spatial Transformation (where applicable)	<p>Reflect on contribution to spatial transformation priorities: N/A</p> <p>Reflect on the spatial impact area: N/A</p>
Calculation Type	Non-cumulative
Reporting Cycle	Quarterly
Desired performance	100% implementation of Strategic Sourcing Opportunities Plan
Indicator responsibility	Chief Directorate: Strategic Procurement

PROGRAMMES

Output Indicator 5.1.12

Indicator Title	Procurement legislation developed
Definition	The Public Procurement Bill addresses fragmentation in procurement legislation and will include regulatory aspects related to the procurement of PPPs and infrastructure. Significant procurement reforms will be supported by greater use of automation and technology. This will include the provision of real-time information regarding tax compliance, and the profile and historical performance of prospective service providers
Source of data	Draft Public Procurement Regulations produced
Method of Calculation / Assessment	Verify if Draft Public Procurement Regulations are produced
Means of verification	Draft Public Procurement Regulations produced
Assumptions	That the public consultation process is concluded That Cabinet approves the legislation for submission to Parliament
Disaggregation of Beneficiaries (where applicable)	Target for Women: N/A Target for Youth: N/A Target for People with Disabilities: N/A
Spatial Transformation (where applicable)	Reflect on contribution to spatial transformation priorities: N/A Reflect on the spatial impact area: N/A
Calculation Type	Non-cumulative
Reporting Cycle	Annually
Desired performance	Draft Public Procurement Regulations produced
Indicator responsibility	Chief Directorate: SCM Policy and Legal

PROGRAMME 6

Output indicator no. 6.1.1

Indicator Title	Percentage of economic surveillance reports responded to
Definition	To measure the economic surveillance reports that is responded to by National Treasury (NT) as a percentage of the economic surveillance reports received from IMF. The IMF (International Monetary Fund) sends a team to South Africa twice a year, as part of their surveillance function to member countries, to meet with economic stakeholders. At the conclusion of their visit, they produce a report on South Africa's economy, which is important for investor sentiment. Before the reports are published, South Africa has the opportunity to respond to these reports.
Source of data	Economic report by the International Monetary Fund (IMF), Report that records response to IMF
Method of Calculation / Assessment	$\frac{\text{Number of reports responded to by NT}}{\text{Number of reports received from IMF}} \times 100$
Means of verification	Report that records response to IMF by NT against reports received from IMF
Assumptions	Based on agreement between the Minister of Finance and the IMF Reports received from the relevant international organisation
Disaggregation of Beneficiaries (where applicable)	Target for Women: N/A Target for Youth: N/A Target for People with Disabilities: N/A
Spatial Transformation (where applicable)	Reflect on contribution to spatial transformation priorities: N/A Reflect on the spatial impact area: N/A
Calculation Type	Non-cumulative
Reporting Cycle	Quarterly
Desired performance	100% response to economic surveillance reports
Indicator Responsibility	Chief Directorate: Global and Emerging Markets

PROGRAMMES

Output indicator no. 6.1.2

Indicator Title	Number of advocacy forums hosted for uptake of development finance
Definition	To measure the number of advocacy forums (includes workshops and seminars but is not limited to those) that will be hosted to increase the uptake of development finance from the African Development Bank Group (AfDB); the World Bank Group (WBG) and the New Development Bank (NDB)
Source of data	Schedule of Meetings
Method of Calculation / Assessment	Simple count of Advocacy Forums
Means of verification	Attendance Registers; back to office reports
Assumptions	Approval of representation by the relevant stakeholders (DG and Minister of Finance) Funds are available
Disaggregation of Beneficiaries (where applicable)	Target for Women: N/A Target for Youth: N/A Target for People with Disabilities: N/A
Spatial Transformation (where applicable)	Reflect on contribution to spatial transformation priorities: N/A Reflect on the spatial impact area: N/A
Calculation Type	Non-cumulative
Reporting Cycle	Annually
Desired performance	Advocacy forum hosted for the uptake of development finance
Indicator Responsibility	Chief Directorate: Global and Emerging Markets Chief Directorate: Multilateral Development Banks and Concessional Finance

Output indicator no. 6.1.3

Indicator Title	Number of country partnership framework progress reports produced
Definition	The country partnership framework is a medium term (3-5 years) strategy that aims to manage the relationship between the Government of South Africa and various Multilateral Development Banks that operate within the Republic of South Africa The indicator measures the number of reports produced to assess progress made on the implementation of the Country Partnership Frameworks for, the World Bank, the African Development Bank, New Development Bank and the Joint Work Programme for the Organisation for Economic Cooperation and Development
Source of data	Country Partnership Frameworks; Multilateral Development Banks' economic review, interviews, NDP, Departmental priorities, NT's budget and Departmental reports
Method of Calculation / Assessment	Simple count of the reports produced
Means of verification	Reports from implementing agencies and the development institutions Approved progress reports by DDG: IREP
Assumptions	Projects or Programmes are implemented as agreed Reports received from the relevant international organisation
Disaggregation of Beneficiaries (where applicable)	Target for Women: N/A Target for Youth: N/A Target for People with Disabilities: N/A
Spatial Transformation (where applicable)	Reflect on contribution to spatial transformation priorities: N/A Reflect on the spatial impact area: N/A
Calculation Type	Non-cumulative
Reporting Cycle	Annually
Desired performance	Country partnership framework progress report produced
Indicator Responsibility	Chief Directorate: Multilateral Development Banks and Concessional Finance Chief Directorate: Africa Economic Integration Chief Directorate: Global and Emerging Markets

PROGRAMMES

Output indicator no. 6.1.4	
Indicator Title	Number of engagement strategies and priorities developed
Definition	<p>To measure the number of the Country Partnership Strategies or Frameworks and identified priorities agreed to between South Africa and the World Bank and the African Development Bank. The Frameworks are for a period of 5 years and consulted between the institutions, the government and other relevant stakeholders</p> <p>To measure the number of G20 finance track engagement strategies produced</p> <p>To develop an Africa Engagement Strategy for the National Treasury. This will be part of the Government wide National Strategic document</p>
Source of data	<p>Stakeholder consultations and workshops; official documents (Foreign policy, National Development Plan; AU Constitutive documents; SADC RISDP), National Treasury reports</p> <p>National Development Plan, Institution's Strategies and Previous Country Partnership Strategies/ Frameworks, National Treasury reports</p> <p>Budget document, National Development Plan, MTBPS, Five-year NDPs, Departmental priorities, Presidential proclamations, National Treasury reports</p>
Method of Calculation / Assessment	Simple count of strategies and priorities developed
Means of verification	Approved engagement strategies and priorities by the Ministry of Finance and the Board of Directors of the relevant institutions
Assumptions	<p>The stakeholders will contribute to the drafting of the engagement strategies and priorities</p> <p>That the Ministry of Finance and the Board of Directors of the relevant institutions will approve the engagement strategies and priorities</p>
Disaggregation of Beneficiaries (where applicable)	<p>Target for Women: N/A</p> <p>Target for Youth: N/A</p> <p>Target for People with Disabilities: N/A</p>
Spatial Transformation (where applicable)	<p>Reflect on contribution to spatial transformation priorities: N/A</p> <p>Reflect on the spatial impact area: N/A</p>
Calculation Type	Cumulative (year-end)
Reporting Cycle	Quarterly
Desired performance	7 Engagement strategies and priorities developed
Indicator Responsibility	<p>Chief Directorate: Multilateral Development Banks and Concessional Finance</p> <p>Chief Directorate: Global and Emerging Markets</p> <p>Chief Directorate: Africa Economic Integration</p>

PROGRAMMES

Output indicator no. 6.1.5

Indicator Title	Number of analysis reports on the outcomes of South Africa's engagements in regional and global forums produced
Definition	To measure the total number of analysis reports which assess South Africa's engagement in global forums which includes the G20, BRICS, G24 and IMF, but is not limited to these
Source of data	National Development Plan, Budget report, MTBPS, National Treasury reports
Method of Calculation / Assessment	Simple Count of the number of analysis reports
Means of verification	Analysis reports on the outcomes of South Africa's engagements in regional and global forums produced
Assumptions	This assumes regional and global forums are held This assumes South Africa participates in the regional and global forums held
Disaggregation of Beneficiaries (where applicable)	Target for Women: N/A Target for Youth: N/A Target for People with Disabilities: N/A
Spatial Transformation (where applicable)	Reflect on contribution to spatial transformation priorities: N/A Reflect on the spatial impact area: N/A
Calculation Type	Cumulative (year-end)
Reporting Cycle	Quarterly
Desired performance	3 analysis reports indicating whether South Africa has accomplished what it set out in its engagement strategies
Indicator Responsibility	Chief Directorate: Global and Emerging Markets

Output indicator no. 6.1.6

Indicator Title	Percentage of policy positions developed
Definition	To measure the development of policy positions in South Africa's engagement in the AU, SACU, SADC, G20, G24, BRICS, IMF, IIF (Institute of International Finance), Paris Club, New Development Bank but not limited to these institutions
Source of data	Annotated agendas, research papers, global reports, records of meetings, documents sent by the IMF and New Development Bank, Economic Background Papers, Research Papers, regional organisations' auditors reports, PFMA, National Treasury documents
Method of Calculation / Assessment	$\frac{\text{Number of policy positions developed}}{\text{Total number of policy positions required}} \times 100$
Means of verification	Reports, briefing notes and position papers developed
Assumptions	That IREP will be requested to develop positions on policy issues
Disaggregation of Beneficiaries (where applicable)	Target for Women: N/A Target for Youth: N/A Target for People with Disabilities: N/A
Spatial Transformation (where applicable)	Reflect on contribution to spatial transformation priorities: N/A Reflect on the spatial impact area: N/A
Calculation Type	Non-cumulative
Reporting Cycle	Quarterly
Desired performance	100% of required positions developed
Indicator Responsibility	Chief Directorate: Multilateral Development Banks and Concessional Finance Chief Directorate: Global and Emerging Markets Chief Directorate: Africa Economic Integration

PROGRAMMES

PROGRAMME 7

Output Indicator no 7.1.1

Indicator title	Percentage of benefits validated paid within liable dates
Definition	Complete benefits validated for payment on time: Post-retirement medical benefits validated and paid within 40 days Injury on duty benefits validated and paid within 40 days Special pension benefits validated and paid within 40 days Military pension benefits validated and paid within 40 days Other benefits validated and paid within 40 days
Source of data	Applications (CIVPEN System), Awards and Schedules of Members from medical schemes. Reports of all benefits applications received and paid in a particular period
Method of Calculation / Assessment	<u>Number of complete benefits validated for payment paid within liability date during the reporting period</u> x100 Total number of complete benefits applications received
Means of verification	Review of total cases received for payment against payments made to members, pensioners and beneficiaries
Assumptions	100% system up time Benefits are validated for payments
Disaggregation of Beneficiaries (where applicable)	Target for Women N/A Target for Youth: N/A Target for People with Disabilities: N/A
Spatial Transformation (where applicable)	Reflect on contribution to spatial transformation priorities: N/A Reflect on the spatial impact area: N/A
Calculation Type	Non-cumulative
Reporting Cycle	Quarterly
Desired performance	99% of benefits validated for payments paid within liable dates
Indicator responsibility	General Manager: Programme 7 (GPAA)

Output Indicator no 7.1.2

Indicator Title	Percentage reduction of fraudulent claims
Definition	Reduction of fraudulent claim to the Programme funds through improvement of internal controls
Source of data	Fraud register for all programme fraud cases that have materialised
Method of Calculation / Assessment	<u>Total No. of fraud cases from previous FY- Total No. of fraud cases for current FY</u> x100 Total No. of fraud cases from the previous FY
Means of verification	Total number identified, reported and materialised fraud cases reduced compared to baseline
Assumptions	Identified fraud was reported, investigated and confirmed by Fraud and Forensic as fraud
Disaggregation of Beneficiaries (where applicable)	Target for Women N/A Target for Youth: N/A Target for People with Disabilities: N/A
Spatial Transformation (where applicable)	Reflect on contribution to spatial transformation priorities: N/A Reflect on the spatial impact area: N/A
Calculation Type	Non-cumulative
Reporting Cycle	Annually
Desired performance	98.5% fewer fraudulent claims than 2023/24
Indicator responsibility	General Manager: Programme 7 (GPAA)

PROGRAMMES

Output Indicator no 7.1.3	
Indicator title	Percentage integrity of client data
Definition	To consistently improve client data integrity, to the extent that the quality of client information is accurate and reliable
Source of data	Data script up against CIVPEN system and exceptions reports provided to management
Method of calculation	$\frac{\text{Total Membership data} - \text{Total exceptions}}{\text{Total Programme membership data}} \times 100$
Means of verification	Review of data report from EDMS Systems
Assumptions	100% system up time
Disaggregation of Beneficiaries (where applicable)	Target for Women N/A Target for Youth: N/A Target for People with Disabilities: N/A
Spatial Transformation (where applicable)	Reflect on contribution to spatial transformation priorities: N/A Reflect on the spatial impact area: N/A
Calculation Type	Non-cumulative
Reporting Cycle	Quarterly
Desired performance	99% integrity of client data achieved
Indicator responsibility	General Manager: Programme 7 (GPAA)

ANNEXURE A: DISTRICT DEVELOPMENT MODEL

The department does not have projects dedicated to the implementation of the District Development Model (DDM), however it is providing support to the implementation of the DDM projects in municipalities as required.

ANNEXURE B: CONDITIONAL GRANT ALLOCATIONS

Name of Grant	Purpose	Outputs	Current Annual Budget	Period of Grant
Programme and Project Preparation Support Grant	To support metropolitan municipalities to develop a pipeline of investment ready capital programmes and projects through establishing and institutionalising an effective and efficient system of programme and project preparation and the allocation of a growing level of municipal resources to preparation activities.	<p>A credible pipeline of bankable programmes and projects.</p> <p>Improved partnerships between metropolitan municipalities and private sector.</p> <p>Long-term programmes/projects that will attract private investment and assist metropolitan municipality revenue collection.</p>	R386 million	Continues over the medium term
Infrastructure Skills Development Grant	To recruit unemployed graduates into municipalities to be trained and professionally registered as per the requirements of the relevant statutory councils within the built environment	<p>Number of built environment graduates registered as candidates for training and professional development as per requirements of the relevant statutory councils</p> <p>Number of graduates recognised as registered professionals by the relevant statutory councils</p> <p>Number of graduates employed as registered professionals within the built environment in local government</p>	R165 million	Continues over the medium term
Neighbourhood Development Partnership Grant	To provide spatially targeted capital funding of intergovernmental project pipelines, supporting and facilitating economic development opportunities in previously disadvantaged areas.	20 targeted infrastructure projects	R1,291 billion	Continues over the medium term
Local Government Financial Management Grants	To promote and support reforms in financial management by building capacity in municipalities to implement the Municipal Finance Management Act (MFMA)	<p>Number of financial management interns appointed.</p> <p>Number of municipalities that developed audit action plans.</p> <p>Number of municipalities that implemented the FMCMM.</p>	R582 million	Continues over the medium term

ANNEXURE B: CONDITIONAL GRANT ALLOCATIONS

Name of Grant	Purpose	Outputs	Current Annual Budget	Period of Grant
Smart Meters Grant	To enable municipalities to implement bi-directional smart metering systems	Number of smart bi-directional meters installed on behalf of the municipality. Reduction of technical distribution losses pertaining to the municipal electricity/water function. Percentage and Rand value improvement in revenue collection vs the baseline (collection prior to implementation).	R500 million	Continues over the medium term

2024/25
NATIONAL TREASURY
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