

2021/22
**ANNUAL
PERFORMANCE
PLAN**



national treasury

Department:
National Treasury
REPUBLIC OF SOUTH AFRICA

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2021/22 **ANNUAL PERFORMANCE PLAN**

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national treasury
Department
National Treasury
REPUBLIC OF SOUTH AFRICA

2021/22 ANNUAL PERFORMANCE PLAN

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EXECUTIVE AUTHORITY STATEMENT



The global economic impact of COVID-19 pandemic has been severe. In South Africa, real Gross Domestic Product (GDP) is expected to contract substantially, millions of people have lost their jobs, many businesses have closed and others are struggling. Most importantly we have felt the pain of the tragic loss of friends, family members, and fellow South Africans.

In this context, the National Treasury (NT) and the rest of government has had to be flexible in meeting the challenges of the present time. Due to the crisis brought on by the pandemic, we led an effort to implement the most dramatic reprioritisation of resources in the democratic era. We demonstrated our capacity for flexibility and responsiveness by tabling the first Special Adjustments Budget, and radically reassessing our macro-economic projections.

The volatility and unevenness of growth observed during 2020 is continuing in 2021. Achieving inclusive growth and restoring fiscal strength remain the guiding principles of fiscal policy. A global recovery is anticipated as we learn more about the COVID-19 virus, and take more targeted measures to combat it. Critically, the rollout of a life-saving vaccine programme is central to government's goal to reopen the economy and save lives. This will enable more activity and a recovery in revenues.

At the same time, South Africa's fiscal strength needs to be rebuilt. We have set ourselves the target of stabilising debt in the next five years, as outlined in the Medium term Budget Policy Statement (MTBPS). The MTBPS is our guiding light in achieving our goals. Debt will stabilise at no more than 95 per cent of GDP, the primary fiscal deficit will be closed and fiscal risks will be brought under control.

Meanwhile, our fiscal policy still prioritises education, social development and health. They receive R3 trillion over the next three years. Approximately half of non-interest spending goes to national government, and the other half to provinces and municipalities.

Above all else, South Africa needs economic growth at a level higher than population growth to ensure rising and stable living standards, the eradication of poverty, creation of jobs and the reduction in inequality. To do so we must focus on attracting

EXECUTIVE AUTHORITY STATEMENT

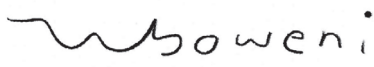
private investment to our shores and stimulating confidence at home. The President's Investment Drive plays a critical role in this strategy, and together with a stable and effective fiscus, a broad agenda for attracting investment will be pursued. This will include reviewing regulations that stifle growth, promote the release of digital spectrum, support small businesses and the township economy, and ensure a stable environment for the growth of agriculture and tourism. We will continue promoting the structural reform agenda, together with key partners. This agenda focuses on addressing the following:

- Improve competitiveness by reforming network industries, such as road, rail and telecommunications;
- Boost exports, employment and innovation through export-focused reforms, such as focused and flexible industrial and trade policies, alongside promoting labour-intensive sectors such as tourism and agriculture; and
- Increasing the levels of competition in industry, thus lowering barriers to entry and overall costs.

We remain committed to a well-functioning and efficient revenue collection agency. The South African Revenue Service (SARS) is one of the most critical public sector institutions in the country. I also wish to thank all South Africans who continue to honour their obligations by paying their taxes.

Beyond this, we need to restructure and restore the stability of state-owned companies (SOCs). Government guarantees are already being actively restricted and this will continue to be the case in the coming year. Active management of government's debt portfolio will mitigate external and domestic risks.

Finally, we will maintain the strength and improve the potential of our financial sector. Historically we have assumed the availability of liquidity, solid balance sheets and sophisticated technology. But these cannot be taken for granted, and we need to step up our regulatory and innovation efforts.



TT MBOWENI, MP
MINISTER OF FINANCE

FOREWORD BY DEPUTY MINISTER OF FINANCE



South Africa entered the current crisis in a very weak position. We were one of only two emerging market countries to be in recession. In this regard, we already had an unsustainable fiscal trajectory, including one of the fastest rising debt levels in the developing world. We should thus be careful when comparing ourselves to other countries, especially advanced economies with reserve currencies, when considering our policy response. We need to restore fiscal buffers, and investigate other ways of providing services in an efficient way.

In the short-term, Government implemented one of the largest economic and social relief packages in the world. According to many estimates, South Africa has the second-largest fiscal relief package among developing countries in the Group of Twenty (G20). The South African Reserve Bank (SARB) lowered the repo rate by 275 basis points, and began a large purchase of government bonds in the secondary market. The National Treasury tabled a fiscal framework that included unprecedented additions to government borrowing. Main Budget Borrowings this year are R707.8 billion. Our goal is to focus fiscal policy on an improved position of government finances and supporting higher economic growth.

But fiscal policy on its own cannot lead to higher growth and employment, which is what we desperately need to improve the lives of our people. We need economic reforms in the areas we have raised many times in order to get growth going. This will also help us a little with the fiscal problem. These measures include short-term interventions, such as infrastructure rollout, expanding energy generation capacity, and implementing digital spectrum auction. In the long-term, structural reforms are the key priority, including modernising network industries, and reducing barriers to entry for small and medium businesses. Our efforts in this regard include the establishment of Operation Vulindlela, which is meant to kick-start and maintain the impact of implementation. We have retained the services of Dr. Sean Phillips to provide the technical leadership.

The National Treasury is responsible for 16 institutions, including the South African Revenue Service (SARS). Despite its recent challenges, SARS remains one of our state institutions that demonstrates the features of a developmental state in the democratic era. SARS has new leadership at the helm, and they are managing a turnaround to restore integrity to the

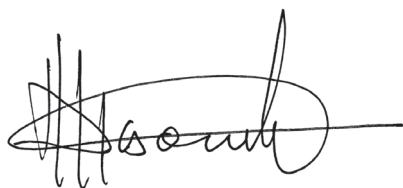
FOREWORD BY DEPUTY MINISTER OF FINANCE

institution. Over the next year SARS will adopt a strategic focus on making it easier for citizens to fulfil their tax obligations, while strengthening its enforcement capabilities to pursue all violations of our tax system and laws. SARS and management are working hard to close the tax gap and recover lost revenue, including due to illicit financial flows.

We are making progress in finalising the governance structures of several entities, including the Fiscal and Financial Commission (FFC), Financial Sector Conduct Authority (FSCA) and the OMBUD Council. During the 2020/21 financial year, we mourned the loss of Dr. Daniel Plaatjies, who was a valued and highly-effective chairperson of the FFC. May his soul rest in peace.

We will strengthen intergovernmental fiscal relations, with a special focus on municipalities. The Budget Forum will be a key vehicle for the implementation of the District Development Model (DDM) over the medium term. At the municipal levels, there are growing crises that need urgent and decisive intervention. Challenges include poor audit outcomes due to non-compliance with the Municipal Finance Management Act (MFMA), the phenomenon of unfunded budgets, political dysfunction, and, most importantly, a breakdown in basic service delivery. National government and some provincial administrations have taken steps to intervene in several municipalities, including a few metros. The National Treasury provides the main support on financial management matters in all these interventions and we will continue to do so, with the aim of rectifying financial management breakdowns and restoring these municipalities back to health.

With the COVID-19 pandemic, the Health sector faces extraordinary risks, especially in provinces. We will improve the effectiveness of the public health system by reallocating resources where and when necessary, while at the same time reducing financial risks. This means better management of personnel, addressing procurement shortcomings, and dealing with rising medico-legal claims.

A handwritten signature in black ink, appearing to read 'D. Masondo', written over a horizontal line.

DAVID MASONDO, MP
DEPUTY MINISTER OF FINANCE

ACCOUNTING OFFICER STATEMENT



As we enter 2021 we are ever mindful of the hardships confronting us, with the effects of the COVID-19 pandemic further exacerbating our chronic challenges of poverty, inequality and exclusion. Once again, we will need all to rise up and face these trying times with the courage and perseverance that we have manifested so many times before. In this year, more so than ever before, we will need to be tenacious in our endeavours to rebuild our economy, rehabilitate our public finances and recover from the devastation that COVID-19 pandemic continues to visit upon us.

As we reflect and prepare for the 2021/22 financial year, we acknowledge all South Africans who have sacrificed so much, served so greatly and continue in their steadfast dedication to their duty at this time. The staff of National Treasury are acknowledged for having shown compassion, solidarity and service through their actions.

As we have resiliently met our challenges, so too we will overcome this crisis. The 2021 outlook globally and locally is uncertain, however, our action plan is clear, focusing our efforts on the five-year fiscal consolidation pathway that promotes economic growth while bringing debt under control.

The work of National Treasury, in addition to measures to relieve the devastating effects of the pandemic, will be directed towards the ambitious national economic reconstruction and recovery plan, supporting vital economic reforms and advancing the transformation of our economy.

These active measures will realign the composition of our spending from consumption towards investment and support efforts to lower the cost of capital through Operation Vulindela; unlock and fast track implementation of the structural economic reform agenda; make substantial progress on implementing zero-based budgeting; press for self-sustainability of state owned enterprises; and further strengthen anti-corruption mechanisms through the modernisation and automation of the public procurement system.

ACCOUNTING OFFICER STATEMENT

In addition, the National Treasury Annual Performance Plan (APP) 2021/22 focuses the efforts of the department to the:

- Coordination of the national budgeting 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 in a manner that is financially and fiscally sustainable.
- 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 improving 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.

The 2021/22 APP sets an ambitious agenda for the National Treasury that will require all of us to be galvanised and to harness our collective efforts, commitment and capacity to meet these expectations with actions. Key to this is our staff and efforts to enhance the working environment and further build the institution to be more nimble, effective and fit for purpose will be accelerated in 2021/22.

Collectively our efforts will prevail, we will overcome our challenges and together we will prosper.

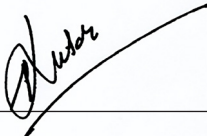


DONDO MOGAJANE
DIRECTOR-GENERAL
NATIONAL TREASURY

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 Honourable Minister of Finance, Mr TT Mboweni.
- 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 endeavour to achieve over the period 2021/2022.

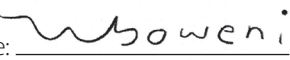
Signature: 
Priya Lutchman
Chief Financial Officer

Signature: 
Laura Mseme
Chief Director: Strategic Planning, Monitoring and Evaluation

Signature: 
Stadi Mngomezulu
Deputy Director-General: Corporate Services

Signature: 
Dondo Mogajane
Accounting Officer: National Treasury

Approved by:

Signature: 
TT Mboweni, MP
Minister of Finance

2021/22
**ANNUAL
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PLAN**

**PART A:
OUR MANDATE**

1. **UPDATES TO THE RELEVANT LEGISLATIVE AND POLICY MANDATES**

Constitutional mandate

The 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.

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 (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.

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 DBSA 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 FIC 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 FSR 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 PIC 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 SARS 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.

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**PART B:
OUR STRATEGIC FOCUS**

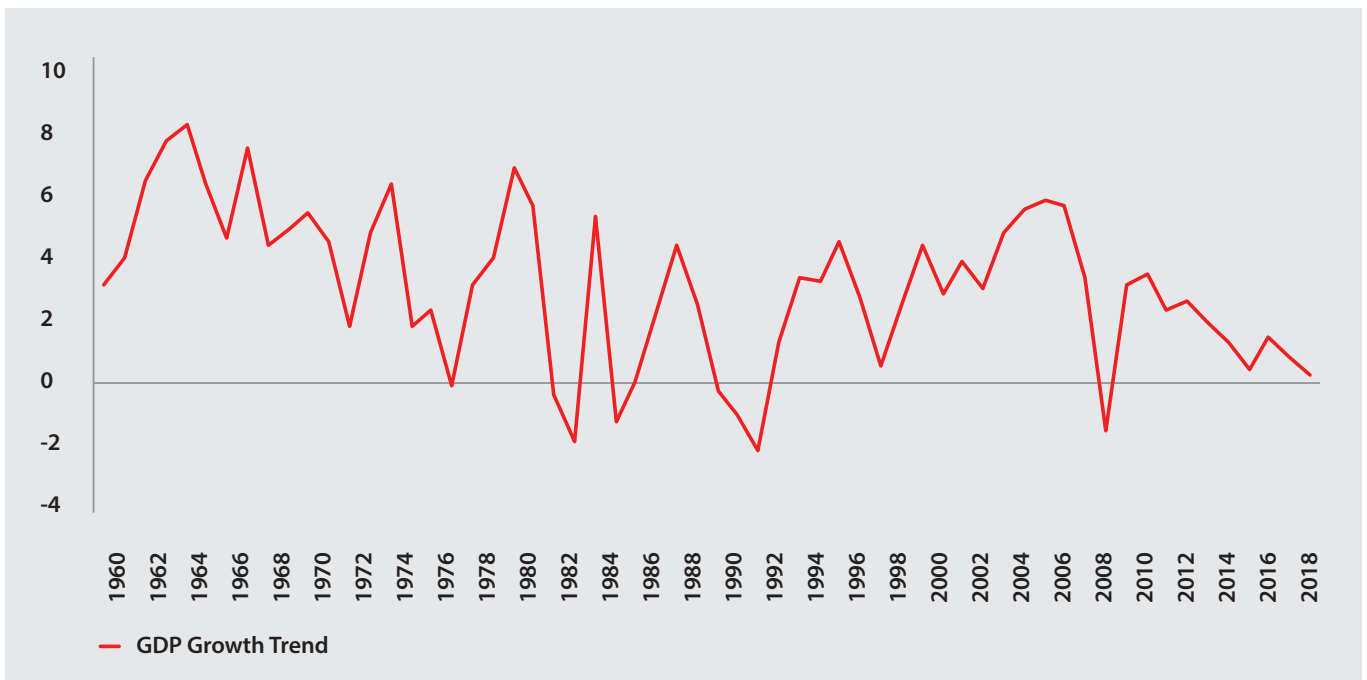
4. SITUATIONAL ANALYSIS

4.1 External Environment Analysis

The South African economy continues to battle a low and, more recently, negative growth trend. This exacerbates high levels of unemployment, poverty and inequality as GDP per capita continues to decline.

At the forefront of this state of the economy, are delays in implementing growth-enhancing reforms. Electricity constraints, inefficient network industries such as water and transport, the high cost of doing business, declining productivity, and low confidence (among others) have led to reduced investment and a cycle of weak economic growth.

Figure 1: GDP growth trend



Over and above this already weak economic context; the COVID-19 pandemic in 2020 and the subsequent lockdown measures implemented by governments across the world, including South Africa, has eroded the economic base to around 2013 levels. Despite the expected rebound in the global economic growth in 2021 (IMF January WEO: 5.5 per cent); it is expected that the South African economy will only return to 2019 levels in the latter parts of 2023.

4. SITUATIONAL ANALYSIS

Table 1: Macroeconomic performance and projections (2021 Budget Review)

| | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 |
|--|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| Percentage change | Actual | | | Estimate | Forecast | | |
| Final household consumption | 2,1 | 1,8 | 1,0 | -5,9 | 2,9 | 2,4 | 2,0 |
| Final government consumption | 0,2 | 1,9 | 1,5 | 1,2 | -0,1 | -1,6 | -1,7 |
| Gross fixed-capital formation | 1,0 | -1,4 | -0,9 | -18,4 | -2,4 | 3,9 | 3,9 |
| Gross domestic expenditure | 1,9 | 1,0 | 0,7 | -8,9 | 3,5 | 2,7 | 1,6 |
| Exports | -0,7 | 2,6 | -2,5 | -10,9 | 5,7 | 3,0 | 2,8 |
| Imports | 1,0 | 3,3 | -0,5 | -16,5 | 6,3 | 4,6 | 2,5 |
| Real GDP growth | 1,4 | 0,8 | 0,2 | -7,2 | 3,3 | 2,2 | 1,6 |
| GDP inflation | 5,3 | 3,9 | 4,0 | 4,6 | 3,5 | 3,7 | 4,1 |
| GDP at current prices (R billion) | 4 654 | 4 874 | 5 078 | 4 935 | 5 273 | 5 590 | 5 915 |
| CPI inflation | 5,3 | 4,6 | 4,1 | 3,3 | 3,9 | 4,2 | 4,4 |
| Current account balance (% of GDP) | -2,5 | -3,5 | -3,0 | 1,7 | -0,1 | -1,0 | -1,4 |

Sources: National Treasury, Reserve Bank and Statistics South Africa

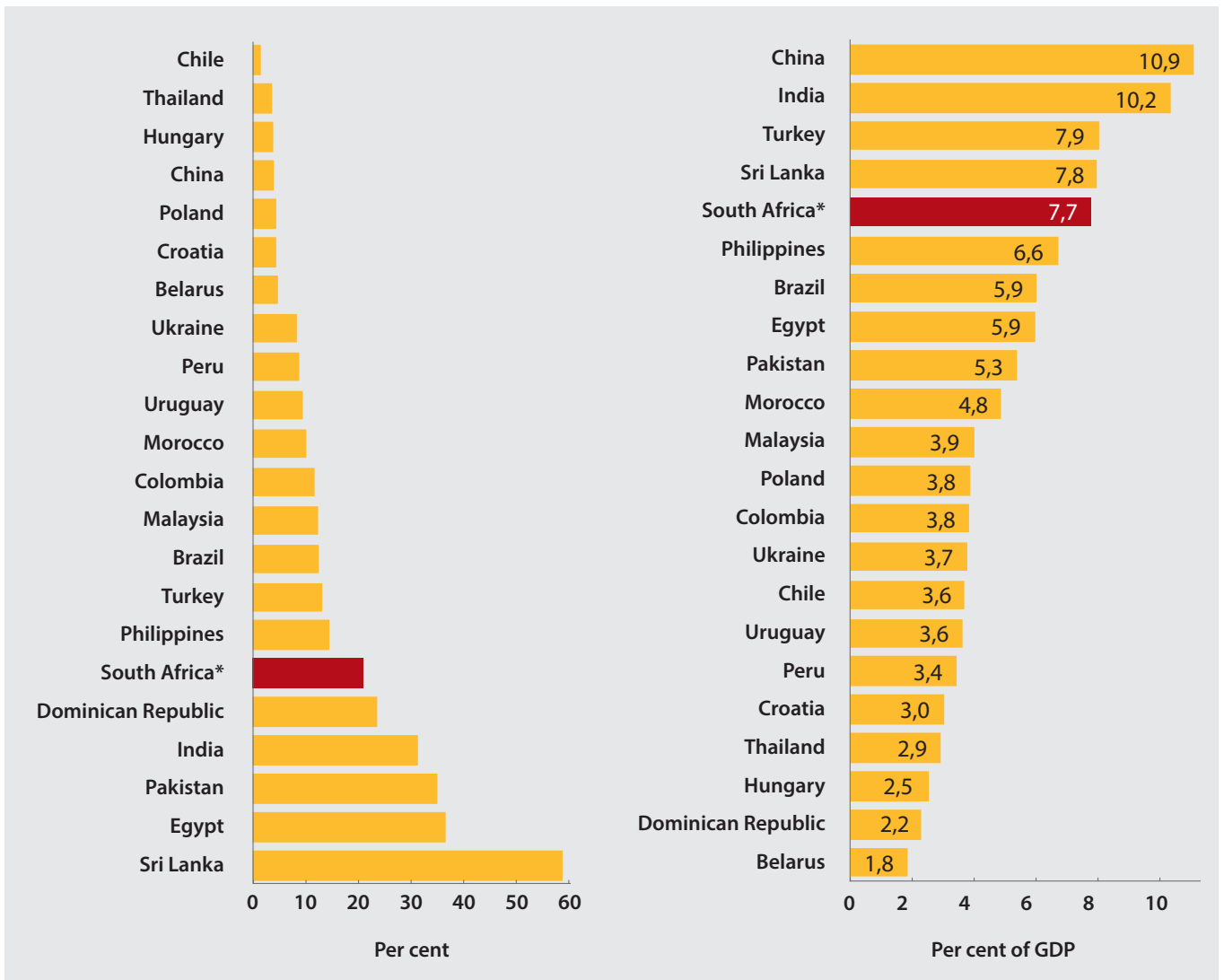
Government spending remains too high for the tax base – and this gap has likely increased as a result of the 2020 recession. The gap between revenue and expenditure has increased significantly in 2020/21, increasing the main budget deficit to 12.3 per cent of GDP. Large adjustments to government spending are therefore required to return the public finances to a sustainable position. In addition, the impact of the COVID-19 pandemic economic contraction on South Africa's public finances will be felt for years to come.

Gross debt is projected to reach 80.3 per cent of GDP in the current fiscal year, stabilising at around 88.9 per cent in 2025/26. Additional fiscal pressures from the broader public sector – including state-owned companies, social security funds and municipalities – remain unresolved.

The fiscal trajectory is a major source of uncertainty and, along with unresolved structural reforms, keeps SA's risk premium elevated, and thereby pushes up borrowing costs for the economy as a whole.

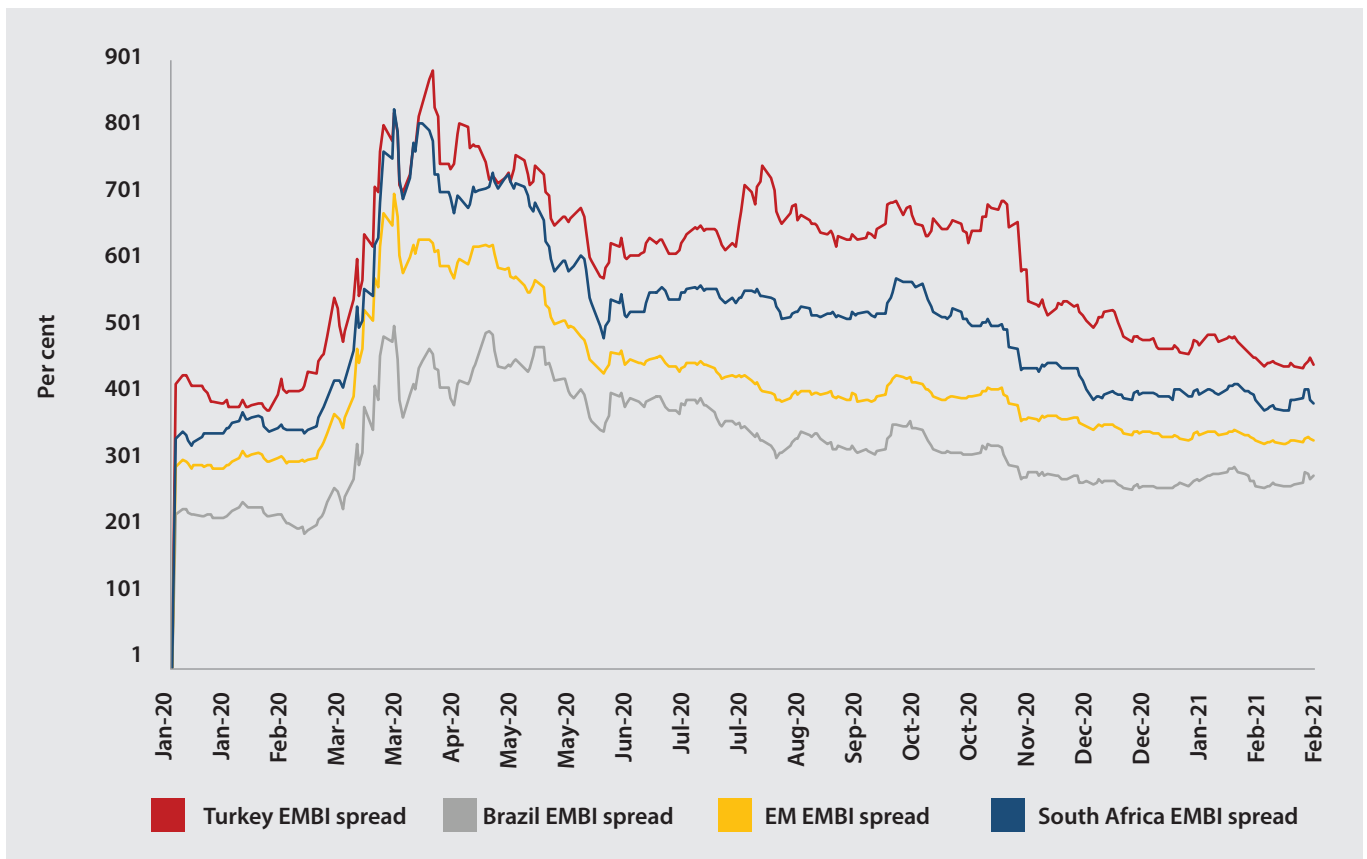
4. SITUATIONAL ANALYSIS

Figure 1: Average debt-service costs as a share of revenue, 2021–2023 Figure 2: Average budget deficit, 2021–2023



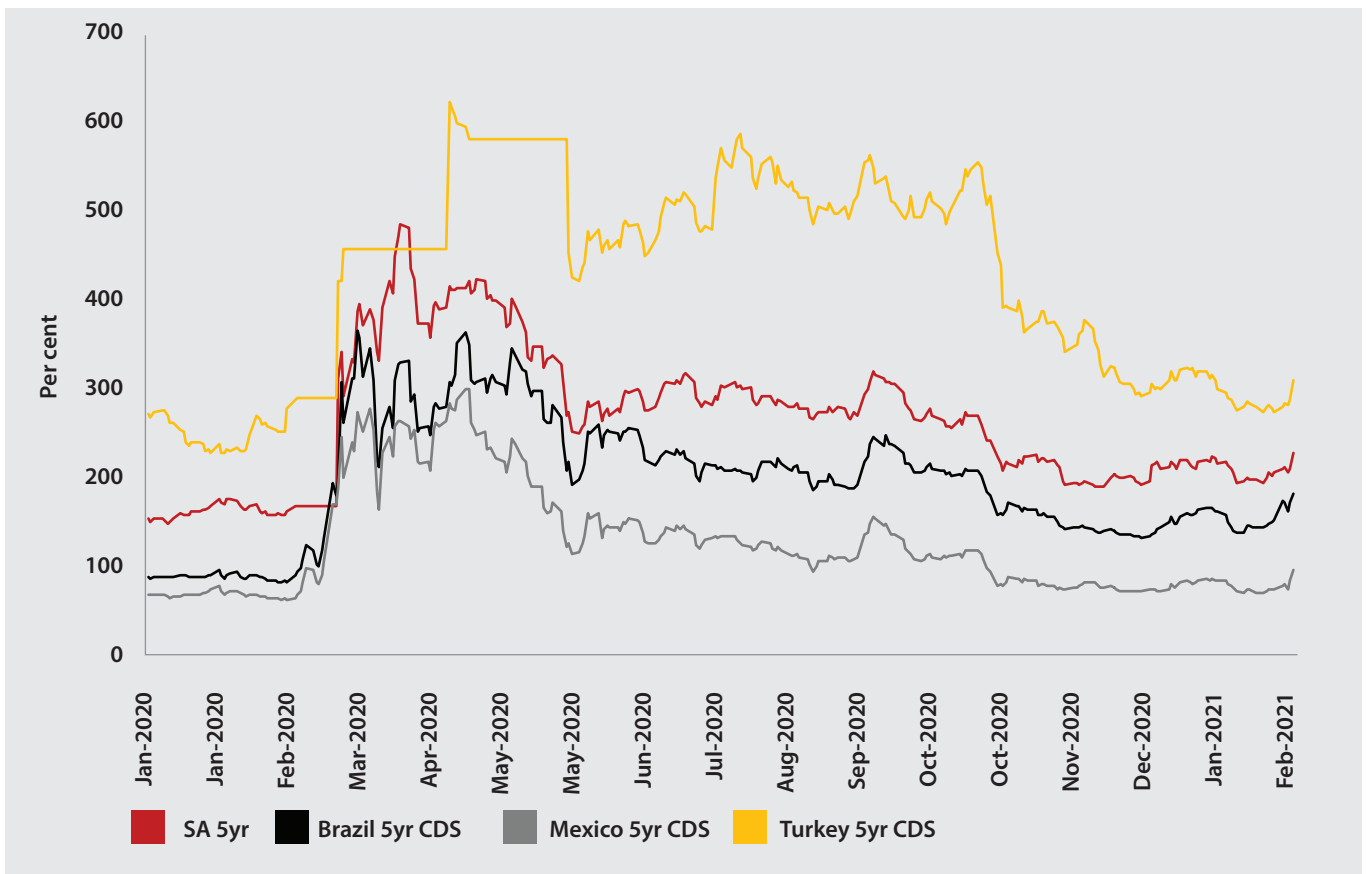
4. SITUATIONAL ANALYSIS

Figure 4: Risk premia



4. SITUATIONAL ANALYSIS

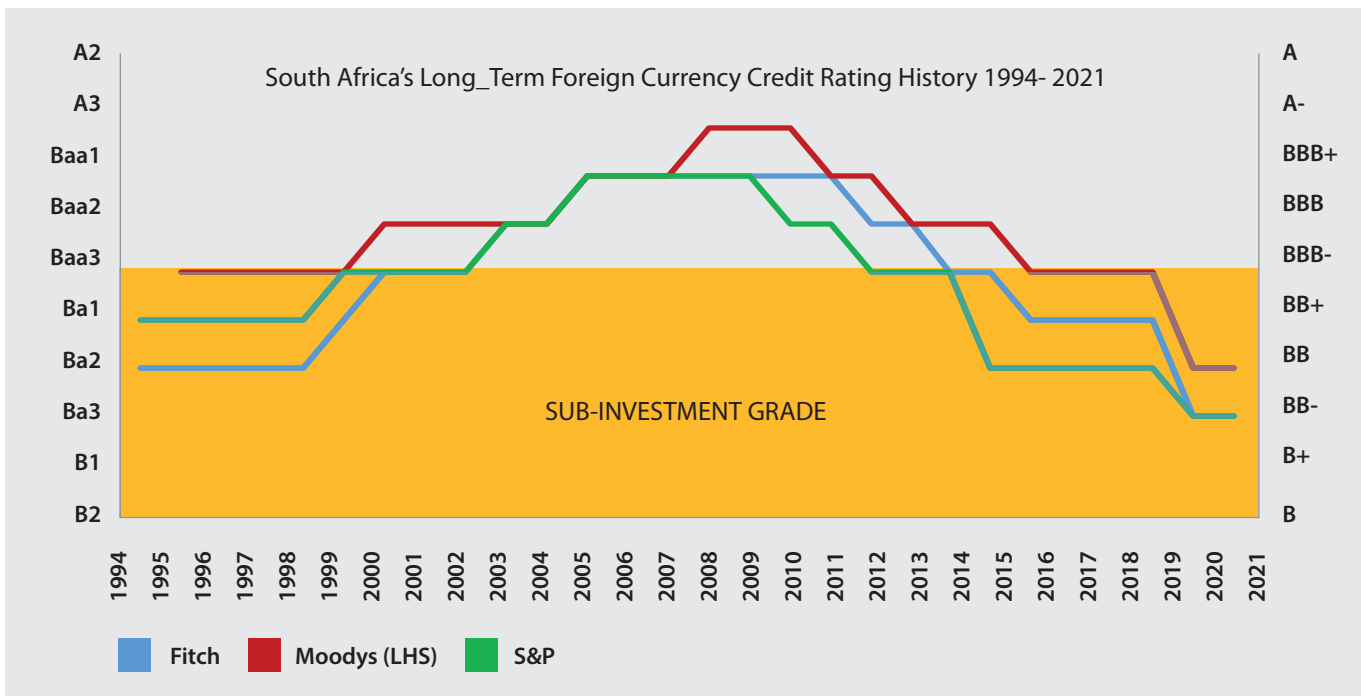
Figure 5: Credit default swaps



South Africa's deteriorating fiscal and economic prospects led to a credit ratings downgrade in November 2020, by both Moody's and Fitch, bringing SA's rating to its lowest levels since the dawn of democracy. The ratings agencies raised several concerns, including the government debt/GDP ratio, the high cost of borrowing, the risk of large net capital outflow that could trigger sharp exchange rate depreciation, and persistent weak GDP growth rate that further undermines fiscal consolidation.

4. SITUATIONAL ANALYSIS

Figure 6: Credit ratings trend



Looking forward, South Africa is embarking on fiscal adjustments. Net reductions to main budget non-interest spending from the 2020 Budget to the 2021 Budget amount to R264.9 billion over the medium term expenditure framework (MTEF) period. These adjustments are expected to re-calibrate the Budget (reducing the composition of the wage bill and debt-servicing costs), to produce a primary balance and stabilise debt by 2025/26.

In addition, government will be implementing the Economic Recovery and Reconstruction Plan (ERRP), which was developed through extensive consultation between social partners:

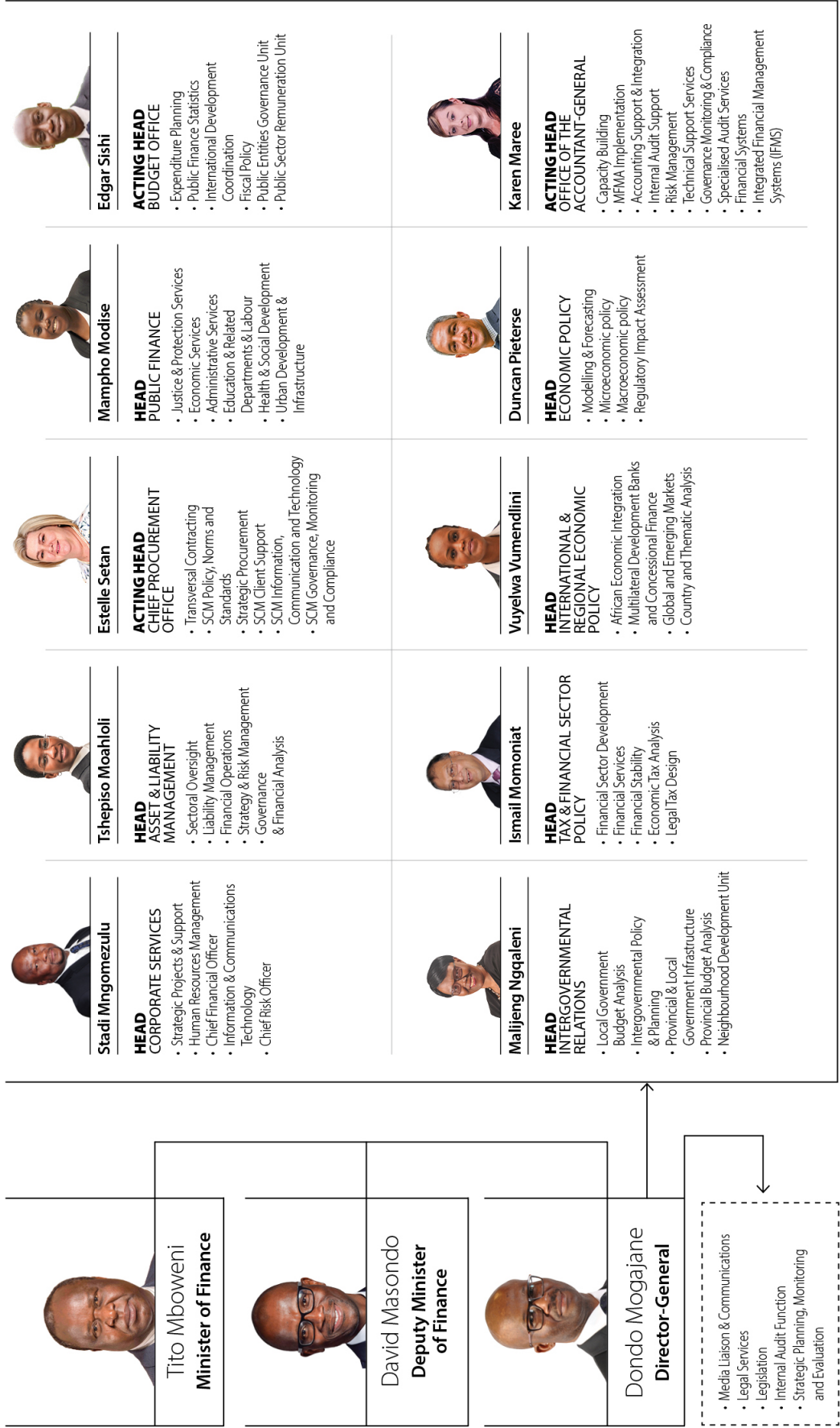
- In the short term the plan aims to rebuild investor, consumer and public confidence; kick-start the economy; and continue to provide relief to mitigate the impact of the COVID-19 pandemic;
- In the medium term, the plan will put the economy on a higher and more inclusive growth path through the implementation of a set of structural reforms that will enable faster, more inclusive growth and employment over the medium to long term;
- Many of these reforms are drawn from government's long-term structural reform agenda as outlined in the Economic Transformation, Inclusive Growth, and Competitiveness: A Contribution Towards a Growth Agenda for the South African Economy document;
- Key elements include: reforms to modernise network industries, reducing barriers to entry, facilitating regional trade and integration, promoting labour-absorbing sectors, and re-imagining our industrial policy.

4. SITUATIONAL ANALYSIS

These major structural reforms are being pursued to raise long-term potential growth. It is estimated that these reforms could raise economic growth to over 3 per cent by 2030. Operation Vulindlela (open the way) – a joint initiative of the Presidency and the National Treasury – will speed up the implementation of these priority reforms.

4.2 Internal Environment Analysis

NATIONAL TREASURY ORGANOGRAM



4. SITUATIONAL ANALYSIS

National Treasury will remain measured and consistent in its approach and with due care, restraint, responsibility and resilience both maintain the stability of the organisational environment and further strengthen institutional abilities, a culture of self-awareness and performance excellence.

The medium term Organisational Optimisation Plan, which was developed under the auspices of NT EXCO and through internal stakeholder surveying as well as multi-level consultations, will continue to drive organisational efficiency and effective enhancing measures. Arising out of a strategic progress assessment, annual priority areas have been identified for this year for implementation across the four pillars of the plan namely:

- Pillar 1: Reviewing and resetting the organisational foundation;
- Pillar 2: Building and reinforcing organisational leadership;
- Pillar 3: Developing and Strengthening organisational structures; and
- Pillar 4: Establishing and promoting partnerships.

Benefits of this programme have started to be realised and the change effect is anticipated to intensify across the organisation during the coming period.

The organisational review has completed phase 1 documenting the “as is” organogram and workflows. Arising out of this analysis and informed by the mandate, purpose and strategic objectives of the National Treasury as articulated in the Strategy 2020-2024, a proposed functional structure has been designed and is currently being consulted on internally. Once finalised and approved, the process to fully migrate into the new operating model will be initiated in a controlled and considered manner. This programme is a key enabler to the Optimising the Organisational programme as it will ensure that the institution is fit for purpose, nimble, effective, efficient and enabling high performance.

A key focus for this period will continue to be placed on people’s matters. In order to better support employees during this challenging time, both professionally and personally, consultations will be regularly conducted including staff surveying to direct working-remotely support initiatives and target the employee wellness services. Further measures to attract and retain critical skills in the department as well as recruiting persons living with disabilities are being undertaken.

Given the restrictions implemented in a universal effort to contain the pandemic, ICT will continue to direct planning and resources towards facilitating seamless working remotely. This is part of the long-term plan to progressively enhance ICT resources, systems and solutions to better support the department.

The NT currently has a total of 530 women employed permanently on the establishment with 137 as senior managers (SMS) which equals 55%. It is intended to maintain this target which is above the national target of 50%. The staff compliment comprises of 328 employees who are below the age of 35. Overall, 8 employees declared their status and consequently, the NT has 0.78% employees living with a disability. Strides are in place to ensure that a national target of 1% is reached during the period ahead.

4. SITUATIONAL ANALYSIS

The DG's Special Committee on Mainstreaming of Gender Matters has undertaken consultations internally so that female employees themselves steer the work of the committee. Results of a survey conducted to assess gender mainstreaming in NT's working environment, culture, policies, practices and procedures was widely consulted on. The outcome of these engagements has informed the committee's work plan and it is envisaged that implementation of initiatives identified will be ramped up.

Management is acutely aware of the prevailing fiscal constraints and the need to innovatively and consistently match the available resources towards priorities that maximise outputs. Thus, under normal operating conditions where the department does not accede to unfunded mandates nor impacted by the economic conditions such as the volatility of the exchange rate on multilateral and regional financial institutions, the department is adequately funded to fulfil its core mandate.

The department is fully compliant with the requirements for enterprise and supplier development. The department also fulfils its Broad-Based Black Economic Empowerment (BBBEE) obligations and has commenced with the BBBEE verification process.

The impact of interventions implemented, supplemented by additional measures being put in place should result in department consistently achieving an unqualified audit with no findings. Measures implemented will be further strengthened, including improved management oversight, increased policy and procedure clarity, investments in training and development as well as providing adequate staffing. Timely and effective consequence management will continue to be enforced.

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 and Employee Performance planning and monitoring is currently being tested for full rollout during this period.

This innovation forms part of a wider automation priority across the department which includes projects underway in the OCPO to modernise and automate public procurement and the inclusion of NT as a pilot site for the implementation of Integrated Financial Management System (IFMS.)

2021/22
**ANNUAL
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PLAN**

**PART C:
MEASURING OUR
PERFORMANCE**

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

5. PROGRAMME 1: ADMINISTRATION

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.

Legislation 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 Public Finance Management Act (PFMA). In ensuring compliance, the unit strives to attain a balance between achieving service excellence and maintaining administrative controls.

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 National Treasury's institutional memory and tangible knowledge and providing management support to internal projects. Knowledge management deals with the conservation and

5. PROGRAMME 1: ADMINISTRATION

pollination of organisational information created within and in-partnership with the National Treasury. Records management focuses on the preservation of tangible knowledge so that it can be accessed easily and be in compliance with the National Archives Act, 2003 (Act No. 629 of 2003).

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

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

5. PROGRAMME 1: ADMINISTRATION

5.2 Outcomes, Outputs, Performance Indicators and Targets

| No. | Outcomes | Outputs | Output Indicators | Annual Targets | | | | | | | |
|-------|--|---------------------------------|---|------------------------------|---------|-----------------------|---|---|---|---|---|
| | | | | Audited / Actual Performance | | Estimated Performance | Planned Performance Current Year | MTEF Period | | | |
| | | | | 2017/18 | 2018/19 | | | 2019/20 | 2020/21 | 2021/22 | 2022/23 |
| 1.1.1 | Sound financial controls and management of public finances | ICT service delivery reports | Percentage of ICT service delivery standards met | # | # | | 90% | 90% | 93% | 94% | 95% |
| 1.1.2 | | Audit Outcome | Audit Opinion obtained | # | # | | Unqualified audit opinion with 25% fewer findings than 2020/21 on financial performance information | Unqualified audit opinion with 25% fewer findings than 2021/22 on financial performance information | Unqualified audit opinion with no audit findings on financial performance information | Unqualified audit opinion with no audit findings on financial performance information | Unqualified audit opinion with no audit findings on financial performance information |
| 1.1.3 | | Risk Management Maturity report | Risk Management Maturity Assessment level achieved | # | # | | 3 | 3.5 | 4 | 4.5 | 5 |
| 1.1.4 | | Annual Training Report | Percentage spend of training and development budget | # | # | | 25% | 70% | 72% | 73% | 75% |

5. PROGRAMME 1: ADMINISTRATION

| No. | Outcomes | Outputs | Output Indicators | Annual Targets | | | | | | | | |
|-------|----------|-------------------|---|------------------------------|---------|-----------------------|----------------------------------|-------------|---------|---------|---------|---------|
| | | | | Audited / Actual Performance | | Estimated Performance | Planned Performance Current Year | MTEF Period | | | | |
| | | | | 2017/18 | 2018/19 | | | 2019/20 | 2020/21 | 2021/22 | 2022/23 | 2023/24 |
| 1.1.5 | | Quarterly reports | Number of quarterly reports on the implementation of the action plan on gender mainstreaming produced | # | # | # | # | 4 | 4 | 4 | 4 | 4 |

5. PROGRAMME 1: ADMINISTRATION

5.3 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 | 90% | 90% | 90% | 90% | 90% |
| 1.1.2 | Audit Opinion obtained | Unqualified audit opinion with 25% fewer findings than 2020/21 on financial performance information | NA | NA | Unqualified audit opinion with 25% fewer findings than 2020/21 on financial performance information | NA |
| | | Unqualified audit opinion with 25% fewer findings than 2020/21 on non- financial performance information | N/A | N/A | Unqualified audit opinion with 25% fewer findings than 2020/21 on non- financial performance information | N/A |
| 1.1.3 | Risk Management Maturity Assessment level achieved | 3.5 | NA | NA | NA | 3.5 |
| 1.1.4 | Percentage spend of training and development budget | 70% | 70% | 70% | 70% | 70% |
| 1.1.5 | Number of quarterly reports on the implementation of the action plan on gender mainstreaming produced | 4 | 1 | 1 | 1 | 1 |

5. PROGRAMME 1: ADMINISTRATION

Explanation of planned performance over the medium term period

The administration programme continues to provide integrated business solutions in the areas of business continuity, knowledge management, and information and communication technology. Further effect has been given to organisational optimisation through cost savings and human resources utilisation and retention. Knowledge Management continues to expand the National Treasury knowledge-sharing and preservation systems, and is further implementing knowledge-sharing fora. The Project Support Office continues to support strategic projects that strengthen cross-functional collaboration to continuously strengthen service delivery in the department.

This programme embeds good governance and effects a sound control environment through the yearly implementation of the risk-based internal audit plans. The Financial Management team continues to be the first department nationally to close its accounting records on the Basic Accounting System. Human Resources Management (HRM) ensures that all transactional and transformational HRM support services are rendered. Effective initiatives are undertaken towards enabling the department to attract, develop and retain the skills needed to deliver on its mandate.

The administration programme continues to provide support for strategic planning, project planning, performance management and reporting across the organisation. The Public Entities Oversight Unit provides 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 (irregular, unauthorised, wasteful and fruitless expenditure), and reviewing strategic plans and annual performance plans for approval and tabling in Parliament. Strategic Planning, Monitoring and Evaluation has further strengthened and expanded the NT planning and reporting ecosystem. This includes drafting and implementing the department's strategic five-year and annual performance planning as well as the introduction of divisions' operational planning processes. Chief Directorate Operational Plans (CDOPs) are now being developed in cooperation with risk planning, demand planning, budgeting and Information and Communication Technology (ICT) planning. Impactful monitoring, evaluation and reporting on departmental performance delivery and reporting on government priorities (Priorities 1: A Capable, Ethical and Developmental State, 2: Economic Transformation and Job Creation, 3: Education, Skills and Health, 5: Spatial Integration, Human Settlements and Local Government and 7: A Better Africa and World; and Forum of South African Directors-General) continue to be embedded into the organisation's reporting cycles. Annual performance plan quarterly monitoring has been strengthened with intelligent reporting provided, including new datasets and combined quarterly reports that include people's matters, finance, risk, audit findings and performance information. Monitoring of chief directorate operational plans commenced with a direct link established between operational reports and individual performance reporting. Internal Audit effectively executes annual internal audit plans for each year and delivers on ad-hoc department requests.

5. PROGRAMME 1: ADMINISTRATION

Focus over the medium term will be placed on strengthening governance and accountability with specific focus on further maturing institutional risk management, intensifying anti-corruption and ethics management, developing the Service Delivery Improvement Programme and strengthening integrated performance reporting including on the Medium Term Strategic Framework (MTSF) and cluster outcomes. Additionally, focus will be placed on the roll out of the National Treasury bespoke organisational planning and reporting Information Technology (IT) system that provides a single integrated platform for risk, budgeting, IT, demand and performance planning as well as concomitant reporting.

The DG's Special Committee on Mainstreaming of Gender Matters has undertaken consultations internally so that female employees themselves guide the work of the committee. The outcome of these engagements has informed the committee's action plan including in the areas of working environment, culture, policies, practices and procedures. Implementation will be monitored and reported on quarterly.

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 (%) |
|---------------------------------|-----------------|----------------|----------------|------------------------|--------------------------|-------------------------------|----------------------------------|----------------|----------------|--------------------------|-------------------------------|
| | 2017/18 | 2018/19 | 2019/20 | | | | 2020/21 | 2021/22 | 2022/23 | | |
| R million | 2017/18 | 2018/19 | 2019/20 | 2020/21 | 2017/18 - 2020/21 | 2020/21 | 2021/22 | 2022/23 | 2023/24 | 2020/21 - 2023/24 | 2020/21 - 2023/24 |
| Ministry | 3.8 | 3.7 | 3.7 | 4.3 | 4.4% | 4.3 | 4.4 | 4.4 | 4.4 | 1.0% | 0.8% |
| Departmental Management | 70.1 | 51.1 | 30.9 | 42.6 | -15.3% | 42.6 | 62.3 | 63.2 | 63.4 | 14.2% | 10.7% |
| Corporate Services | 117.5 | 126.4 | 133.1 | 184.9 | 16.3% | 184.9 | 171.8 | 168.6 | 169.5 | -2.9% | 32.0% |
| Enterprise-Wide Risk Management | 28.3 | 29.3 | 31.6 | 35.0 | 7.3% | 35.0 | 33.9 | 34.4 | 34.5 | -0.5% | 6.4% |
| Financial Administration | 41.5 | 43.4 | 47.3 | 48.4 | 5.3% | 48.4 | 46.9 | 47.4 | 47.5 | -0.6% | 8.8% |
| Legal Services | 22.0 | 22.3 | 22.2 | 24.1 | 3.1% | 24.1 | 23.8 | 24.2 | 24.2 | 0.2% | 4.4% |
| Internal Audit | 24.1 | 32.2 | 34.2 | 31.7 | 9.7% | 31.7 | 35.4 | 34.4 | 34.5 | 2.8% | 6.3% |
| Communications | 12.5 | 9.7 | 10.9 | 10.3 | -6.0% | 10.3 | 11.6 | 11.8 | 11.8 | 4.5% | 2.1% |
| Office Accommodation | 118.1 | 106.2 | 139.7 | 183.4 | 15.8% | 183.4 | 140.7 | 147.4 | 148.0 | -6.9% | 28.6% |
| Total | 437.9 | 424.3 | 453.6 | 564.7 | 8.9% | 564.7 | 530.7 | 535.8 | 537.7 | -1.6% | 100.0% |
| Change to 2020 Budget estimate | | | | 27.8 | | 27.8 | (48.0) | (73.4) | (86.7) | | |

5. PROGRAMME 1: ADMINISTRATION

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 (%) | |
|---|-----------------|-------------|------------------------|-------------------------|--------------------------------|----------------------------------|-------------|-------------|-------------------------|--------------------------------|-------------|
| | 2017/18 | 2018/19 | | | | 2019/20 | 2020/21 | 2021/22 | | | 2022/23 |
| R million | 421.1 | 402.4 | 438.9 | 514.9 | 6.9% | 94.5% | 500.3 | 514.0 | 514.8 | - | 94.2% |
| Economic classification | | | | | | | | | | | |
| Current payments | 421.1 | 402.4 | 438.9 | 514.9 | 6.9% | 94.5% | 500.3 | 514.0 | 514.8 | - | 94.2% |
| Compensation of employees | 203.0 | 190.8 | 192.4 | 201.1 | -0.3% | 41.9% | 210.2 | 210.2 | 210.2 | 1.5% | 38.3% |
| Goods and services ¹ | 218.1 | 211.6 | 246.5 | 313.8 | 12.9% | 52.6% | 290.2 | 303.9 | 304.6 | -1.0% | 55.9% |
| of which: | | | | | | | | | | | |
| Computer services | 27.9 | 28.2 | 44.1 | 53.7 | 24.3% | 8.2% | 55.3 | 60.3 | 60.1 | 3.8% | 10.6% |
| Consultants: Business and advisory services | 7.8 | 12.3 | 19.9 | 15.1 | 24.8% | 2.9% | 18.4 | 17.4 | 17.3 | 4.6% | 3.1% |
| Legal services | 14.3 | 13.5 | 12.4 | 15.2 | 2.1% | 2.9% | 16.0 | 16.5 | 16.5 | 2.7% | 3.0% |
| Operating leases | 63.7 | 57.7 | 81.0 | 131.0 | 27.2% | 17.7% | 86.2 | 90.3 | 91.8 | -11.2% | 18.4% |
| Property payments | 24.0 | 19.7 | 24.4 | 24.3 | 0.5% | 4.9% | 25.5 | 27.3 | 27.0 | 3.5% | 4.8% |
| Travel and subsistence | 28.6 | 23.6 | 9.6 | 10.3 | -29.0% | 3.8% | 23.1 | 24.9 | 25.4 | 35.2% | 3.9% |
| Transfers and subsidies¹ | 7.3 | 7.3 | 6.4 | 4.3 | -16.5% | 1.3% | 4.3 | 4.4 | 4.8 | 4.2% | 0.8% |
| Departmental agencies and accounts | 2.0 | 2.1 | 2.2 | 2.2 | 2.8% | 0.5% | 2.3 | 2.3 | 2.5 | 4.5% | 0.4% |
| Households | 5.3 | 5.2 | 4.2 | 2.1 | -27.1% | 0.9% | 2.0 | 2.1 | 2.3 | 4.0% | 0.4% |
| Payments for capital assets | 9.3 | 13.9 | 8.0 | 45.6 | 69.7% | 4.1% | 26.1 | 17.3 | 18.1 | -26.5% | 4.9% |
| Machinery and equipment | 9.3 | 11.5 | 8.0 | 45.6 | 69.7% | 4.0% | 26.1 | 17.3 | 18.1 | -26.5% | 4.9% |
| Software and other intangible assets | 0.0 | 2.4 | 0.0 | - | -100.0% | 0.1% | - | - | - | - | - |

5. PROGRAMME 1: ADMINISTRATION

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 (%) | |
|---|-----------------|---------|------------------------|-------------------------|--------------------------------|----------------------------------|-------------------------|--------------------------------|-------------------|
| | 2017/18 | 2018/19 | 2019/20 | 2020/21 | 2017/18 - 2020/21 | 2021/22 | 2022/23 | 2023/24 | 2020/21 - 2023/24 |
| R million | | | | | | | | | |
| Payments for financial assets | 0.1 | 0.7 | 0.2 | - | -100.0% | - | - | - | - |
| Total | 437.9 | 424.3 | 453.6 | 564.7 | 8.9% | 530.7 | 535.8 | 537.7 | -1.6% |
| Proportion of total programme expenditure to vote expenditure | 1.1% | 1.5% | 1.5% | 1.6% | - | 1.3% | 1.7% | 1.7% | - |
| Details of transfers and subsidies | | | | | | | | | |
| Households | - | - | - | - | - | - | - | - | - |
| Social benefits | - | - | - | - | - | - | - | - | - |
| Current | 3.9 | 3.6 | 1.1 | - | -100.0% | - | - | - | - |
| Employee social benefits | 3.9 | 3.6 | 1.1 | - | -100.0% | - | - | - | - |
| Departmental agencies and accounts | - | - | - | - | - | - | - | - | - |
| Departmental agencies (non-business entities) | - | - | - | - | - | - | - | - | - |
| Current | 2.0 | 2.1 | 2.1 | 2.2 | 2.9% | 2.3 | 2.3 | 2.5 | 4.5% |
| Finance and Accounting Services Sector Education and Training Authority | 2.0 | 2.1 | 2.1 | 2.2 | 2.9% | 2.3 | 2.3 | 2.5 | 4.5% |
| Households | | | | | | | | | |
| Other transfers to households | | | | | | | | | |
| Current | 1.4 | 1.6 | 1.9 | 2.1 | 14.3% | 2.0 | 2.1 | 2.3 | 4.0% |
| Bursaries for non-employees | 1.4 | 1.6 | 1.9 | 2.1 | 14.3% | 2.0 | 2.1 | 2.3 | 4.0% |

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 2021 | | Number and cost ² of personnel posts filled/planned for on funded establishment | | | | | | | | | | | | Number | | | | |
|---|---|--|------|-----------|------------------|------|-----------|----------------------------------|------|-----------|---------|------|-----------|-------------------------|---------------------------------|-------------------|-----|--------|
| | | Actual | | | Revised estimate | | | Medium term expenditure estimate | | | | | | Average growth rate (%) | Average Salary level/ Total (%) | | | |
| Number of funded posts | Number of posts additional to the establishment | 2019/20 | | | 2020 /21 | | | 2021/22 | | | 2022/23 | | | 2023/24 | | 2020/21 - 2023/24 | | |
| | | Number | Cost | Unit cost | Number | Cost | Unit cost | Number | Cost | Unit cost | Number | Cost | Unit cost | Number | Cost | Unit cost | | |
| Administration | | | | | | | | | | | | | | | | | | |
| Salary level | 368 | 67 | 327 | 192.4 | 0.6 | 297 | 180.0 | 0.6 | 327 | 210.2 | 0.6 | 322 | 210.2 | 0.7 | 319 | 210.2 | 0.7 | 100.0% |
| 1 – 6 | 105 | 62 | 99 | 17.7 | 0.2 | 95 | 18.7 | 0.2 | 96 | 19.1 | 0.2 | 91 | 19.6 | 0.2 | 93 | 20.2 | 0.2 | -0.7% |
| 7 – 10 | 147 | 2 | 128 | 71.7 | 0.6 | 123 | 74.7 | 0.6 | 134 | 82.6 | 0.6 | 138 | 86.4 | 0.6 | 133 | 84.6 | 0.6 | 41.8% |
| 11 – 12 | 65 | - | 55 | 50.2 | 0.9 | 43 | 41.3 | 1.0 | 56 | 55.0 | 1.0 | 53 | 52.6 | 1.0 | 53 | 53.4 | 1.0 | 7.3% |
| 13 – 16 | 51 | 3 | 45 | 52.9 | 1.2 | 36 | 45.2 | 1.3 | 42 | 53.4 | 1.3 | 40 | 51.6 | 1.3 | 40 | 51.9 | 1.3 | 3.6% |

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

Tax Policy

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

Economic Policy

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

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

6.2 Outcomes, Outputs, Performance Indicators and Targets

| No. | Outcomes | Outputs | Output Indicators | Annual Targets | | | | | MTEF Period | | | |
|-------|------------------------------------|------------------------------|--|--|---------|--|--|--|--|--|--|--|
| | | | | Audited / Actual Performance | | Estimated Performance | Planned Performance Current Year | MTEF Period | | | | |
| | | | | 2017/18 | 2018/19 | 2019/20 | 2020/21 | 2021/22 | | 2022/23 | 2023/24 | 2024/25 |
| 2.1.1 | Coherent economic policy advocated | Published papers | Number of papers published through the SA-TIED programme | 80 | 50 | 50 | 50 | 50 | 50 | 50 | 50 | 50 |
| 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 for tabling in Parliament | Financial sector legislation submitted for tabling in Parliament | Financial sector legislation submitted for tabling in Parliament | Financial sector legislation submitted for tabling in Parliament | Financial sector legislation submitted for tabling in Parliament |
| 2.1.3 | | Tax legislation | Legislation to give effect to tax proposals from the Budget drafted | Prepare, publish and table tax legislation in Parliament | 4 | 4 | Prepare, publish and table tax legislation in Parliament | Tax legislation submitted for tabling in Parliament | Tax legislation submitted for tabling in Parliament | Tax legislation submitted for tabling in Parliament | Tax legislation submitted for tabling in Parliament | Tax legislation submitted for tabling in Parliament |
| 2.1.4 | Sustainable public finances | Economic forecasts | Number of economic forecasts developed | 4 | 4 | 4 | 4 | 4 | 4 | 4 | 4 | 4 |
| 2.1.5 | Coherent economic policy advocated | Research outputs | Number of research outputs related to the macroeconomic policy review and microeconomic reform agenda produced | # | # | # | # | 4 | 4 | 4 | 4 | 4 |

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

6.3 Indicators, Annual and Quarterly Targets

| No. | Output Indicators | Annual Target | Quarter 1 | Quarter 2 | Quarter 3 | Quarter 4 |
|-------|--|--|-----------|---------------------------------|---|--|
| 2.1.1 | Number of papers published through the SA-TIED programme | 50 | N/A | N/A | N/A | 50 |
| 2.1.2 | Financial sector legislation drafted | Financial sector legislation submitted for tabling in Parliament | N/A | N/A | N/A | Financial sector legislation submitted for tabling in Parliament |
| 2.1.3 | Legislation to give effect to tax proposals from the Budget drafted | Tax legislation submitted for tabling in Parliament | N/A | Draft tax legislation published | Tax legislation submitted for tabling in Parliament | N/A |
| 2.1.4 | Number of economic forecasts developed | 4 | 1 | 1 | 1 | 1 |
| 2.1.5 | Number of research outputs related to the macroeconomic policy review and microeconomic reform agenda produced | 4 | N/A | N/A | N/A | 4 |

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

Explanation of planned performance over the medium term period

In order to improve fairness in the tax system, over the medium term, the programme plans to propose amendments to tax policy that seek to meet government's revenue requirements and eliminate tax loopholes. In working towards this, the programme will conduct research on appropriate tax designs for all proposed amendments, prepare discussion documents, hold workshops and meetings with affected parties, and prepare draft tax legislation before any legislation is introduced in Parliament. It will also advise the Minister of Finance on amendments to tax rates and thresholds, which are announced each year in the annual budget.

Through the Economic Policy sub-programme within Economic Policy, Tax, Financial Regulation and Research, the programme will continue to produce quarterly economic and revenue forecasts accompanied by scenarios highlighting the main risks to the baseline forecast. The Research sub-programme will publish papers through the Southern Africa-Towards Inclusive Economic Development (SA-TIED) programme which looks at ways to support policy-making for inclusive growth and economic transformation in the Southern Africa region. This is done through original research conceived and produced in collaboration between United Nations University World Institute for Development Economics Research (UNU-WIDER), National Treasury, International Food Policy Research Institute (IFPRI), and a number of other governmental and research organisations in South Africa and the sub-region.

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 | Audited outcome | | Adjusted appropriation | Average growth rate (%) | | Average Expenditure/Total (%) | Medium term expenditure estimate | | | Average growth rate (%) | Average Expenditure/Total (%) |
|--|-----------------|----------------|------------------------|-------------------------|--------------------------|-------------------------------|----------------------------------|----------------|--------------------------|-------------------------|-------------------------------|
| | 2017/18 | 2018/19 | | 2019/20 | 2020/21 | | 2017/18 - 2020/21 | 2021/22 | 2022/23 | | |
| R million | 2017/18 | 2018/19 | 2019/20 | 2020/21 | 2017/18 - 2020/21 | 2021/22 | 2022/23 | 2023/24 | 2020/21 - 2023/24 | | |
| Programme for Management for Economic Policy, Tax, Financial Regulation and Research | 43.6 | 44.4 | 33.4 | 44.3 | 0.6% | 29.3% | 47.0 | 49.5 | 49.6 | 3.8% | 30.8% |
| Research | 10.8 | – | – | – | -100.0% | 1.9% | – | – | – | – | – |
| Financial Sector Policy | 24.9 | 21.6 | 19.5 | 25.6 | 1.0% | 16.2% | 25.1 | 25.1 | 25.2 | -0.6% | 16.3% |
| Tax Policy | 28.6 | 30.9 | 30.0 | 32.2 | 4.0% | 21.5% | 32.5 | 32.5 | 32.6 | 0.5% | 21.0% |
| Economic Policy | 24.7 | 21.9 | 21.1 | 27.7 | 3.9% | 16.9% | 28.9 | 29.1 | 29.1 | 1.7% | 18.6% |
| Cooperative Banks Development Agency | 19.3 | 19.9 | 20.8 | 20.5 | 2.0% | 14.2% | 20.3 | 20.8 | 20.9 | 0.7% | 13.3% |
| Total | 151.9 | 138.8 | 124.9 | 150.3 | -0.3% | 100.0% | 153.8 | 157.1 | 157.5 | 1.6% | 100.0% |
| Change to 2020 Budget estimate | | | | (12.1) | | (20.0) | (18.9) | (22.9) | | | |

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

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

| Subprogramme | 2017/18 | 2018/19 | 2019/20 | 2020/21 | Average growth rate (%) | Average: Expenditure/ Total (%) | 2021/22 | 2022/23 | 2023/24 | Average growth rate (%) | Average: Expenditure/ Total (%) |
|--|---------|---------|---------|---------|-------------------------|---------------------------------|---------|---------|---------|-------------------------|---------------------------------|
| R million | | | | | 2017/18 - 2020/21 | 2020/21 - 2023/24 | | | | 2020/21 - 2023/24 | |
| Economic classification | | | | | | | | | | | |
| Current payments | 126.5 | 118.0 | 103.5 | 128.6 | 0.5% | 84.2% | 132.5 | 135.2 | 135.5 | 1.8% | 85.9% |
| Compensation of employees | 77.0 | 73.0 | 70.8 | 85.6 | 3.6% | 54.2% | 85.3 | 85.2 | 85.3 | -0.1% | 55.2% |
| Goods and services ¹ | 49.5 | 45.0 | 32.7 | 43.0 | -4.6% | 30.1% | 47.2 | 50.0 | 50.2 | 5.3% | 30.8% |
| <i>of which:</i> | | | | | | | | | | | |
| <i>Bursaries: Employees</i> | 0.3 | 0.4 | 0.2 | 0.3 | -5.5% | 0.2% | 0.4 | 0.4 | 0.4 | 19.9% | 0.2% |
| <i>Consultants: Business and advisory services</i> | 36.7 | 31.2 | 23.6 | 31.7 | -4.8% | 21.8% | 32.9 | 35.3 | 35.3 | 3.7% | 21.9% |
| <i>Consumables: Stationery, printing and office supplies</i> | 3.0 | 2.1 | 1.0 | 1.7 | -17.3% | 1.4% | 1.6 | 1.7 | 1.7 | 0.3% | 1.1% |
| Travel and subsistence | 5.0 | 7.1 | 4.7 | 4.9 | -0.4% | 3.8% | 6.6 | 7.0 | 6.9 | 12.2% | 4.1% |
| Training and development | 0.4 | 0.6 | 0.1 | 1.2 | 40.2% | 0.4% | 1.4 | 1.5 | 1.6 | 9.9% | 0.9% |
| Operating payments | 1.9 | 2.0 | 2.0 | 1.9 | - | 1.4% | 2.8 | 2.5 | 2.6 | 11.8% | 1.6% |
| Transfers and subsidies ¹ | 24.7 | 20.3 | 21.1 | 20.6 | -5.9% | 15.3% | 20.3 | 20.8 | 20.9 | 0.5% | 13.4% |

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

Table 8.8 Economic Policy, Tax, Financial Regulation and Research 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 (%) |
|---|-----------------|--------------|--------------|--------------|------------------------|-------------------------|--------------------------------|----------------------------------|--------------|--------------|-------------------------|--------------------------------|
| | 2017/18 | 2018/19 | 2019/20 | 2020/21 | | | | 2021/22 | 2022/23 | 2023/24 | | |
| R million | | | | | | | | | | | | |
| Departmental agencies and accounts | 19.3 | 19.9 | 20.8 | 20.5 | 20.5 | 2.0% | 14.2% | 20.3 | 20.8 | 20.9 | 0.7% | 13.3% |
| Public corporations and private enterprises | 5.0 | – | – | – | – | -100.0% | 0.9% | – | – | – | – | – |
| Households | 0.4 | 0.4 | 0.4 | 0.1 | 0.1 | -36.3% | 0.2% | – | – | – | -100.0% | – |
| Payments for capital assets | 0.7 | 0.5 | 0.2 | 1.2 | 1.2 | 20.4% | 0.4% | 1.0 | 1.0 | 1.1 | -1.7% | 0.7% |
| Machinery and equipment | 0.7 | 0.5 | 0.2 | 1.2 | 1.2 | 20.4% | 0.4% | 1.0 | 1.0 | 1.1 | -1.7% | 0.7% |
| Payments for financial assets | – | 0.0 | – | – | – | – | – | – | – | – | – | – |
| Total | 151.9 | 138.8 | 124.9 | 150.3 | 150.3 | -0.3% | 100.0% | 153.8 | 157.1 | 157.5 | 1.6% | 100.0% |
| Proportion of total programme expenditure to vote expenditure | 0.4% | 0.5% | 0.4% | 0.4% | 0.4% | – | – | 0.4% | 0.5% | 0.5% | – | – |

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

Table 8.8 Economic Policy, Tax, Financial Regulation and Research 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 | 2017/18 | 2018/19 | 2019/20 | 2020/21 | 2021/22 | 2022/23 | 2023/24 | 2020/21 - 2023/24 |
| Details of transfers and subsidies | | | | | | | | |
| Households | - | - | - | - | - | - | - | - |
| Social benefits | - | - | - | - | - | - | - | - |
| Current | 0.4 | 0.4 | 0.2 | 0.1 | - | - | - | -100.0% |
| Employee social benefits | 0.4 | 0.4 | 0.2 | 0.1 | - | - | - | -100.0% |
| Departmental agencies and accounts | | | | | | | | |
| Departmental agencies (non-business entities) | | | | | | | | |
| Current | 19.3 | 19.9 | 20.8 | 20.5 | 20.3 | 20.8 | 20.9 | 0.7% |
| Cooperative Banks Development Agency | 19.3 | 19.9 | 20.8 | 20.5 | 20.3 | 20.8 | 20.9 | 0.7% |
| | | | | | | | | 13.3% |
| | | | | | | | | 13.3% |

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 2021 | | Number and cost ² of personnel posts filled/planned for on funded establishment | | | | | | | | | | | | Number | | | | | |
|---|-----|--|------|-----------|------------------|------|-----------|----------------------------------|------|-----------|--------|---------|-----------|-------------------------|---------------------------------|------|-----|-------|--------|
| | | Actual | | | Revised estimate | | | Medium term expenditure estimate | | | | | | Average growth rate (%) | Average Salary level/ Total (%) | | | | |
| | | 2019/20 | | | 2020/21 | | | 2021/22 | | 2022/23 | | 2023/24 | | 2020/21 - 2023/24 | | | | | |
| | | Number | Cost | Unit cost | Number | Cost | Unit cost | Number | Cost | Unit cost | Number | Cost | Unit cost | Number | Cost | | | | |
| Economic Policy, Tax, Financial Regulation and Research | | | | | | | | | | | | | | | | | | | |
| Salary level | 102 | 8 | 77 | 70.8 | 0.9 | 75 | 80.5 | 1.1 | 80 | 85.3 | 1.1 | 80 | 85.2 | 1.1 | 79 | 85.3 | 1.1 | 1.6% | 100.0% |
| 1 – 6 | 8 | 7 | 1 | 0.3 | 0.3 | 2 | 0.7 | 0.4 | 2 | 0.7 | 0.4 | 2 | 0.7 | 0.4 | 3 | 0.8 | 0.3 | 14.5% | 2.9% |
| 7 – 10 | 23 | – | 18 | 10.4 | 0.6 | 14 | 9.4 | 0.7 | 18 | 13.2 | 0.7 | 17 | 11.9 | 0.7 | 17 | 11.1 | 0.7 | 6.1% | 21.0% |
| 11 – 12 | 25 | – | 20 | 16.3 | 0.8 | 21 | 20.5 | 1.0 | 22 | 21.9 | 1.0 | 21 | 21.1 | 1.0 | 19 | 19.6 | 1.0 | -3.2% | 26.9% |
| 13 – 16 | 46 | 1 | 38 | 43.7 | 1.2 | 38 | 50.0 | 1.3 | 38 | 49.4 | 1.3 | 39 | 51.5 | 1.3 | 40 | 53.8 | 1.3 | 1.7% | 49.3% |

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 service delivery trends, and manages National Treasury's relations with other national departments as well as its own analytical work. The division monitors the use of scarce public resources by national spending agencies, engaging where necessary with accounting officers and other officials to promote efficient and effective use of these resources. The division also reports to Parliament quarterly on the spending of national departments and selected public entities. Based on engagements with departments, the Public Finance team provides recommendations annually to the Medium term Expenditure Committee (MTEC), Ministers Committee on the Budget, as well as Cabinet.

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, Performance Indicators and Targets

| No. | Outcomes | Outputs | Output Indicators | Annual Targets | | | | | MTEF Period | | | |
|-------|----------------------------|--|--|------------------------------|---------|-----------------------|---|---|---|---|---|---|
| | | | | Audited / Actual Performance | | Estimated Performance | Planned Performance Current Year | 2022/23 | 2023/24 | 2024/25 | | |
| | | | | 2017/18 | 2018/19 | 2019/20 | 2020/21 | 2021/22 | 2022/23 | 2023/24 | 2024/25 | |
| 3.1.1 | Sustainable Public Finance | 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 and Budget Review published in February | Appropriation Bill and Budget Review published in February | Appropriation Bill and Budget Review published in February | Appropriation Bill and Budget Review published in February |
| 3.1.2 | | DoR Bill DoR Amendment Bill | Number of Division of Revenue and Division of Revenue Amendment Bills published annually | 2 | 2 | 2 | Adjustments Appropriation Bill, AENE and MTBPS published in October | Adjustments Appropriation Bill, AENE and MTBPS published in October | Adjustments Appropriation Bill and MTBPS published in October | Adjustments Appropriation Bill and MTBPS published in October | Adjustments Appropriation Bill and MTBPS published in October | Adjustments Appropriation Bill and MTBPS published in October |

7. PROGRAMME 3: PUBLIC FINANCE AND BUDGET MANAGEMENT

7.2 Outcomes, Outputs, Performance Indicators and Targets - continued

| No. | Outcomes | Outputs | Output Indicators | Annual Targets | | | | | | | MTEF Period | | |
|-------|------------------------------------|---|--|------------------------------|---------|-----------------------|----------------------------------|-------------|---------|---------|-------------|---------|---------|
| | | | | Audited / Actual Performance | | Estimated Performance | Planned Performance Current Year | MTEF Period | | | | | |
| | | | | 2017/18 | 2018/19 | | | 2019/20 | 2020/21 | 2021/22 | | 2022/23 | 2023/24 |
| 3.1.3 | Sustainable Public Finance | Provincial and local government fiscal policy reforms | Number of reforms introduced to enhance provincial and local government fiscal frameworks | 2 | 2 | 2 | 3 | 3 | 3 | 3 | 3 | 3 | 3 |
| 3.1.4 | | Progress reports on the economic development strategies implemented | Number of township economic development strategies implemented | # | # | # | # | 5 | 5 | 5 | 5 | 5 | N/A |
| 3.1.5 | | Infrastructure plans assessment reports | Number of Infrastructure plans assessment reports produced | 36 | 36 | 35 | 36 | 36 | 36 | 36 | 36 | 36 | 36 |
| 3.1.6 | Coherent economic policy advocated | Approved catalytic projects | Number of catalytic projects approved in spatially targeted areas within metropolitan cities, secondary cities and rural towns | # | # | # | 20 | 20 | 20 | 20 | 20 | 20 | 20 |

7. PROGRAMME 3: PUBLIC FINANCE AND BUDGET MANAGEMENT

7.2 Outcomes, Outputs, Performance Indicators and Targets - continued

| No. | Outcomes | Outputs | Output Indicators | Annual Targets | | | | | | | | | |
|--------|----------------------------|------------------------------------|---|------------------------------|---------|---------|---------|-----------------------|----------------------------------|-------------|---------|---------|---------|
| | | | | Audited / Actual Performance | | | | Estimated Performance | Planned Performance Current Year | MTEF Period | | | |
| | | | | 2017/18 | 2018/19 | 2019/20 | 2020/21 | | | 2021/22 | 2022/23 | 2023/24 | 2024/25 |
| 3.1.7 | Sustainable Public Finance | Quarterly financial status reports | Number of quarterly financial reports published | 4 | 4 | 8 | 8 | 8 | 8 | 8 | 8 | 8 | 8 |
| 3.1.8 | | Financial recovery plans | Percentage of requests to draft financial recovery plans responded to within 90 days of receipt | # | # | # | 100% | 100% | 100% | 100% | 100% | 100% | 100% |
| 3.1.9 | | Cabinet memos comments | Percentage of Cabinet memos received commented on | # | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% |
| 3.1.10 | | SCOA reports | Number of quarterly expenditure reports submitted to the Standing Committee on Appropriations | 160 | 4 | 4 | 4 | 4 | 4 | 4 | 4 | 4 | 4 |

7. PROGRAMME 3: PUBLIC FINANCE AND BUDGET MANAGEMENT

7.2 Outcomes, Outputs, Performance Indicators and Targets - continued

| No. | Outcomes | Outputs | Output Indicators | Annual Targets | | | | | | | | | |
|--------|----------------------------|-----------------------------|---|------------------------------|---------|-----------------------|----------------------------------|-------------|---------|---------|---------|---------|---------|
| | | | | Audited / Actual Performance | | Estimated Performance | Planned Performance Current Year | MTEF Period | | | | | |
| | | | | 2017/18 | 2018/19 | | | 2019/20 | 2020/21 | 2021/22 | 2022/23 | 2023/24 | 2024/25 |
| 3.1.11 | Sustainable Public Finance | Technical advisors in place | Number of technical advisors placed at National Treasury, provincial treasuries and municipalities through the Municipal Finance Improvement Programme (MFIP) | 50 | 60 | 80 | 70 | 80 | 80 | 80 | 80 | 80 | 80 |
| 3.1.12 | | Grant funding disbursed | Value of grant funding disbursed (cumulative across the term of project) | R4 361m | R4 624m | R 5 037m | R5 778m | R6 317m | R6 963m | R7 415m | R7 880m | | |

7. PROGRAMME 3: PUBLIC FINANCE AND BUDGET MANAGEMENT

7.3 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 in February | N/A | N/A | N/A | Appropriation Bill, ENE and Budget Review published in February |
| | | Adjustments Appropriation Bill, AENE and MTBPS published in October | | | Adjustments Appropriation Bill, AENE and MTBPS published in October | 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 | 3 | N/A | N/A | N/A | 3 |
| 3.1.4 | Number of township economic development strategies implemented | 5 | N/A | 5 | N/A | N/A |
| 3.1.5 | Number of Infrastructure plans assessment reports produced | 36 | N/A | N/A | 36 | N/A |
| 3.1.6 | Number of catalytic projects approved in spatially targeted areas within metropolitan cities, secondary cities and rural towns | 20 | 5 | 5 | 5 | 5 |
| 3.1.7 | Number of quarterly financial reports published | 8 | 2 | 2 | 2 | 2 |
| 3.1.8 | Percentage of requests to draft financial recovery plans responded to within 90 days of receipt | 100% | 100% | 100% | 100% | 100% |
| 3.1.9 | Percentage of Cabinet memos received commented on | 100% | 100% | 100% | 100% | 100% |
| 3.1.10 | Number of quarterly expenditure reports submitted to the Standing Committee on Appropriations | 4 | 1 | 1 | 1 | 1 |
| 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) | R6 317m | N/A | N/A | N/A | R6 317m |

7. PROGRAMME 3: PUBLIC FINANCE AND BUDGET MANAGEMENT

Explanation of planned performance over the medium term period

Over the medium term, the Budget Office will continue providing fiscal policy advice by monitoring economic and fiscal trends and advising on policy options and the budget framework; coordinating the national budgeting process which includes coordinating resource allocation to meet priorities set by government; overseeing expenditure planning, leading the budget reform programme, coordinating international development cooperation, providing advice on public service remuneration and pension arrangements and compiling public finance statistics. The programme will continue ensuring that all government departments remain within spending limits approved by Cabinet. This will be achieved through in-year monitoring of expenditure of all votes by Public Finance sub-programme.

Intergovernmental Relations coordinates 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, and the development of the framework for managing conditional grants over the medium. A number of reforms will be introduced to enhance provincial and local government fiscal frameworks over the medium term.

To support the development of infrastructure and economically integrated cities and communities, the National Treasury facilitates conditional grants and provides financial incentives for infrastructure planning and development. This support is provided to municipalities through the local government financial management grant, the neighbourhood development partnership grant, the integrated city development grant, the municipal turnaround programme, and the infrastructure skills development grant. Transfer to the grants amount to a projected R6.2 billion over the medium term in the Facilitation of Conditional Grants sub-programme within Public Finance and Budget Management programme.

Through the Cities Support Programme, the Built Environment Performance Plans have now reached a level of maturity. The focus now shifts to supporting coherent economic development planning and implementation at township level in 5 metros, supporting the development and implementation of integrated, resourced and multi stakeholder township economic development plans and supporting the implementation of those plans in 5 townships.

The performance-based system was introduced for Education and Health to institutionalise Infrastructure Delivery Management System principles relating to infrastructure planning and delivery in provinces. Thirty-six provincial infrastructure plans are assessed in collaboration with the relevant national sector departments (Education and Health). The process is intended to support the integrated spatially referenced Planning. Through these plans we are able to see what budgets (infrastructure investments) in what locations (spatial referencing) are intended in all provinces in Education and Health. This information is relevant for government's Priority 2 and 5.

7. PROGRAMME 3: PUBLIC FINANCE AND BUDGET MANAGEMENT

The Municipal Finance Improvement Programme (MFIP) will maintain the strategic alignment of the six local government financial management game changers designed to build the institutional and technical financial management capacity of NT, Provincial Treasuries (PTs) and Municipalities. The programme aims to facilitate improved local government financial management practices and outcomes through the placement and maintenance of technical advisors at these entities. The programme will in addition continue implementing a range of measures to improve the overall value proposition and operational efficiency of the programme. These measures include the institutionalisation of the modified business model; undertaking ongoing advocacy of the revised governance and management arrangements with programme stakeholders; appointing officials to the project management unit to further strengthen accountability and sustainability; sourcing the full complement of technical advisors to implement the entire spectrum of MFIP technical support; and implementing the MFIP knowledge and information management strategy to improve the efficiency of programme administration and enhance knowledge sharing and collaborative learning across the project work streams.

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 (%) | |
|---|-----------------|----------------|------------------------|-------------------------|-------------|-------------------------------|----------------------------------|----------------|----------------|-------------------------|-------------------------------|---------|
| | 2017/18 | 2018/19 | | 2019/20 | 2020/21 | | 2017/18 - 2020/21 | 2021/22 | 2022/23 | | | 2023/24 |
| R million | | | | | | | | | | | | |
| Programme for Management for Public Finance and Budget Management | 20.8 | 19.1 | 23.3 | 21.7 | 1.4% | 0.8% | 31.7 | 32.3 | 32.4 | 14.3% | 0.8% | |
| Public Finance | 61.7 | 64.0 | 68.5 | 69.0 | 3.8% | 2.4% | 64.9 | 65.0 | 65.1 | -1.9% | 1.8% | |
| Budget Office and Coordination | 57.7 | 59.7 | 59.9 | 69.6 | 6.4% | 2.2% | 66.6 | 66.7 | 66.7 | -1.4% | 1.9% | |
| Intergovernmental Relations | 97.8 | 100.8 | 100.8 | 136.7 | 11.8% | 3.9% | 522.4 | 538.3 | 540.1 | 58.1% | 12.1% | |
| Financial and Fiscal Commission | 50.6 | 51.8 | 54.3 | 63.8 | 8.0% | 2.0% | 63.2 | 63.8 | 64.1 | 0.1% | 1.8% | |
| Facilitation of Conditional Grants | 1 592.7 | 1 508.8 | 1 584.0 | 1 481.9 | -2.4% | 55.5% | 1 615.2 | 1 679.6 | 1 724.4 | 5.2% | 45.1% | |
| Catalytic Infrastructure and Development Support Programme | 259.7 | 323.8 | 370.4 | 312.2 | 6.3% | 11.4% | 581.9 | 502.1 | 408.5 | 9.4% | 12.5% | |
| Government Technical Advisory Centre | 673.9 | 402.5 | 674.9 | 685.0 | 0.5% | 21.9% | 984.1 | 896.5 | 900.0 | 9.5% | 24.0% | |
| Total | 2 815.0 | 2 530.4 | 2 936.1 | 2 839.8 | 0.3% | 100.0% | 3 929.9 | 3 844.4 | 3 801.3 | 10.2% | 100.0% | |
| Change to 2020 Budget estimate | | | | (554.6) | | | 12.0 | (158.3) | (236.3) | | | |

7. PROGRAMME 3: PUBLIC FINANCE AND BUDGET MANAGEMENT

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

| Subprogramme | 2017/18 | 2018/19 | 2019/20 | 2020/21 | Average growth rate (%) | Average: Expenditure/Total (%) | 2021/22 | 2022/23 | 2023/24 | Average growth rate (%) | Average: Expenditure/Total (%) | |
|---|----------------|----------------|----------------|----------------|-------------------------|--------------------------------|----------------|----------------|----------------|-------------------------|--------------------------------|--|
| R million | 2017/18 | 2018/19 | 2019/20 | 2020/21 | 2017/18 - 2020/21 | (%) | 2021/22 | 2022/23 | 2023/24 | 2020/21 - 2023/24 | (%) | |
| Economic classification | | | | | | | | | | | | |
| Current payments | 564.3 | 636.0 | 593.2 | 645.4 | 4.6% | 21.9% | 1 124.7 | 1 147.3 | 1 150.9 | 21.3% | 28.2% | |
| Compensation of employees | 211.7 | 213.9 | 224.0 | 238.5 | 4.1% | 8.0% | 233.0 | 233.3 | 233.3 | -0.7% | 6.5% | |
| Goods and services ¹ | 352.6 | 422.1 | 369.3 | 406.9 | 4.9% | 13.9% | 891.7 | 914.1 | 917.6 | 31.1% | 21.7% | |
| of which: | | | | | | | | | | | | |
| Bursaries: Employees | 1.0 | 1.0 | 0.5 | 1.1 | 3.9% | - | 1.3 | 1.4 | 1.4 | 8.4% | - | |
| Consultants: Business and advisory services | 332.9 | 400.4 | 354.7 | 388.5 | 5.3% | 13.3% | 866.2 | 887.8 | 891.2 | 31.9% | 21.0% | |
| Consumables: Stationery, printing and office supplies | 6.7 | 1.0 | 0.7 | 1.2 | -43.1% | 0.1% | 1.8 | 1.8 | 1.8 | 14.1% | - | |
| Operating leases | 0.7 | 0.8 | 0.7 | 0.8 | 2.5% | - | 1.1 | 1.1 | 1.1 | 13.3% | - | |
| Travel and subsistence | 8.5 | 10.6 | 7.3 | 5.4 | -14.1% | 0.3% | 10.9 | 11.3 | 11.3 | 28.3% | 0.3% | |
| Operating payments | 0.0 | 5.8 | 3.4 | 6.2 | 1058.8% | 0.1% | 6.3 | 6.5 | 6.5 | 1.5% | 0.2% | |
| Transfers and subsidies¹ | 2 249.6 | 1 892.6 | 2 341.7 | 2 190.8 | -0.9% | 78.0% | 2 802.5 | 2 694.1 | 2 647.4 | 6.5% | 71.7% | |
| Provinces and municipalities | 1 592.7 | 1 508.8 | 1 584.0 | 1 481.9 | -2.4% | 55.5% | 1 615.2 | 1 679.6 | 1 724.4 | 5.2% | 45.1% | |
| Departmental agencies and accounts | 656.4 | 381.9 | 655.9 | 668.8 | 0.6% | 21.2% | 1 033.6 | 919.5 | 923.0 | 11.3% | 24.6% | |
| Public corporations and private enterprises | - | - | 100.0 | 40.0 | - | 1.3% | 153.7 | 95.0 | - | -100.0% | 2.0% | |
| Households | 0.4 | 1.9 | 1.9 | 0.1 | -43.8% | - | - | - | - | -100.0% | - | |

7. PROGRAMME 3: PUBLIC FINANCE AND BUDGET MANAGEMENT

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

| Subprogramme | 2017/18 | 2018/19 | 2019/20 | 2020/21 | 2017/18 - 2020/21 | Average growth rate (%) | Average: Expenditure/Total (%) | 2021/22 | 2022/23 | 2023/24 | 2020/21 - 2023/24 | Average growth rate (%) | Average: Expenditure/Total (%) |
|---|----------------|----------------|----------------|----------------|-------------------|-------------------------|--------------------------------|----------------|----------------|----------------|-------------------|-------------------------|--------------------------------|
| R million | | | | | | | | | | | | | |
| Payments for capital assets | 1.1 | 1.9 | 1.2 | 3.6 | 50.7% | 0.1% | 2.7 | 2.9 | 3.0 | 3.0 | -5.4% | -5.4% | 0.1% |
| Machinery and equipment | 1.1 | 1.9 | 1.2 | 3.6 | 50.7% | 0.1% | 2.7 | 2.9 | 3.0 | 3.0 | -5.4% | -5.4% | 0.1% |
| Payments for financial assets | 0.1 | 0.0 | 0.0 | - | -100.0% | - | - | - | - | - | - | - | - |
| Total | 2 815.0 | 2 530.4 | 2 936.1 | 2 839.8 | 0.3% | 100.0% | 3 929.9 | 3 844.4 | 3 801.3 | 3 801.3 | 10.2% | 10.2% | 100.0% |
| Proportion of total programme expenditure to vote expenditure | 7.1% | 8.9% | 9.9% | 8.2% | - | - | 9.6% | 12.0% | 11.8% | 11.8% | - | - | - |

Details of transfers and subsidies

| | | | | | | | | | | | | | |
|--|--------------|--------------|--------------|--------------|---------------|--------------|----------------|--------------|--------------|--------------|----------------|----------------|--------------|
| Households | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Social benefits | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Current | 0.4 | 1.9 | 0.2 | 0.1 | -43.8% | - | - | - | - | - | -100.0% | -100.0% | - |
| Employee social benefits | 0.4 | 1.9 | 0.2 | 0.1 | -43.8% | - | - | - | - | - | -100.0% | -100.0% | - |
| Departmental agencies and accounts | | | | | | | | | | | | | |
| Departmental agencies (non-business entities) | | | | | | | | | | | | | |
| Current | 655.7 | 381.1 | 770.1 | 708.0 | 2.6% | 22.6% | 1 106.2 | 958.1 | 866.4 | 866.4 | 7.0% | 7.0% | 25.2% |
| Financial and Fiscal Commission | 50.6 | 51.8 | 54.3 | 63.8 | 8.0% | 2.0% | 63.2 | 63.8 | 64.1 | 64.1 | 0.1% | 0.1% | 1.8% |
| Government Technical Advisory Centre | 605.0 | 329.3 | 615.8 | 604.1 | - | 19.4% | 789.3 | 799.3 | 802.3 | 802.3 | 9.9% | 9.9% | 20.8% |

7. PROGRAMME 3: PUBLIC FINANCE AND BUDGET MANAGEMENT

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

| Subprogramme | 2017/18 | 2018/19 | 2019/20 | Audited outcome | Adjusted appropriation | Average growth rate (%) | Average Expenditure/Total (%) | Medium term expenditure estimate | Average growth rate (%) | Average Expenditure/Total (%) | |
|---|--------------|--------------|--------------|-----------------|------------------------|-------------------------|-------------------------------|----------------------------------|-------------------------|-------------------------------|--------------|
| R million | 2017/18 | 2018/19 | 2019/20 | 2020/21 | 2020/21 | 2017/18 - 2020/21 | 2021/22 | 2022/23 | 2023/24 | 2020/21 - 2023/24 | |
| Development Bank of Southern Africa | – | – | 100.0 | 40.0 | – | – | 153.7 | 95.0 | – | -100.0% | 2.0% |
| GTAC: Independent power producer | – | – | – | – | – | – | 100.0 | – | – | – | 0.7% |
| Capital | 0.7 | 0.8 | 0.8 | 0.9 | 0.9 | 5.6% | 0.9 | 1.0 | 1.0 | 4.5% | – |
| Government Technical Advisory Centre | 0.7 | 0.8 | 0.8 | 0.9 | 0.9 | 5.6% | 0.9 | 1.0 | 1.0 | 4.5% | – |
| Provinces and municipalities | | | | | | | | | | | |
| Municipalities | | | | | | | | | | | |
| Municipal bank accounts | | | | | | | | | | | |
| Current | 642.8 | 646.1 | 682.2 | 688.7 | 688.7 | 2.3% | 707.3 | 725.6 | 728.4 | 1.9% | 19.8% |
| Local government financial management grant | 502.0 | 504.6 | 532.8 | 544.9 | 544.9 | 2.8% | 552.1 | 566.4 | 568.6 | 1.4% | 15.5% |
| Infrastructure skills development grant | 140.8 | 141.5 | 149.4 | 143.9 | 143.9 | 0.7% | 155.2 | 159.2 | 159.9 | 3.6% | 4.3% |
| Capital | 950.0 | 862.7 | 911.7 | 793.1 | 793.1 | -5.8% | 907.9 | 954.0 | 996.0 | 7.9% | 25.3% |
| Integrated city development grant | 292.1 | 293.6 | 310.1 | 313.7 | 313.7 | 2.4% | 341.3 | 360.9 | 376.8 | 6.3% | 9.7% |
| Neighbourhood development partnership grant | 657.8 | 569.1 | 601.7 | 479.4 | 479.4 | -10.0% | 566.6 | 593.1 | 619.2 | 8.9% | 15.7% |

7. PROGRAMME 3: PUBLIC FINANCE AND BUDGET MANAGEMENT

7.4.2 Personnel information

Table 8.11 Public Finance and Budget Management personnel numbers and cost by salary level¹

| Number of posts estimated for 31 March 2021 | | Number and cost ² of personnel posts filled/planned for on funded establishment | | | | | | | | | | | | Number | | | | |
|---|------------------------|--|---------|---------|-----------|------------------|---------|-------------------|----------------------------------|---------|-----------|---------|---------|-----------|-------------------------|---------------------------------|-----------|--------|
| Public Finance and Budget Management | 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 (%) | | |
| | | | 2019/20 | 2020/21 | 2021/22 | 2022/23 | 2023/24 | 2020/21 - 2023/24 | 2021/22 | 2022/23 | 2023/24 | 2024/25 | 2025/26 | 2026/27 | | | 2027/28 | |
| | | | Number | Cost | Unit cost | Number | Cost | Unit cost | Number | Cost | Unit cost | Number | Cost | Unit cost | Number | Cost | Unit cost | |
| Salary level | 279 | 7 | 250 | 224.0 | 0.9 | 237 | 219.3 | 0.9 | 248 | 233.0 | 0.9 | 246 | 233.3 | 0.9 | 245 | 233.3 | 1.0 | 100.0% |
| 1 – 6 | 7 | 5 | 3 | 0.3 | 0.1 | 3 | 0.3 | 0.1 | 3 | 0.3 | 0.1 | 3 | 0.3 | 0.1 | 4 | 0.4 | 0.1 | 10.1% |
| 7 – 10 | 79 | 1 | 75 | 40.2 | 0.5 | 73 | 40.6 | 0.6 | 78 | 44.7 | 0.6 | 80 | 46.5 | 0.6 | 80 | 47.5 | 0.6 | 31.9% |
| 11 – 12 | 108 | – | 98 | 90.2 | 0.9 | 87 | 82.4 | 0.9 | 90 | 86.5 | 1.0 | 87 | 85.0 | 1.0 | 89 | 88.1 | 1.0 | 0.7% |
| 13 – 16 | 85 | 1 | 74 | 93.3 | 1.3 | 74 | 96.0 | 1.3 | 77 | 101.4 | 1.3 | 76 | 101.5 | 1.3 | 73 | 97.4 | 1.3 | -0.5% |

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

| No. | Outcomes | Outputs | Output Indicators | Annual Targets | | | | | MTEF Period | | |
|-------|--|---|--|------------------------------|---------|-----------------------|----------------------------------|---------|-------------|---------|---------|
| | | | | Audited / Actual Performance | | Estimated Performance | Planned Performance Current Year | 2021/22 | 2022/23 | 2023/24 | 2024/25 |
| | | | | 2017/18 | 2018/19 | 2019/20 | 2020/21 | | | | |
| 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 | 96.9% | 100% | 100% | 100% | 100% | 100% | 100% | 100% |
| 4.1.2 | | | Percentage of annual reports received from Schedule 2 and 3B public entities reviewed | 91.5% | 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 | 81.25% | 100% | 86% | 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% |
| 4.1.5 | | | Percentage of complete guarantee applications received from Schedule 2 and 3B public entities reviewed | 87.5% | 100% | 22% | 100% | 100% | 100% | 100% | 100% |
| 4.1.6 | | | Percentage of complete remuneration review requests of executive and non-executive directors received from Schedule 2 and 3B public entities reporting to the Minister of Finance reviewed | 100% | 100% | 60% | 100% | 100% | 100% | 100% | 100% |

8. PROGRAMME 4: ASSET AND LIABILITY MANAGEMENT

| No. | Outcomes | Outputs | Output Indicators | Annual Targets | | | | | MTEF Period | |
|-------|--|--------------------------------|---|------------------------------|-----------------------|----------------------------------|---------|---------|-------------|---------|
| | | | | Audited / Actual Performance | Estimated Performance | Planned Performance Current Year | 2022/23 | 2023/24 | | 2024/25 |
| 4.1.7 | Sound financial controls and management of public finances | Complete applications reviewed | Percentage of complete board appointments recommendations received from Schedule 2 and 3B public entities reporting to the Minister of Finance reviewed | 2017/18 | 100% | 100% | 100% | 100% | 100% | 100% |
| | | | | 2018/19 | 100% | 100% | 100% | 100% | 100% | 100% |
| 4.1.8 | | Reviewed MFMA submissions | Percentage of MFMA submissions relating to tariff adjustments received from Schedule 2 and 3B public entities reviewed | 2017/18 | 100% | 100% | 100% | 100% | 100% | 100% |

8. PROGRAMME 4: ASSET AND LIABILITY MANAGEMENT

| No. | Outcomes | Outputs | Output Indicators | Annual Targets | | | | | | | | |
|--------|-----------------------------|---|--|------------------------------|---------|-----------------------|----------------------------------|-------------|---------|---------|---------|------|
| | | | | Audited / Actual Performance | | Estimated Performance | Planned Performance Current Year | MTEF Period | | | | |
| | | | | 2017/18 | 2018/19 | 2019/20 | 2020/21 | 2021/22 | 2022/23 | 2023/24 | 2024/25 | |
| 4.1.9 | Sustainable public finances | Annual gross borrowing requirement met reports | Percentage of government's annual gross borrowing requirement met | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | |
| 4.1.10 | | Interest and redemptions met reports | Percentage of interest and redemptions met | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | |
| 4.1.11 | | Liquidity requirements met reports | Percentage of government's liquidity requirements met | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% |
| 4.1.12 | | Compliance with market and refinancing risks benchmarks reports | Percentage compliance with market and refinancing risks benchmarks | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% |
| 4.1.13 | | Government's contingent liabilities reports | Number of reports on the management of government's contingent liabilities | # | 6 | 6 | 4 | 4 | 4 | 4 | 4 | 4 |

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 complete remuneration review requests of executive and non-executive directors received from Schedule 2 and 3B public entities reporting to the Minister of Finance reviewed | 100% | 100% | 100% | 100% | 100% |
| 4.1.7 | Percentage of complete board appointments recommendations received from Schedule 2 and 3B public entities reporting to the Minister of Finance reviewed | 100% | 100% | 100% | 100% | 100% |
| 4.1.8 | Percentage of received MFMA submissions relating to tariff adjustments received from Schedule 2 and 3B public entities reviewed | 100% | 100% | 100% | 100% | 100% |
| 4.1.9 | Percentage of government's annual gross borrowing requirement met | 100% | 100% | 100% | 100% | 100% |
| 4.1.10 | Percentage of interest and redemptions met | 100% | 100% | 100% | 100% | 100% |
| 4.1.11 | Percentage of government's liquidity requirements met | 100% | 100% | 100% | 100% | 100% |
| 4.1.12 | Percentage compliance with market and refinancing risks benchmarks | 100% | 100% | 100% | 100% | 100% |
| 4.1.13 | Number of reports on the management of government's contingent liabilities | 4 | 1 | 1 | 1 | 1 |

8. PROGRAMME 4: ASSET AND LIABILITY MANAGEMENT

Explanation of planned performance over the medium term period

Over the medium term, the asset and liability management programme will contribute to sound financial controls and management of public finances through strengthening and capacitating SOC Boards that report to the Minister of Finance, with members that have relevant skills, experience and competencies with specific focus; supporting financial risk management by the National Treasury over the SOCs; financing government's gross borrowing requirement and ensure the sound management of government's cash resources; approval and implementation of optimal debt and funding benchmarks; approving and implementing Guarantee Reduction Framework; and improving the credit ratings and outlooks of the sovereign.

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 (%) |
|---|-----------------|----------------|----------------|----------------|--------------------------|-------------------------|-------------------------------|----------------------------------|--------------------------|---------|-------------------------|-------------------------------|
| | 2017/18 | 2018/19 | 2019/20 | 2020/21 | | | | 2021/22 | 2022/23 | 2023/24 | | |
| R million | 2017/18 | 2018/19 | 2019/20 | 2020/21 | 2017/18 - 2020/21 | 2021/22 | 2022/23 | 2023/24 | 2020/21 - 2023/24 | | | |
| Programme for Management for Asset and Liability Management | 6.1 | 6.9 | 8.0 | 9.3 | 15.1% | 10.8 | 10.4 | 10.6 | 4.5% | | 0.4% | |
| State - Owned Entity Financial Management and Governance | 10 033.7 | 31.5 | 33.9 | 2 963.2 | -33.4% | 5 036.1 | 1 035.9 | 1 036.1 | -29.6% | | 96.9% | |
| Government Debt Management | 17.9 | 19.5 | 22.5 | 20.7 | 4.9% | 20.8 | 20.9 | 21.0 | 0.5% | | 0.8% | |
| Financial Operations | 22.0 | 24.2 | 23.5 | 29.4 | 10.1% | 38.1 | 38.8 | 38.9 | 9.8% | | 1.4% | |
| Strategy and Risk Management | 10.1 | 9.0 | 8.9 | 12.8 | 8.2% | 12.1 | 12.3 | 12.3 | -1.4% | | 0.5% | |
| Total | 10 089.8 | 91.2 | 96.7 | 3 035.3 | -33.0% | 5 117.9 | 1 118.3 | 1 118.8 | -28.3% | | 100.0% | |
| Change to 2020 Budget estimate | | | | 2 911.2 | | 4 987.0 | 985.0 | 982.2 | | | | |
| Economic classification | | | | | | | | | | | | |
| Current payments | 88.9 | 88.4 | 93.0 | 108.9 | 7.0% | 117.1 | 117.5 | 117.9 | 2.7% | | 4.4% | |
| Compensation of employees | 75.2 | 73.8 | 78.4 | 90.6 | 6.4% | 85.6 | 84.7 | 85.1 | -2.1% | | 3.3% | |
| Goods and services ¹ | 13.6 | 14.6 | 14.6 | 18.3 | 10.2% | 31.5 | 32.7 | 32.9 | 21.6% | | 1.1% | |
| of which: | | | | | | | | | | | | |
| Audit costs: External | 0.7 | 1.0 | 1.1 | 1.5 | 31.5% | 1.0 | 0.8 | 0.4 | -35.6% | | - | |
| Bursaries: Employees | 0.7 | 0.4 | 0.1 | 0.5 | -10.2% | 0.8 | 1.0 | 1.1 | 29.4% | | - | |

8. PROGRAMME 4: ASSET AND LIABILITY MANAGEMENT

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 (%) |
|---|-----------------|----------------|------------------------|-------------------------|-------------------------------|----------------------------------|----------------|----------------|--------------------------|-------------------------------|
| | 2017/18 | 2018/19 | | | | 2019/20 | 2020/21 | 2021/22 | | |
| R million | 2017/18 | 2018/19 | 2019/20 | 2020/21 | 2017/18 - 2020/21 | 2021/22 | 2022/23 | 2023/24 | 2020/21 - 2023/24 | 2023/24 |
| Computer services | 8.0 | 8.5 | 8.6 | 11.2 | 11.6% | 21.4 | 22.3 | 22.8 | 26.7% | 0.7% |
| Consultants; Business and advisory services | 0.1 | 1.0 | 2.5 | 3.1 | 224.2% | 3.4 | 3.9 | 2.8 | -3.0% | 0.1% |
| Travel and subsistence | 2.6 | 2.4 | 1.3 | 1.0 | -26.8% | 2.9 | 2.9 | 3.5 | 51.5% | 0.1% |
| Training and development | 0.2 | 0.1 | 0.3 | 0.3 | 20.1% | 0.6 | 0.6 | 0.7 | 31.5% | - |
| Transfers and subsidies¹ | 0.4 | 2.1 | 3.4 | - | -100.0% | - | - | - | - | - |
| Households | 0.4 | 2.1 | 3.4 | - | -100.0% | - | - | - | - | - |
| Payments for capital assets | 0.6 | 0.7 | 0.3 | 0.8 | 12.5% | 0.8 | 0.9 | 0.9 | 5.2% | - |
| Machinery and equipment | 0.6 | 0.7 | 0.3 | 0.8 | 12.5% | 0.8 | 0.9 | 0.9 | 5.2% | - |
| Payments for financial assets | 10 000.0 | 0.0 | - | 2 925.6 | -33.6% | 5 000.0 | 1 000.0 | 1 000.0 | -30.1% | 95.5% |
| Total | 10 089.8 | 91.2 | 96.7 | 3 035.3 | -33.0% | 5 117.9 | 1 118.3 | 1 118.8 | -28.3% | 100.0% |
| Proportion of total programme expenditure to vote expenditure | 25.5% | 0.3% | 0.3% | 8.8% | - | 12.5% | 3.5% | 3.5% | - | - |

Details of transfers and subsidies

| | | | | | | | | | | |
|--------------------------|------------|------------|------------|----------|----------------|----------|----------|----------|----------|----------|
| Households | - | - | - | - | - | - | - | - | - | - |
| Social benefits | - | - | - | - | - | - | - | - | - | - |
| Current | 0.4 | 2.1 | 1.4 | - | -100.0% | - | - | - | - | - |
| Employee social benefits | 0.4 | 2.1 | 1.4 | - | -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 2021 | | Number and cost ² of personnel posts filled/planned for on funded establishment | | | | | | | | | | | | Number | | | | | |
|---|------------------------|--|---------|------|------------------|------|---------|---------|---------|------|---------|------|-----------|-----------|-----------|-------------------|-------------------------|---------------------------------|--------|
| | | Actual | | | Revised estimate | | | 2021/22 | | | 2022/23 | | | 2023/24 | | | Average growth rate (%) | Average Salary level/ Total (%) | |
| Asset and Liability Management | Number of funded posts | Number of posts of additional posts to the establishment | 2019/20 | | 2020/21 | | 2021/22 | | 2022/23 | | 2023/24 | | Unit cost | Unit cost | Unit cost | 2020/21 - 2023/24 | | | |
| | | | Number | Cost | Number | Cost | Number | Cost | Number | Cost | Number | Cost | | | | | | Number | Cost |
| Salary level | 114 | | 94 | 78.4 | 0.8 | 95 | 86.1 | 0.9 | 110 | 85.6 | 0.8 | 106 | 84.7 | 0.8 | 105 | 85.1 | 0.8 | 3.3% | 100.0% |
| 1 – 6 | 5 | | 3 | 0.7 | 0.2 | 3 | 0.8 | 0.3 | 22 | 1.3 | 0.1 | 22 | 1.3 | 0.1 | 22 | 1.3 | 0.1 | 93.2% | 16.3% |
| 7 – 10 | 45 | | 40 | 23.9 | 0.6 | 39 | 25.8 | 0.7 | 35 | 23.8 | 0.7 | 32 | 22.9 | 0.7 | 33 | 24.0 | 0.7 | -5.5% | 33.4% |
| 11 – 12 | 38 | | 30 | 28.4 | 0.9 | 31 | 31.6 | 1.0 | 31 | 32.1 | 1.0 | 29 | 30.5 | 1.0 | 28 | 30.1 | 1.1 | -3.2% | 28.9% |
| 13 – 16 | 26 | | 21 | 25.4 | 1.2 | 22 | 27.9 | 1.3 | 22 | 28.4 | 1.3 | 23 | 30.0 | 1.3 | 22 | 29.7 | 1.3 | - | 21.4% |

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 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, Performance Indicators and Targets

| No. | Outcomes | Outputs | Output Indicators | Annual Targets | | | | | | | | | |
|-------|--|---|---|--|---------|---|---|---|---|---|---|---|---|
| | | | | Audited / Actual Performance | | Estimated Performance | Planned Performance Current Year | MTEF Period | | | | | |
| | | | | 2017/18 | 2018/19 | | | 2019/20 | 2020/21 | 2021/22 | 2022/23 | 2023/24 | 2024/25 |
| 5.1.1 | Sound financial controls and management of public finances | Public Finance Norms and Standards | Number of norms and standards developed | # | # | 9 | 8 | 8 | 8 | 8 | 8 | 8 | |
| 5.1.2 | | Public Finance Governance Reports | Number of governance reports produced | # | # | 95 | 16 | 16 | 16 | 16 | 16 | 16 | |
| 5.1.3 | | Public Finance Management Capacity Development Programmes Reports | Number of public finance management capacity development programmes progress reports produced | # | # | 28 | 16 | 16 | 16 | 16 | 16 | 16 | 16 |
| 5.1.4 | Transversal systems available | Statutory reports | Percentage availability of transversal systems | # | # | 98% | 98% | 98% | 98% | 98% | 98% | 98% | |
| 5.1.5 | | IFMS II plan implementation reports | Number of statutory reports produced | # | # | 18 | 10 | 10 | 10 | 10 | 10 | 10 | |
| 5.1.6 | IFMS II plan implementation reports | Implementation of the IFMS II plan | Functional and technical specifications of IFMS system not developed. Execution of Common Design and procurement of supporting services Functional and technical specifications of IFMS system developed. | Planning and design completed Pilot site preparation for National Treasury and DPSA | # | IFMS Solution templates rolled out IFMS Generic template developed. Roll out of the generic template for accelerated implementation to Lead Sites and Pilot Sites. | IFMS Solution templates rolled out IFMS Generic template developed. Roll out of the generic template for accelerated implementation to Lead Sites and Pilot Sites. | IFMS Solution templates rolled out IFMS Generic template developed. Roll out of the generic template for accelerated implementation to Lead Sites and Pilot Sites. | IFMS Solution templates rolled out IFMS Generic template developed. Roll out of the generic template for accelerated implementation to Lead Sites and Pilot Sites. | IFMS Solution templates rolled out IFMS Generic template developed. Roll out of the generic template for accelerated implementation to Lead Sites and Pilot Sites. | IFMS Solution templates rolled out IFMS Generic template developed. Roll out of the generic template for accelerated implementation to Lead Sites and Pilot Sites. | IFMS Solution templates rolled out IFMS Generic template developed. Roll out of the generic template for accelerated implementation to Lead Sites and Pilot Sites. | IFMS Solution templates rolled out IFMS Generic template developed. Roll out of the generic template for accelerated implementation to Lead Sites and Pilot Sites. |

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

9.2 Outcomes, Outputs, Performance Indicators and Targets - continued

| No. | Outcomes | Outputs | Output Indicators | Annual Targets | | | | | MTEF Period | | |
|--------|--|---|---|------------------------------|---------|-----------------------|----------------------------------|-------------|-------------|---------|---------|
| | | | | Audited / Actual Performance | | Estimated Performance | Planned Performance Current Year | MTEF Period | | | |
| | | | | 2017/18 | 2018/19 | 2019/20 | 2020/21 | 2021/22 | 2022/23 | 2023/24 | 2024/25 |
| 5.1.7 | Sound financial controls and management of public finances | SCM compliance report | Number of quarterly compliance reports produced | # | # | # | 4 | 4 | 4 | 4 | 4 |
| 5.1.8 | | Approved SCM directives | Percentage of approved SCM directives | # | # | # | 100% | 100% | 100% | 100% | 100% |
| 5.1.9 | | Development of the support implementation of plan reports | Percentage implementation of support plan on identified or prioritised institutions in order to improve SCM performance | # | # | # | 100% | 100% | 100% | 100% | 100% |
| 5.1.10 | | Transversal term contracts | Number of transversal term contracts implemented | # | # | # | 28 | 21 | 21 | 25 | 21 |
| 5.1.11 | | Strategic sourcing opportunities plan reports | Percentage implementation of the strategic sourcing opportunities plan | # | # | # | 100% | 100% | 100% | 100% | 100% |

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

9.3 Indicators, Annual and Quarterly Targets

| No. | Output Indicators | Annual Target | Quarter 1 | Quarter 2 | Quarter 3 | Quarter 4 |
|--------|---|--|-----------------------------|--|---|---|
| 5.1.1 | Number of norms and standards developed | 8 | 2 | 2 | 2 | 2 |
| 5.1.2 | Number of governance reports produced | 16 | 4 | 4 | 4 | 4 |
| 5.1.3 | Number of public finance management capacity development programmes progress reports produced | 16 | 4 | 4 | 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 | 10 | 2 | 2 | 3 | 3 |
| 5.1.6 | Implementation of the IFMS II plan | Functional and technical Specifications of IFMS system developed. | Service provider appointed. | Project Inception & Approved Programme Plan. Accelerated implementation strategy/roadmap approved. | Approved functional and technical specifications of IFMS system. | Functional and technical specifications of IFMS system developed. |
| | | IFMS Generic template developed. | | Gap analysis of IFMS Generic template completed. | Configuration of IFMS Generic template initiated. | IFMS Generic template completed. |
| | | Roll out of the generic template for accelerated implementation to Lead Sites and Pilot Sites. | | Prototype for i-Recruitment developed. | Accelerated Implementation of i-Recruitment - Rollout of i-Recruitment System at Pilot Sites. | Accelerated Implementation of i-Recruitment - Rollout of i-Recruitment at Lead Sites. |
| 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 | Percentage implementation of support plan on identified or prioritised institutions in order to improve SCM performance | 100% | 100% | 100% | 100% | 100% |
| 5.1.10 | Number of transversal term contracts implemented | 21 | 3 | 4 | 7 | 7 |
| 5.1.11 | Percentage implementation of the strategic sourcing opportunities plan | 100% | 100% | 100% | 100% | 100% |

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

Explanation of planned performance over the medium term period

Vision 2030 of the National Development Plan (NDP) calls for a commitment to public and private procurement approaches that stimulate domestic industry and job creation. NDP further recommends a need for central oversight over large and long-term tenders, prohibition of public servants from doing business with the state and making individuals liable for losses in proven cases of corruption. Government has made progress in this regard, through implementation of reforms such as the Central Supplier Database (CSD) which requires those who wish to conduct business with the state to register. Furthermore, oversight of large and short term tenders has also been realised through effective and transparent oversight procurement reform system where procurement plans and deviations are published on quarterly basis through the office of the Chief Procurement Officer.

The key priority for delivery on the Medium Term Strategic Framework 2020-2024 by the National Treasury through the Office of the Chief Procurement Officer is to engender a capable, ethical and developmental state. This refers to the State's ability to have human resource capabilities, institutional capabilities and technological reforms to deliver on the NDP, to uphold constitutional values and principles for public administration, rule of law, progressive realisation of socio-economic rights and meeting public needs. The development of policy directives in preferential procurement for institutions to spend according to sex/gender, age and disability supports these public imperatives. The implementation of the Public Procurement Bill aims to further contribute to national economic growth and development while also addressing the challenges as experienced with the public procurement system currently.

In order to ensure continued sound financial controls and management of public finances, the Office of the Chief Procurement Officer will issue compliance reports in the interest of transparency in the public procurement system. Compliance will be further strengthened through publishing approved Supply Chain Management (SCM) directives, providing support to empower public supply chain practitioners, increase the coverage of transversal term contracts and report of the implementation of strategic sourcing opportunities plan.

Through the support implementation plan, the sub-programme aims to improve SCM performance in departments, municipalities and entities. It is envisaged that by 2023, a programme to strengthen and institutionalise the supply chain management and procurement system in the public sector will be developed. Through this priority, National Treasury through the Office of the Chief Procurement Officer aims to assist and promote the reduction of qualified audits and irregular expenditure in national, provincial and local level including public entities related to supply chain management and procurement.

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

Through the implementation of transversal contracts, the sub-programme aims to reduce cost and ensuring value for money by centralising tenders. This, furthermore, ensures that the needs of users are not compromised and improves the administrative efficiency and effectiveness of public procurement. Particular focus is placed on key commodities that stimulate job creation, empower local industrialisation and catalyse township economies.

The Office of the Accountant-General sub-programme will continue with the MFMA reforms and support measures including coordination and collaboration with key stakeholders, such as provincial treasuries, municipalities, Department of Cooperative Governance and Traditional Affairs and South African Local Government Association over the medium term. Measures are being put in place to support induction of new municipal councillors on financial management and oversight responsibilities after the 2021 local government elections. The helpdesk and legislative reviews are also scheduled to address gaps and strengthen areas needing attention. The alignment with the Local Government Memorandum of Understanding and institutional arrangements will feature during 2021 and 2022, with full implementation in the outer years of the medium term. The refocus of the support initiatives towards improving municipal audit outcomes will also be prioritised within the Office of the Accountant General. The web-enabled Financial Management Capability Maturity Model and audit action tools will be refined and piloted where after it will be followed by training, then posted on the National Treasury webpage for full use by all municipalities and provinces to enable seamless monitoring, reporting and support measures to be aligned by all stakeholders. This initiative is also designed to reduce the reliance on consultants and to ensure effective resources and institutional development. The Financial Management Grant will be refined to address strategic areas augmenting these reforms.

Government's integrated financial management system is designed to enhance the effectiveness of back-end public service functions by improving access to information, raising the quality of data, eliminating the duplication of systems and resources, and limiting the use of manual processes through modernisation and streamlining. By the end of 2020/21, a template for the system's software interface is expected to be designed and implemented at National Treasury and the Department of Public Service and Administration. Key stakeholders at these pilot sites have been trained to participate in the design process.

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 (%) |
|---|-----------------|----------------|------------------------|-------------------------|--------------------------|-------------------------------|----------------------------------|----------------|--------------------------|-------------------------|-------------------------------|
| | 2017/18 | 2018/19 | | 2019/20 | 2020/21 | | 2017/18 - 2020/21 | 2021/22 | 2022/23 | | |
| R million | 2017/18 | 2018/19 | 2019/20 | 2020/21 | 2017/18 - 2020/21 | 2021/22 | 2022/23 | 2023/24 | 2020/21 - 2023/24 | | |
| Programme Management for Financial Accounting and Supply Chain Management Systems | 25.5 | 50.2 | 38.8 | 41.2 | 17.3% | 101.7 | 119.0 | 119.4 | 42.6% | | 9.2% |
| Office of the Chief Procurement Officer | 71.8 | 69.0 | 68.7 | 67.8 | -1.9% | 68.9 | 69.1 | 69.2 | 0.7% | | 6.7% |
| Financial Systems | 374.3 | 419.6 | 399.0 | 487.2 | 9.2% | 581.8 | 599.0 | 601.5 | 7.3% | | 54.9% |
| Financial Reporting for National Accounts | 97.3 | 102.0 | 104.5 | 108.8 | 3.8% | 110.0 | 111.6 | 111.9 | 1.0% | | 10.7% |
| Financial Management Policy and Compliance Improvement | 120.5 | 130.3 | 122.6 | 148.3 | 7.2% | 170.3 | 173.1 | 173.5 | 5.4% | | 16.1% |
| Audit Statutory Bodies | - | - | - | - | - | 500 | 500 | - | - | | 2.4% |
| Service Charges: Commercial Banks | 0.2 | 0.3 | 0.3 | 0.3 | 21.1% | 0.3 | 0.3 | 0.3 | 1.7% | | - |
| Total | 689.6 | 771.4 | 733.9 | 853.5 | 7.4% | 1 082.9 | 1 122.2 | 1 075.8 | 8.0% | | 100.0% |

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 (%) | |
|---|-----------------|-------------|------------------------|-------------------------|--------------------------------|----------------------------------|--------------|-------------------------|--------------------------------|-------------|
| | 2017/18 | 2018/19 | 2019/20 | 2020/21 | 2017/18 - 2020/21 | 2021/22 | 2022/23 | 2023/24 | 2020/21 - 2023/24 | |
| R million | | | | | | | | | | |
| Change to 2020 Budget estimate | | | | (180.3) | | (14.7) | (36.8) | (112.2) | | |
| Economic classification | | | | | | | | | | |
| Current payments | 619.1 | 706.5 | 667.9 | 775.3 | 7.8% | 966.7 | 1 001.9 | 1 004.9 | 9.0% | 90.7% |
| Compensation of employees | 206.1 | 206.9 | 207.7 | 213.9 | 1.2% | 219.2 | 219.2 | 219.2 | 0.8% | 21.1% |
| Goods and services ¹ | 413.0 | 499.5 | 460.2 | 561.4 | 10.8% | 747.5 | 782.7 | 785.7 | 11.9% | 69.6% |
| of which: | | | | | | | | | | |
| Audit costs: External | 5.7 | 6.2 | 6.8 | 7.5 | 9.8% | 8.6 | 8.8 | 9.3 | 7.5% | 0.8% |
| Bursaries: Employees | 2.3 | 1.1 | 0.9 | 2.6 | 4.8% | 2.4 | 2.3 | 2.5 | -2.1% | 0.2% |
| Computer services | 344.2 | 353.3 | 350.4 | 430.3 | 7.7% | 516.8 | 532.2 | 545.0 | 8.2% | 49.0% |
| Consultants: Business and advisory services | 41.8 | 119.5 | 86.3 | 100.4 | 33.9% | 191.2 | 209.0 | 197.7 | 25.3% | 16.9% |
| Travel and subsistence | 8.3 | 10.0 | 7.0 | 6.9 | -6.1% | 13.0 | 14.0 | 13.9 | 26.1% | 1.2% |
| Venues and facilities | 4.3 | 4.4 | 3.5 | 5.4 | 8.1% | 5.6 | 5.9 | 6.3 | 5.6% | 0.6% |
| Transfers and subsidies¹ | 54.9 | 58.6 | 62.2 | 61.2 | 3.7% | 110.7 | 112.0 | 62.2 | 0.5% | 8.4% |
| Departmental agencies and accounts | 53.1 | 54.9 | 57.5 | 58.6 | 3.3% | 109.0 | 110.3 | 60.5 | 1.1% | 8.2% |

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

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 (%) |
|---|-----------------|----------------|----------------|----------------|--------------------------|-------------------------|--------------------------------|----------------------------------|--------------------------|---------------------------------------|-------------------------|--------------------------------|
| | 2017/18 | 2018/19 | 2019/20 | 2020/21 | | | | 2021/22 | 2022/23 | 2023/24 | | |
| R million | 2017/18 | 2018/19 | 2019/20 | 2020/21 | 2017/18 - 2020/21 | 2021/22 | 2022/23 | 2023/24 | 2020/21 - 2023/24 | Average: Expenditure/Total (%) | | |
| Households | 1.8 | 3.6 | 4.7 | 2.6 | 12.8% | 1.7 | 1.8 | 1.8 | -12.7% | 0.2% | | |
| Payments for capital assets | 15.2 | 6.3 | 3.8 | 16.9 | 3.6% | 5.6 | 8.3 | 8.7 | -19.9% | 1.0% | | |
| Machinery and equipment | 15.2 | 5.7 | 3.8 | 10.8 | -10.6% | 4.9 | 7.2 | 7.5 | -11.5% | 0.7% | | |
| Software and other intangible assets | 0.0 | 0.6 | - | 6.1 | 457.3% | 0.7 | 1.1 | 1.2 | -42.3% | 0.2% | | |
| Payments for financial assets | 0.3 | 0.0 | 0.1 | - | -100.0% | - | - | - | - | - | | |
| Total | 689.6 | 771.4 | 733.9 | 853.5 | 7.4% | 1 082.9 | 1 122.2 | 1 075.8 | 8.0% | 100.0% | | |
| Proportion of total programme expenditure to vote expenditure | 1.7% | 2.7% | 2.5% | 2.5% | - | 2.6% | 3.5% | 3.3% | - | - | | |
| Details of transfers and subsidies | | | | | | | | | | | | |
| Households | - | - | - | - | - | - | - | - | - | - | - | - |
| Social benefits | - | - | - | - | - | - | - | - | - | - | - | - |
| Current | 1.8 | 2.3 | 3.5 | 2.6 | 12.8% | 1.7 | 1.8 | 1.8 | -12.7% | 0.2% | | |
| Employee social benefits | 1.8 | 2.3 | 3.5 | 2.6 | 12.8% | 1.7 | 1.8 | 1.8 | -12.7% | 0.2% | | |

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

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 (%) |
|--|-----------------|---------|------------------------|-------------------------|-------------------------------|----------------------------------|---------|---------|-------------------------|-------------------------------|
| | 2017/18 | 2018/19 | | | | 2019/20 | 2020/21 | 2021/22 | | |
| R million | 2017/18 | 2018/19 | 2019/20 | 2020/21 | 2017/18 - 2020/21 | 2021/22 | 2022/23 | 2023/24 | 2020/21 - 2023/24 | |
| Departmental agencies and accounts | | | | | | | | | | |
| Departmental agencies (non-business entities) | | | | | | | | | | |
| Current | 53.1 | 54.9 | 57.5 | 58.6 | 3.3% | 109.0 | 110.3 | 60.5 | 1.1% | 8.2% |
| Accounting Standards Board | 13.5 | 14.1 | 14.3 | 14.4 | 2.3% | 14.4 | 14.6 | 14.6 | 0.5% | 1.4% |
| Independent Regulatory Board for Auditors | 39.6 | 40.9 | 43.2 | 44.2 | 3.7% | 44.6 | 45.7 | 45.9 | 1.2% | 4.4% |
| Public Audit Act Auditor-General of South Africa | - | - | - | - | - | 50.0 | 50.0 | - | - | 2.4% |
| Households | | | | | | | | | | |
| Other transfers to households | | | | | | | | | | |
| Current | - | 1.3 | - | - | - | - | - | - | - | - |
| Employee social benefits | - | 1.3 | - | - | - | - | - | - | - | - |

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 2021 | | Number and cost ² of personnel posts filled/planned for on funded establishment | | | | | | | | | | | | Number | | | | | |
|---|---|--|-------|-----------|------------------|-------|-----------|---------|-------|-----------|---------|-------|-----------|---------|-------|-----------|-------------------------|---------------------------------|--|
| | | Actual | | | Revised estimate | | | 2021/22 | | | 2022/23 | | | 2023/24 | | | Average growth rate (%) | Average Salary level/ Total (%) | |
| Number of funded posts | Number of posts of additional funded posts to the establishment | Number | Cost | Unit cost | Number | Cost | Unit cost | Number | Cost | Unit cost | Number | Cost | Unit cost | Number | Cost | Unit cost | 2020/21 - 2023/24 | | |
| Financial Accounting and Supply Chain Management Systems | | | | | | | | | | | | | | | | | | | |
| Salary level | | 290 | 207.7 | 0.8 | 267 | 207.7 | 0.8 | 258 | 219.2 | 0.9 | 251 | 219.2 | 0.9 | 243 | 219.2 | 0.9 | -0.4% | 100.0% | |
| 1 – 6 | | 14 | 2.5 | 0.3 | 8 | 2.5 | 0.3 | 9 | 3.0 | 0.3 | 10 | 3.3 | 0.3 | 10 | 3.3 | 0.3 | 3.6% | 3.8% | |
| 7 – 10 | | 118 | 66.5 | 0.6 | 117 | 66.5 | 0.6 | 111 | 68.4 | 0.6 | 102 | 62.7 | 0.6 | 88 | 53.3 | 0.6 | -6.3% | 40.9% | |
| 11 – 12 | | 77 | 55.2 | 0.8 | 73 | 55.2 | 0.8 | 71 | 58.9 | 0.8 | 71 | 59.8 | 0.8 | 73 | 62.5 | 0.9 | 3.0% | 28.1% | |
| 13 – 16 | | 81 | 83.5 | 1.2 | 69 | 83.5 | 1.2 | 67 | 88.8 | 1.3 | 69 | 93.4 | 1.4 | 72 | 100.1 | 1.4 | 4.6% | 27.2% | |

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 and organisations; manages bilateral and multilateral relationships on behalf of the National Treasury; and plans, implements and monitors work 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 and organisations. This entails working through key economic institutions and fora such as the African Development Bank, the United Nations Economic Commission for Africa, the African Union and related specialised technical committees, SADC Project Preparation and Development Facility, the G20, the Brazil-Russia-India-China-South Africa (BRICS) group of countries and the International Monetary Fund.

African Integration and Support

This sub-programme serves mainly as a vehicle to enable the National Treasury to engage with Africa through the Southern African Customs Union (SACU), the Southern African Development Community (SADC) and the African Union (AU). The main focus being pursuance of regional integration objectives around resources mobilization, adherence to prudent policies, and laying the foundation for long-term economic development through amongst others infrastructure investment. Also, engagement with Africa includes strengthening bilateral relations with key countries. Further, the sub-programme is responsible for the transfer of payments to countries that constitute the Common Monetary Area.

International Development Funding Institutions

This sub-programme provides for subscriptions and contributions to international development institutions, organisations, and multilateral banks. It transfers funds to the African Development Bank (AfDB) and to the World Bank Group (WBG) for buying shares and subscriptions contributing to general and selective increases in the authorised capital of the WBG and AfDB, which in turn allows South Africa to access loan financing from these institutions. Contributions are also made to the

10. PROGRAMME 6: INTERNATIONAL FINANCIAL RELATIONS

African Development Fund and the International Development Association, and through providing 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 support to disaster-hit and impoverished areas. To this end, the National Treasury contributes to the IMF-supported AFRITAC South, the African Institute for Economic Development and Planning (IDEP), and the Collective Africa Budget Reform Initiative (CABRI), the Commonwealth Fund for Technical Cooperation and the International Finance Facility for Immunisation (IFFI). 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, Performance Indicators and Targets

| No. | Outcome | Output | Output Indicators | Annual Targets | | | | | | | | | |
|-------|------------------------------------|---|---|----------------------------|---------|-----------------------|----------------------------------|-------------|---------|---------|---------|---------|---------|
| | | | | Audited/Actual Performance | | Estimated Performance | Planned Performance Current Year | MTEF Period | | | | | |
| | | | | 2017/18 | 2018/19 | | | 2019/20 | 2020/21 | 2021/22 | 2022/23 | 2023/24 | 2024/25 |
| 6.1.1 | Coherent economic policy advocated | Economic surveillance response-reports | Percentage of economic surveillance reports responded to | N/A | N/A | N/A | 100% | 100% | 100% | 100% | 100% | 100% | 100% |
| 6.1.2 | | Advocacy forums | Number of advocacy forums hosted for uptake of development finance | N/A | N/A | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| 6.1.3 | | Country partnership framework progress reports | Number of country partnership framework progress reports produced | N/A | N/A | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 |
| 6.1.4 | | 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 | N/A | N/A | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| 6.1.5 | | Policy positions | Percentage of policy positions developed | N/A | N/A | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% |

10. PROGRAMME 6: INTERNATIONAL FINANCIAL RELATIONS

10.3 Indicators, Annual and Quarterly Targets

| N0. | Output Indicators | Annual Targets | Quarter 1 | Quarter 2 | Quarter 3 | Quarter 4 |
|-------|---|----------------|-----------|-----------|-----------|-----------|
| 6.1.1 | Percentage of economic surveillance reports responded to | 100% | N/A | 100% | 100% | N/A |
| 6.1.2 | Number of advocacy forums hosted for uptake of development finance | 1 | N/A | N/A | 1 | N/A |
| 6.1.3 | Number of country partnership framework progress reports produced | 3 | N/A | N/A | N/A | 3 |
| 6.1.4 | Number of analysis reports on the outcomes of South Africa's engagements in regional and global forums produced | 1 | N/A | N/A | 1 | N/A |
| 6.1.5 | 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

Over the medium term period, key outputs in the International Financial Relations programme will contribute to Priority 7: A better Africa and World, with the overarching focus for the medium term being economic recovery and reconstruction. This includes responses to the economic reports issued by the International Monetary Fund which inform investor sentiment, overseeing implementation of country partnership programs aligned to the uptake of development finance 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 World Bank, the African Development Bank, New Development Bank and the Joint Work Programme for the Organisation for Economic Cooperation and Development.

The International Financial Relations programme will also develop engagement strategies and priorities, producing analysis on the outcomes of South Africa's engagements in regional and global forums and developing policy positions. Policy positions relating to the agenda of meetings to be represented and any other policy issues, this includes South Africa's engagement in the African Union (AU), South African Customs Union (SACU), Southern African Development Community (SADC), World Bank Group, African Development Bank Group, G20, G24, Brazil – Russia – India - China and South Africa (BRICS), New Development Bank (NDB), International Monetary Fund (IMF), Institute of International Finance (IIF), Paris Club, but is not limited to these.

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 | 2017/18 | 2018/19 | 2019/20 | 2020/21 | Average growth rate (%) | Average Expenditure/Total (%) | Medium term expenditure estimate | Average growth rate (%) | Average Expenditure/Total (%) |
|--|----------------|----------------|----------------|----------------|-------------------------|-------------------------------|----------------------------------|-------------------------|-------------------------------|
| R million | 2017/18 | 2018/19 | 2019/20 | 2020/21 | 2017/18 - 2020/21 | 2021/22 | 2022/23 | 2023/24 | 2020/21 - 2023/24 |
| Programme Management for International Financial Relations | 7.5 | 9.0 | 6.7 | 7.7 | 0.7% | 0.1% | 10.9 | 12.0 | 15.9% |
| International Economic Cooperation | 36.2 | 46.7 | 44.4 | 31.2 | -4.9% | 0.7% | 55.3 | 56.1 | 21.6% |
| African Integration and Support | 896.3 | 1 002.6 | 981.5 | 1 146.4 | 8.6% | 17.4% | 1 288.2 | 1 408.3 | 7.1% |
| International Development Funding Institutions | 4 512.0 | 4 730.0 | 4 405.8 | 5 190.4 | 4.8% | 81.4% | 5 909.4 | 848.5 | -45.3% |
| International Projects | 17.8 | 19.4 | 20.4 | 22.3 | 7.8% | 0.3% | 22.4 | 23.0 | 1.2% |
| Total | 5 469.8 | 5 807.7 | 5 458.8 | 6 398.0 | 5.4% | 100.0% | 7 286.2 | 2 347.9 | -28.4% |
| Change to 2020 Budget estimate | | | | (0.6) | | | 506.2 | (80.2) | |
| | | | | | | | | | 100.0% |

10. PROGRAMME 6: INTERNATIONAL FINANCIAL RELATIONS

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 | 2017/18 | 2018/19 | 2019/20 | 2020/21 | 2017/18 - 2020/21 | 2021/22 | 2022/23 | 2023/24 | 2020/21 - 2023/24 | |
| Economic classification | | | | | | | | | | |
| Current payments | 43.1 | 55.6 | 51.0 | 38.3 | -3.9% | 0.8% | 65.9 | 67.1 | 20.6% | 1.3% |
| Compensation of employees | 30.7 | 31.9 | 31.6 | 30.6 | -0.2% | 0.5% | 29.6 | 29.3 | -1.3% | 0.6% |
| Goods and services ¹ | 12.4 | 23.7 | 19.4 | 7.8 | -14.5% | 0.3% | 36.3 | 37.8 | 69.5% | 0.7% |
| of which: | | | | | | | | | | |
| Administrative fees | 0.5 | 1.5 | 0.4 | 0.1 | -49.0% | - | 0.6 | 0.7 | 111.9% | - |
| Bursaries: Employees | 0.2 | 0.0 | 0.1 | 0.4 | 25.9% | - | 0.4 | 0.5 | 23.8% | - |
| Consultants: Business and advisory services | 0.7 | - | 0.7 | 0.9 | 8.0% | - | 0.8 | 0.8 | -2.3% | - |
| Travel and subsistence | 7.0 | 16.0 | 9.1 | 2.5 | -28.9% | 0.1% | 13.5 | 13.4 | 79.2% | 0.2% |
| Operating payments | 0.6 | 0.4 | 0.4 | 0.8 | 8.7% | - | 0.6 | 1.3 | 20.8% | - |
| Venues and facilities | 2.7 | 4.7 | 8.6 | 2.2 | -6.2% | 0.1% | 19.4 | 20.1 | 103.6% | 0.3% |
| Transfers and subsidies¹ | 1 041.2 | 1 158.0 | 1 134.2 | 1 303.7 | 7.8% | 20.0% | 1 470.6 | 1 591.9 | 7.2% | 32.6% |
| Foreign governments and international organisations | 1 040.9 | 1 158.0 | 1 134.2 | 1 303.7 | 7.8% | 20.0% | 1 470.6 | 1 591.9 | 7.2% | 32.6% |

10. PROGRAMME 6: INTERNATIONAL FINANCIAL RELATIONS

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

| Subprogramme | Audited outcome | 2017/18 | 2018/19 | 2019/20 | 2020/21 | Average growth rate (%) | Average Expenditure/Total (%) | Medium term expenditure estimate | Average growth rate (%) | Average Expenditure/Total (%) | |
|---|-----------------|----------------|----------------|----------------|----------------|-------------------------|-------------------------------|----------------------------------|-------------------------|-------------------------------|-------------------|
| R million | | 2017/18 | 2018/19 | 2019/20 | 2020/21 | 2017/18 - 2020/21 | 2020/21 - 2020/21 | 2021/22 | 2022/23 | 2023/24 | 2020/21 - 2023/24 |
| Households | 0.4 | 0.0 | 0.0 | 0.0 | - | -100.0% | - | - | - | - | - |
| Payments for capital assets | 0.2 | 0.2 | 0.0 | 0.0 | 0.6 | 35.0% | - | 0.3 | 0.9 | 0.9 | 18.6% |
| Machinery and equipment | 0.2 | 0.2 | 0.0 | 0.0 | 0.6 | 35.0% | - | 0.3 | 0.9 | 0.9 | 18.6% |
| Payments for financial assets | 4 385.3 | 4 594.0 | 4 273.5 | 5 055.4 | 5 055.4 | 4.9% | 79.1% | 5 749.4 | 646.7 | 675.2 | -48.9% |
| Total | 5 469.8 | 5 807.7 | 5 458.8 | 6 398.0 | 6 398.0 | 5.4% | 100.0% | 7 286.2 | 2 306.2 | 2 347.9 | -28.4% |
| Proportion of total programme expenditure to vote expenditure | 13.8% | 20.3% | 18.3% | 18.5% | 18.5% | - | - | 17.7% | 7.2% | 7.3% | - |
| Details of transfers and subsidies | | | | | | | | | | | |
| Households | - | - | - | - | - | - | - | - | - | - | - |
| Social benefits | - | - | - | - | - | - | - | - | - | - | - |
| Current | 0.0 | 0.0 | 0.1 | - | - | -100.0% | - | - | - | - | - |
| Employee social benefits | 0.0 | 0.0 | 0.1 | - | - | -100.0% | - | - | - | - | - |
| Foreign governments and international organisations | | | | | | | | | | | |
| Current | 914.1 | 1 022.0 | 1 083.5 | 1 168.7 | 1 168.7 | 8.5% | 18.1% | 1 310.6 | 1 426.0 | 1 431.4 | 7.0% |
| Common Monetary Area compensation | 891.7 | 997.8 | 1 057.7 | 1 141.2 | 1 141.2 | 8.6% | 17.7% | 1 283.1 | 1 397.9 | 1 403.3 | 7.1% |
| | | | | | | | | | | | 28.5% |

10. PROGRAMME 6: INTERNATIONAL FINANCIAL RELATIONS

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 (%) |
|--|-----------------|----------------|------------------------|-------------------------|-------------------------------|----------------------------------|----------------|----------------|--------------------------|-------------------------------|
| | 2017/18 | 2018/19 | | | | 2019/20 | 2020/21 | 2021/22 | | |
| R million | 2017/18 | 2018/19 | 2019/20 | 2020/21 | 2017/18 - 2020/21 | 2021/22 | 2022/23 | 2023/24 | 2020/21 - 2023/24 | |
| Collaborative Africa Budget Reform Initiative | 2.4 | 2.6 | 2.3 | 2.7 | 3.4% | 2.5 | 2.5 | 2.4 | -2.7% | 0.1% |
| Commonwealth Fund for Technical Cooperation | 6.1 | 5.8 | 5.8 | 5.8 | -1.7% | 5.9 | 6.4 | 7.0 | 6.3% | 0.1% |
| International Finance Facility for Immunisation | 11.7 | 13.6 | 15.0 | 16.5 | 12.1% | 16.5 | 16.6 | 16.1 | -0.8% | 0.4% |
| African Institute for Economic Development and Planning | 1.0 | 1.1 | 1.4 | 1.2 | 7.8% | 1.3 | 1.4 | 1.4 | 4.1% | - |
| Regional Technical Assistance Centre for Southern Africa | 1.2 | 1.1 | 1.3 | 1.4 | 4.7% | 1.2 | 1.2 | 1.2 | -3.2% | - |
| Capital | 126.8 | 136.0 | 132.3 | 135.0 | 2.1% | 160.0 | 165.9 | 173.2 | 8.7% | 3.5% |
| African Development Fund | 73.2 | 82.4 | 78.7 | 78.7 | 2.4% | 100.3 | 104.8 | 109.4 | 11.6% | 2.1% |
| World Bank Group | 53.6 | 53.6 | 53.6 | 56.3 | 1.7% | 59.7 | 61.2 | 63.9 | 4.3% | 1.3% |
| Households | - | - | - | - | - | - | - | - | - | - |
| Other transfers to households | | | | | | | | | | |
| Current | 0.3 | - | - | - | -100.0% | - | - | - | - | - |
| Employee social benefits | 0.3 | - | - | - | -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 2021 | | Number and cost ² of personnel posts filled/planned for on funded establishment | | | | | | | | | | | | Number | | | | | |
|---|------------------------|--|---------|------|------------------|---------|------|-----------|---------|------|-----------|---------|------|-----------|---------|------|-------------------------|---------------------------------|--------|
| | | Actual | | | Revised estimate | | | 2021/22 | | | 2022/23 | | | 2023/24 | | | Average growth rate (%) | Average Salary level/ Total (%) | |
| International Financial Relations | Number of funded posts | Number of posts additional to the establishment | 2019/20 | | | 2020/21 | | | 2021/22 | | | 2022/23 | | | 2023/24 | | | 2020/21 - 2023/24 | 100.0% |
| | | | Number | Cost | Unit cost | Number | Cost | Unit cost | Number | Cost | Unit cost | Number | Cost | Unit cost | Number | Cost | Unit cost | | |
| Salary level | 35 | 1 | 33 | 31.6 | 1.0 | 30 | 28.0 | 0.9 | 32 | 29.6 | 0.9 | 30 | 29.1 | 1.0 | 31 | 29.3 | 1.0 | 1.1% | |
| 1-6 | 1 | 1 | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 7-10 | 11 | - | 12 | 6.1 | 0.5 | 13 | 7.0 | 0.5 | 14 | 7.7 | 0.5 | 13 | 6.8 | 0.5 | 14 | 7.5 | 0.6 | 1.5% | 43.6% |
| 11-12 | 8 | - | 7 | 10.0 | 1.4 | 6 | 8.4 | 1.4 | 7 | 9.0 | 1.3 | 7 | 9.1 | 1.3 | 7 | 9.3 | 1.3 | 5.3% | 22.1% |
| 13-16 | 15 | - | 14 | 15.5 | 1.1 | 11 | 12.6 | 1.2 | 11 | 12.9 | 1.2 | 11 | 13.1 | 1.2 | 10 | 12.6 | 1.3 | -1.8% | 34.3% |

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

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

11.2 Outcomes, Outputs, Performance Indicators and Targets

| No. | Outcomes | Outputs | Output Indicators | Annual Targets | | | | | | | | |
|-------|---|--|---|------------------------------|---------|-----------------------|--|--|--|--|--|---------|
| | | | | Audited / Actual Performance | | Estimated Performance | Planned Performance Current Year | MTEF Period | | | | |
| | | | | 2017/18 | 2018/19 | | | 2019/20 | 2020/21 | 2021/22 | 2022/23 | 2023/24 |
| 7.1.1 | Sound financial control and management of public finances | Validated benefits and payment reports | Percentage of benefits validated paid within liable dates | 99% | 99% | 98,9% | 100% | 99% | 99% | 99% | 99% | 99% |
| 7.1.2 | | Fraudulent claims reports | Percentage reduction of fraudulent claims | # | # | # | 90% fewer fraudulent claims than 2019/20 | 90% fewer fraudulent claims than 2020/21 | 90% fewer fraudulent claims than 2021/22 | 90% fewer fraudulent claims than 2022/23 | 90% fewer fraudulent claims than 2023/24 | |
| 7.1.3 | | Exceptions report | Percentage integrity of client data | 95% | 100% | 99,9% | 90% | 95% | 98% | 99% | 99% | |

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

11.3 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 | 90% fewer fraudulent claims than 2020/21 | N/A | N/A | N/A | 90% fewer fraudulent claims than 2020/21 |
| 7.1.3 | Percentage integrity of client data | 95% | 95% | 95% | 95% | 95% |

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

Explanation of planned performance over the medium term period

The programme will seek to achieve 99 per cent integrity of client data by maintaining continual monitoring and data cleansing. The programme aims to pay 99 per cent of benefits within 45 days over the medium term. Focus over the medium term will be placed on improving turnaround time in payment of medical accounts within the Military Pension; extending the training of employer departments in processing injury of duty claims and dealing with post-retirement medical subsidy cases; embarking on advocacy campaign to ensure that pharmacies, medical practitioners, hospitals and medical specialists are full aware of the programme processes regarding treatment and servicing of military pensioners; ensuring that the effective and efficient internal control are maintained and improved if need be; formalising the oversight on Third Pension, Temporary Employees Pension Fund (TEPF) and Associated Institutions Pension Fund (AIPF); automation of injury on duty awards through the interfacing with Compensation Fund; and separating the processing of post-retirement medical subsidy processes from pension 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 estimates

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 (%) |
|---|-----------------|----------------|----------------|----------------|--------------------------|-------------------------|-------------------------------|----------------------------------|--------------------------|--------------------------------|--------------------------------------|-------------------------------|
| | 2017/18 | 2018/19 | 2019/20 | 2020/21 | | | | 2021/22 | 2022/23 | 2023/24 | | |
| R million | 2017/18 | 2018/19 | 2019/20 | 2020/21 | 2017/18 - 2020/21 | 2021/22 | 2022/23 | 2023/24 | 2020/21 - 2023/24 | Average growth rate (%) | Average Expenditure/Total (%) | |
| Government Pensions Administration Agency | 62.1 | 64.5 | 66.9 | 76.7 | 7.3% | 77.7 | 79.8 | 80.1 | 1.4% | 1.2% | | |
| Civil Pensions and Contributions to Funds | 3 614.4 | 4 017.1 | 4 437.9 | 5 050.5 | 11.8% | 6 089.0 | 6 680.6 | 6 706.2 | 9.9% | 94.6% | | |
| Military Pensions and Other Benefits | 941.6 | 938.5 | 982.3 | 342.1 | -28.6% | 242.8 | 251.7 | 252.7 | -9.6% | 4.2% | | |
| Total | 4 618.1 | 5 020.1 | 5 487.1 | 5 469.3 | 5.8% | 6 409.5 | 7 012.1 | 7 039.0 | 8.8% | 100.0% | | |
| Change to 2020 Budget estimate | | | | (285.8) | | (264.3) | (366.6) | (524.1) | | | | |
| Economic classification | | | | | | | | | | | | |
| Current payments | 62.1 | 64.5 | 66.9 | 76.7 | 7.3% | 77.7 | 79.8 | 80.1 | 1.4% | 1.2% | | |
| Goods and services ¹ | 62.1 | 64.5 | 66.9 | 76.7 | 7.3% | 77.7 | 79.8 | 80.1 | 1.4% | 1.2% | | |
| <i>of which:</i> | | | | | | | | | | | | |
| <i>Consultants: Business and advisory services</i> | 62.1 | 64.5 | 66.9 | 76.7 | 7.3% | 77.7 | 79.8 | 80.1 | 1.4% | 1.2% | | |
| Transfers and subsidies¹ | 4 556.0 | 4 955.6 | 5 420.2 | 5 392.6 | 5.8% | 6 331.8 | 6 932.3 | 6 958.9 | 8.9% | 98.8% | | |
| Foreign governments and international organisations | 1.3 | 1.2 | 0.6 | 3.0 | 33.8% | 3.0 | 3.1 | 3.1 | 1.4% | - | | |
| Households | 4 554.8 | 4 954.5 | 5 419.7 | 5 389.6 | 5.8% | 6 328.8 | 6 929.2 | 6 955.8 | 8.9% | 98.7% | | |
| Payments for financial assets | 0.0 | - | - | - | -100.0% | - | - | - | - | - | | |
| Total | 4 618.1 | 5 020.1 | 5 487.1 | 5 469.3 | 5.8% | 6 409.5 | 7 012.1 | 7 039.0 | 8.8% | 100.0% | | |

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

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 (%) |
|---|-----------------|---------|------------------------|-------------------------|--------------------------------|----------------------------------|---------|-------------------------|--------------------------------|
| | 2017/18 | 2018/19 | | | | 2019/20 | 2020/21 | | |
| R million | 2017/18 | 2018/19 | 2019/20 | 2020/21 | 2017/18 - 2020/21 | 2021/22 | 2022/23 | 2023/24 | 2020/21 - 2023/24 |
| Proportion of total programme expenditure to vote expenditure | 11.7% | 17.6% | 18.4% | 15.8% | - | 15.6% | 21.9% | 21.9% | - |
| Details of transfers and subsidies | | | | | | | | | |
| Households | | | | | | | | | |
| Social benefits | | | | | | | | | |
| Current | 4 554.7 | 4 954.4 | 5 500.6 | 5 389.5 | 5.8% | 6 328.7 | 6 929.1 | 6 955.7 | 8.9% |
| Contribution to provident funds for associated institutions | 0.2 | 0.2 | 0.4 | 0.4 | 15.3% | 0.4 | 0.4 | 0.4 | 1.8% |
| Other benefits | 87.8 | 96.9 | 104.1 | 109.8 | 7.7% | 111.3 | 115.3 | 115.8 | 1.8% |
| Injury on duty | 599.0 | 640.5 | 688.8 | 690.9 | 4.9% | 736.3 | 763.3 | 766.2 | 3.5% |
| Post-retirement medical scheme | 2 458.8 | 2 796.1 | 3 171.6 | 3 718.6 | 14.8% | 4 608.4 | 5 149.4 | 5 169.2 | 11.6% |
| Special pensions | 460.0 | 468.6 | 478.2 | 430.0 | -2.2% | 486.3 | 504.1 | 506.1 | 5.6% |
| Political Office Bearers Pension Fund | - | - | 53.2 | - | - | 48.4 | 50.1 | 50.3 | - |
| Pension benefits: President of South Africa | 7.4 | 10.8 | 10.8 | 14.3 | 24.5% | 14.5 | 15.0 | 15.1 | 1.8% |
| Military pensions: Ex-servicemen | 1.8 | 1.4 | 1.1 | 2.6 | 14.0% | 2.6 | 2.7 | 2.7 | 1.8% |
| South African citizen force | 191.0 | 191.1 | 199.3 | 217.1 | 4.4% | 220.0 | 228.1 | 228.9 | 1.8% |
| Other benefits: Ex-servicemen | 11.5 | 8.7 | 11.3 | 19.9 | 20.0% | 20.2 | 20.9 | 21.0 | 1.8% |
| Non-statutory forces | 737.3 | 737.3 | 778.6 | 102.4 | -48.2% | - | - | - | -100.0% |
| | | | | | | | | | 0.4% |

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 (%) |
|---|-----------------|---------|---------|---------|------------------------|-------------------------|--------------------------------|----------------------------------|---------|---------|-------------------------|--------------------------------|
| | 2017/18 | 2018/19 | 2019/20 | 2020/21 | | | | 2021/22 | 2022/23 | 2023/24 | | |
| R million | | | | | | | | | | | | |
| Post-retirement medical scheme: Parliamentary staff | – | 2.9 | 3.2 | 3.5 | 3.5 | – | – | 3.6 | 3.7 | 3.7 | 1.8% | 0.1% |
| Early retirement costs: Government Pensions Administration Agency | – | – | – | 80.0 | 80.0 | – | 0.4% | 76.8 | 76.0 | 76.3 | -1.6% | 1.2% |
| Foreign governments and international organisations | | | | | | | | | | | | |
| Current | 1.3 | 1.2 | 1.2 | 3.0 | 3.0 | 33.8% | – | 3.0 | 3.1 | 3.1 | 1.4% | – |
| United Kingdom tax | 1.3 | 1.2 | 1.2 | 3.0 | 3.0 | 33.8% | – | 3.0 | 3.1 | 3.1 | 1.4% | – |

12. EXPENDITURE OVERVIEW

The National Development Plan details a vision of building an inclusive economy that advances social equality. This vision is supported by priority 1 (a capable, ethical and developmental state), priority 2 (economic transformation and job creation), priority 3 (education, skills and health), priority 5 (spatial integration, human settlements and local government), and priority 7 (a better Africa and world) of government's 2019-2024 medium term strategic framework. The work of National Treasury is closely aligned with these priorities, particularly in its aim to address the challenges of unemployment, inequality and poverty. In giving expression to these guiding policies over the medium term, the department will focus on: reviewing tax policy and strengthening regulation in the financial sector, supporting sustainable employment, supporting infrastructure development and economically integrated cities and communities, making government procurement more efficient, strengthening financial management in government, and facilitating regional and international cooperation.

The department's budget over the medium term is R2.6 trillion, of which transfers to provincial governments for the provincial equitable share, the department's largest cost driver, account for 60.8 per cent (R1.6 trillion). An amount of R8 billion over the MTEF period is provided through the provincial equitable share to support provinces' COVID-19 response programmes. Costs for servicing government's debt amount to 33.4 per cent (R916.3 billion) of the department's budget over the medium term. Distributing the general fuel levy to metropolitan municipalities represents 1.7 per cent (R45.4 billion) of the department's spending over the same period. Cabinet has approved a baseline reduction of R205.9 billion on provincial equitable shares and the general fuel levy over the medium term.

The department has the following increases to its baseline: R7 billion over the MTEF period to stabilise the Land and Agricultural Bank of South Africa's financial position; R1 billion in 2021/22 for the improvement of ICT systems and capacity building in the South African Revenue Service; and R191.1 million over the MTEF period to partially support the operations of the Development Bank of Southern Africa's Infrastructure Fund.

Reviewing tax policy

To improve fairness in the tax system, over the medium term, the department plans to propose amendments to tax policy that seek to meet government's revenue requirements and eliminate tax loopholes. In working towards this, the department will conduct research on appropriate tax designs for all proposed amendments, prepare discussion documents, hold workshops and meetings with affected parties, and prepare draft tax legislation prior to their introduction to Parliament. These activities will be carried out in the Tax Policy subprogramme in the Economic Policy, Tax, Financial Regulation and Research programme. Allocations to the subprogramme account for 21 per cent (R97.7 million) of the programme's budget over the MTEF period.

12. EXPENDITURE OVERVIEW

Supporting economically integrated cities and communities, and infrastructure development

The integrated city development grant has been repurposed to support metropolitan municipalities in developing a pipeline of investment-ready capital programmes and projects. This will be done by establishing and institutionalising an effective and efficient system of programme and project preparation, and the allocation of increased municipal resources for preparation activities. Accordingly, in 2021/22, the grant will be renamed to the programme and project preparation support grant. It is expected to support 8 metropolitan municipalities in developing 8 capital programmes and projects over the medium term, with an allocation of R1.1 billion in the Public Finance and Budget Management programme.

In the latter years of the MTEF period, the department will work on consolidating the programme and project preparation support grant with the neighbourhood development partnership grant. Once consolidated, the programme and project preparation support grant will aim to streamline support provided to programme and project preparation in municipalities, improve the efficiency and effectiveness of grant administration within the department, and reduce the reporting requirements of municipalities.

In respect of the government-wide infrastructure delivery improvement programme, a key focus area for the period ahead is the sustainable implementation of the infrastructure delivery management system and its expansion beyond provincial health and education to include municipalities. The infrastructure delivery management system's body of knowledge will be implemented to enable infrastructure practitioners to have access to updated information and best practice methodologies that will assist in the management of infrastructure. Over the medium term, 300 provincial officials are expected to be trained on the infrastructure delivery management system, which has a projected allocation of R102.6 million in the Public Finance and Budget Management programme over the same period.

Making government procurement more efficient and inclusive

The department is committed to finalising the Public Procurement Bill in 2021/22. Accordingly, over the medium term, it expects to support significant procurement reforms through an increased use of automation and technology. This entails providing real-time information on prospective service providers regarding tax compliance, as well as their profiles and historical performance. Concurrent reviews of regulations governing public-private partnerships are expected to promote greater efficiency and encourage participation from the private sector. Over the period ahead, the department will continue to provide training interventions planned by the presidential task team on gender-based violence that are directed at giving women-owned businesses opportunities through public procurement. Spending on activities related to government procurement processes amounts to a projected R547.3 million over the medium term in the Programme Management for Financial Accounting and Supply Chain Management Systems and Office of the Chief Procurement Officer subprogrammes in the Financial Accounting and Supply Chain Management Systems programme.

12. EXPENDITURE OVERVIEW

Facilitating international and regional cooperation

South Africa's membership to the New Development Bank continues to support the country's infrastructure investment programme while complementing other multilateral and regional financial institutions' efforts towards economic growth and development. As at December 2020, the New Development Bank had approved 9 projects and an emergency COVID-19 loan worth a total of US\$3.34 billion. These funds will be used for South Africa's development initiatives in the green energy, transport and logistics sectors. In addition, an estimated US\$2 billion per year is available for funding South Africa's infrastructure build programme over the medium term. As at December 2020, South Africa's capital contributions to the bank amounted to US\$1.65 billion, with the final capital contribution amounting to US\$350 million in 2021/22. This expenditure is allocated in the International Development Funding Institutions subprogramme in the International Financial Relations programme.

The department will continue to support deeper regional monetary union within the Common Monetary Area. Over the medium term, the estimate for Common Monetary Area compensatory payments to Eswatini, Lesotho and Namibia are projected at R4.1 billion. This expenditure is allocated in the African Integration and Support subprogramme in the International Financial Relations programme.

As part of the department's commitment to the regional development agenda, transfers for the recapitalisation of the International Bank for Reconstruction and Development and the international development agenda, both member institutions of the World Bank Group, are projected to amount to R633.3 million over the MTEF period. Transfers for the recapitalisation of the African Development Bank and the African Development Fund are projected to amount to R1.6 billion over the same period. This expenditure is allocated in the International Development Funding Institutions subprogramme in the International Financial Relations programme.

13. KEY RISKS

| OUTCOME | KEY RISKS | RISK MITIGATION |
|-----------------------------|--|--|
| Sustainable public finances | Inability to raise cash when needed for funding purposes | <ul style="list-style-type: none"> Fixed rate bond auctions are to be raised on a semi-contractual basis; as such a relatively big portion of the funding is certain: Ensure a conducive borrowing environment through a transparent budget system Holding cash buffers Regular communication with key various stakeholder such as rating agencies Regular communication with SOCs Strong sentiment towards emerging market debt from developed market investors. Strengthen robust coordination with SOCs on their borrowing Utilisation of temporary recovery site at 40 Church square and Centurion during power interruptions Engagement with investors through road shows to better understand of investors requirements and behavior. |
| | Unsustainable debt portfolio composition leading to additional financial costs. | <ul style="list-style-type: none"> Weekly Summary of the Debt Portfolio against Risk Benchmarks Quarterly reporting of the performance of the debt portfolio against the approved risk benchmarks. Over 5-year Period (25%) Bi-annual review of funding Strategy to accommodate the increasing debt portfolio Engagement with Stakeholders on Funding limits Funding strategy aligned to the risk benchmarks. |
| | Ineffective management of sovereign credit rating agencies process. | <ul style="list-style-type: none"> Frequent and strategic engagements with the rating agencies Monitor the risk exposures and timely advise stakeholders. |
| | Ineffective oversight to provide an informed analysis timely and to guide decision-making. | <ul style="list-style-type: none"> NT representation at Oversight Monitoring Committee meetings Send remind letters to Executive Authorities to adhere to the conditions Identify and coordinate training or other development / remedial interventions Oversight monitoring Committee Terms of Reference of the oversight committee Identified the relevant people within the units that we have cross-cutting functions with and establish a working relationship Asset and Liability Management Coordinating Committee, Assets Management Directors meeting, Shareholder oversight meeting, Internal Infrastructure Forum Quarterly monitoring meetings with internal and external stakeholders. |
| | Non credible government budgets | <ul style="list-style-type: none"> Uniform budget and reporting formats prescribed Benchmark exercises conducted Capacity building interventions conducted Enhancing staff capacitation on providing advice and clarify scope of advice to be provided telephonically, by email and in writing Annual budget verification of adopted budget figures based on a 7-year window period for local government Budgeting guidelines issued to provinces and local government. Compliance checklist Continuous interactions with municipalities to assist in budget preparation and implementation through the benchmark exercise and the mid-year review processes Local government database in place which provides a critical role in terms of reconciling budget information Provincial budget database in place. |

13. KEY RISKS

| OUTCOME | KEY RISKS | RISK MITIGATION |
|--|---|--|
| | Municipalities not budgeting, transacting or reporting in/or from core financial system and therefore placing a risk on the veracity of municipal data. | <ul style="list-style-type: none"> • Vendor engagements (live demos) to determine if modules on core financial system are functional • Develop tools to assess the use of the municipal Standard Charts of Account (mSCOA) chart by municipalities • Roll-out training on budgeting and transacting in mSCOA and change management • Conduct independent systems audit on all municipal core systems. |
| | Inequality in allocation of resources | <ul style="list-style-type: none"> • Analysis and improvement of formulas as and when the need arises • Regular interaction with relevant stakeholders to understand service delivery needs of provinces and local government outside Intergovernmental Forums • Annotated Agenda to inform the Minister of key issues to be raised at forums • Strengthen participation in national budget process particularly through the Division of Revenue submission • Evidence based analysis • Utilisation of data verification tools. • Use of official data (as defined by Stats SA) as far as possible to inform allocations • Restricted use of official data • Introduced sign off rules in Division of Revenue Act • Linking other databases with NT database for additional cross checks • Local Government Infrastructure Framework Use of central DORA email point to ensure version control" • "Internal skilling through training and sourcing external expertise • Regular interaction with stakeholders to upskill them on the Local and Provincial Government Fiscal Frameworks. |
| Sustainable public finances | Lack of common urban economic development | <ul style="list-style-type: none"> • Formulate Urban Networks Strategy and provide as a tool to do spatial targeting that will improve the integration across spheres of government and sectors • Built environment performance plans as a tool to integrate investment programmes in metros • Engagements with stakeholders. |
| Coherent economic policy advocated | No regional and international cooperation with protectionist and/or nationalistic policies followed by regional and global partners | <ul style="list-style-type: none"> • Frequent strategic engagement with regional and global stakeholders conducted • Frequent and strategic engagement with inter-governmental partners. |
| Sound financial controls and management of public finances | Developing policies and regulatory frameworks and guidelines that do not address stakeholder needs and are not clear | <ul style="list-style-type: none"> • Consult with various forums including but not limited to Chief Financial Officer, Cabinet, NEDLAC, inter- ministerial, Treating Customers Fairly to ensure participation to and buy-in into the development of policies and operational standards • Facilitate SCM training through National School of Government. |
| | Inadequate system support and infrastructure (e.g. CSD and e-tenders) | <ul style="list-style-type: none"> • Secured external service provider to support and improve client support • Service Level Agreement in place with and Operational Level agreement with ICT NT and external service provider • Continuous engagement with NT ICT and escalates concerns to Executive Committee • Implemented back-up schedules and monitoring services to mitigate inefficiencies on ICT • Heat Voice Services implemented. |

13. KEY RISKS

| OUTCOME | KEY RISKS | RISK MITIGATION |
|---------|--|---|
| | Improper assessment of applications | <ul style="list-style-type: none"> • Ensure PFMA, MFMA and Treasury Regulation compliance by issuing Instruction Notes dealing with variations of contract and departures from open competitive bidding processes. |
| | SCM fraud and corruption | <ul style="list-style-type: none"> • Exercise due diligence and conduct regular audits • Specification Policy Committee, Evaluation Committee and Bid Adjudication Committee in place • Vetting of officials and contractors • Declaration of interest signed by employees and members of the Committees • System enhanced to electronic bidding process" • Enforce adherence to terms and conditions of bidding by; • Training of Suppliers • Bid Briefing Sessions • Online Assistance to bidders • Telephonic Assistance to bidders • Electronic Bidding System in place. |
| | NT Organisation not optimised for effective, efficient and economical service delivery | <ul style="list-style-type: none"> • Optimise the organisational plan implemented • Corporate services strengthened • Financial controls enforced • Planning and monitoring strengthened • Increase risk management maturity level • Enhanced ICT support services • Ensure governance and compliance • Resources made available for Capacity Building and fully utilised for building. |

14. PUBLIC ENTITIES

| Name of Public Entity | Mandate | Key Outputs | Current Annual Budget 2021/22 |
|--|---|---|-------------------------------|
| 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. | <ul style="list-style-type: none"> Standards of GRAP developed Research that ensures Standards of GRAP respond to broader financial reporting needs Development of international standards influenced. | R15.159 million |
| Co-operative Banks Development Agency (CBDA) | To create a strong and vibrant cooperative banking sector. | <ul style="list-style-type: none"> Co-operative banking sector known and recognised Products and services offered by partners and stakeholders leveraged on through collaborations and agreements. | R21.508 million |
| Development Bank of Southern Africa (DBSA) | Promote economic development and growth, human resource development and institutional capacity building in South Africa and the wider African continent. | <ul style="list-style-type: none"> Project preparation and commitment Infrastructure unlocked for under resourced municipalities. | R7.138 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 | <ul style="list-style-type: none"> Annual submissions, policy briefs, technical reports and report on financial and fiscal matters. | R65.647 million |
| Financial Intelligence Centre (FIC) | To identify the proceeds of crime, combat money laundering and terror financing. | <ul style="list-style-type: none"> Awareness of the FIC Act. Supervision of the FIC Act Enforcement of the FIC Act. | R355.250 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 | <ul style="list-style-type: none"> Invoiced levies collected penalties from regulated entities Collected license applications completed within 90 days Implemented Consumer Education initiatives. | R789.593 million |
| Government Pensions Administration Agency (GPAA) | Responsible for administering pensions on behalf of GEPF in terms of the Government Employees Pension (GEP) Law of 1996 on behalf of GEPF's Board of Trustees. | <ul style="list-style-type: none"> 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. | R1.099 billion |

14. PUBLIC ENTITIES

| Name of Public Entity | Mandate | Key Outputs | Current Annual Budget 2021/22 |
|--|---|--|-------------------------------|
| Government Technical Advisory Centre (GTAC) | To assist organs of state build their capacity for efficient, effective and transparent financial management. | <ul style="list-style-type: none"> Capital appraisal report completed Knowledge products produced Institutional development support provided. | R314.179 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. | <ul style="list-style-type: none"> 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. | R166.830 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. | <ul style="list-style-type: none"> Developed solutions for balance sheet challenges Profit optimisation Client value proposition and product offering. | R3.834 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). | <ul style="list-style-type: none"> 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. | R58.214 million |
| 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. | <ul style="list-style-type: none"> 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. | R77.316 million |

14. PUBLIC ENTITIES

| Name of Public Entity | Mandate | Key Outputs | Current Annual Budget 2021/22 |
|--|--|--|-------------------------------|
| 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. | <ul style="list-style-type: none"> Reviewed and addressed complaints by taxpayers against SARS Stakeholder engagements and collaboration promoted Agile organisation that can scale efficiently to meet taxpayers demand created. | R44.864 million |
| Public Investment Corporation (PIC) | South African state-owned asset management company that manages assets for clients, all of which are public sector entities. | <ul style="list-style-type: none"> Client benchmark portfolio returns exceeded and compliance with client risk parameters Contribution towards the growth and transformation of the economy through unlisted investments. | R1.084 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. | <ul style="list-style-type: none"> Collection of revenue as agreed with the Minister Revenue collected from identified compliance initiatives Reduced number of disputes lodged with SARS. | R10.808 billion |
| South African Special Risks Insurance Association (SASRIA) | To offer insurance to all individuals and businesses that own assets in South Africa, as well as government entities, against special risks that may lead to the loss of, or damage to, their assets caused by events related to, or following, civil commotion, public disorder, strikes, riots and terrorism, all of which have the potential for catastrophic financial loss. We are also mandated to research and investigate coverage for any special threat considered to be of national interest. | <ul style="list-style-type: none"> Fast-tracked claims turnaround time Value-add delivered to the customer. | R2.956 billion |

15. INFRASTRUCTURE PROJECTS

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

16. 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.

17. 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.

2021/22
**ANNUAL
PERFORMANCE
PLAN**

**PART D:
TECHNICAL INDICATOR
DESCRIPTIONS**

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 | $\frac{\text{Number of ICT Service Level Agreement standards met} + \text{ICT Environment Infrastructure standards met}}{\text{Total number of ICT standards}} \times 100$ |
| 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) | <ul style="list-style-type: none"> Target for Women: N/A Target for Youth: N/A Target for People with Disabilities: N/A |
| Spatial Transformation (where applicable) | <ul style="list-style-type: none"> 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 | 90% of ICT service delivery standards met. |
| Indicator responsibility | Chief Director: Information & Communication Technology |

| Output Indicator no 1.1.2 | |
|--|---|
| Indicator Title | Audit Opinion obtained |
| Definition | This an opinion expressed by the external auditors on the financial statements of the departments at financial year-end and the reported performance information that financial year. |
| Source of data | Audited Annual Report |
| Method of Calculation / Assessment | <ol style="list-style-type: none"> The opinion expressed by the external auditors on the financial statements and the reported performance information is unqualified. Calculate the percentage reduction: $\frac{\text{No. of findings in the previous financial year} - \text{No. of findings in current financial year}}{\text{No. of findings in the previous financial year}} \times 100$ |
| Means of verification | Audited Annual Report |
| Assumptions | The department's financial statements and non-financial performance will be audited |
| Disaggregation of Beneficiaries (where applicable) | <ul style="list-style-type: none"> Target for Women: N/A Target for Youth: N/A Target for People with Disabilities: N/A |
| Spatial Transformation (where applicable) | <ul style="list-style-type: none"> 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 25% fewer findings on financial and non-financial performance than 2020/21 |
| Indicator responsibility | Chief Director: Financial Management (Chief Financial Officer) Chief Director: Strategic Planning, Monitoring & Evaluation |

PROGRAMME 1

| Output Indicator no 1.1.3 | |
|--|--|
| Indicator Title | Risk Management Maturity Assessment level achieved |
| Definition | This indicator refers to a risk management maturity assessment monitored by Strategic Planning, Monitoring & Evaluation |
| Source of data | Risk Management Maturity Assessment level report |
| Method of Calculation / Assessment | Risk Management Maturity Assessment report that records actual performance against planned performance– Risk Management Maturity Assessment report that records actual performance against planned performance and scores total achievement on a scale 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) | <ul style="list-style-type: none"> • Target for Women: N/A • Target for Youth: N/A • Target for People with Disabilities: N/A |
| Spatial Transformation (where applicable) | <ul style="list-style-type: none"> • 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 3.5 in Risk Management Maturity Assessment |
| Indicator responsibility | Chief Risk Officer |

| Output Indicator no 1.1.4 | |
|--|--|
| Indicator Title | Percentage spend of training and development budget |
| Definition | This indicator measures the expenditure on training and development against the budgeted amount in a financial year |
| Source of data | Audited Financial Statements |
| Method of Calculation / Assessment | $\frac{\text{Training and development spend} \times 100}{\text{Training and development budget}}$ |
| Means of verification | Audited Financial Statements |
| Assumptions | The department will budget for training and development |
| Disaggregation of Beneficiaries (where applicable) | <ul style="list-style-type: none"> • Target for Women: N/A • Target for Youth: N/A • Target for People with Disabilities: N/A |
| Spatial Transformation (where applicable) | <ul style="list-style-type: none"> • 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 | 70% of the budgeted amount of training and development spent |
| Indicator responsibility | Chief Director: Human Resource Management |

PROGRAMME 1

| Output Indicator no 1.1.5 | |
|--|--|
| Indicator Title | Number of quarterly reports on the implementation of the action plan on gender mainstreaming produced |
| Definition | This indicator monitors implementation of the action plan on gender mainstreaming |
| Source of data | Progress reports that records actual performance against planned performance. |
| Method of Calculation / Assessment | Simple count of quarterly reports on the implementation of the action plan on gender mainstreaming |
| Means of verification | Quarterly Reports |
| Assumptions | The department will have an action plan on gender mainstreaming |
| Disaggregation of Beneficiaries (where applicable) | <ul style="list-style-type: none"> • Target for Women: N/A • Target for Youth: N/A • Target for People with Disabilities: N/A |
| Spatial Transformation (where applicable) | <ul style="list-style-type: none"> • 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 gender mainstreaming produced |
| Indicator responsibility | Chief Director: Human Resource Management |

PROGRAMME 2

| Output Indicator no 2.1.1 | |
|--|---|
| Indicator Title | Number of papers published through the SA-TIED programme |
| Definition | Research papers published through original research conceived and produced in collaboration between United Nations University World Institute for Development Economics Research (UNU-WIDER), National Treasury and the International Food Policy Research Institute (IFPRI) |
| Source of data | Research in the six thematic work streams that have been identified under SA-TIED: <ul style="list-style-type: none"> • Enterprise development for job creation and growth; • Public revenue mobilisation for inclusive development; • Macroeconomic modelling for policy formulation; • Turning the tide on inequality; • Climate change and energy transition as drivers of change; and • Regional growth for Southern Africa's prosperity. |
| Method of Calculation / Assessment | Simple count of papers published through the SA-TIED programme. |
| Means of verification | Research papers published on the SA-TIED website. |
| Assumptions | That the partnership between NT and SA-TIED is maintained. |
| Disaggregation of Beneficiaries (where applicable) | <ul style="list-style-type: none"> • Target for Women: N/A • Target for Youth: N/A • Target for People with Disabilities: N/A |
| Spatial Transformation (where applicable) | <ul style="list-style-type: none"> • 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 | Publish 50 papers through the (SA-TIED) programme. |
| Indicator responsibility | DDG: Economic Policy. |

PROGRAMME 2

| Output Indicator no 2.1.2 | |
|--|--|
| Indicator Title | Financial sector legislation drafted |
| Definition | <p>Draft financial sector legislation, regulation and standards in relation to the regulatory framework and supporting legislation. The objective is to make the financial sector safer and to treat customers more fairly and better, and to be more inclusive and have integrity. Legislation includes:</p> <ul style="list-style-type: none"> • Financial Sector Regulation Act • Financial Markets Act • Banks Act • Mutual Banks Act • Cooperative Banks Act • Pension Funds Act • Insurance Act • Conduct of Financial Institutions Bill • Currency and Exchange Act • South African Reserve Bank Act • Financial Advisory and Intermediary Services Act • Collective Investment Schemes Control Act • Other relevant legislation that may affect the financial sector, e.g. the Insolvency Act or the Companies Act. • Regulations and standards are issued in terms of these and other Acts. |
| Source of data | Financial sector legislation submitted to Executive for approval. |
| Method of Calculation / Assessment | Verify if financial legislation memo is submitted to Executive for approval. |
| Means of verification | Financial legislation memo submitted to Executive for approval |
| Assumptions | <ul style="list-style-type: none"> • That the public comment process is completed as planned • That the Executive approves the legislation for submission to Parliament |
| Disaggregation of Beneficiaries (where applicable) | <ul style="list-style-type: none"> • Target for Women: N/A • Target for Youth: N/A • Target for People with Disabilities: N/A |
| Spatial Transformation (where applicable) | <ul style="list-style-type: none"> • 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 for tabling in Parliament |
| Indicator responsibility | DDG: Tax and Financial Sector Policy |

PROGRAMME 2

| 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 speech to be implemented by the State. |
| Source of data | Legislation approved by Executive. Parliamentary papers, Announcement, Tablings and Committees (ATC) documents |
| Method of Calculation / Assessment | Verify through Parliamentary papers, Announcement, Tablings and Committees (ATC) documents if legislation was drafted |
| Means of verification | Parliamentary papers, Announcement, Tablings and Committees (ATC) documents |
| Assumptions | <ul style="list-style-type: none"> That the Standing Committees place the legislation on the agenda That the executive approves the legislation |
| Disaggregation of Beneficiaries (where applicable) | <ul style="list-style-type: none"> Target for Women: N/A Target for Youth: N/A Target for People with Disabilities: N/A |
| Spatial Transformation (where applicable) | <ul style="list-style-type: none"> 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 for tabling in Parliament. |
| Indicator responsibility | DDG: Tax and Financial Sector Policy |

| Output Indicator no 2.1.4 | |
|--|--|
| Indicator Title | Number of economic forecasts developed |
| Definition | Build high quality macroeconomic forecasts |
| 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) | <ul style="list-style-type: none"> Target for Women: N/A Target for Youth: N/A Target for People with Disabilities: N/A |
| Spatial Transformation (where applicable) | <ul style="list-style-type: none"> 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. |

PROGRAMME 2

| Output Indicator no 2.1.5 | |
|--|--|
| Indicator Title | Number of research outputs related to the macroeconomic policy review and microeconomic reform agenda produced |
| Definition | This refers to research outputs approved by the DDG, including research papers, research notes and technical analysis. |
| Source of data | Research outputs |
| Method of Calculation / Assessment | Simple count of research outputs related to the macroeconomic policy review and microeconomic reform agenda produced |
| Means of verification | Research outputs related to the macroeconomic policy review and microeconomic reform agenda |
| Assumptions | That there are sufficient resources available to conduct the review |
| Disaggregation of Beneficiaries (where applicable) | <ul style="list-style-type: none"> • Target for Women: N/A • Target for Youth: N/A • Target for People with Disabilities: N/A |
| Spatial Transformation (where applicable) | <ul style="list-style-type: none"> • 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 | 4 research outputs related to the macroeconomic policy review and microeconomic reform agenda |
| Indicator responsibility | DDG: Economic Policy |

PROGRAMME 3

| Output Indicator no 3.1.1 | |
|--|--|
| Indicator title | Published budget legislation and documentation |
| Short definition | This is the tabling of budget legislation and accompanying explanatory memoranda in Parliament, and availing them as publications. |
| Source/collection of data | Parliamentary administrative records and National Treasury internet postings. |
| Method of calculation / Assessment | <ul style="list-style-type: none"> • Verify - Appropriation Bill published on the National Treasury's website in February. • Verify - Budget Review document published on the National Treasury's website in February. • Verify - Estimates of National Expenditure document published on the National Treasury's website in February. • Verify - Adjustments Appropriation Bill published on the National Treasury's website in October. • Verify - Medium Term Budget Policy Statement document published on the National Treasury's website in October. • Verify - Adjusted Estimates of National Expenditure document published on the National Treasury's website in October. |
| Means of verification | Documents published on the National Treasury website |
| Assumptions | National Treasury website is available. |
| Disaggregation of Beneficiaries (where applicable) | <ul style="list-style-type: none"> • Target for Women: N/A • Target for Youth: N/A • Target for People with Disabilities: N/A |
| Spatial Transformation (where applicable) | <ul style="list-style-type: none"> • 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 in February, and Adjustments Appropriation Bill, AENE and MTBPS in October. |
| Indicator responsibility | Budget Office: Deputy Director-General. |

PROGRAMME 3

| 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 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) | <ul style="list-style-type: none"> • Target for Women: N/A • Target for Youth: N/A • Target for People with Disabilities: N/A |
| Spatial Transformation (where applicable) | <ul style="list-style-type: none"> • 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 Director: Intergovernmental Policy and Planning. |

PROGRAMME 3

| Output Indicator no 3.1.3 | |
|--|--|
| Indicator Title | Number of reforms introduced to enhance provincial and local government fiscal frameworks |
| Definition | 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. |
| Source of data | Explanatory Memorandum to the Division of Revenue Bill (published on the National Treasury website as Annexure W1 to the Budget Review). |
| Method of Calculation / Assessment | Simple count of reforms approved for implementation each financial year. |
| Means of verification | Reforms reflected in the Division of Revenue Bill and Municipal Fiscal Powers and Functions Amendment Bill. |
| 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 |
| Disaggregation of Beneficiaries (where applicable) | <ul style="list-style-type: none"> • Target for Women: N/A • Target for Youth: N/A • Target for People with Disabilities: N/A |
| Spatial Transformation (where applicable) | <ul style="list-style-type: none"> • 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 | 3 reforms introduced to enhance provincial and local government fiscal frameworks. |
| Indicator responsibility | Chief Director: Intergovernmental Policy and Planning. |

PROGRAMME 3

| Output Indicator no 3.1.4 | |
|--|--|
| Indicator Title | Number of township economic development strategies Implemented |
| Definition | Metro TED strategies have been developed for 5 townships and the focus is on ensuring these strategies are implemented. The inclusion of the TED strategies within municipal plans and budgets is a first step to ensuring their implementation and ongoing resourcing given that the strategies will include short, medium and long-term actions. Therefore, implementation refers to the TED strategies being approved by Council and reflected in the budgets and IDPS of the 5 metros and the execution of short, medium and long-term actions included in the strategies. Annual progress reports will be produced for each of the 5 metros to assess the progress with Implementation. |
| Source of data | Programme reports |
| Method of Calculation / Assessment | Simple count of township economic development strategies implemented |
| Means of verification | Annual progress reports, supported by extracts from IDPs and metro budgets. |
| 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) | <ul style="list-style-type: none"> • Target for Women: N/A • Target for Youth: N/A • Target for People with Disabilities: N/A |
| Spatial Transformation (where applicable) | <ul style="list-style-type: none"> • Reflect on contribution to spatial transformation priorities: N/A • Reflect on the spatial impact area: Marginalised townships |
| Calculation Type | Non-cumulative. |
| Reporting Cycle | Annually |
| Desired performance | 5 Township economic development strategies implemented |
| Indicator responsibility | Chief Director: Neighbourhood Development Programme and Provincial and Local Government Infrastructure. |

PROGRAMME 3

| Output Indicator no 3.1.5 | |
|--|--|
| Indicator Title | Number of Infrastructure plans assessment reports produced |
| 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 | Simple count of Infrastructure plans assessment reports produced. |
| Means of verification | Infrastructure plans assessment reports produced. |
| Assumptions | Timeous submission by provincial departments |
| Disaggregation of Beneficiaries (where applicable) | <ul style="list-style-type: none"> • Target for Women: N/A • Target for Youth: N/A • Target for People with Disabilities: N/A |
| Spatial Transformation (where applicable) | <ul style="list-style-type: none"> • 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 | A total of 36 Infrastructure plans assessed (18 user asset management plans and 18 infrastructure programme management plans) to ensure that there is an improvement in planning by provincial departments (health and education) implementing infrastructure programmes and projects. |
| Indicator responsibility | Chief Director: Provincial and Local Government Infrastructure. |

PROGRAMME 3

| Output Indicator no 3.1.6 | |
|--|---|
| Indicator Title | Number of catalytic projects approved in spatially targeted areas within metropolitan cities, secondary cities and rural towns |
| Definition | <p>Catalytic projects are identified within spatially targeted areas as part of the investment planning and preparation resulting with a list of projects ready for implementation. A catalytic project can be a single municipal project or a component thereof identified by having a name, scope, completion date, and cost estimates. Projects from the list are given "permission to proceed with implementation planning" as a result are regarded as approved.</p> <p>The purpose of approving catalytic projects are to:</p> <ul style="list-style-type: none"> • Link a municipality's development objectives and strategic planning processes to physical projects on the ground. • Target investment and development within strategically well-located areas to ensure value for money and to optimise impact. • Sequence the delivery and budgeting of identified and prioritised projects at the precinct level. • Ensure that the projects contribute as a catalytic investment to achieve a return of investment at third party leverage at the precinct level. Improve the quality of life and the levels of access to opportunity for residents in South Africa's under-served neighbourhoods. |
| Source of data | Permission to Proceed with Planning (Project Approval Correspondence to municipalities) |
| Method of Calculation / Assessment | Simple count of the approved catalytic projects. |
| Means of verification | Catalytic Projects approved. |
| 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) | <ul style="list-style-type: none"> • Target for Women: N/A • Target for Youth: N/A • Target for People with Disabilities: N/A |
| Spatial Transformation (where applicable) | <ul style="list-style-type: none"> • Reflect on contribution to spatial transformation priorities: Diverse land uses introduced into spatially targeted areas. • Reflect on the spatial impact area: Spatially targeted areas |
| Calculation Type | Cumulative (year-end). |
| Reporting Cycle | Quarterly. |
| Desired performance | 20 catalytic projects approved in spatially targeted areas within metropolitan cities, secondary cities and rural towns |
| Indicator responsibility | Chief Director: Neighbourhood Development Programme |

PROGRAMME 3

| 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 | <ul style="list-style-type: none"> 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) | <ul style="list-style-type: none"> Target for Women: N/A Target for Youth: N/A Target for People with Disabilities: N/A |
| Spatial Transformation (where applicable) | <ul style="list-style-type: none"> 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 Director: Provincial Budget Analysis. Chief Director: Local Government Budget Analysis. |

PROGRAMME 3

| Output Indicator no 3.1.8 | |
|--|---|
| Indicator Title | Percentage of requests to draft financial recovery plans responded to within 90 days of receipt |
| Definition | Assist with the preparation of a financial recovery plan when a complete request is received. A request is complete when there is no outstanding information required to finalise the response. |
| Source of data | Tracking register of municipalities submitting a complete request and municipalities assisted with the preparation of the financial recovery plans. |
| Method of Calculation / Assessment | <u>Number of complete requests responded to within 90 days of receipt x100</u> Total number of complete requests received |
| Means of verification | Financial recovery plans produced |
| Assumptions | Timely submission of relevant information by municipalities to commence with the preparation of the financial recovery plans. |
| Disaggregation of Beneficiaries (where applicable) | <ul style="list-style-type: none"> • Target for Women: N/A • Target for Youth: N/A • Target for People with Disabilities: N/A |
| Spatial Transformation (where applicable) | <ul style="list-style-type: none"> • 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 requests to draft financial recovery plans responded to within 90 days of receipt. |
| Indicator responsibility | Chief Directorate: Local Government Budget Analysis |

| Output Indicator no 3.1.9 | |
|--|---|
| Indicator title | Percentage of Cabinet memos received commented on |
| Short definition | Comments on Cabinet memos received provide analysis on the implementation of financial management and policy developments, challenges and trends in sectors and how these affect expenditure. |
| Source/collection of data | Comments made on Cabinet memos. |
| Method of calculation / Assessment | <u>Number of Cabinet memo comments sent at least one day prior to the cabinet meeting x 100</u> Total number of Cabinet memos received at least one day prior to the cabinet meeting |
| Means of verification | Comments on cabinet memos. |
| Assumptions | Cabinet memos received on the day of cabinet will be measured as part of the next cabinet cycle. |
| Disaggregation of Beneficiaries (where applicable) | <ul style="list-style-type: none"> • Target for Women: N/A • Target for Youth: N/A • Target for People with Disabilities: N/A |
| Spatial Transformation (where applicable) | <ul style="list-style-type: none"> • 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% Cabinet memos received commented on. |
| Indicator responsibility | Chief Directors: Public Finance. |

PROGRAMME 3

| Output Indicator no 3.1.10 | |
|--|--|
| Indicator title | Number of quarterly expenditure reports submitted to the Standing Committee on Appropriations |
| Short definition | Provide the Standing Committee on Appropriation with high level summary of quarterly expenditure for all departments. |
| Source/collection 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) | <ul style="list-style-type: none"> • Target for Women: N/A • Target for Youth: N/A • Target for People with Disabilities: N/A |
| Spatial Transformation (where applicable) | <ul style="list-style-type: none"> • 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 | Budget Analysts: Public Finance |

| 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 or maintained at National Treasury, provincial treasuries and municipalities. This is a number of technical advisors placed/maintained in a financial year. |
| Means of verification | Appointment letters of technical advisors. |
| Assumptions | Timeous information submitted by provinces and municipalities |
| Disaggregation of Beneficiaries (where applicable) | <ul style="list-style-type: none"> • Target for Women: N/A • Target for Youth: N/A • Target for People with Disabilities: N/A |
| Spatial Transformation (where applicable) | <ul style="list-style-type: none"> • 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 and maintained at National Treasury, provincial treasuries and municipalities through the Municipal Finance Improvement Programme (MFIP) |
| Indicator responsibility | Chief Director: MFIP III Programme Management Unit. |

PROGRAMME 3

| Output Indicator no 3.1.12 | |
|--|--|
| Indicator title | Value of grant funding disbursed (cumulative across the term of project) |
| Short definition | Denotes the Rand-value of grant funding disbursed to contracted Jobs Fund projects. |
| Purpose/importance | The Jobs Fund operates on an advance disbursement principle in its dealings with its Partners on a quarterly basis. 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. |
| Source/collection 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) | <ul style="list-style-type: none"> • Target for Women: N/A • Target for Youth: N/A • Target for People with Disabilities: N/A |
| Spatial Transformation (where applicable) | <ul style="list-style-type: none"> • Reflect on contribution to spatial transformation priorities: N/A • Reflect on the spatial impact area: N/A |
| Calculation type | Cumulative (from project inception to date). |
| Reporting cycle | Annually |
| Desired performance | R 6 317m grant funding disbursed (cumulative across the term of project). |
| Indicator responsibility | DDG: Employment Facilitation. |

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 | <ul style="list-style-type: none"> Review the Water Boards' corporate plans within four months of 1st of June each year, following complete submissions by 31st May each year as stipulated in the legislation. Review the corporate plans within four months of 1st March each year, following complete submissions by 28 February each year as stipulated in the legislation, for all other operational and non-exempt Schedule 2 and 3B public entities excluding Water Boards. Corporate plans are regarded as complete when they have been approved by the executive authority and there is no information requested from the entity that is outstanding. Late submissions/revised submissions will be reviewed within four months from the date of submission. Reports are compiled on the reviewed corporate plans. |
| Source of data | Signed-off reports of Schedule 2 and 3B from Board and Executive Authority. |
| Method of Calculation / Assessment | <p><u>Number of corporate plans of schedule 2 and 3B SOCs, and water boards received and reviewed by ALM division within 4 months of receipt x100</u> Complete corporate plans submitted</p> <ul style="list-style-type: none"> The four months for schedule 2 and 3B SOCs (excluding Water Boards) begins on 1 March of each year; and The four months for water boards on 1 June of each year. Late submissions/revised submissions will be reviewed within four months from the date of submission. |
| Means of verification | Signed-off reports Director-level on review of corporate plans of Schedule 2 and 3B SOCs, DFIs and water boards received. |
| Assumptions | No late submission of Corporate Plans from SOCs. No delays due to Executive Authorities' requests to amend Corporate Plans. Entities are not required to submit final shareholder compacts to NT for review. Only complete submissions will be considered. |
| Disaggregation of Beneficiaries (where applicable) | <ul style="list-style-type: none"> Target for Women: N/A Target for Youth: N/A Target for People with Disabilities: N/A |
| Spatial Transformation (where applicable) | <ul style="list-style-type: none"> 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 corporate plans received from Schedule 2 and 3B public entities reviewed. |
| Indicator responsibility | Chief Directorate: Governance and Financial Analysis. |

PROGRAMME 4

| Output Indicator no 4.1.2 | |
|--|---|
| Indicator Title | Percentage of annual reports received from Schedule 2 and 3B public entities reviewed |
| Definition | <ul style="list-style-type: none"> 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. 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. 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. Reports are compiled on the reviewed annual reports. |
| Source of data | Signed-off annual report of Schedule 2 and 3B of SOEs. |
| Method of Calculation / Assessment | <p>Number of annual reports of schedule 2 and 3 B SOCs, DFIs and water boards received and reviewed by ALM division within 4 months of receipt and cut-off date x100</p> <p>Complete annual reports submitted</p> <ul style="list-style-type: none"> The four months for schedule 2 and 3B entities (excluding Water Boards) begins on 01 September of each year; while the four months for Water Boards begins on 01 December of each year. Late submissions/revised submissions will be reviewed within four months from the date of submission; however, there will be a cut-off date on submissions valid for review of 31 March each year for Water Boards and 31 December for all other Schedule 2 and 3B entities (defined above). Any submissions made post this date will not be reviewed. |
| Means of verification | Signed-off reports (Director-level) of Schedule 2 and 3B SOEs received. |
| Assumptions | <ul style="list-style-type: none"> No late submission of annual reports SOCs, DFI and WBs. No requests from Executive Authorities to for extensions or to make amendments to annual reports which may result in delays. Entities are not required to submit final shareholder compacts to NT for review. Only complete submissions will be considered. |
| Disaggregation of Beneficiaries (where applicable) | <ul style="list-style-type: none"> Target for Women: N/A Target for Youth: N/A Target for People with Disabilities: N/A |
| Spatial Transformation (where applicable) | <ul style="list-style-type: none"> 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 reports received from Schedule 2 and 3B public entities reviewed within the stipulated timeframe. |
| Indicator responsibility | Chief Directorate: Governance and Financial Analysis. |

PROGRAMME 4

| 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 | <ul style="list-style-type: none"> 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. 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. 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. 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. |
| Source of data | Signed-off submissions at DDG level, prepared in response to applications for PFMA applications. |
| Method of Calculation / Assessment | $\frac{\text{Number of complete applications reviewed by ALM division within stipulated timeframes}}{\text{Total number of complete applications received}} \times 100$ |
| Means of verification | Signed-off submissions at DDG level, prepared in response to applications for PFMA applications. |
| Assumptions | <ul style="list-style-type: none"> 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. Only complete submissions will be considered. |
| Disaggregation of Beneficiaries (where applicable) | <ul style="list-style-type: none"> Target for Women: N/A Target for Youth: N/A Target for People with Disabilities: N/A |
| Spatial Transformation (where applicable) | <ul style="list-style-type: none"> 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 PFMA Section 51(g), 52, 54(2), 55 and 92 applications received from Schedule 2 and 3B public entities reviewed |
| Indicator responsibility | Chief Directorate: Sector Oversight and Chief Directorate: Governance and Financial Analysis. |

PROGRAMME 4

| Output Indicator no 4.1.4 | |
|--|---|
| Indicator Title | Percentage of complete review requests of borrowing limit applications relating to Schedule 2 and 3B public entities reviewed |
| Definition | Review schedule 2, 3B, SOCs, DFIs and WBs borrowing limit applications. |
| Source of data | Application letter from the Executive Authority or Chairperson of the Board in the case of entities reporting to the Minister of Finance. |
| Method of Calculation / Assessment | $\frac{\text{Number of completed applications for borrowing limits reviewed by ALM division within 60 business days}}{\text{Number of completed applications for borrowing limits received by ALM division}} \times 100$ |
| Means of verification | Review/assessment memo signed at Director-level to the Secretariat of the Asset and Liability Management Review and Monitoring Committee (ALMRMC) and the Fiscal Liability Committee (FLC). Date count starts from when the application is received by the ALM division from the Minister of Finance's office. |
| Assumptions | <ul style="list-style-type: none"> Only complete submissions will be considered. Request for review of borrowing limit applications relating to Schedule 2 and 3B public entities received. |
| Disaggregation of Beneficiaries (where applicable) | <ul style="list-style-type: none"> Target for Women: N/A Target for Youth: N/A Target for People with Disabilities: N/A |
| Spatial Transformation (where applicable) | <ul style="list-style-type: none"> 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 |

PROGRAMME 4

| 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 X100</u> Number of complete applications for guarantees received |
| Means of verification | Signed-off reports at Director-level. |
| Assumptions | <ul style="list-style-type: none"> • Only complete submissions will be considered. • The date count starts from when the application is received by the ALM division from the Minister's Office. • The application is considered to be submitted once it is sent to the Secretariat of the FLC and Asset and Liability Review and Monitoring Committee (ALMRMC) • Incomplete submissions are not considered until all required information is received. |
| Disaggregation of Beneficiaries (where applicable) | <ul style="list-style-type: none"> • Target for Women: N/A • Target for Youth: N/A • Target for People with Disabilities: N/A |
| Spatial Transformation (where applicable) | <ul style="list-style-type: none"> • Reflect on contribution to spatial transformation priorities: N/A • Reflect on the spatial impact area: N/A |
| Calculation Type | Non-cumulative. |
| Reporting Cycle | Quarterly. |
| Desired performance | 100% of complete guarantee applications received from Schedule 2 and 3B public entities reviewed within the stipulated timeframes. |
| Indicator responsibility | Chief Directorate: Sector Oversight and Chief Directorate: Governance and Financial Analysis |

PROGRAMME 4

| Output Indicator no 4.1.6 | |
|--|---|
| Indicator Title | Percentage of complete remuneration review requests of executive and non-executive directors received from Schedule 2 and 3B public entities reporting to the Minister of Finance reviewed |
| Definition | Where a consolidated memorandum needs to be prepared for the Minister of Finance, consideration of the review of the whole population will commence on receipt of the last entity to submit their documents. Otherwise review schedule 2 and 3B remuneration for public entities reporting to the Minister of Finance within 60 business days of receiving all the required documents for the requests outside the consolidated memo. |
| Source of data | Signed letter of request from Chairpersons of the Boards. |
| Method of Calculation / Assessment | <u>Number of complete submissions reviewed within 60 business days of receiving all the required documents or complete population of receipt by ALM division X100</u> Total number of complete submissions received |
| Means of verification | Signed off reports at Director level. |
| Assumptions | No late or non-submission by entities. Only complete population will be considered when all the entities submit unless there is a specific reason for an entity not being able to submit for that year or if it is not applicable to them i.e. they are not paying performance bonuses. |
| Disaggregation of Beneficiaries (where applicable) | <ul style="list-style-type: none"> • Target for Women: N/A • Target for Youth: N/A • Target for People with Disabilities: N/A |
| Spatial Transformation (where applicable) | <ul style="list-style-type: none"> • Reflect on contribution to spatial transformation priorities: N/A • Reflect on the spatial impact area: N/A |
| Calculation Type | Non-cumulative. |
| Reporting Cycle | Quarterly. |
| Desired performance | 100% of complete remuneration requests reviewed. |
| Indicator responsibility | Chief Director: Governance and Financial Analysis. |

PROGRAMME 4

| Output Indicator no 4.1.7 | |
|--|---|
| Indicator Title | Percentage of complete board appointments recommendations received from Schedule 2 and 3B public entities reporting to the Minister of Finance reviewed |
| Definition | Review complete requests from schedule 2 and 3B public entities for board appointments and make recommendations to the Minister of Finance for entities reporting to the Minister in line with the Memorandum of Incorporation (MOI) or relevant founding legislation. Review should be completed within 60 business days of receiving nominations including supporting documents from the Minister or from the SOCs. |
| Source of data | Signed letters of request from Chairpersons of the Boards or CVs sourced from the National Treasury Database and for the Land Bank, CVs from the Land Bank advert and parliamentary committees will be utilised. |
| Method of Calculation / Assessment | <u>Number of complete requests reviewed by ALM division X100</u> Total number of complete requests received |
| Means of verification | Signed-off reports at Chief Director-level. |
| Assumptions | That requests for board appointments recommendations received from Schedule 2 and 3B public entities reporting to the Minister of Finance will only be considered when all relevant information required to start the process has been received by ALM division. |
| Disaggregation of Beneficiaries (where applicable) | <ul style="list-style-type: none"> • Target for Women: N/A • Target for Youth: N/A • Target for People with Disabilities: N/A |
| Spatial Transformation (where applicable) | <ul style="list-style-type: none"> • Reflect on contribution to spatial transformation priorities: N/A • Reflect on the spatial impact area: N/A |
| Calculation Type | Non-cumulative. |
| Reporting Cycle | Quarterly. |
| Desired performance | 100% review of the complete submissions received from the entities reporting to the Minister of Finance (Scheduled 2 and 3B). |
| Indicator responsibility | Chief Director: Governance and Financial Analysis. |

PROGRAMME 4

| Output Indicator no 4.1.8 | |
|--|---|
| Indicator Title | Percentage of received MFMA submissions relating to tariff adjustments received from Schedule 2 and 3B public entities reviewed |
| Definition | Complete submissions must be reviewed within 40 business days of receipt by ALM division. |
| Source of data | Tariff review submissions received from entities. |
| Method of Calculation / Assessment | $\frac{\text{Number of tariff adjustments requests received and reviewed by ALM division within 40 business days} \times 100}{\text{Number of tariff adjustment requests received by ALM division}}$ |
| Means of verification | Review submission response signed by Deputy Director General ALM. |
| Assumptions | <ul style="list-style-type: none"> Only completed submission will be considered The date count starts from when the application is received by ALM division. The application is considered to be submitted once it is sent to the DDG: ALM |
| Disaggregation of Beneficiaries (where applicable) | <ul style="list-style-type: none"> Target for Women: N/A Target for Youth: N/A Target for People with Disabilities: N/A |
| Spatial Transformation (where applicable) | <ul style="list-style-type: none"> Reflect on contribution to spatial transformation priorities: N/A Reflect on the spatial impact area: N/A |
| Calculation Type | Non-cumulative. |
| Reporting Cycle | Quarterly |
| Desired performance | 100% complete submissions reviewed within the stipulated timeframes. |
| Indicator responsibility | Chief Directorate: Sector Oversight. |

| Output Indicator no 4.1.9 | |
|--|---|
| Indicator Title | Percentage of government's annual gross borrowing requirement met |
| Definition | Finance government's annual borrowing requirements through various debt instruments. |
| Source of data | Annual gross borrowing requirement is sourced from the Budget tabled annually by the Minister of Finance. |
| Method of Calculation / Assessment | $\frac{\text{Gross borrowing requirement is the sum of revenue, expenditure and debt due for repayment. Annual gross borrowing requirement met} \times 100}{\text{Annual gross borrowing requirement}}$ |
| Means of verification | Annual gross borrowing requirement is sourced from the Budget tabled annually by the Minister of Finance. |
| Assumptions | Accurate revenue and expenditure forecasts. Favourable market conditions. |
| Disaggregation of Beneficiaries (where applicable) | <ul style="list-style-type: none"> Target for Women: N/A Target for Youth: N/A Target for People with Disabilities: N/A |
| Spatial Transformation (where applicable) | <ul style="list-style-type: none"> 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 government's annual gross borrowing requirement met. |
| Indicator responsibility | Chief Directorate: Liability Management. |

PROGRAMME 4

| Output Indicator no 4.1.10 | |
|--|--|
| Indicator Title | Percentage of interest and redemptions met |
| Definition | Payment of government debt obligations in a timely and accurate manner to avoid any credit defaults or additional costs due to inaccurate/delayed payment. |
| Source of data | Government debt-service costs are contained in the annual Budget as tabled by the Minister of Finance. |
| Method of Calculation / Assessment | $\frac{\text{Amount of interest and redemptions paid}}{\text{Amount of interest and redemptions due}} \times 100$ |
| Means of verification | Government debt-service costs are contained in the annual Budget as tabled by the Minister of Finance. |
| Assumptions | Continuous, uninterrupted, access to debt recording and payment systems |
| Disaggregation of Beneficiaries (where applicable) | <ul style="list-style-type: none"> • Target for Women: N/A • Target for Youth: N/A • Target for People with Disabilities: N/A |
| Spatial Transformation (where applicable) | <ul style="list-style-type: none"> • 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 government debt obligations met. |
| Indicator responsibility | Chief Directorate: Liability Management. |

PROGRAMME 4

| Output Indicator no 4.1.11 | |
|--|--|
| Indicator Title | Percentage of government's liquidity requirements met |
| Definition | Forecasting and management of government's short- and medium term cash flows. |
| Source of data | Cash flow data on receipts and payments is received from SARS, Reserve Bank and various units within NT and then consolidated. |
| Method of Calculation / Assessment | <p><u>Number of months with a positive actual closing balance x100</u> Number of months in a financial year</p> <p>Government's net cash position is calculated, taking into account:</p> <ul style="list-style-type: none"> • Gross borrowing requirement, which is the sum of revenue, expenditure and debt due (interest and redemptions). • Proceeds from short- and long-term loans issued in the domestic and international markets. Change in cash balances. • A monthly net cash position is calculated for the MTEF period and thereafter maintained. Daily net cash positions are forecast for three months ahead • Must maintain a positive actual closing balance. |
| Means of verification | Cash flow data on receipts and payments is received from SARS, Reserve Bank and various units within NT and then consolidated. |
| Assumptions | Continuous, uninterrupted, access to debt recording and payment systems |
| Disaggregation of Beneficiaries (where applicable) | <ul style="list-style-type: none"> • Target for Women: N/A • Target for Youth: N/A • Target for People with Disabilities: N/A |
| Spatial Transformation (where applicable) | <ul style="list-style-type: none"> • 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% funded exchequer account (National Revenue account Fund). |
| Indicator responsibility | Chief Directorate: Financial Operations. |

PROGRAMME 4

| Output Indicator no 4.1.12 | |
|--|--|
| Indicator Title | Percentage compliance with market and refinancing risks benchmarks |
| Definition | Management of debt portfolio within approved risk benchmarks so that it minimises the impact of interest rate, inflation and exchange rate risks on annual funding requirements and government's debt portfolio while balancing liquidity (cash) and cost objectives. |
| Source of data | Ratio-based on portfolio indicators and quantitative on underlying risk factors. |
| Method of Calculation / Assessment | <p><u>Number of risk indicators within their limits or ranges x100</u> Total number of risk indicators</p> <p>All Risk Indicators should be below or within their limits or ranges as approved by Minister:</p> <ul style="list-style-type: none"> • Share of short-term debt maturing in 12 months (Treasury bills) as a percentage of total domestic debt. • Share of long-term maturing in 5-years as a percentage of fixed rate bonds and inflation linked bonds. • Share of inflation-linked bonds as a percentage of total domestic debt. • Share of foreign debt as a percentage of total government debt. • Weighted term-to-maturity (fixed rate bonds and Treasury bills in years). • Weighted term-to-maturity (inflation-linked bonds in years). |
| Means of verification | Ratio-based on portfolio indicators and quantitative on underlying risk factors. |
| Assumptions | Executive approval of the risk benchmarks. |
| Disaggregation of Beneficiaries (where applicable) | <ul style="list-style-type: none"> • Target for Women: N/A • Target for Youth: N/A • Target for People with Disabilities: N/A |
| Spatial Transformation (where applicable) | <ul style="list-style-type: none"> • 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% compliance with market and refinancing risks benchmarks. |
| Indicator responsibility | Chief Directorate: Strategy and Risk Management |

PROGRAMME 4

| Output Indicator no 4.1.13 | |
|--|--|
| Indicator Title | Number of reports on the management of government's contingent liabilities. |
| Definition | Management of contingent liability and counterparty risk exposure to limit the impact on the fiscus. |
| Source of data | Annual Reports and interim reports of SOCs and banks. Quarterly reports outlining government contingent liabilities and counterparty risk; and BA 900 reports from the SARB. |
| Method of Calculation / Assessment | Simple count of reports on the management of government's contingent liabilities. |
| Means of verification | Reports on the management of government's contingent liabilities. |
| Assumptions | That the data needed to compile the report is available. |
| Disaggregation of Beneficiaries (where applicable) | <ul style="list-style-type: none"> • Target for Women: N/A • Target for Youth: N/A • Target for People with Disabilities: N/A |
| Spatial Transformation (where applicable) | <ul style="list-style-type: none"> • 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 reports on the management of government's contingent liabilities and counterparty risk. |
| Indicator responsibility | Chief Directorate: Strategy and Risk Management. |

PROGRAMME 5

| Output Indicator no 5.1.1 | |
|--|--|
| Indicator Title | Number of norms and standards developed |
| Definition | Develop and or maintained (updated) 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 | Simple count of norms and standards developed and or maintained (updated) |
| Means of verification | Norms and standards developed and or maintained(updated) |
| Assumptions | <ul style="list-style-type: none"> Existing norms and standards require updating New norms and standards identified for development |
| Disaggregation of Beneficiaries (where applicable) | <ul style="list-style-type: none"> Target for Women: N/A Target for Youth: N/A Target for People with Disabilities: N/A |
| Spatial Transformation (where applicable) | <ul style="list-style-type: none"> 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 norms and standards developed and or maintained (updated) |
| Indicator responsibility | Chief Directorate: Specialised Audit Services. Chief Directorate: Internal Audit Support Chief Directorate: Risk Management Chief Directorate: Governance Monitoring & Compliance Chief Directorate: Technical Support Services |

PROGRAMME 5

| Output Indicator no 5.1.2 | |
|--|--|
| Indicator Title | Number of governance reports produced |
| Definition | Reports are produced to provide an update to oversight structures of government on the improvement of financial management governance and compliance across all spheres and entities in government, giving effect to the PFMA and MFMA. |
| Source of data | <ul style="list-style-type: none"> 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 and external stakeholders. Auditor-General of SA referrals under Public Audit Act (PAA) Members of public as whistle-blowers Law enforcement agencies |
| Method of Calculation / Assessment | Simple count of governance reports produced. |
| Means of verification | Governance reports produced. |
| Assumptions | Capacity and proficiency gaps in PFM identified across all spheres of government including entities. Enabling resources by co-sourcing of at least 10 forensic investigation firms. |
| Disaggregation of Beneficiaries (where applicable) | <ul style="list-style-type: none"> Target for Women: N/A Target for Youth: N/A Target for People with Disabilities: N/A |
| Spatial Transformation (where applicable) | <ul style="list-style-type: none"> 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 | 16 governance reports produced |
| Indicator responsibility | Chief Directorate: Specialised Audit Services. Chief Directorate: Internal Audit Support. Chief Directorate: Risk Management. Chief Directorate: Governance Monitoring & Compliance. Chief Directorate: MFMA Implementation. |

PROGRAMME 5

| Output Indicator no 5.1.3 | |
|--|--|
| Indicator Title | Number of public finance management capacity development programmes progress reports produced |
| Definition | Provide Public Finance Management Capacity Development Programmes support to clients, i.e. 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 various 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 completed progress reports produced. |
| Means of verification | Reports on the Public Finance Management Capacity Development Programmes completed progress reports produced. |
| Assumptions | Stakeholders are receptive to the training support provided by National Treasury. Training programmes conducted |
| Disaggregation of Beneficiaries (where applicable) | <ul style="list-style-type: none"> • Target for Women: N/A • Target for Youth: N/A • Target for People with Disabilities: N/A |
| Spatial Transformation (where applicable) | <ul style="list-style-type: none"> • 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 | 16 Public Finance Management Capacity Development Programmes progress reports produced. |
| Indicator responsibility | Chief Directorate: Capacity Building Chief Directorate: Specialised Audit Services Chief Directorate: Governance Monitoring & Compliance. Chief Directorate: Accounting Support and Reporting. Chief Directorate: MFMA Implementation. Chief Directorate: Internal Audit Support. Chief Directorate: Risk Management. |

PROGRAMME 5

| Output Indicator no 5.1.4 | |
|--|--|
| Indicator Title | Percentage availability of transversal systems |
| Definition | Maintenance of current transversal systems: Basic Accounting System (BAS), Financial Management System (FMS), LOGIS, PERSAL and Vulindlela. 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) | <ul style="list-style-type: none"> • Target for Women: N/A • Target for Youth: N/A • Target for People with Disabilities: N/A |
| Spatial Transformation (where applicable) | <ul style="list-style-type: none"> • 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 or in line with SLA with service provider. |
| Indicator responsibility | Chief Director: Financial Systems |

PROGRAMME 5

| 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 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 | Simple count of statutory reports produced |
| Means of verification | Statutory reports produced |
| Assumptions | Reports are prescribed by legislation |
| Disaggregation of Beneficiaries (where applicable) | <ul style="list-style-type: none"> • Target for Women: N/A • Target for Youth: N/A • Target for People with Disabilities: N/A |
| Spatial Transformation (where applicable) | <ul style="list-style-type: none"> • 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 | 10 statutory reports produced |
| Indicator responsibility | Chief Directorate: Governance Monitoring & Compliance. Chief Directorate: MFMA Implementation. Chief Directorate: Accounting Support and Reporting. |

PROGRAMME 5

| Output Indicator no 5.1.6 | |
|--|--|
| Indicator Title | Implementation of the IFMS II plan |
| Definition | The IFMS programme is a joint initiative between DPSA, National Treasury and SITA to replace the current legacy enterprise resource type systems such as BAS, LOGIS and PERSAL in the Public Service by implementing a single Enterprise Resource Planning (ERP) Commercial Off The Shelf (COTS) system. |
| Source of data | Signed memos/Reports/Steering Committee minutes |
| Method of Calculation / Assessment | <ul style="list-style-type: none"> • Verify if Functional and technical specifications of IFMS system have been developed. • Verify if IFMS Generic template has been developed. • Verify if the generic template for accelerated implementation to Lead Sites and Pilot Sites is rolled out. |
| Means of verification | Signed memos/Reports/Steering Committee minutes recording approval. |
| Assumptions | <ul style="list-style-type: none"> • IFMS continues throughout the reporting period • IFMS common design is approved • Departments and Provinces co-operate with the roll-out programme |
| Disaggregation of Beneficiaries (where applicable) | <ul style="list-style-type: none"> • Target for Women: N/A • Target for Youth: N/A • Target for People with Disabilities: N/A |
| Spatial Transformation (where applicable) | <ul style="list-style-type: none"> • 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 | Functional and technical specifications of IFMS system developed, IFMS Generic template developed, and roll out of the generic template for accelerated implementation to Lead Sites and Pilot Sites. |
| Indicator responsibility | Chief Directorate: IFMS. |

PROGRAMME 5

| 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 produced |
| Means of verification | <ul style="list-style-type: none"> • Approved report by the CD: GMC by the 7th of the next quarter • Requests received after the 15th of the last month of the quarter will be moved to the next quarter |
| Assumptions | <ul style="list-style-type: none"> • All compliance reports produced within the quarter All requests received within the set reporting period • All institutions submit their procurement plans and implementation reports on time |
| Disaggregation of Beneficiaries (where applicable) | <ul style="list-style-type: none"> • Target for Women: N/A • Target for Youth: N/A • Target for People with Disabilities: N/A |
| Spatial Transformation (where applicable) | <ul style="list-style-type: none"> • 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 approved compliance reports |
| Indicator responsibility | Chief Directorate SCM Stakeholder and Client Management Chief Directorate: SCM Governance Monitoring & Compliance Chief Directorate: SCM Information Communication and Technology |

PROGRAMME 5

| Output Indicator no 5.1.8 | |
|--|---|
| Indicator Title | Percentage of approved SCM directives |
| Definition | Developed SCM Directives (instruction notes, circulars, frameworks and guidelines) approved and issued for implementation |
| Source of data | <ul style="list-style-type: none"> DTIC with regards to designated products Requests from stakeholders Policy implementation challenges that requires policy review Changes or new policies that impact on the SCM Audit/ Compliance reports |
| Method of Calculation / Assessment | $\frac{\text{Number of directives approved} \times 100}{\text{Number of policy interventions identified}}$ |
| Means of verification | Approved SCM directives |
| Assumptions | <ul style="list-style-type: none"> Requests for policy directives are received. Policy interventions are identified |
| Disaggregation of Beneficiaries (where applicable) | <ul style="list-style-type: none"> Target for Women: N/A Target for Youth: N/A Target for People with Disabilities: N/A |
| Spatial Transformation (where applicable) | <ul style="list-style-type: none"> 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 |

PROGRAMME 5

| Output Indicator no 5.1.9 | |
|--|--|
| Indicator Title | Percentage implementation of support plan on identified or prioritised institutions in order to improve SCM performance |
| Definition | The programme refers to a plan of interventions and support to improve SCM performance |
| Source of data | Auditor-General reports and internal compliance reports |
| Method of Calculation / Assessment | $\frac{\text{Actual interventions implemented}}{\text{Planned interventions}} \times 100$ |
| Means of verification | Progress report that records actual performance against planned performance |
| Assumptions | Support plan developed |
| Disaggregation of Beneficiaries (where applicable) | <ul style="list-style-type: none"> • Target for Women: N/A • Target for Youth: N/A • Target for People with Disabilities: N/A |
| Spatial Transformation (where applicable) | <ul style="list-style-type: none"> • 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% implementation of support plan on identified or prioritised institutions in order to improve SCM performance |
| Indicator responsibility | Chief Directorate: SCM Stakeholder and Clients Management (Lead with the support of other OCPO CDs) |

PROGRAMME 5

| Output Indicator no 5.1.10 | |
|--|--|
| Indicator Title | Number of transversal term contracts implemented |
| Definition | <ul style="list-style-type: none"> • A transversal contract refers to a contract for common goods or services or ad hoc goods and services in which more than one government institution participates. • A national procurement system refers to expansion of the present portfolio of transversal contracts to include various commodities purchased routinely by departments. • Implementation refers to the contracts that are renewed, extended or effected for the first time. |
| Source of data | List of transversal term contracts implemented. An annual transversal term contract register is maintained by the Chief Directorate: Transversal Contracting. |
| Method of Calculation / Assessment | Simple count of the number of transversal term contracts implemented. |
| Means of verification | Bid Adjudication Committee reports |
| Assumptions | None |
| Disaggregation of Beneficiaries (where applicable) | <ul style="list-style-type: none"> • Target for Women: N/A • Target for Youth: N/A • Target for People with Disabilities: N/A |
| Spatial Transformation (where applicable) | <ul style="list-style-type: none"> • 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 | 21 transversal term contracts implemented. |
| Indicator responsibility | Chief Director: Transversal Contracts. |

PROGRAMME 5

| 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. |
| Source of data | The Strategic Sourcing Opportunities Plan. Various ERP systems across government (BAS, LOGIS, Payment systems, Order systems). |
| Method of Calculation / Assessment | <u>Actual strategic sourcing opportunities plan implemented</u> x100 Planned strategic sourcing opportunities plan to be implemented |
| Means of verification | Progress report that records actual performance against planned performance. |
| Assumptions | Data is accessible |
| Disaggregation of Beneficiaries (where applicable) | <ul style="list-style-type: none"> • Target for Women: N/A • Target for Youth: N/A • Target for People with Disabilities: N/A |
| Spatial Transformation (where applicable) | <ul style="list-style-type: none"> • 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% implementation of Strategic Sourcing Opportunities Plan. |
| Indicator responsibility | Chief Director: Strategic Procurement. |

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 are responded to by National Treasury (NT) as a percentage of the economic surveillance reports received from IMF (International Monetary Fund). The IMF sends a team to South Africa twice a year, as part of their surveillance function to member countries, to meet with economic and finance stakeholders. At the conclusion of their visit they produce a report on South Africa's economy, which is important for investor sentiment. However, before the reports are published, IREP analyses these reports, provides comments and coordinates internally within National Treasury and submit these responses to the IMF. |
| Source of data | Economic report by the International Monetary Fund (IMF) |
| Method of Calculation / Assessment | $\frac{\text{Number of reports responded to by NT} \times 100}{\text{Number of reports received from IMF}}$ |
| 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) | <ul style="list-style-type: none"> • Target for Women: N/A • Target for Youth: N/A • Target for People with Disabilities: N/A |
| Spatial Transformation (where applicable) | <ul style="list-style-type: none"> • 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 | 100% response to economic surveillance reports. |
| Indicator Responsibility | Chief Directorate: Global Economic Markets |

PROGRAMME 6

| 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 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). Advocacy forums can include workshops or seminars or meetings. |
| 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) Development finance is made available |
| Disaggregation of Beneficiaries (where applicable) | <ul style="list-style-type: none"> • Target for Women: N/A • Target for Youth: N/A • Target for People with Disabilities: N/A |
| Spatial Transformation (where applicable) | <ul style="list-style-type: none"> • 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 | One 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 |

PROGRAMME 6

| 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) | <ul style="list-style-type: none"> • Target for Women: N/A • Target for Youth: N/A • Target for People with Disabilities: N/A |
| Spatial Transformation (where applicable) | <ul style="list-style-type: none"> • 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 | 3 country partnership framework progress reports produced. |
| Indicator Responsibility | Chief Directorate: Multilateral Development Banks and Concessional Finance Chief Directorate: Global and Emerging Markets Chief Directorate: Africa Economic Integration |

PROGRAMME 6

| Output indicator no. 6.1.4 | |
|--|---|
| 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 | Regional and global forums are held. South Africa participates in the regional and global forums held |
| Disaggregation of Beneficiaries (where applicable) | <ul style="list-style-type: none"> • Target for Women: N/A • Target for Youth: N/A • Target for People with Disabilities: N/A |
| Spatial Transformation (where applicable) | <ul style="list-style-type: none"> • 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 | 1 analysis report indicating whether South Africa has accomplished what it set out in its engagement strategies |
| Indicator Responsibility | Chief Directorate Global and Emerging Markets |

PROGRAMME 6

| Output indicator no. 6.1.5 | |
|--|--|
| 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, CMA, G20, G24, BRICS, IMF, Institute of International Finance (IIF), 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 | $\frac{\text{Number of policy positions developed} \times 100}{\text{Total number of policy positions required}}$ |
| Means of verification | Reports, briefing notes and position papers developed. |
| Assumptions | IREP will be requested to develop positions on policy issues. |
| Disaggregation of Beneficiaries (where applicable) | <ul style="list-style-type: none"> Target for Women: N/A Target for Youth: N/A Target for People with Disabilities: N/A |
| Spatial Transformation (where applicable) | <ul style="list-style-type: none"> 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 |

PROGRAMME 7

| Performance Indicator no 7.1.1 | |
|--|---|
| Indicator title | Percentage of benefits validated paid within liable dates |
| Definition | Complete benefits validated for payment on time: <ul style="list-style-type: none"> • Post-retirement medical benefits validated and paid within 45 days Injury on duty benefits validated and paid within 45 days • Special pension benefits validated and paid within 45 days Military pension benefits validated and paid within 45 days • Other benefits validated and paid within 45 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 | $\frac{\text{Number of complete benefits validated for payment paid within liability date during the reporting period}}{\text{Total number of complete benefits applications received}} \times 100$ |
| 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) | <ul style="list-style-type: none"> • Target for Women N/A • Target for Youth: N/A • Target for People with Disabilities: N/A |
| Spatial Transformation (where applicable) | <ul style="list-style-type: none"> • 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 benefits validated for payments paid within liable dates |
| Indicator responsibility | General Manager: Programme 7 (GPAA) |

PROGRAMME 7

| 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 (occurred) |
| Method of Calculation / Assessment | $\frac{\text{Total No. of fraud cases from previous FY} - \text{Total No. of fraud cases for current FY}}{\text{Total No. of fraud cases from the previous FY}} \times 100$ |
| 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) | <ul style="list-style-type: none"> • Target for Women N/A • Target for Youth: N/A • Target for People with Disabilities: N/A |
| Spatial Transformation (where applicable) | <ul style="list-style-type: none"> • 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 | 90% fewer fraudulent claims than 2020/21 |
| Indicator responsibility | General Manager: Programme 7 (GPAA) |

| Performance 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) | <ul style="list-style-type: none"> • Target for Women N/A • Target for Youth: N/A • Target for People with Disabilities: N/A |
| Spatial Transformation (where applicable) | <ul style="list-style-type: none"> • 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 | 95% integrity of client data achieved |
| Indicator responsibility | General Manager: Programme 7 (GPAA) |

ANNEXURE A: AMENDMENTS TO THE STRATEGIC PLAN

No revisions have been made to the 2020 – 2025 Strategic Plan by the department.

ANNEXURE B: CONDITIONAL GRANTS

| Name of Grant | Purpose | Outputs | Current Annual Budget (R thousand) | Period of Grant |
|---|--|--|------------------------------------|--------------------------------|
| Integrated City Development Grant | To provide a financial incentive for metropolitan municipalities to achieve a more compact, liveable inclusive, productive and sustainable urban spatial form. | Metropolitan municipalities are to use the grant to conduct: Authorised studies/strategies. Infrastructure projects; acquire land and implement projects in identified integration zones. Implement planned catalytic/strategic projects within identified integration zones. | R341.312 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. | Number of built environment graduates registered as candidates for training and professional development as per requirements of the relevant statutory councils. Number of graduates recognised as registered professionals by the relevant statutory councils. Number of graduates employed as registered professionals within the built environment in local government. | R161.618 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. | R566.611 million | Continues over the medium term |

ANNEXURE B: CONDITIONAL GRANTS

| Name of Grant | Purpose | Outputs | Current Annual Budget (R thousand) | Period of Grant |
|---|---|---|------------------------------------|--------------------------------|
| Local Government Financial Management Grant | To promote and support reforms in financial management by building capacity in municipalities to implement the Municipal Finance Management Act (MFMA). | Implementation of reforms such as the internship programme, upgrading Information Technology systems to deliver reports, producing multi-year budgets, implementing new supply chain reforms, accounting standards, production of financial statements, preparation of recovery plans when needed, improving audits, etc. | R574.829 million | Continues over the medium term |

ANNEXURE C: CONSOLIDATED INDICATORS

National Treasury does not have consolidated indicators.

2021/22
**ANNUAL
PERFORMANCE
PLAN**

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