

NATIONAL TREASURY  
ANNUAL PERFORMANCE  
**PLAN**  
2012/16



**national treasury**

Department:  
National Treasury  
REPUBLIC OF SOUTH AFRICA





The 2012/16 National Treasury Strategic Plan is compiled with the latest available information from departmental and other sources. Some of this information is unaudited or subject to revision.

For more information, please contact:

**Communications Directorate,**  
National Treasury, Private Bag X115  
Pretoria, 0001, South Africa  
**Tel:** +27 12 395 6697  
**Fax:** +27 12 315 5126

The 2012/16 Annual Performance Plan is also available on [www.treasury.gov.za](http://www.treasury.gov.za)

**ISBN:** 978-0-621-40751-8



**national treasury**

Department:  
National Treasury  
**REPUBLIC OF SOUTH AFRICA**





## CONTENTS

### STRATEGIC OVERVIEW

Foreword.....	2
Updated Situational Analysis.....	4
<i>Service Delivery Environment</i> .....	4
<i>Organisational Environment</i> .....	5
Strategic Outcome Oriented Goals of the Institution.....	6
Resource Plan.....	8

### PROGRAMME STRATEGIC PLANS

PROGRAMME 1: Administration.....	10
PROGRAMME 2: Economic Policy, Tax, Financial Regulation and Research .....	28
PROGRAMME 3: Public Finance and Budget Management.....	36
PROGRAMME 4: Asset and Liability Management .....	63
PROGRAMME 5: Financial Accounting and Reporting.....	92
PROGRAMME 6: International Financial Relations.....	120
PROGRAMME 7: Civil And Military Pensions, Contributions to Funds and Other Benefits.....	137
PROGRAMME 8: Technical and Management Support and Development Finance.....	145

### ANNEXURE

Abbreviations.....	156
--------------------	-----



## FOREWORD



This is the first Annual Performance Plan tabled by the National Treasury. It sets out performance indicators and targets for budget programmes to facilitate the realisation of the Treasury's goals and objectives as outlined in the Strategic Plan. This document also includes a quarterly breakdown of performance targets for the 2012/13 financial year.

The production of the Annual Performance Plan marks a significant change in the way we plan. Whilst the change itself will be institutionalised and its impact thus rendered less intrusive, the drawing up of the annual performance plan is expected to strengthen the relationship between organisational goals and performance, creating greater transparency, clearer lines of accountability and detailed information which should enable better oversight.

This document draws heavily from the Strategic Plan and is aligned with the Treasury's financial budget. The Treasury is committed to achieving the results articulated in this plan, and to improving the execution of this change in the planning process.

A handwritten signature in black ink, which appears to read "L. Fuzile". The signature is stylized and fluid.

**Lungisa Fuzile**  
Director-General



## OFFICIAL SIGN-OFF

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

A handwritten signature in black ink, appearing to read 'Lungisa Fuzile'.

**Lungisa Fuzile**  
Director General



**national treasury**

Department:  
National Treasury  
**REPUBLIC OF SOUTH AFRICA**



## UPDATED SITUATIONAL ANALYSIS

### SERVICE DELIVERY ENVIRONMENT

#### VALUE FOR MONEY

Over the period ahead, government will take steps to improve efficiency in public spending, eliminate wastage and improve alignment between allocations, spending and policy priorities. Further steps will also be taken to root out corruption.

Greater focus will also be paid to public sector financial management, with procurement and contract management being prioritised. In this regard, a multi-faceted approach will be applied to improve value-for-money, including greater transparency and public disclosure, more rigorous tender procedures, improved capacity of supply-chain practitioners and changes to factors regulating government's supply-chain architecture.

The National Treasury also recognises the critical importance of competence and capability of financial practitioners to the quality of government's management of finances. In this regard a capacity-building model for public sector financial management has been developed and training of new and existing staff will continue over the period covered in this Strategic Plan.

#### PROMOTING A MORE COMPETITIVE ECONOMY

In the period ahead, budgeting will accord greater emphasis to infrastructure, employment and economic growth. International experience shows that higher levels of public and private investment in economic and social infrastructure promote more rapid GDP growth, rising per capita incomes, and a broadening of economic activity. The economic competitiveness and support package introduced in the 2012 Budget includes measures to support temporarily distressed manufacturers, build special economic zones, and improve skills and technology in agriculture, mining beneficiation, renewable energy and manufacturing

#### SOCIAL SECURITY AND HEALTH FINANCING

Alongside measures to boost job creation, contributory social security reforms and a national health insurance framework are now under consideration. This year government will publish a green paper proposing major social security reforms. The key recommendations are that the present fragmented arrangements should be replaced by an integrated contributory social security system that includes provision for basic retirement pension, along with shared death, disability and unemployment insurance for all workers.

Over the period ahead, government will take the first steps to implement national health insurance. Similar to the design of the social security arrangements, the principle of social solidarity lies at the heart of health reforms. National health insurance coverage will extend to everyone, while its funding will be distributed on the basis of the ability to pay.



## SITUATIONAL ANALYSIS - cont

### ORGANISATIONAL ENVIRONMENT

The working environment of the National Treasury is relatively mature and has remained quite stable despite recent and gradual changes undertaken by the organisation.

A notable structural change is the establishment of the Government Technical Advisory Centre (GTAC), an entity that incorporates the Treasury's externally-oriented professional assistance and management support programmes. GTAC's purpose is to contribute to the improvement in the management of government programmes and the quality of expenditure. This purpose is linked to one of the National Treasury's strategic pillars, namely, improving the capacity of government in respect of the allocation and utilisation of financial resources for service delivery.

Whilst there are some changes expected over the next few years, these will be shaped by the prevailing demands of our economic environment. An example of this is the introduction of a Chief Procurement Officer, as announced by the Minister of Finance in the 2012 Budget Speech.

Additional changes include an initiative to improve organisational performance. This includes the streamlining of processes, strengthening the culture of teamwork and making interventions to enhance coordination with both internal and external stakeholders. In this regard, the Treasury remains committed to being an agile and adaptive organisation.

### EXTERNAL FOCUS

The National Treasury will play its part in improving the overall performance of government. This Strategic Plan recognises the National Treasury's role in achieving the Outcomes of Government, and notes each programme's role and planned activity in this regard.

Furthermore, the National Treasury recognises its role in contributing to various processes and initiatives of government and works actively with a range of departments and state-owned entities on matters which promise to exert a significant financial or economic impact in the country. These activities will continue in order to facilitate and enable the reforms necessary to realise government's intended results.



## STRATEGIC OUTCOME ORIENTED GOALS OF THE INSTITUTION

The composition of programmes has changed. What was known as Programme 6 has been split into two programmes, with Economic Policy, Tax, Financial Regulation and Research becoming programme 2 and International Financial Relations becoming a standalone programme 6. Previously reflected as programme 2, Public Finance and Budget Management has now become programme 3. The Fiscal Transfers Programme (previously reflected as programme 9) has been split into two: Revenue Administration (programme 9) and Financial Intelligence and State Security (programme 10).

### PROGRAMME 1: ADMINISTRATION

This programme remains the same, and provides strategic management and support to the department.

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

This programme was previously part of programme six. It is now made up of two divisions, namely Economic Policy, and Tax and Financial Sector Policy. It provides policy advice to promote growth, employment and macroeconomic stability. This programme contributes to Outcome 4: Decent employment through inclusive growth, with a specific focus on Output 1 (Faster and sustainable growth) and Output 3 (Multi-pronged strategy to reduce youth unemployment).

### PROGRAMME 3: PUBLIC FINANCE AND BUDGET MANAGEMENT

This programme consists of three divisions: Public Finance, Budget Office and Intergovernmental Relations. The programme aims to promote growth, social development and poverty reduction through sound fiscal and financial policies, and the effective, efficient and appropriate allocation of public funds. This programme contributes to:

- Outcome 9: A responsive, accountable, effective and efficient local government system. Output 6: Improve municipal financial and administrative capacity.
- Outcome 12: An efficient, effective and development oriented public service, specifically Output 3 (Business processes, systems, decision rights and accountability).

### PROGRAMME 4: ASSET AND LIABILITY MANAGEMENT

The programme manages government's annual funding programme to ensure prudent cash management and an optimal portfolio of debt and other fiscal obligations. This programme also oversees state owned enterprises to ensure they meet government's policy objectives in a financially and fiscally sustainable manner. It also promotes sound corporate governance of SOEs.

### PROGRAMME 5: FINANCIAL ACCOUNTING AND REPORTING

This programme is made up of two divisions: the Office of the Accountant-General and the Specialist Functions divisions. The programme facilitates accountability, governance and oversight by promoting transparent, economic, efficient and effective management of revenue, expenditure, assets and liabilities in the public sector. This programme contributes to Outcome 12 (An efficient, effective and development oriented public service), specifically Output 3 (Business processes, systems, decision rights and accountability) and Output 4 (Corruption tackled effectively).

## STRATEGIC OUTCOME ORIENTED GOALS OF THE INSTITUTION - cont

### **PROGRAMME 6: INTERNATIONAL FINANCIAL RELATIONS**

The International and Regional Economic Policy division facilitates the deepening of South Africa's role in regional and international economic integration. Previously, the work of this programme appeared as a subprogramme, International Economic Policy and Financial Relations.

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

Previously referred to as programme eight, this programme ensures the payment of benefits and awards to rightful beneficiaries in terms of various statutes, collective-bargaining and other agreements.

### **PROGRAMME 8: TECHNICAL AND MANAGEMENT SUPPORT AND DEVELOPMENT FINANCE**

This programme, which was previously a part of programme 2, provides specialised infrastructure development, planning and implementation support. It also provides technical assistance to aid capacity building in the public sector.

### **PROGRAMME 9: REVENUE ADMINISTRATION**

Previously part of the Fiscal Transfers programme, this programme comprises transfers made to the South African Revenue Service for purposes of undertaking core tax administration activities and maintaining the IT competencies that support these operations.

### **PROGRAMME 10: FINANCIAL INTELLIGENCE AND STATE SECURITY**

Previously, this programme formed part of the Fiscal Transfers programme (then reflected as programme 9). This programme essentially comprises transfers made to the Financial Intelligence Centre to combat financial crimes, including money laundering and terror financing activities.



## RESOURCE PLAN

### EXPENDITURE ESTIMATES

#### NATIONAL TREASURY

Programme	Adjusted appropriation	Medium-term expenditure estimate			
		2011/12	2012/13	2013/14	2014/15
<b>R million</b>					
Administration	281.1	318.3	320.3	332.7	
Economic Policy, Tax, Financial Regulation and Research	228.4	149.0	148.9	155.9	
Public Finance and Budget Management	209.9	227.5	242.1	254.7	
Asset and Liability Management	825.9	286.6	390.3	590.3	
Financial Systems and Accounting	648.2	686.3	749.5	780.6	
International Financial Relations	818.7	1 038.2	1 113.3	1 209.3	
Civil and Military Pensions, Contributions to Funds and Other Benefits	3 776.9	3 348.3	3 517.2	3 728.2	
Technical Support and Development Finance	4 641.9	2 404.8	3 981.8	3 526.6	
Revenue Administration	8 653.6	9 194.4	9 682.2	10 242.6	
Financial Intelligence and State Security	3 755.0	3 897.8	4 170.3	4 391.9	
<b>Subtotal</b>	<b>23 839.5</b>	<b>21 551.1</b>	<b>24 315.9</b>	<b>25 212.7</b>	
<b>Direct charge against the National Revenue Fund</b>	<b>377 172.7</b>	<b>407 485.1</b>	<b>439 340.1</b>	<b>468 580.5</b>	
Provincial Equitable Share	291 735.5	309 057.4	328 920.7	349 351.0	
State Debt Costs	76 864.0	89 388.1	100 806.0	109 039.3	
General Fuel Levy Sharing with Metros	8 573.1	9 039.7	9 613.4	10 190.2	
<b>Total</b>	<b>401 012.1</b>	<b>429 036.3</b>	<b>463 656.0</b>	<b>493 793.2</b>	
Change to 2011 Budget estimate	4 769.3	(5.7)	823.1	(5 579.7)	

#### ECONOMIC CLASSIFICATION

Programme	Adjusted appropriation	Medium-term expenditure estimate			
		2011/12	2012/13	2013/14	2014/15
<b>R million</b>					
<b>Current payments</b>	<b>78 241.8</b>	<b>90 586.6</b>	<b>102 091.8</b>	<b>110 380.8</b>	
Compensation of employees	602.3	665.9	702.6	744.8	
Goods and services	775.5	532.7	583.1	596.7	
<i>of which:</i>					
<i>Computer services</i>	228.8	83.7	111.9	104.0	
<i>Consultants and professional services: Business and advisory services</i>	230.3	218.1	236.2	246.7	
<i>Lease payments</i>	33.3	36.2	37.8	39.5	
<i>Travel and subsistence</i>	49.9	52.9	56.3	58.8	
Interest and rent on land	76 864.0	89 388.1	100 806.0	109 039.3	
<b>Transfers and subsidies</b>	<b>321 835.1</b>	<b>337 889.4</b>	<b>360 910.4</b>	<b>382 543.3</b>	
Provinces and municipalities	302 572.0	319 153.4	339 656.9	360 687.5	
Departmental agencies and accounts	12 688.0	13 358.3	14 125.9	14 922.3	
Higher education institutions	–	8.0	10.0	12.0	
Foreign governments and international organisations	786.4	1 004.7	1 077.7	1 170.1	
Public corporations and private enterprises	2 060.0	1 063.6	2 569.8	2 073.2	

## RESOURCE PLAN - cont

Programme	Adjusted appropriation	Medium-term expenditure estimate			
		2011/12	2012/13	2013/14	2014/15
<b>R million</b>					
Non-profit institutions	0.1	0.1	0.1	0.1	0.1
Households	3 728.6	3 301.3	3 470.0	3 678.1	3 678.1
<b>Payments for capital assets</b>	<b>185.2</b>	<b>360.2</b>	<b>353.8</b>	<b>369.1</b>	<b>369.1</b>
Buildings and other fixed structures	3.6	5.3	3.0	3.1	3.1
Machinery and equipment	17.0	189.1	182.9	188.2	188.2
Software and other intangible assets	164.6	165.8	167.9	177.7	177.7
<b>Payments for financial assets</b>	<b>750.0</b>	<b>200.0</b>	<b>300.0</b>	<b>500.0</b>	<b>500.0</b>
<b>Total</b>	<b>401 012.1</b>	<b>429 036.3</b>	<b>463 656.0</b>	<b>493 793.2</b>	<b>493 793.2</b>

## EXPENDITURE TRENDS

Between 2008/09 and 2011/12, non-statutory expenditure remained stable at around R23.8 billion. The bulk of this spending was on transfers and subsidies, which accounted for 51.6 per cent of total non-statutory spending over this period. The increase in spending on payments for financial assets over this period was mainly due to payments to Eskom of R10 billion in 2008/09, R30 billion in 2009/10 and R20 billion in 2010/11 of the subordinated loan. In addition, the R3.5 billion loan to the Land and Agricultural Development Bank of South Africa, of which R2.5 billion was allocated between 2008/09 and 2011/12, also increased payments for financial assets over this period. Spending on the operational budget increased at an average annual rate of 5.2 per cent from R1.1 billion in 2008/09 to R1.6 billion in 2011/12, mainly due to the effects of annual adjustments to expenditure on compensation of employees, the enhancement of the infrastructure delivery implementation programme, the integrated financial management system, and the implementation of procurement management reforms and fraud prevention plans.

Over the medium term, total non-statutory expenditure is expected to increase at an average annual rate of 1.9 per cent to R25.2 billion. This increase is largely attributable to continued funding of the Land and Agricultural Development Bank of South Africa and allocations for the Employment Creation Facilitation Fund, which aims to create 100 000 job opportunities by 2015.



## PROGRAMME 1: ADMINISTRATION

### OUTPUTS AND TARGETS

Strategic Objective	Performance Indicator	Previous Year Target	Current Year Target	Medium Term Targets		
		2011/12	2012/13	2013/14	2014/15	2015/16
<b>Sub-programme:</b> Minister and Deputy Minister of Finance						
Provide parliamentary service to the Ministry and its departments	Quality parliamentary service to the Minister, Deputy Minister and the Director-General		85% satisfaction – assessment system in place			
<b>Sub-programme:</b> Management						
Ensure a safe and secure working environment	% of employees vetted		40% of NT employees vetted	60% of NT employees vetted	80% NT employees vetted.	100% NT employees vetted
	Effective and compliant Business Continuity Management Plans in place and tested		Emergency Management, Business Continuity and Disaster Recovery Plans reviewed and updated annually.			
	% of security breaches		<ul style="list-style-type: none"> <li>0% information leaks and disruption of business processes during MTBPS and Budget</li> <li>60% reduction in general security breaches</li> </ul>	<ul style="list-style-type: none"> <li>0% information leaks and disruption of business processes during MTBPS and Budget</li> <li>65% reduction in general security breaches</li> </ul>	<ul style="list-style-type: none"> <li>0% information leaks and disruption of business processes during MTBPS and Budget</li> <li>70% reduction in general security breaches</li> </ul>	<ul style="list-style-type: none"> <li>0% information leaks and disruption of business processes during MTBPS and Budget</li> <li>75% reduction in general security breaches</li> </ul>

**PROGRAMME 1: ADMINISTRATION - cont**

Strategic Objective	Performance Indicator	Previous Year Target	Current Year Target	Medium Term Targets		
				2013/14	2014/15	2015/16
Ensure that the Department adheres to an integrated risk management system within a sound control environment	Enterprise Risk and Security Management (ER&SM) strategies, policies and procedures in place and implemented	2011/12	2012/13 <ul style="list-style-type: none"> <li>• Safety, Health, Environment, Risk and Quality (SHERQ) policy developed and approved</li> <li>• 3 Information Security policies developed and approved</li> <li>• Security Manual reviewed and implemented</li> <li>• Anti-Corruption Policy reviewed and implemented</li> <li>• Corruption Case Management Framework reviewed and implemented</li> <li>• ERM Strategy and Implementation Plan reviewed and implemented</li> <li>• Fraud Prevention Plan reviewed and implemented</li> </ul>	2013/14 Safety, Health, Environment, Risk and Quality (SHERQ) policy implemented	2014/15	2015/16
	Number of awareness interventions provided					<ul style="list-style-type: none"> <li>• 62 ER&amp;SM awareness workshops annually</li> </ul>





## PROGRAMME 1: ADMINISTRATION - cont

### OUTPUTS AND TARGETS

Strategic Objective	Performance Indicator	Previous Year Target	Current Year Target	2013/14	2014/15	2015/16
Ensure that an appropriate number of Regularity, Performance, Compliance and IT audits are completed in line with Risks identified in the Departmental Risk Profile	100% completion of the audit plan	2011/12	2012/13	2013/14	2014/15	2015/16
Maintain Internal Audit staff with minimum professional qualification and adequate experience	% number of staff with CIA/CISA qualification vs total posts within IA unit					
Build Internal Audit capacity and specialist skills	Full implementation of the IA Shared Services					
Files for audits completed to comply with IIA standards and OAG IA framework	All files for audits completed to comply with IIA standards and OAG IA framework					
Ensure follow-through on internal audit findings	% implementation of IA recommendations by management tracked through the findings register framework					



**PROGRAMME 1: ADMINISTRATION - cont**

Strategic Objective	Performance Indicator	Previous Year Target	Current Year Target	Medium Term Targets	
				2013/14	2014/15
<b>Sub-programme: Corporate Services</b>					
Efficient HR function	Anchor the talent management framework to the business, provide efficient HR Service delivery and strengthen our leadership capability	2011/12	2012/13	2013/14	2015/16
Provide a consistent records management methodology across all divisions in NT	Implement a consistent records management for physical and electronic records		100% of the Talent Management Framework implemented	Anchor the Talent Management approach in line with NT requirements, and continue measuring its effectiveness and impact	Continuous improvement of Talent Management approach through benchmarking and review of alignment to NT strategy
			Piloted methodology and training material in 25% of NT business units and aligned methodology and training material with pilot outcomes	Implemented the methodology in 75% of business units and trained operational registry staff	Implemented the methodology in 100% of business units and trained operational registry staff
Promote the department's strategic objective to implement a culture of learning and knowledge sharing	<ul style="list-style-type: none"> <li>Implemented Intranet sites and knowledge repositories for every business division in the National Treasury</li> <li>Appointed KM content managers</li> <li>Implemented communities of interest</li> <li>Implemented communities of practice</li> </ul>		<ul style="list-style-type: none"> <li>Developed a revised KM framework.</li> <li>Implemented KM sites in 25% of business units and appointed content managers</li> <li>Conducted knowledge awareness training</li> <li>Piloted 10 communities of interest</li> <li>Piloted 3 communities of practice</li> </ul>	<ul style="list-style-type: none"> <li>Implemented KM sites in 75% of business units and appointed content managers</li> <li>Conducted knowledge awareness training</li> <li>Implemented 20 communities of interest</li> <li>Implemented 12 communities of practice</li> </ul>	<ul style="list-style-type: none"> <li>Revised KM framework.</li> <li>Implemented KM sites in 100% of business units and appointed content managers</li> <li>Conducted knowledge awareness training</li> <li>Finalised the implementation of all communities of interest</li> <li>Finalised the implementation of all communities of practice</li> </ul>
					Review and update the methodology and training material in line with best practice and conduct refresher training
					Fully operationalized the communication structure for all types of portal sites and communities of interest and communities of practice are accepted as vital communication tools in the National Treasury





## OUTPUTS AND TARGETS

### PROGRAMME 1: ADMINISTRATION - cont

Strategic Objective	Performance Indicator	Previous Year Target	Current Year Target	Medium Term Targets		
				2013/14	2014/15	2015/16
Enable the department to access critical business documents remotely	World-wide web access to the department's document tracking system and electronic records management systems	2011/12	2012/13	2013/14	2014/15	2015/16
Link the document tracking system and the electronic registry to the department's business continuity plan	The department's critical business documents are accessible at all times, even during emergencies and disasters	2011/12	2012/13	2013/14	2014/15	2015/16

## PROGRAMME 1: ADMINISTRATION - cont

Strategic Objective	Performance Indicator	Previous Year Target	Current Year Target	Medium Term Targets		
				2013/14	2014/15	2015/16
Create a customer relations management centre in the National Treasury, including a knowledge resource centre	Established a centrally managed customer relations centre to promote rapid access to information and services to clients across all divisions	2011/12	2012/13	2013/14	2014/15	2015/16
		<ul style="list-style-type: none"> <li>Finalised the customer relations management framework and obtained implementation approval</li> <li>Gathered user requirement information and developed the project plan</li> <li>Conducted interviews with implementation partners</li> </ul>	<ul style="list-style-type: none"> <li>Implemented the establishment of the central customer relations management centre (CRM)</li> <li>Commence the provision of services.</li> <li>Implemented the knowledge resource centre</li> </ul>	<ul style="list-style-type: none"> <li>Revised the CRM frame work to include services from all National Treasury Divisions</li> <li>Updated the knowledge resource centre to include knowledge material from other NT divisions</li> <li>Trained all National Treasury staff on the use of the Contact Centre</li> </ul>	<ul style="list-style-type: none"> <li>Expanded the capability of the central contact centre to include services to external clients</li> <li>Operationalised the knowledge resource centre to include a centralised physical library management system</li> </ul>	
Effective Governance / Management of NT ICT	Unqualified Performance and Compliance Audit					
		<ul style="list-style-type: none"> <li>Approved Enterprise ICT Governance</li> <li>Reviewed Charter</li> <li>Reviewed Policies</li> <li>40% Procedures Promulgated</li> <li>Standards promulgated</li> <li>Developed National Treasury Strategic Information Systems Plan</li> <li>Reviewed Strategic/Annual Performance Plan</li> <li>Reviewed Service Level Agreement</li> </ul>	<ul style="list-style-type: none"> <li>Reviewed Enterprise ICT Governance</li> <li>Reviewed Charter</li> <li>Reviewed Policies</li> <li>70% Procedures Promulgated</li> <li>Reviewed Standards</li> <li>Reviewed National Treasury Strategic Information Systems Plan</li> <li>Reviewed Strategic/Annual Performance Plan</li> <li>Reviewed Service Level Agreement</li> </ul>	<ul style="list-style-type: none"> <li>Reviewed Enterprise ICT Governance</li> <li>Reviewed charter</li> <li>Reviewed Policies</li> <li>90% Procedures Promulgated</li> <li>Reviewed Standards</li> <li>Reviewed National Treasury Strategic Information Systems Plan</li> <li>Reviewed Strategic/Annual Performance Plan</li> <li>Reviewed Service Level Agreement</li> </ul>	<ul style="list-style-type: none"> <li>Reviewed Enterprise ICT Governance</li> <li>Reviewed charter</li> <li>Reviewed Policies</li> <li>100% Procedures Promulgated</li> <li>Reviewed Standards</li> <li>Reviewed National Treasury Strategic Information Systems Plan</li> <li>Reviewed Strategic/Annual Performance Plan</li> <li>Reviewed Service Level Agreement</li> </ul>	



## PROGRAMME 1: ADMINISTRATION - cont

### OUTPUTS AND TARGETS

Strategic Objective	Performance Indicator	Previous Year Target	Current Year Target	Medium Term Targets	
		2011/12	2012/13	2013/14	2014/15 2015/16
Sound financial management and governance	Progressive development of analytical performance reporting with improved cost savings and enhancing management accounting and supply chain management		Maintain the 2 days in-year monitoring reporting, with effective awareness and monitoring of spending. 80% awareness created and added value of cost saving measures from Budget Managers	Maintain the 2 days in-year monitoring reporting, with effective awareness and monitoring of spending. 85% awareness created and added value of cost saving measures from Budget Managers	Maintain the 2 days in-year monitoring reporting, with effective awareness and monitoring of spending. 90% awareness created and added value of cost saving measures from Budget Managers
			Implementation of strategic sourcing with an efficient saving of 30% on goods and services	Saving of 35% on goods and services	Saving of 40% on goods and services
	Financial governance compliance and sound control environment		Reduce by 70% the findings on compliance by Internal Audit and Auditor General resulting in unqualified audit report	Reduce by 80% the findings on compliance by Internal Audit and Auditor General resulting in unqualified audit report	Reduce by 95% the findings on compliance by Internal Audit and Auditor General resulting in unqualified audit report

PROGRAMME 1: ADMINISTRATION - cont

QUARTERLY TARGETS FOR 2012/2013

Performance Indicator	Reporting Period	Annual Target	Quarterly Targets			
			Q 1 (Apr – Jun)	Q 2 (Jul – Sep)	Q 3 (Oct – Dec)	Q 4 (Jan – Mar)
<b>Sub-programme: Management</b>						
% of employees vetted	Quarterly	40% of NT employees vetted	<ul style="list-style-type: none"> <li>Vetting strategy approved and implementation embarked upon.</li> <li>10% of NT employees vetted</li> </ul>	<ul style="list-style-type: none"> <li>All Personnel Security Unit vacant positions filled</li> <li>10% of NT employees vetted</li> </ul>	<ul style="list-style-type: none"> <li>10% of NT employees vetted</li> </ul>	<ul style="list-style-type: none"> <li>MOU reviewed with State Security Agency</li> <li>10% of NT employees vetted</li> </ul>
Effective guarding services in place	Quarterly	Guarding service in place and compliant with SLA	Quarterly monitoring compliance with the SLA and hold workshops aimed at improved service delivery by the guarding service provider			
Effective and compliant Business Continuity Management Plans in place and tested	Annually	<ul style="list-style-type: none"> <li>Emergency Management Plan reviewed and endorsed by external emergency services</li> <li>Business Continuity Plan reviewed</li> <li>Disaster Recovery Plan reviewed</li> <li>1 Evacuation drill conducted</li> </ul>	Emergency Management Plan reviewed and endorsed by external emergency services	<ul style="list-style-type: none"> <li>Business Continuity Plan reviewed</li> <li>Disaster Recovery Plan reviewed</li> </ul>	1 Evacuation drill conducted	





## PROGRAMME 1: ADMINISTRATION - cont

### QUARTERLY TARGETS FOR 2012/2013

Performance Indicator	Reporting Period	Annual Target	Quarterly Targets			
			Q 1 (Apr – Jun)	Q 2 (Jul – Sep)	Q 3 (Oct – Dec)	Q 4 (Jan – Mar)
% of security breaches reported	Quarterly	2012/13 <ul style="list-style-type: none"> <li>0% information leaks and disruption of business processes during MTBPS and Budget</li> <li>60% reduction in security breaches</li> </ul>	Q 1 (Apr – Jun) <ul style="list-style-type: none"> <li>Review security measures implemented during the 2012 budget process and improve security plan</li> <li>60% reduction in security breaches through regular inspections to ensure compliance with security measures</li> </ul>	Q 2 (Jul – Sep) <ul style="list-style-type: none"> <li>Hold meeting with security stakeholders to plan for 2012 MTBPS</li> <li>60% reduction in security breaches through regular inspections to ensure compliance with security measures</li> </ul>	Q 3 (Oct – Dec) <ul style="list-style-type: none"> <li>Secure MTBPS with 0% information leaks and disruption of business processes</li> <li>60% reduction in security breaches through regular inspections to ensure compliance with security measures</li> </ul>	Q 4 (Jan – Mar) <ul style="list-style-type: none"> <li>Secure Budget with 0% information leaks and disruption of business processes</li> <li>60% reduction in security breaches through regular inspections to ensure compliance with security measures</li> </ul>

**PROGRAMME 1: ADMINISTRATION - cont**

Performance Indicator	Reporting Period	Annual Target	Quarterly Targets			
			Q 1 (Apr – Jun)	Q 2 (Jul – Sep)	Q 3 (Oct – Dec)	Q 4 (Jan – Mar)
ER&SM strategies, policies and procedures in place and implemented	Quarterly	2012/13 • SHERQ policy developed and approved • 3 Information Security policies developed and approved • Security Manual reviewed and implemented • Anti-Corruption Policy reviewed and implemented • Corruption Case Management Framework reviewed and implemented • ERM Strategy and Implementation Plan reviewed and implemented • Fraud Prevention Plan reviewed and implemented	Develop 1 Information security policy • Security Manual reviewed and implemented • Corruption Case Management Framework reviewed and implemented	Develop 1 Information security policy • Anti-corruption Policy reviewed and implemented. • Fraud Prevention Plan reviewed and implemented	Develop SHERQ policy • ERM Strategy and implementation plan reviewed and implemented	
Number of risk registers compiled	Quarterly	• 1 consolidated NT risk register • 1 ASB risk register • 1 CBDA risk register	• 100% of risk assessments conducted as per Implementation plan • 1 ASB risk register compiled	• 100% of risk assessments conducted as per Implementation plan • 1 Consolidated risk register compiled • 1 CBDA risk register compiled		





## PROGRAMME 1: ADMINISTRATION - cont

### QUARTERLY TARGETS FOR 2012/2013

Performance Indicator	Reporting Period	Annual Target	Quarterly Targets			
			Q 1 (Apr – Jun)	Q 2 (Jul – Sep)	Q 3 (Oct – Dec)	Q 4 (Jan – Mar)
Number of completed Audits	Quarterly	2012/13 74 Audits	21 Audits	19 Audits	18 Audits	16 Audits
% number of staff with CIA/CISA qualification vs total posts within Internal Audits (IA)	Annually	25%	5% increase	5% increase	5% increase	5% increase
Full implementation of the IA Shared Services	Annually	80% implementation of IA Shared Services	Project Steering Committee established	Project implementation plan approve by audit committee	50% of the project implementation plan implemented	100% of the project implementation plan implemented
Signed off QAR checklists for all Audits	Quarterly	74 Audit Files	21 Audit Files	19 Audit Files	18 Audit Files	16 Audit Files
% Implementation of IA recommendations by management tracked through the findings register framework	Quarterly	Findings register age analysis not more than 120 days from date of implementation	15% reduction of findings with an age analysis of more than 180 days	30% (cumulative) reduction of findings with an age analysis of more than 180 days	45% (cumulative) reduction of findings with an age analysis of more than 180 days	60% (cumulative) reduction of findings with an age analysis of more than 180 days
% Client satisfaction survey (improved client relations).	Annually	80% client satisfaction / client relations improved	50% client satisfaction results achieved	60% client satisfaction results achieved	70% client satisfaction results achieved	80% client satisfaction results achieved



## PROGRAMME 1: ADMINISTRATION - cont

Performance Indicator	Reporting Period	Annual Target	Quarterly Targets				
			Q 1 (Apr – Jun)	Q 2 (Jul – Sep)	Q 3 (Oct – Dec)	Q 4 (Jan – Mar)	
<b>Sub-programme: Corporate Services</b>							
Anchor the talent management framework to the business, provide efficient HR Service delivery and strengthen our Leadership capability	Quarterly	Improve recruitment turnaround times to 6 weeks	Improve recruitment turnaround times to 6 weeks	Improve recruitment turnaround times to 6 weeks	Improve recruitment turnaround times to 6 weeks	Improve recruitment turnaround times to 6 weeks	
	Annually	Improve our Leadership index to 60%	-	-	-	Improve recruitment turnaround times to 6 weeks	
	Bi-Annually	Enhance Integrated Performance Management culture through capacity building	Enhance Integrated Performance Management culture through capacity building	Enhance Intergraded Performance Management culture through capacity building	Enhance Intergraded Performance Management culture through capacity building	Enhance Intergraded Performance Management culture through capacity building	Improve our Leadership index by 60%
Implement a central electronic Registry (e-Registry) in National Treasury		Implemented the e-Registry capability in NT on the SharePoint (SPS) platform and rolled out to 25% of 72 users groups	Completed project plan and developed change management material, rollout and communication plan	Identified 18 out of 72 chief directorates for the implementation.	Completed start-up change management	Implemented the e-Registry in 18 chief directorates.	Completed change management and trained users
		Created the file plan folder structure for each chief directorate in the e-Registry	Completed e-Registry implementation framework and designed the folder structure with the CS: ICT unit	Aligned the folder structure with the file plan and agreed the implementation path with stakeholders	Implemented and piloted 9 e-Registry sites and tested with stakeholders and ICT	Implemented and piloted 9 e-Registry sites and tested with stakeholders and ICT and handed sites over to stakeholders	Completed all training material and user guides and completed the e-Registry handbook



## PROGRAMME 1: ADMINISTRATION - cont

### QUARTERLY TARGETS FOR 2012/2013

Performance Indicator	Reporting Period	Annual Target	Quarterly Targets			
			Q 1 (Apr – Jun)	Q 2 (Jul – Sep)	Q 3 (Oct – Dec)	Q 4 (Jan – Mar)
Accessibility and visibility of products and services		Trained 25% of e-Registry users on the navigation and use of the e-Registry  Implemented a client-focused KM support and resource centre	Conducted road show to all e-Registry users in NT	Started training e-registry users	Conducted e-Registry class-room training and identified special training needs	Trained users and executives in all 18 chief directorates
			Identified products and services and how these are/will be delivered to our clients  Drafted a specification and functionality document  Identified SLA/s and usage guidelines  Researched suitable layouts and positions	Developed a products and services matrix detailing requirements and expectations of our consumers  Updated the matrix with identified user guides and training material  Developed the services charter and draft SLA/s	<ul style="list-style-type: none"> <li>Established a library and collaboration site for electronic material</li> <li>Established a KM storage site for physical material</li> </ul>	Implemented a products and services register and finalised all electronic and physical material  Completed implementation of phase 1 of the project  Conducted road-show and info sessions with the consumers  Implemented phase 1 of the KM support and resource centre

## PROGRAMME 1: ADMINISTRATION - cont

Performance Indicator	Reporting Period	Annual Target	Quarterly Targets			
			Q 1 (Apr – Jun)	Q 2 (Jul – Sep)	Q 3 (Oct – Dec)	Q 4 (Jan – Mar)
Unqualified Performance and Compliance Audit		2012/13 <ul style="list-style-type: none"> <li>Approved Enterprise ICT Governance</li> <li>40% Procedures Promulgated</li> <li>Reviewed Strategic Plan</li> <li>Reviewed Annual Plan</li> <li>Developed Strategic Information Systems Plan</li> <li>Reviewed Service Level Agreement</li> </ul>	<ul style="list-style-type: none"> <li>Draft ICT Governance Framework</li> <li>Draft EA Policy</li> <li>Draft Management Policy</li> <li>Draft ICT Acquisition Policy</li> <li>Draft ICT Delivery and Support Policy</li> <li>10% ICT Procedures developed</li> <li>Reviewed Service Catalogue</li> </ul>	<ul style="list-style-type: none"> <li>Promulgated ICT Governance Framework</li> <li>20% ICT Procedures developed</li> <li>Drafted App Standards</li> <li>Drafted Data Standards</li> <li>Drafted Technology Standards</li> <li>Redeveloped NT overarching O/SLA</li> </ul>	<ul style="list-style-type: none"> <li>30% ICT Procedures developed</li> <li>Promulgated App Standards</li> <li>Promulgated Data Standards</li> <li>Promulgated Technology Standards</li> </ul>	<ul style="list-style-type: none"> <li>Promulgated EA Policy</li> <li>Promulgated Management Policy</li> <li>Promulgated ICT Acquisition Policy</li> <li>Promulgated ICT Delivery and Support Policy</li> <li>40% ICT Procedures developed</li> <li>Reviewed Strategic Plan</li> <li>Reviewed Annual Performance Plan</li> <li>NT SISP</li> <li>Promulgated O/SLA</li> </ul>
Services and support delivered according to SLA		90% compliance to SLA	Service Levels 83% of current targets	Service Levels 85% of current targets	Service levels 87% of revised SLAs	Service levels 90% of approved SLA
Reduce turnaround time for processing of payment requests	Quarterly	Maintain order processing at 2 days.	Reduced turnaround time to 2 days	Reduced turnaround time to 2 days	Reduced turnaround time to 2 days	Reduced turnaround time to 2 days
	Monthly	Invoice turnaround times to be reduced to 2 working days	<ul style="list-style-type: none"> <li>100% compliance.</li> <li>Reduced turnaround times to 6 days</li> </ul>	<ul style="list-style-type: none"> <li>100% compliance.</li> <li>Reduced turnaround times to 5 days</li> </ul>	<ul style="list-style-type: none"> <li>100% compliance.</li> <li>Reduced turnaround times to 4 days</li> </ul>	<ul style="list-style-type: none"> <li>100% compliance</li> <li>Reduced turnaround times to 2 days</li> </ul>



## PROGRAMME 1: ADMINISTRATION - cont

### QUARTERLY TARGETS FOR 2012/2013

Performance Indicator	Reporting Period	Annual Target	Quarterly Targets			
			Q 1 (Apr – Jun)	Q 2 (Jul – Sep)	Q 3 (Oct – Dec)	Q 4 (Jan – Mar)
Cost saving initiative	Quarterly	2012/13 <ul style="list-style-type: none"> <li>Coordinated Strategic Sourcing - reduction in goods and services by 30%-costs overruns</li> <li>Finalise SLA's for all annual renewal</li> <li>Bulk-buying is introduced</li> </ul>	<ul style="list-style-type: none"> <li>15% savings realised.</li> <li>Submitted a comprehensive Strategic Sourcing Plan.</li> </ul>	20 % savings realised.	25% savings realised.	30% savings realised.
Approved SCM manual and updated policy	Quarterly	Full roll out of manual by June 2012	Manual approved by June 2012	Information sessions held	Information sessions held	Information sessions held
Bidding process reduced to 45 days.	Quarterly	Adherence to project plans. 70% procurement done through bidding and contracts	10% procurement done through bidding and contracts	30% procurement done through bidding and contracts.	50% procurement done through bidding and contracts.	70% procurement done through bidding and contracts.
Performance and Risk Management	Quarterly	100% compliance by SCM staff and the rest of NT	20% reduction on deviation memos	40% reduction on deviation memos	60% reduction on deviation memos	80% reduction on deviation memos
Approval of policies and assess the impact thereof.	Quarterly	2 surveys conducted on the awareness of policies		1 Survey conducted		1 Survey conducted
Financial governance compliance and sound control environment	Every 2 <sup>nd</sup> quarter	80% awareness of current policies to staff		One awareness campaign conducted		One awareness campaign conducted
	Quarterly	Reduce by 70% the findings on compliance by Internal Audit and Auditor General resulting in unqualified audit report	Register of audit findings presented to management.	Letter to respective units highlighting affected findings.		

## PROGRAMME 1: ADMINISTRATION - cont

Performance Indicator	Reporting Period	Annual Target	Quarterly Targets			
			Q 1 (Apr – Jun)	Q 2 (Jul – Sep)	Q 3 (Oct – Dec)	Q 4 (Jan – Mar)
Enhancement of capacity and capability	Annually	Approval of Annual Financial Statements manual by end July 2012 and rollout by end August 2012	Approved Annual Financial Statements Manual and rolled out to users	Approved Annual Financial Statements Manual and rolled out to users	Approved Annual Financial Statements Manual and rolled out to users	Approved Annual Financial Statements Manual and rolled out to users
	Annually	<ul style="list-style-type: none"> <li>Approved Transversal Systems Manual by July 2012 and rollout to users by Aug 2012</li> <li>80% of system users trained</li> </ul>	Transversal System Manual approved and rolled out to users	Transversal System Manual approved and rolled out to users	Transversal System Manual approved and rolled out to users	Transversal System Manual approved and rolled out to users
Progressive development of analytical reporting & enhancement of reporting	Monthly	Improved turnaround in the in-year-monitoring reporting for management accounting from 6 to 2 days	Improved turnaround in the in-year-monitoring reporting for management accounting from 6 to 2 days	Improved turnaround in the in-year-monitoring reporting for management accounting from 6 to 2 days	Improved turnaround in the in-year-monitoring reporting for management accounting from 6 to 2 days	Improved turnaround in the in-year-monitoring reporting for management accounting from 6 to 2 days
	Quarterly	Unqualified audit report with no matters of emphasis	Unqualified audit report with no matter of emphasis	Unqualified audit report with no matter of emphasis	Unqualified audit report with no matter of emphasis	Unqualified audit report with no matter of emphasis
Implement efficient and effective Supply Chain Management strategy	Quarterly	100% implementation and awareness of contract management	80% implementation and awareness of contract management	90% implementation and awareness of contract management	100% implementation and awareness of contract management	100% implementation and awareness of contract management
	Quarterly	Quarterly information sessions held	Information session held, with 90% excellent rating	Information session held, with 90% excellent rating	Information session held, with 90% excellent rating	Information session held, with 90% excellent rating
Customer centricity		Service level agreement between SCM and customer	Service charter agreed and signed 80% excellent feedback			



## PROGRAMME 1: ADMINISTRATION - cont

### RESOURCE PLAN: EXPENDITURE ESTIMATES

Subprogramme	Administration					Adjusted appropriation	Medium-term expenditure estimate		
	Audited outcome		2010/11		2011/12		2012/13	2013/14	2014/15
R million	2008/09	2009/10	2010/11	2011/12		2012/13	2013/14	2014/15	
Ministry	2.4	2.8	2.8	3.5	3.6	3.8	4.0		
Departmental Management	26.2	28.1	29.7	34.7	38.1	39.9	41.1		
Corporate Services	65.3	85.9	77.4	88.1	107.2	107.8	108.9		
Enterprise Wide Risk Management	9.6	11.8	15.3	23.3	25.7	22.9	24.2		
Financial Administration	22.6	25.3	28.7	32.7	36.3	38.1	39.6		
Legal Services	14.2	11.9	11.7	12.8	15.4	17.0	18.9		
Internal Audit	8.7	11.7	9.3	10.9	9.5	10.1	10.9		
Communications	7.1	7.3	7.5	8.9	9.9	10.5	10.8		
Office Accommodation	47.7	58.0	66.1	66.3	72.7	70.1	74.3		
<b>Total</b>	<b>203.7</b>	<b>242.8</b>	<b>248.7</b>	<b>281.1</b>	<b>318.3</b>	<b>320.3</b>	<b>332.7</b>		
Change to 2011 Budget estimate				-	11.4	(1.8)	(0.0)		
<b>Economic classification</b>									
<b>Current payments</b>	<b>199.0</b>	<b>233.8</b>	<b>242.7</b>	<b>264.8</b>	<b>294.5</b>	<b>306.1</b>	<b>323.2</b>		
Compensation of employees	69.8	91.8	108.8	128.8	149.5	157.4	166.8		
Goods and services	129.2	142.0	133.9	136.1	145.1	148.7	156.4		
of which:									
Computer services	21.0	23.2	20.3	22.3	21.0	21.6	23.3		
Consultants and professional services: Business and advisory services	11.2	13.9	10.5	7.7	7.0	5.5	5.1		
Lease payments	18.2	29.5	41.2	32.0	34.7	36.3	37.9		
Travel and subsistence	12.0	12.2	13.0	13.8	16.7	17.7	16.9		
<b>Transfers and subsidies</b>	<b>1.5</b>	<b>1.3</b>	<b>1.5</b>	<b>2.0</b>	<b>2.0</b>	<b>2.1</b>	<b>2.1</b>		

## PROGRAMME 1: ADMINISTRATION - cont

Departmental agencies and accounts	0.3	0.4	0.4	0.4	0.4	0.4	0.5	0.5
Households	1.2	1.0	1.1	1.6	1.6	1.6	1.6	1.6
<b>Payments for capital assets</b>	<b>3.1</b>	<b>7.6</b>	<b>4.2</b>	<b>14.2</b>	<b>21.8</b>	<b>12.1</b>	<b>7.4</b>	<b>7.4</b>
Buildings and other fixed structures	–	–	–	3.6	5.3	3.0	3.1	3.1
Machinery and equipment	3.1	7.6	4.2	10.6	16.5	9.1	4.2	4.2
Payments for financial assets	0.1	0.0	0.2	–	–	–	–	–
<b>Total</b>	<b>203.7</b>	<b>242.8</b>	<b>248.7</b>	<b>281.1</b>	<b>318.3</b>	<b>320.3</b>	<b>332.7</b>	<b>332.7</b>

### EXPENDITURE TRENDS

Between 2008/09 and 2011/12, expenditure increased at an average annual rate of 1.3 per cent from R203.7 million to R281.1 million. The bulk of the increase was mainly in: spending on compensation of employees, which increased at an average annual rate of 22.6 per cent from R69.8 million to R128.8 million; and payments for capital assets, which increased at an average annual rate of 66.2 per cent from R3.1 million to R14.2 million. These increases are mainly due to building capacity in the enterprise risk management function, upgrading the security system and improving office accommodation where required.

Over the medium term, expenditure is expected to increase at an average annual rate of 5.8 per cent to R332.7 million, mainly due to commitments for office accommodation and a planned IT system review, which will improve ICT governance, deploy approved technologies, and develop and support of approved business solutions.



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

### OUTPUTS AND TARGETS

Strategic Objective	Performance Indicator	Previous Year Target	Current Year Target	Medium Term Targets		
		2011/12	2012/13	2013/14	2014/15	2015/16
<b>Sub-programme: Research</b>						
Build economic research capacity in academic/research institutions, with the broad objective of promoting economic research relevant to South Africa	Number of papers published by research institutions	50 Working papers published by ERSA since April 2011	Publication of research papers or discussion documents on economic growth, development, job creation, various microeconomic studies, taxation policy etc. While most papers will be published by academics and researchers through the Economic Research of Southern Africa initiative (ERSA) and Centre for Research into Economics and Finance in Southern Africa (CREFSA). The National Treasury may publish selected papers			
<b>Sub-programme: Tax and Financial Sector Policy</b>						
Tax Policy	Tax proposals published in the annual Budget Review	Published on Budget Day 2012	Publication on Budget Day 2013	Publication on Budget Day 2014	Publication on Budget Day 2015	Publication on Budget Day 2016
	Tax reforms towards environmental sustainability	Preparation of final policy document on carbon tax, announced on Budget day 2012	Respond to comments received on December 2010 Carbon Tax policy paper	Finalise proposals for a carbon tax	Implementation of proposals	
Financial Sector Policy	A stable financial sector	Working committees to oversee the implementation of a Twin Peaks model have been established	Implementation of a "Twin Peaks" model of regulating the financial sector, as envisaged in the February 2011 policy document: <b>"A Safer Financial Sector to serve South Africa better"</b>			



**PROGRAMME 2: ECONOMIC POLICY, TAX, FINANCIAL REGULATION AND RESEARCH - cont**

Strategic Objective	Performance Indicator	Previous Year Target	Current Year Target	Medium Term Targets		
				2013/14	2014/15	2015/16
	Savings and retirement policies that lead to increased levels of national savings	2011/12 Discussion document ready for release before the end of the financial year	2012/13 Finalise proposals	2013/14	2014/15 Implement proposals	2015/16
	Increased access to financial services	Revised financial sector charter code is ready for gazetting	Finalise proposals		Implement proposals	
<b>Sub-programme: Economic Policy</b>						
Economic policy analysis, research, assessment and advice covering trade, labour markets, industrial sectors, network infrastructure, development finance institutions and economic growth	Quality policy memos and economic assessment of policy proposals with appropriate turnaround times	Including the impact of the global crisis and implications for South Africa, youth employment incentive, policy options to achieve higher growth and employment, structural and microeconomic reform, manufacturing competitiveness	Institutional development of divisional capacity and quality benchmarking Improved benchmarking and coverage of issues Functioning microeconomic assessment			



## PROGRAMME 2: ECONOMIC POLICY, TAX, FINANCIAL REGULATION AND RESEARCH - cont

### OUTPUTS AND TARGETS

Strategic Objective	Performance Indicator	Previous Year Target	Current Year Target	Medium Term Targets		
		2011/12	2012/13	2013/14	2014/15	2015/16
Maintenance and development of economic models	Well-specified and up to date economic models	Quarterly Macroeconomic Model Computable General Equilibrium Model	Economic models that facilitate policy making through sound economic analysis			
Macroeconomic forecasts	Quarterly economic forecasts and high-quality policy and scenario modelling	Macroeconomic forecast published at MTBPS and on Budget Day	Comprehensive in-house macroeconomic analysis and forecasting			
Stable and competitive exchange rate	Economic policy analysis, research, assessment and advice into the real exchange rate	Assessment of exchange rate and capital flow trends; impact of exchange rate volatility and strength	Monitoring progress of the package of measures implemented at MTBPS 2010 to achieve a more stable and competitive exchange rate and continued investigation into policy options			
Strategy to increased private savings	Economic policy analysis, research, assessment and advice on private savings rate	Historic overview of savings in South Africa, implications of low savings rate and policy responses	Finalise and implementation of proposals		Monitoring progress with implementation of proposals	

**PROGRAMME 2: ECONOMIC POLICY, TAX, FINANCIAL REGULATION AND RESEARCH - cont**

**QUARTERLY TARGETS FOR 2012/2013**

Performance Indicator	Reporting Period	Annual Target	Quarterly Targets			
			Q 1 (Apr – Jun)	Q 2 (Jul – Sep)	Q 3 (Oct – Dec)	Q 4 (Jan – Mar)
<b>Sub-programme: Research</b>						
Number of papers published by research institutions	Annually	Publication of research papers or discussion documents on economic growth, development, job creation, various microeconomic studies, taxation policy etc. While most papers will be published by academics and researchers through the Economic Research of Southern Africa initiative (ERSA) and Centre for Research into Economics and Finance in Southern Africa (CREFSA). NT may publish selected papers		Completion of a range of research papers as agreed with ERSA and CREFSA	Completion of a range of research papers as agreed with ERSA and CREFSA	Publication of selected papers by the National Treasury
<b>Sub-programme: Tax and Financial Sector Policy</b>						
Tax proposals published in the annual Budget Review	Annually	Published on Budget Day 2013		Conduct research and analysis relating to options for tax proposals	Complete internal consultations relating to tax proposals	Publish on Budget Day 2013
Tax reforms towards environmental sustainability	Annually	Respond to comments received on December 2010 Carbon Tax policy paper		Publish carbon tax policy paper for public comment	Public consultation of carbon tax design	Announce final carbon tax design in 2013 Budget Review





## PROGRAMME 2: ECONOMIC POLICY, TAX, FINANCIAL REGULATION AND RESEARCH - cont

### QUARTERLY TARGETS FOR 2012/2013

Performance Indicator	Reporting Period	Annual Target	Quarterly Targets			
			Q 1 (Apr – Jun)	Q 2 (Jul – Sep)	Q 3 (Oct – Dec)	Q 4 (Jan – Mar)
A stable financial sector	Annually	Finalise proposals towards implementing a "Twin Peaks" oversight model for the financial sector	Undertake preliminary work relating to proposals	Complete preliminary analyses	Consult proposals internally with other divisions	Complete proposed oversight model for consultation with stakeholders
Savings and retirement policies that lead to increased levels of savings	Annually	Finalise proposals	Undertake preliminary work relating to proposals	Complete preliminary analyses	Consult proposals internally with other divisions	Modify and conclude proposals
More people have access to financial services	Annually	Finalise Financial Sector Code and include access targets	Propose access targets and changes to the code	Consult drafts with relevant internal stakeholders	Finalise Code with access targets	
<b>Sub-programme: Economic Policy</b>						
Quality policy memos and economic assessment of policy proposals with appropriate turnaround times	Annually	Institutional development of divisional capacity and quality benchmarking Improved benchmarking and coverage of issues Functioning microeconomic assessment	Revised design of the youth employment incentive Economic assessment of electricity and transport pricing SACU revenue sharing formula	Green growth strategies Economic assessment of electricity and transport pricing Regional integration	Research and analysis into the youth labour market Manufacturing competitiveness and productivity Economic assessment of communications policy and pricing	Economic assessment of SMME New firms, small firms and job creation
Well-specified and up to date economic models	Annually	Economic models that facilitate policy making through sound economic analysis	On-going Quarterly model maintenance Improve the energy module in the computable general equilibrium model	On-going Quarterly model maintenance Improve the energy module in the computable general equilibrium model	On-going Quarterly model maintenance	On-going Quarterly model maintenance Tax model development

## PROGRAMME 2: ECONOMIC POLICY, TAX, FINANCIAL REGULATION AND RESEARCH - cont

Performance Indicator	Reporting Period	Annual Target	Quarterly Targets			
			Q 1 (Apr – Jun)	Q 2 (Jul – Sep)	Q 3 (Oct – Dec)	Q 4 (Jan – Mar)
Quarterly economic forecasts and high-quality policy and scenario modelling	Quarterly	2012/13 Comprehensive in-house macroeconomic analysis and forecasting	Quarterly econometric forecast and related scenarios	Quarterly econometric forecast and related scenarios	Quarterly econometric forecast published in MTBPS	Quarterly econometric forecast published in Budget review
Economic policy analysis, research, assessment and advice into the real exchange rate	Annually	Monitoring progress Implementation of proposals	Assessment of exchange rate and capital flow trends and effects of MTBPS package of measures	Assessment of exchange rate and capital flow trends and effects of MTBPS package of measures	Research and analysis into hedging and hedging strategies	Research and analysis into the impact of exchange rate volatility on economic sector
Economic policy analysis, research, assessment and advice on private savings rate	Annually	Finalisation and implementation of proposals	Undertake preliminary work relating to proposals	Complete preliminary analysis	Consult internally with other divisions and within the economic cluster	Modify and conclude proposals



**PROGRAMME 2: ECONOMIC POLICY, TAX, FINANCIAL REGULATION AND RESEARCH - cont**

**RESOURCE PLAN: EXPENDITURE ESTIMATES**

Subprogramme	Audited outcome					Adjusted appropriation	Medium-term expenditure estimate				
	2008/09	2009/10	2010/11	2011/12	2012/13		2013/14	2014/15			
<b>R million</b>											
Programme Management for Economic Policy, Financial Regulation and Research	14.0	13.3	12.1	23.0	19.3	20.2	21.4				
Research	8.8	8.5	11.2	12.0	15.2	15.9	16.9				
Financial Sector Policy	14.0	17.5	17.7	134.9	41.6	36.2	36.9				
Tax Policy	15.3	17.3	19.2	26.2	27.9	29.5	31.4				
Economic Policy	18.7	15.3	17.7	22.9	28.9	30.7	32.2				
Cooperative Banking Development Agency	-	-	8.2	9.3	16.0	16.4	17.2				
<b>Total</b>	<b>70.8</b>	<b>71.9</b>	<b>86.1</b>	<b>228.4</b>	<b>149.0</b>	<b>148.9</b>	<b>155.9</b>				
Change to 2011 Budget estimate				108.0	21.6	13.4	-				
<b>Economic classification</b>											
<b>Current payments</b>	<b>65.0</b>	<b>66.4</b>	<b>72.2</b>	<b>208.4</b>	<b>122.3</b>	<b>121.8</b>	<b>127.3</b>				
Compensation of employees	34.8	44.8	51.0	70.9	76.8	81.0	85.7				
Goods and services	30.2	21.6	21.2	137.6	45.5	40.8	41.6				
of which:											
Computer services	0.1	0.0	0.2	0.2	0.2	0.2	0.2				
Consultants and professional services: Business and advisory services	8.7	8.5	11.2	12.4	15.8	16.6	17.6				
Lease payments	0.1	0.1	0.1	0.2	0.2	0.2	0.2				
Travel and subsistence	7.8	4.4	4.4	6.4	5.6	6.0	6.6				
<b>Transfers and subsidies</b>	<b>5.0</b>	<b>5.0</b>	<b>13.5</b>	<b>19.3</b>	<b>26.0</b>	<b>26.4</b>	<b>27.9</b>				
Departmental agencies and accounts	-	-	8.2	9.3	16.0	16.4	17.2				
Higher education institutions	5.0	5.0	-	-	-	-	-				
Public corporations and private enterprises	-	-	5.3	10.0	10.0	10.0	10.7				
Payments for capital assets	0.7	0.5	0.4	0.6	0.7	0.7	0.7				

## PROGRAMME 2: ECONOMIC POLICY, TAX, FINANCIAL REGULATION AND RESEARCH - cont

Machinery and equipment	0.7						0.6	0.7	0.7	0.7
<b>Payments for financial assets</b>	<b>0.0</b>	<b>0.0</b>	<b>0.4</b>				-	-	-	-
<b>Total</b>	<b>70.8</b>	<b>71.9</b>	<b>86.1</b>				<b>228.4</b>	<b>149.0</b>	<b>148.9</b>	<b>155.9</b>
Details of selected transfers and subsidies										
Departmental agencies and accounts										
Departmental agencies (non-business entities)										
Current	-	-	8.2				9.3	16.0	16.4	17.2
Cooperative Banking Development Agency	-	-	8.2				9.3	16.0	16.4	17.2
Public corporations and private enterprises										
Private enterprises										
Other transfers to private enterprises										
Current	-	-	5.3				10.0	10.0	10.0	10.7
Economic Research of South Africa	-	-	5.3				10.0	10.0	10.0	10.7
Higher education institutions										
Current	5.0	5.0	-				-	-	-	-
University of Cape Town	5.0	5.0	-				-	-	-	-

### EXPENDITURE TRENDS

Expenditure increased at an average annual rate of 47.8 per cent from R70.8 million in 2008/09 to R228.4 million in 2011/12, mainly due to a R110.1 million increase in administrative fees related to banking cost charges. The increase in spending was largely to support the department's mandate to ensure transparency in transactions relating to banking cost recovery mechanisms and charges.

Over the medium term, expenditure is expected to decrease at an average annual rate 12 per cent from R228.4 million to R155.9 million, mainly due to a R103.7 million reduction in administrative fees. This is mainly due to there being no allocation over the medium term for the banking cost recovery mechanism and related bank charges. Expenditure on compensation of employees is expected to increase at an average annual rate of 6.5 per cent from R70.9 million in 2011/12 to R85.7 million in 2014/15, in line with inflation projections. An additional R4.8 million is allocated to this programme over the medium term for improved conditions of service.



## PROGRAMME 3: PUBLIC FINANCE AND BUDGET MANAGEMENT

### OUTPUTS AND TARGETS

Strategic Objective	Performance Indicator	Previous Year Target	Current Year Target	2013/14	2014/15	2015/16
<b>Sub-programme:</b> Programme Management						
Leadership and coordination of the programme	Timely completion of budget documents Effective coordination of the budget process		Publication of October MTBPS and February Budget Budget framework consistent with government's fiscal policy guidelines and public expenditure priorities, with draft completed by end-September each year Division of Revenue between national, provincial and local government aligned with budget framework and medium term expenditure priorities, with draft completed by end-September each year	Publication of October MTBPS and February Budget and division of revenue, consistent with government policy priorities and supported by expenditure analysis and reviews	Publication of October MTBPS and February Budget and division of revenue, consistent with government policy priorities and supported by expenditure analysis and reviews	Publication of October MTBPS and February Budget and division of revenue, consistent with government policy priorities and supported by expenditure analysis and reviews
<b>Sub-programme:</b> Public Finance						
Sectoral and departmental policy advice	Departmental correspondence, submissions, reports and publications		Timely and relevant analysis and advice Selected expenditure reviews of sectoral programmes and public entities	Timely and relevant analysis and advice Selected expenditure reviews	Timely and relevant analysis and advice Selected expenditure reviews	Timely and relevant analysis and advice Selected expenditure reviews
Expenditure analysis	Monthly and quarterly monitoring of expenditure; analysis of expenditure trends		Quarterly expenditure reports, completed within six weeks of end-of-quarter Phasing-in of consolidated departmental and agency estimates and expenditure reports	Quarterly expenditure reports Consolidated functional expenditure estimates	Quarterly expenditure reports Consolidated functional expenditure estimates	Quarterly expenditure reports Consolidated functional expenditure estimates



### PROGRAMME 3: PUBLIC FINANCE AND BUDGET MANAGEMENT - cont

Strategic Objective	Performance Indicator	Previous Year Target	Current Year Target	Medium Term Targets		
				2013/14	2014/15	
Medium-term expenditure recommendations	Inputs on departmental budget submissions to the medium term expenditure committee <b>Estimates of National Expenditure</b> chapters, with improved budget programme structures	2011/12	2012/13 Submission of preliminary recommendations to MTEC based on prior consultation with departments Alignment of budget submissions and recommendations with improved programme structure Phasing-in of expenditure estimates and programme information for public entities as part of MTEC process Introduction of longer-term expenditure estimates for selected programmes and entities	2013/14 MTEC and Mincombud recommendations on expenditure policy and allocations Selected longer term expenditure analysis	2014/15 MTEC and Mincombud recommendations on expenditure policy and allocations Selected longer term expenditure analysis	2015/16 MTEC and Mincombud recommendations on expenditure policy and allocations Selected longer term expenditure analysis
Social security and retirement reform (jointly with Financial Sector Policy - Programme 2)	Policy framework and implementation road-map		Phased implementation of contributory social security reforms and retirement industry legislative amendments	Phased implementation of contributory social security reforms	Phased implementation of contributory social security reforms	Phased implementation of contributory social security reforms
Establishment of Capital Projects Unit	Analysis and advisory reports		Analysis, evaluation, monitoring, policy and financing recommendations of major infrastructure projects in energy and transport Development of internal guidelines and best practice analysis of infrastructure projects and related project issues Development of funding mechanism for renewable energy Assistance with the review of impact of tendering system on infrastructure delivery	Analysis, evaluation, monitoring of major infrastructure projects and provision of funding recommendations Promotion of best practice in analysis of infrastructure projects and related policy issues across the department	Analysis, evaluation, monitoring, policy and financing recommendations of major infrastructure projects Promotion of best practice in analysis of infrastructure projects and related policy issues across the department	Analysis, evaluation, monitoring, policy and financing recommendations of major infrastructure projects Promotion of best practice in analysis of infrastructure projects and related policy issues across the department



### PROGRAMME 3: PUBLIC FINANCE AND BUDGET MANAGEMENT - cont

#### OUTPUTS AND TARGETS

Strategic Objective	Performance Indicator	Previous Year Target	Current Year Target	Medium Term Targets		
				2013/14	2014/15	2015/16
<b>Sub-programme:</b> Budget Office						
Determination of annual budget allocations and the vertical division of revenue	Number of national votes provided with allocations in line with government priorities and the fiscal framework per year	38 votes	38 votes	38 votes	38 votes	38 votes
	Allocations to other spheres of government in line with government priorities and the fiscal framework per year	Provincial sphere	Provincial sphere	Provincial sphere	Provincial sphere	Provincial sphere
Design, coordination and publication of budget documentation	Number of budget documents designed, coordinated and published per year	1 ENE 1 AENE 1 Appropriation Bill 1 Adjustments 1 Appropriation Bill	1 ENE 1 AENE 1 Appropriation Bill 1 Adjustments 1 Appropriation Bill	1 ENE 1 AENE 1 Appropriation Bill 1 Adjustments 1 Appropriation Bill	1 ENE 1 AENE 1 Appropriation Bill 1 Adjustments 1 Appropriation Bill	1 ENE 1 AENE 1 Appropriation Bill 1 Adjustments 1 Appropriation Bill
	Number of budget documents per year for which expenditure chapters were compiled	1 MTBPS chapter 1 Budget Review chapter	1 MTBPS chapter 1 Budget Review chapter	1 MTBPS chapter 1 Budget Review chapter	1 MTBPS chapter 1 Budget Review chapter	1 MTBPS chapter 1 Budget Review chapter
	Number of guidelines issued in respect of budget document requirements	1 AENE chapter guideline 1 ENE chapter guideline 1 MTEF guideline	1 AENE chapter guideline 1 ENE chapter guideline 1 MTEF guideline	1 AENE chapter guideline 1 ENE chapter guideline 1 MTEF guideline	1 AENE chapter guideline 1 ENE chapter guideline 1 MTEF guideline	1 AENE chapter guideline 1 ENE chapter guideline 1 MTEF guideline

## PROGRAMME 3: PUBLIC FINANCE AND BUDGET MANAGEMENT - cont

Strategic Objective	Performance Indicator	Previous Year Target	Current Year Target	Medium Term Targets		
				2013/14	2014/15	2015/16
Design and management of the budget process for national government	A well-coordinated Budget process that government organisations participate in and are knowledgeable about	2011/12	2012/13	2013/14	2014/15	2015/16
		One single MTEF budget process				
Consolidate general government accounts for use in all publications of National Treasury	Public Finance Statistics presented according to function and economic classification, for consolidated general government Guidance to departments and entities on classification of revenue expenditure	Extend the coverage of the consolidated account to include information on the consolidated accounts and borrowing of the whole of General Government Issue classification circulars and guidelines which are used by departments for transactional classification guidance Roll out the SAQA accredited training programme on the Standard Chart of Accounts (SCOA)				
<b>Sub-programme: Budget Office</b>						
Capital expenditure planning and evaluation	Improved quality of capital planning leading to more efficient budget allocations and capital expenditure	Putting in place a regulatory framework that would apply to conventional projects or revising TR16 for that purpose.		Extending the regulatory framework to apply to municipalities	Extending the regulatory framework to apply to SOEs	Monitoring and refinements where necessary
		Development of a broad infrastructure planning course by University of Pretoria.		Piloting of the new planning and appraisal regime; and development of a rollout plan.	Extended roll out of the planning and appraisal regime.	Monitoring and refinements where necessary
		Refinement of existing generic planning guidelines		Development of practice manuals and initial development of first set of sector specific guidelines.	Continue with development of sector specific guidelines.	Monitoring and refinements where necessary



### PROGRAMME 3: PUBLIC FINANCE AND BUDGET MANAGEMENT - cont

#### OUTPUTS AND TARGETS

Strategic Objective	Performance Indicator	Previous Year Target	Current Year Target	Medium Term Targets			
				2013/14	2014/15		
Long-term fiscal report and the development of fiscal guidelines	Enhanced alignment of the budget documentation to fiscal guidelines based on the principles of countercyclicality, debt sustainability and intergenerational equity	2011/12	2012/13 Develop and publish a long-term fiscal report by December 2012. The long-term report should provide an overview of economic, demographic, revenue and expenditure trends over the longer-term in order to encourage public discussion and parliamentary oversight of our social commitments and the long-term costs of existing programmes.	2013/14 Alignment to global reform on the management of ODA and the application of alternative funding modalities that support the use of country systems in order to aligning ODA to budget	2014/15 Review and engagement with relevant stakeholders	2015/16	
Official Development Assistance (ODA) resources aligned to and mobilised for government policies and priorities	Alignment of ODA funding decisions with the budget process		2012/13 Support improvements of delivery in ODA funded programmes and greater compliance with global commitments. Enhance accountability for ODA receipts through improved monitoring and dissemination of information	2013/14 Alignment to global reform on the management of ODA and the application of alternative funding modalities that support the use of country systems in order to aligning ODA to budget			Use of alternative funding modalities such as budget support and innovative funding. Strengthened information systems and improved data integrity

## PROGRAMME 3: PUBLIC FINANCE AND BUDGET MANAGEMENT - cont

Strategic Objective	Performance Indicator	Previous Year Target	Current Year Target	Medium Term Targets		
				2013/14	2014/15	2015/16
Deepen governance and accountability in public entities,	Implement a governance and financial management monitoring and compliance system in public entities	Support the Presidential Review Commission on SOEs in its work on Reviewing PE's	2012/13 Broaden institutional budgeting, reporting and support to public entities (National and Provincial) Assist entities with implementation of change management and improved business processes Review of financial, human resource and administrative frameworks in public entities including Treasury Regulations Recommendations on frameworks applicable to public entities to be submitted to Cabinet Assist public entities to improve compliance and governance	2013/14 Broaden institutional budgeting, reporting and support to public entities (National and Provincial) Assist entities with implementation of change management and improved business processes Review of financial, human resource and administrative frameworks in public entities including Treasury Regulations Recommendations on frameworks applicable to public entities to be submitted to Cabinet Assist public entities to improve compliance and governance	2014/15	2015/16



### PROGRAMME 3: PUBLIC FINANCE AND BUDGET MANAGEMENT - cont

#### OUTPUTS AND TARGETS

Strategic Objective	Performance Indicator	Previous Year Target	Current Year Target	Medium Term Targets		
				2013/14	2014/15	2015/16
Improved stakeholder understanding of the implications of changes in the remuneration policy and wage settlements on public sector wage bill through effective communication of policy analysis and forecasting results	Reports on Remuneration Analysis	2011/12	2012/13 Develop templates for periodic reports Develop Cost of Living Allowance (COLA) model Database for remuneration policy changes Monthly, quarterly and yearly remuneration reports Mandated Committee Report Budget Submission Reports Database of remuneration indicators Inputs to Budget Review, ENE and Budget Speech	2013/14 Provide periodic reports, information and advice to stakeholders on the implications of changes in remuneration policy and wage settlements to contribute to containing the remuneration bill, effective service delivery and sustainable fiscus	2014/15	2015/16
<b>Sub-programme:</b> Intergovernmental Relations						
Provincial and local government budget framework, in line with fiscal framework and policy objectives	Timely publication and quality of the Division of Revenue Bill and explanatory memorandum (Annexure W1)	2011 Division of Revenue Bill was tabled on Budget Day (23 February 2011). Amendments were made to the Annexures to the Bill during parliamentary process.	Provincial and local government budget frameworks by September each year Division of Revenue Bill tabled on budget day with no errors			

## PROGRAMME 3: PUBLIC FINANCE AND BUDGET MANAGEMENT - cont

Strategic Objective	Performance Indicator	Previous Year Target	Current Year Target	Medium Term Targets		
				2013/14	2014/15	
Review of Equitable Share formulas	Funding gaps in existing formulas addressed	2011/12	2012/13	2013/14	2015/16	
		Health component revised and data updates applied to provincial equitable share for 2011 Budget	Data updates and technical revisions finalised by September	Use of new data sets from Census 2011 in the provincial equitable share formulae	Data updates and technical revisions finalised by September each year	
Review of Municipal Fiscal Powers and Functions Act	Amendments to Act improve the ease of implementation of Act	Various reforms made to local government equitable share for 2011 Budget to increasingly support poorer municipalities	Further revisions to existing local government equitable share formula and commence longer-term review of formula	Introduce and phase-in a new local government equitable share formula using new data sets from Census 2011.	Continue phase-in of new formula	Implement new formula
		Amendments required to the identified Act	Amendments tabled	Approved legislation	Implementation of Act (as amended)	
Develop a programme to support cities to manage their built environment	Support improved infrastructure planning and management of the built environment in cities	Support improved infrastructure planning and management of the built environment in cities	Finalise design of City Support programme and start pilot implementation of the programme	Technical implementation support to cities and relevant national departments as part of the rollout of the CSP	Technical implementation support to cities and relevant national departments as part of the rollout of the CSP	Technical implementation support to cities and relevant national departments as part of the rollout of the CSP
		Support improved performance of infrastructure grants	Review of performance of infrastructure grants to provinces	Introduce City Performance Grant	Implementation and management of City performance grant	Implementation and management of City performance grant
Facilitate and monitor infrastructure planning and delivery at provincial and local government	Improved performance in infrastructure delivery for cities	Assessment of Built Environment plans for all metros	Assessment of built environment plans for all metros and selected secondary cities	Assessment of built environment plans for all metros and selected secondary cities	Assessment of built environment plans for all metros and selected secondary cities	Assessment of built environment plans for all metros and selected secondary cities



### PROGRAMME 3: PUBLIC FINANCE AND BUDGET MANAGEMENT - cont

#### OUTPUTS AND TARGETS

Strategic Objective	Performance Indicator	Previous Year Target	Current Year Target	Medium Term Targets		
				2013/14	2014/15	2015/16
	Improved performance in infrastructure delivery for selected provincial departments	2011 Division of Revenue Bill was tabled on Budget Day (23 February 2011). Amendments were made to the Annexures to the Bill during parliamentary process.	Selected provincial departments are assisted in drafting credible and costed infrastructure plans through the deployment of appropriate support.	Selected provincial departments table comprehensive and credible infrastructure plans	Selected provincial departments table comprehensive and credible infrastructure plans.	Selected provincial departments table comprehensive and credible infrastructure plans.
Building Capacity for effective, efficient and transparent processes for infrastructure delivery	Infrastructure Delivery Management (IDM) Toolkit is institutionalised in the IDIP departments	Health component revised and data updates applied to provincial equitable share for 2011 Budget	High level training on the IDM Toolkit is conducted for all IDIP departments	All IDIP departments implement the principles of the IDM Toolkit	All IDIP departments implement the principles of IDM Toolkit	All IDIP departments implement the principles of IDM Toolkit
Effective implementation of the annual Division of Revenue Act and conditions stipulated for conditional grants <ul style="list-style-type: none"> <li>• Training on the requirements of the Division of Revenue Act</li> <li>• Performance assessments for conditional grants programmes</li> </ul>	Number of workshops, courses and officials trained	Various reforms made to local government equitable share for 2011 Budget to increasingly support poorer municipalities	7 Division of Revenue workshops 2 Business Planning training courses 400 officials trained	7 Division of Revenue Workshops 2 Business Planning training courses 400 officials trained	7 Division of Revenue Workshops 2 Business Planning training courses 400 officials trained	7 Division of Revenue Workshops 2 Business Planning training courses 400 officials trained



## PROGRAMME 3: PUBLIC FINANCE AND BUDGET MANAGEMENT - cont

Strategic Objective	Performance Indicator	Previous Year Target	Current Year Target	Medium Term Targets		
				2013/14	2014/15	2015/16
Building capacity in provincial treasuries	Hands-on support to provincial treasuries	2011/12 Designed a "blue print" capacity building programme for each provincial treasury	2012/13 6 conditional grant programmes comprehensively assessed Develop the draft blue print per provincial treasury	2013/14 8 conditional grant programmes comprehensively assessed	2014/15 10 conditional grant programmes comprehensively assessed	2015/16 12 conditional grant programmes comprehensively assessed
Building budgetary capacity in provincial departments	Number training on budget formulation and budget analysis courses	2011/12 Rolled out courses in all 9 provinces	To be phased out to PALAMA			
Roll out Municipal Budget and Reporting Regulations	Number of municipalities complying with new formats	2011/12 Various reforms made to local government equitable share for 2011 Budget to increasingly support poorer municipalities	2012/13 Budgets of all 278 municipalities are in accordance with formats	2013/14 Budgets of all 278 municipalities are in accordance with quality and narrative information		
Publication of municipal non-financial information	Annual publication of non-financial information with focus on quality and scope	2011/12 Amendments required to the identified Act	2012/13 Preparation and development of reporting formats	2013/14 Publication of non-financial information for 278 municipalities; to be done annually	2014/15 Continuous improvement of the budget formats Annual Publication of non-financial information for 278 municipalities and focus on the quality of the information to aid better policy decision	



### PROGRAMME 3: PUBLIC FINANCE AND BUDGET MANAGEMENT - cont

#### OUTPUTS AND TARGETS

Strategic Objective	Performance Indicator	Previous Year Target	Current Year Target	Medium Term Targets	
				2013/14	2014/15
Funding compliance methodology implemented in line with Sections 17 and 18 of the MFMA	Number of municipalities using the methodology	2011/12	2012/13 Apply to 17 non-delegated municipalities Oversee application of the methodology to all other municipalities by provincial treasuries	2013/14	2014/15
					2015/16
Mid-year budget and performance assessment in line with Section 72 of the MFMA	Number of municipalities assessed and corresponding reports sent to the municipalities		Mid-year budget and performance assessments conducted for all non-delegated municipalities between February and March each year		Provincial Treasuries to submit a consolidated report on the funding compliance analysis and results for each municipality. Conclude mid-year assessment for non-delegated municipalities by March. Provincial Treasuries to submit a consolidated report on the mid-year performance assessment for each municipality.
Development of a standard chart of accounts for municipalities	Project progress against plan		Regulating chart and implementation	Manage and monitor implementation of chart	All 278 municipalities using the SCOA
Municipal Budget Benchmarking Engagement	Number of municipalities involved in the benchmarking exercise between April and June	All 17 non-delegated municipalities	Budgets for all non-delegated municipalities assessed to determine adequacy of funding, credibility and sustainability.		Benchmark assessments for the 17 non-delegated municipalities concluded by the middle of June.

### PROGRAMME 3: PUBLIC FINANCE AND BUDGET MANAGEMENT - cont

Strategic Objective	Performance Indicator	Previous Year Target	Current Year Target	Medium Term Targets	
				2013/14	2014/15
Monitoring of conditional grants	Number of municipalities correctly verifying their conditional grants expenditure	2011/12 All 278 municipalities	2012/13 Apply to all 278 municipalities Monitor expenditure on conditional grants to ensure improved spending aligned to grant conditions	2013/14 Apply to all 278 municipalities	2014/15 Apply to all 278 municipalities
<b>Sub-programme:</b> Intergovernmental Relations					
Provincial and local government Budget and Expenditure Reviews	Publish the Provincial and Local Government Budget Reviews with focus on quality and scope		Publish Provincial Government Budgets and Expenditure Review in August 2012	Publish updated provincial data in June	Publish Provincial Government Budgets and Expenditure Review in August 2014
		Local Government Budgets and Expenditure Review published in August 2011	Publish updated local government data in October	Publish Local Government Budgets and Expenditure Review by end of August	Publish updated local government data in October
Publication of provincial and local government expenditure reports in terms of the PFMA (section 32), MFMA (section 71) and DORA (Section 44(3))	Timely and accurate reports		Publish provincial quarterly reports a month after the end of the quarter Publish municipal reports 45 days after the end of each quarter	Publish provincial quarterly reports a month after the end of the quarter	Publish provincial quarterly reports a month after the end of the quarter
		Coverage and reliability of municipal and provincial information	Maintain coverage at 278 municipalities Improve reliability of data Maintain coverage of 120 departments in 9 provinces	Maintain coverage at 278 municipalities Improve reliability of data	Maintain coverage at 278 municipalities Improve reliability of data



### PROGRAMME 3: PUBLIC FINANCE AND BUDGET MANAGEMENT - cont

#### QUARTERLY TARGETS FOR 2012/2013

Performance Indicator	Reporting Period	Annual Target	Quarterly Targets			
			Q 1 (Apr – Jun)	Q 2 (Jul – Sep)	Q 3 (Oct – Dec)	Q 4 (Jan – Mar)
<b>Sub-programme: Management</b>						
Timely completion of budget documents Effective coordination of the budget process		Publication of October MTBPS and February Budget Budget framework consistent with government's fiscal policy guidelines and public expenditure priorities, with draft completed by end-September each year Division of Revenue between national, provincial and local government aligned with budget framework and medium term expenditure priorities, with draft completed by end-September each year	Treasury Guidelines on budget process Preliminary review of budget framework, division of revenue and expenditure priorities	Coordination of MTEC function groups Budget Council and joint MinMEC meetings Review of previous year expenditure outcomes	Publication of MTBPS in October Completion of MTEC advice to MinComBud Allocation letters to departments and provinces	Publication of Budget Review, Estimates of National Expenditure, Division of Revenue and Appropriation Bill on Budget Day
<b>Sub-programme: Public Finance</b>						
Departmental correspondence, reports and publications		Timely and relevant analysis and advice Selected expenditure reviews of sectoral programmes and public entities	Two-week turnaround time for correspondence and submissions Six expenditure reviews initiated	Two-week turnaround time for correspondence and submissions Completion of six expenditure review	Two-week turnaround time for correspondence and submissions	Two-week turnaround time for correspondence and submissions

## PROGRAMME 3: PUBLIC FINANCE AND BUDGET MANAGEMENT - cont

Performance Indicator	Reporting Period	Annual Target	Quarterly Targets			
			Q 1 (Apr – Jun)	Q 2 (Jul – Sep)	Q 3 (Oct – Dec)	Q 4 (Jan – Mar)
Monthly and quarterly monitoring of expenditure; analysis of expenditure trends	Quarterly	2012/13 Quarterly expenditure reports, completed within six weeks of end-of-quarter Phasing-in of consolidated departmental and agency estimates and expenditure reports	Quarterly expenditure reports, completed within six weeks of end-of-quarter Framework for consolidated expenditure estimates	Quarterly expenditure reports, completed within six weeks of end-of-quarter Draft of consolidated expenditure estimates	Quarterly expenditure reports, completed within six weeks of end-of-quarter Consolidated expenditure proposals for 2013/14	Quarterly expenditure reports, completed within six weeks of end-of-quarter
<b>Sub-programme:</b> Public Finance						
Inputs on departmental budget submissions to the medium term expenditure committee <i>Estimates of National Expenditure</i> chapters, with improved budget programme structures		Submission of preliminary recommendations to MTEC based on prior consultation with department submissions and alignment of budget recommendations with improved programme structure Phasing-in of expenditure estimates and programme information for public entities as part of MTEC process Introduction of longer-term expenditure estimates for selected programmes and entities	Review of departmental programme structures and framework for budget submissions Review of programme information, outputs and targets for MTEC process	Submission of preliminary recommendations to MTEC based on prior consultation with departments Introduction of longer term expenditure estimates for selected programmes and entities	Completion of expenditure estimates and departmental allocation letters	ENE chapters and outstanding spending issues



### PROGRAMME 3: PUBLIC FINANCE AND BUDGET MANAGEMENT - cont

#### QUARTERLY TARGETS FOR 2012/2013

Performance Indicator	Reporting Period	Annual Target	Quarterly Targets			
			Q 1 (Apr – Jun)	Q 2 (Jul – Sep)	Q 3 (Oct – Dec)	Q 4 (Jan – Mar)
Social security policy framework and implementation road-map		2012/13 Phased implementation of contributory social security reforms and retirement industry legislative amendments	Cabinet approves discussion document for public consultation	Roll out communication campaign	Continue with implementation of Public consultation campaign	Incorporate public inputs and adjust reform proposals
Capital projects analysis and advisory reports		Evaluation of options for investment in liquid fuels supply capacity Review of solar park proposals Pre-feasibility review of major projects in water and transport sectors	Introduction of quarterly capital projects monitor Review of Infrastructure Commission project proposals	Quarterly capital projects monitor 3+ pre-feasibility project review	Quarterly capital projects monitor 3+ pre-feasibility project review	Quarterly capital projects monitor 3+ pre-feasibility project review
<b>Sub-programme:</b> Budget Office						
Number of national votes provided with allocations in line with government priorities and the fiscal framework per year	annual	38 votes				38 votes
Allocations to other spheres of government in line with government priorities and the fiscal framework per year	annual	Provincial sphere Local government sphere				Provincial sphere Local government sphere

## PROGRAMME 3: PUBLIC FINANCE AND BUDGET MANAGEMENT - cont

Performance Indicator	Reporting Period	Annual Target	Quarterly Targets			
			Q 1 (Apr – Jun)	Q 2 (Jul – Sep)	Q 3 (Oct – Dec)	Q 4 (Jan – Mar)
Number of budget documents designed, coordinated and published per year	quarterly	2012/13 1 ENE 1 AENE 1 Appropriation Bill 1 Adjustments Appropriation Bill			1 AENE 1 Adjustments Appropriation Bill	1 ENE 1 Appropriation Bill
Number of budget documents per year for which expenditure chapters were compiled	quarterly	1 MTBPS chapter 1 Budget Review chapter			1 MTBPS chapter	1 Budget Review chapter
Number of guidelines issued in respect of budget document requirements	quarterly	1 AENE chapter guideline 1 ENE chapter guideline 1 MTEF guideline		1 MTEF guideline 1 AENE chapter guideline	1 ENE chapter guideline	
A well-coordinated Budget process that government organisations participate in and are knowledgeable about	annual	One single MTEF budget process	Design a single budget process for the next MTEF budget	Start implementing the single budget process	Manage the single budget process	Manage the single budget process



### PROGRAMME 3: PUBLIC FINANCE AND BUDGET MANAGEMENT - cont

#### QUARTERLY TARGETS FOR 2012/2013

Performance Indicator	Reporting Period	Annual Target	Quarterly Targets			
			Q 1 (Apr – Jun)	Q 2 (Jul – Sep)	Q 3 (Oct – Dec)	Q 4 (Jan – Mar)
Public Finance Statistics presented according to function and economic classification, for consolidated general government		Extend the coverage of the consolidated account to include information on the consolidated accounts and borrowing of the whole of General Government	Prepare outcomes data for 2011/12 financial year, classification for publication in the Medium Term Budget Policy Statement	Prepare fiscal data classified by function and economic classification for consolidated government	Prepare economic and functional classification for the Medium Term Budget Policy Statement	Prepare economic and functional classification for consolidated government for the Estimates of National Expenditure and Budget Review
Guidance to departments and entities on classification of revenue expenditure		Issue classification circulars and guidelines which are used by departments for transactional classification guidance	Issue the initial classification circular on the amendments to the Standard Chart of Accounts (SCOA) implemented on 1 April 2012	Indicate the first phase of the roll out of the SAQA approving training programme on the Standard Chart of Accounts (SCOA)	Issue the classification circular on the amendments to the Standard Chart of Accounts (SCOA) post adjusted budget	Prepare adjustments to the Standard Chart of Accounts (SCOA) to be implemented 1 April 2013
Enhanced alignment of the budget documentation to fiscal guidelines based on the principles of countercyclicality, debt sustainability and intergenerational equity		Develop and publish a long-term fiscal report by December 2012. The long-term report should provide an overview of economic, demographic, revenue and expenditure trends over the longer-term in order to encourage public discussion and parliamentary oversight of our social commitments and the long-term costs of existent programmes	Modelling strategy technical paper prepared and distributed. Commissioning of working papers. Modelling project group workshop with the OECD drawing on personnel and experience from Australia, New Zealand, UK and USA. Initial results of modelling work: mini seminar with modelling project team and consultative group. Commence drafting final report	First draft of the report available for circulation and comment. Final draft of working papers available	Release of the LTFR together with MTBPS documentation. Dissemination and deliberation (e.g. Parliament and NEDLAC)	Consider feedback from all interested parties internally and externally.



## PROGRAMME 3: PUBLIC FINANCE AND BUDGET MANAGEMENT - cont

Performance Indicator	Reporting Period	Annual Target	Quarterly Targets			
			Q 1 (Apr – Jun)	Q 2 (Jul – Sep)	Q 3 (Oct – Dec)	Q 4 (Jan – Mar)
<b>Sub-programme:</b> Budget Office						
Improved quality of capital planning leading to more efficient budget allocations and capital expenditure		Putting in place a regulatory framework that would apply to conventional projects or revising TR16 for that purpose	Drafting of new regulations or revision of TR16	Workshop regulations and subject them to legal review	Preparatory work for required approvals	Regulations get gazetted
			MOU signed with University of Pretoria and initial course outlines completed	Finalise the course outline and get it peer reviewed	Pilot the course.	Develop a roll out programme for the following year
			Initial literature review on cost benefit analysis	Technical work on key economic parameters – discount rate, risk parameters, etc	Finalise the guidelines	Get the guidelines reviewed.
			Ensure EU support in GBS allocated and funds flowing to departments	Finalise capacity building for public service delivery improvement programme with DPSA & BTC (governance arrangements)	Monitor GBS & ODA programmes spend and report to DM, parliament etc. Support DPSA programme implementation	Negotiate next fixed tranche payment for next allocation
Alignment of ODA funding decisions with the budget process		Broaden focus to include economic and rural development, employment creation and public service delivery improvement Enhance accountability for donor receipts through ENE reporting and transparent financial accounting	Refinement of existing generic planning guidelines			



### QUARTERLY TARGETS FOR 2012/2013

### PROGRAMME 3: PUBLIC FINANCE AND BUDGET MANAGEMENT - cont

Performance Indicator	Reporting Period	Annual Target	Quarterly Targets			
			Q 1 (Apr – Jun)	Q 2 (Jul – Sep)	Q 3 (Oct – Dec)	Q 4 (Jan – Mar)
<b>Sub-programme:</b> Budget Office						
Implement a governance and financial management monitoring and compliance system in public entities		Institutional budgeting, reporting and change management processes Review of financial, human resource and administrative delegations in public entities. Recommendations on appropriate levels of delegations to be submitted to Cabinet Set targets to improve appropriate SCM indicators for public entities by 2014	Submission of Cabinet memoranda and briefings Broaden institutional budgeting, reporting and support to public entities (National and Provincial) Assist entities with implementation of change management and improved business processes	Submission of Cabinet memoranda and briefings Broaden institutional budgeting, reporting and support to public entities (National and Provincial) Assist entities with implementation of change management and improved business processes	Submission of Cabinet memoranda and briefings Broaden institutional budgeting, reporting and support to public entities (National and Provincial) Assist entities with implementation of change management and improved business processes	Submission of Cabinet memoranda and briefings Broaden institutional budgeting, reporting and support to public entities (National and Provincial) Assist entities with implementation of change management and improved business processes
			Review of financial, human resource and administrative frameworks in public entities including Treasury Regulations Recommendations on frameworks applicable to public entities to be submitted to Cabinet Assist public entities to improve compliance and governance	Review of financial, human resource and administrative frameworks in public entities including Treasury Regulations Recommendations on frameworks applicable to public entities to be submitted to Cabinet Assist public entities to improve compliance and governance	Review of financial, human resource and administrative frameworks in public entities including Treasury Regulations Recommendations on frameworks applicable to public entities to be submitted to Cabinet Assist public entities to improve compliance and governance	Review of financial, human resource and administrative frameworks in public entities including Treasury Regulations Recommendations on frameworks applicable to public entities to be submitted to Cabinet Assist public entities to improve compliance and governance
Reports on Remuneration Analysis		Develop templates for periodic reports	Develop templates	Develop templates	Pilot templates	Implement templates

## PROGRAMME 3: PUBLIC FINANCE AND BUDGET MANAGEMENT - cont

Performance Indicator	Reporting Period	Annual Target	Quarterly Targets			
			Q 1 (Apr – Jun)	Q 2 (Jul – Sep)	Q 3 (Oct – Dec)	Q 4 (Jan – Mar)
		2012/13	Q 1 (Apr – Jun)	Q 2 (Jul – Sep)	Q 3 (Oct – Dec)	Q 4 (Jan – Mar)
		Develop Cost of Living Allowance (COLA) model	30 March 2012			
		Database for remuneration policy changes	30 January 2012			
		Monthly, quarterly and yearly remuneration reports	1st quarter remuneration report 3x monthly remuneration report (last day of each month)	2nd quarter remuneration report 3x monthly	3rd quarter remuneration report 3x Monthly	4th quarter remuneration report 3x monthly
		Mandated Committee Report	1 per quarter	1 per quarter	1 per quarter	1 per quarter
		Budget Submission Reports	30 January 2012			
		Database of remuneration indicators	30 January 2012			
		Inputs to Budget documentation	Input to Budget Review and ENE	Input to MTBPS	Input to MTBPS	Input to Budget Review and ENE
<b>Sub-programme:</b> Intergovernmental Relations						
Provincial and local government budget frameworks	Annually	Provincial and local government budget frameworks by September each year.			Preliminary provincial allocation letters for 2013 MTEF sent to provincial treasuries	Final provincial allocation letters for 2013 MTEF sent to provincial treasuries.
					Preliminary local government fiscal framework for 2013 MTEF finalised	Provincial and Local government fiscal frameworks for 2013 MTEF tabled as part of 2013 Budget



### PROGRAMME 3: PUBLIC FINANCE AND BUDGET MANAGEMENT - cont

#### QUARTERLY TARGETS FOR 2012/2013

Performance Indicator	Reporting Period	Annual Target	Quarterly Targets			
			Q 1 (Apr – Jun)	Q 2 (Jul – Sep)	Q 3 (Oct – Dec)	Q 4 (Jan – Mar)
Timely publication and quality of the Division of Revenue Bill and explanatory memorandum (Annexure W1)	Quarterly	2012/13 Division of Revenue Bill tabled on budget day with no errors	Gazetting of local government allocations and conditional grant frameworks for 2012 Act within 14 days of approval	Provincial equitable share formula updated	2012 Division of Revenue Amendment tabled together with 2012 MTBPS	2013 Division of Revenue Bill and supporting documentation tabled on 2013 Budget Day
Funding gaps in existing formulas addressed	Annually	Further revisions to local government equitable share formula	Obtain and analyse updated data	Workshop with stakeholders on equitable share review		Progress towards revised formula and preparations for implementation discussed in Explanatory Memorandum to the 2013 Division of Revenue
Amendments to Act improve the ease of implementation of Act		Amendments tabled	Terms of Reference for equitable share formula review approved	Draft Amendment Bill developed	Draft discussion paper on new formula submitted to Budget Forum	Draft Amendment Bill tabled in Parliament
Support improved infrastructure planning and management of the built environment in cities	Bi-yearly	Finalise design of City Support programme and start pilot implementation of the programme	Cities needs assessments completed TAs database established	Identified of pilot interventions Programme Steering Committee operational	Implementation	

## PROGRAMME 3: PUBLIC FINANCE AND BUDGET MANAGEMENT - cont

Performance Indicator	Reporting Period	Annual Target	Quarterly Targets			
			Q 1 (Apr – Jun)	Q 2 (Jul – Sep)	Q 3 (Oct – Dec)	Q 4 (Jan – Mar)
Support Improved performance of infrastructure grants	Bi-yearly	Review of performance of infrastructure grants to cities	Assessment report on the impact of the infrastructure grants	Design of the grant to the cities	Secure funding for the performance grant	
Improved performance in infrastructure delivery for cities	Annually	Assessment of Built environmental plans for all metros	Assessment as part of benchmarking process	Monitoring BEPPs and infrastructure delivery Feedback reports to the 8 cities	Support to Cities for preparation for draft BEPP	Mid-year infrastructure site visits and assessments Assessments of 1 <sup>st</sup> draft BEPP
Improved performance in infrastructure delivery for selected provincial departments	Bi-yearly	Selected provincial departments are assisted in drafting credible and costed infrastructure plans through the deployment of appropriate support	36 long-term technical assistants are deployed across the provinces (4 provinces)			
Infrastructure Delivery Management (IDM) Toolkit is institutionalised in the IDIP departments	Quarterly	High level training on the IDM Toolkit is conducted for all IDIP departments	Selected departments are trained in the IDM Toolkit	Services of a service provider are secured to facilitate the institutionalisation of the IDM Toolkit	On-going reporting	
Number of workshops, courses and officials trained in terms of compliance to the annual Division of Revenue Act as it relates to conditional grants.		7 Division of Revenue workshops 2 Business Planning training courses 400 officials trained		2 Business Planning training courses, prior to the submission of the 1 <sup>st</sup> draft business plan to the transferring department		7 Division of Revenue workshops prior to the start of the next financial (2013/14) 400 officials trained



### QUARTERLY TARGETS FOR 2012/2013

Performance Indicator	Reporting Period	Annual Target	Quarterly Targets			
			Q 1 (Apr – Jun)	Q 2 (Jul – Sep)	Q 3 (Oct – Dec)	Q 4 (Jan – Mar)
		2012/13		5 conditional grant programmes assessed after submissions of annual evaluations by transferring department as required by the annual DoRA in July		
		5 conditional grant programmes comprehensively assessed				
<b>Sub-programme:</b> Intergovernmental Relations						
Provincial and local government budget frameworks	Annually	Provincial and local government budget frameworks by September each year.			Preliminary provincial allocation letters for 2013 MTEF sent to provincial treasuries	Final provincial allocation letters for 2013 MTEF sent to provincial treasuries.
					Preliminary local government fiscal framework for 2013 MTEF finalised	Provincial and Local government fiscal frameworks for 2013 MTEF tabled as part of 2013 Budget
Timely publication and quality of the Division of Revenue Bill and explanatory memorandum (Annexure W1)	Quarterly	Division of Revenue Bill tabled on budget day with no errors	Gazetting of local government allocations and conditional grant frameworks for 2012 Act within 14 days of approval		2012 Division of Revenue Amendment tabled together with 2012 MTBPS	2013 Division of Revenue Bill and supporting documentation tabled on 2013 Budget Day
Funding gaps in existing formulas addressed	Annually	Further revisions to local government equitable share formula	Obtain and analyse updated data	Provincial equitable share formula updated		

### PROGRAMME 3: PUBLIC FINANCE AND BUDGET MANAGEMENT - cont

## PROGRAMME 3: PUBLIC FINANCE AND BUDGET MANAGEMENT - cont

Performance Indicator	Reporting Period	Annual Target	Quarterly Targets			
			Q 1 (Apr – Jun)	Q 2 (Jul – Sep)	Q 3 (Oct – Dec)	Q 4 (Jan – Mar)
		2012/13	Terms of Reference for equitable share formula review approved	Workshop with stakeholders on equitable share review	Draft discussion paper on new formula submitted to Budget Forum	Progress towards revised formula and preparations for implementation discussed in Explanatory Memorandum to the 2013 Division of Revenue
Amendments to Act improve the ease of implementation of Act		Amendments tabled		Draft Amendment Bill developed	Draft Amendment Bill submitted to Cabinet	Draft Amendment Bill tabled in Parliament
Support improved infrastructure planning and management of the built environment in cities	Bi-yearly	Finalise design of City Support programme and start pilot implementation of the programme	Cities needs assessments completed TAs database established	Identified of pilot interventions Programme Steering Committee operational	Implementation	
Support improved performance of infrastructure grants	Bi-yearly	Review of performance of infrastructure grants to cities	Assessment report on the impact of the infrastructure grants	Design of the grant to the cities	Secure funding for the performance grant	
Improved performance in infrastructure delivery for cities	Annually	Assessment of Built environmental plans for all metros	Assessment as part of benchmarking process	Monitoring BEPPS and infrastructure delivery Feedback reports to the 8 cities	Support to Cities for preparation for draft BEPP	Mid-year infrastructure site visits and assessments Assessments of 1 <sup>st</sup> draft BEPP



### PROGRAMME 3: PUBLIC FINANCE AND BUDGET MANAGEMENT - cont

#### QUARTERLY TARGETS FOR 2012/2013

Performance Indicator	Reporting Period	Annual Target	Quarterly Targets			
			Q 1 (Apr – Jun)	Q 2 (Jul – Sep)	Q 3 (Oct – Dec)	Q 4 (Jan – Mar)
Improved performance in infrastructure delivery for selected provincial departments	Bi-yearly	2012/13 Selected provincial departments are assisted in drafting credible and costed infrastructure plans through the deployment of appropriate support	36 long-term technical assistants are deployed across the provinces (4 provinces)			
Infrastructure Delivery Management (IDM) Toolkit is institutionalised in the IDIP departments	Quarterly	High level training on the IDMT Toolkit is conducted for all IDIP departments	Selected departments are trained in the IDM Toolkit	Services of a service provider are secured to facilitate the institutionalisation of the IDM Toolkit	On-going reporting	
Number of workshops, courses and officials trained in terms of compliance to the annual Division of Revenue Act as it relates to conditional grants.		7 Division of Revenue workshops 2 Business Planning training courses 400 officials trained		2 Business Planning training courses, prior to the submission of the 1 <sup>st</sup> draft business plan to the transferring department	7 Division of Revenue workshops prior to the start of the next financial (2013/14) 400 officials trained	
		5 conditional grant programmes comprehensively assessed		5 conditional grant programmes assessed after submissions of annual evaluations by transferring department as required by the annual DoRA in July		



PROGRAMME 3: PUBLIC FINANCE AND BUDGET MANAGEMENT - cont

RESOURCE PLAN: EXPENDITURE ESTIMATES

Subprogramme	Audited outcome				Adjusted appropriation	Medium-term expenditure estimate		
	2008/09	2009/10	2010/11	2011/12		2012/13	2013/14	2014/15
<b>R million</b>								
Programme Management for Public Finance and Budget Management	13.6	16.2	12.2	18.3	24.3	26.5	28.3	
Public Finance	39.2	39.1	46.1	65.8	69.8	73.7	77.9	
Budget Office and Coordination	29.8	32.8	36.1	42.5	50.8	54.2	57.3	
Intergovernmental Relations	34.0	30.7	34.4	50.2	45.2	48.6	50.9	
Financial and Fiscal Commission	26.1	26.6	31.4	33.0	37.3	39.2	40.3	
<b>Total</b>	<b>142.8</b>	<b>145.4</b>	<b>160.3</b>	<b>209.9</b>	<b>227.5</b>	<b>242.1</b>	<b>254.7</b>	
Change to 2011 Budget estimate				10.9	19.6	23.0	-	
<b>Economic classification</b>								
<b>Current payments</b>	<b>114.8</b>	<b>116.6</b>	<b>128.1</b>	<b>174.1</b>	<b>188.8</b>	<b>201.9</b>	<b>212.8</b>	
Compensation of employees	82.2	91.8	109.6	141.2	152.4	161.2	169.6	
Goods and services	32.6	24.8	18.5	32.9	36.4	40.7	43.2	
of which:								
Computer services	0.7	0.7	0.3	0.3	0.4	0.4	0.5	
Consultants and professional services: Business and advisory services	4.6	8.3	4.7	15.5	15.7	17.1	17.9	
Lease payments	0.4	0.3	0.2	0.4	0.4	0.4	0.4	
Travel and subsistence	6.6	4.6	4.5	5.4	6.9	7.5	8.1	
<b>Transfers and subsidies</b>	<b>26.6</b>	<b>27.8</b>	<b>31.4</b>	<b>35.0</b>	<b>37.3</b>	<b>39.2</b>	<b>40.3</b>	
Departmental agencies and accounts	26.1	26.6	31.4	35.0	37.3	39.2	40.3	
Higher education institutions	0.5	0.5	-	-	-	-	-	
Households	-	0.8	-	-	-	-	-	



### PROGRAMME 3: PUBLIC FINANCE AND BUDGET MANAGEMENT - cont

Subprogramme	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
	2008/09	2009/10	2010/11		2012/13	2013/14	2014/15
<b>R million</b>							
Payments for capital assets	1.3	0.9	0.8	0.8	1.4	1.1	1.5
Machinery and equipment	1.3	0.9	0.8	0.8	1.4	1.1	1.5
Payments for financial assets	0.0	0.0	0.0	–	–	–	–
<b>Total</b>	<b>142.8</b>	<b>145.4</b>	<b>160.3</b>	<b>209.9</b>	<b>227.5</b>	<b>242.1</b>	<b>254.7</b>
Details of selected transfers and subsidies							
Departmental agencies and accounts							
Departmental agencies (non-business entities)							
Current	26.1	26.6	31.4	35.0	37.3	39.2	40.3
Financial and Fiscal Commission	26.1	26.6	31.4	33.0	37.3	39.2	40.3
South African Local Government Association	–	–	–	2.0	–	–	–

#### EXPENDITURE TRENDS

Expenditure increased at an average annual rate of 13.7 per cent from R142.8 million in 2008/09 to R209.9 million in 2011/12. The bulk of the growth was mainly in spending on compensation of employees, which increased at an average annual rate of 19.7 per cent from R82.2 million to R141.2 million over the same period.

Over the medium term period, expenditure is expected to increase at an average annual rate of 6.7 per cent to R254.7 million, mainly due to increased spending on compensation of employees, which is expected to increase at an average annual rate of 6.3 per cent from R141.2 million to R169.6 million, in line with inflation projections. An additional R13 million is allocated to this programme over the medium term for improved conditions of service. Spending on goods and services is expected to increase at an annual average rate of 9.5 per cent from R32.9 million to R43.2 million.

## PROGRAMME 4: ASSET AND LIABILITY MANAGEMENT

### OUTPUTS AND TARGETS

Strategic Objective	Performance Indicator	Previous Year Target	Current Year Target	Medium Term Targets
<b>Sub-programme:</b> Oversight and Governance of State Owned Enterprises				
Exercise oversight over public enterprises to enable the achievement of government's policy objectives in a financially sustainable manner	Report and resolve DFI issues regarding cost effectiveness, development effectiveness and financial sustainability	Analysed 2011 Corporate Plans and annual reports of DFIs	2012/13	2013/14
		Analysed 2011 Annual Reports of DFIs	2012/13	2014/15
		Provide support to DFIs in the implementation of mandates	2012/13	2015/16
		Recommended recapitalisation/ borrowing of DBSA, Land Bank and NURCHA	2012/13	2014/15
		Recommended that sections 51, 54 and 66 of the PFMA apply to DFIs	2012/13	2014/15
	Compile fact sheets for Provincial DFIs		Report on the Landscape and Financial position of all the Provincial DFIs	Annually update fact sheets of Provincial DFIs and compile report



## PROGRAMME 4: ASSET AND LIABILITY MANAGEMENT - cont

### OUTPUTS AND TARGETS

Strategic Objective	Performance Indicator	Previous Year Target	Current Year Target	Medium Term Targets		
				2013/14	2014/15	2015/16
	Promote appropriate treasury management policies and practices through monitoring adherence to treasury guidelines by SOEs and metros	Finalised Treasury follow-up reviews for 13 SOEs and complete the follow-up reviews for 4 SOEs	Review the process of establishing new treasury operations of two SOEs  Facilitate the option of bringing outsourced treasury divisions of SOEs in-house  Monitor adherence to treasury review report	Continue to monitor adherence to Guideline Statements on Treasury Best Practice by SOEs. Review and revise, guideline statement on Treasury Best Practice related to outcomes of strategic activities undertaken during the period		
			Conduct research on the funding/costing models by multilaterals in providing cost effective funding to SOEs	Continuously engage stakeholders on cost effective funding for SOEs		

## PROGRAMME 4: ASSET AND LIABILITY MANAGEMENT - cont

Strategic Objective	Performance Indicator	Previous Year Target	Current Year Target	Medium Term Targets		
				2013/14	2014/15	2015/16
		2011/12	2012/13	2013/14	2014/15	2015/16
		Designed a reporting template regarding the financial risk exposure of SOEs brought about by hedging activities. The template was developed through a consultative process with Transnet	Undertake a consultative process with stakeholders and draft recommendations to Minister of Finance concerning application of Section 66(7)(b) regulating foreign currency borrowing limits	Ensure adherence to recommendations made to the Minister of Finance on foreign currency borrowings by SOEs Annually review the foreign currency exposure of SOEs		
	Coordinate borrowing programmes of SOEs and ensure alignment with sovereign borrowing through compilation of borrowing calendar and consolidated maturity profile	Quarterly reporting by SOEs on capex, borrowings and hedging as at 31 December 2011	Quarterly report/up-date SOEs: <ul style="list-style-type: none"> <li>Borrowing programmes</li> <li>Capital expenditure</li> <li>Hedging risk exposures</li> <li>Annual publication of borrowing calendar by March</li> </ul>			



## PROGRAMME 4: ASSET AND LIABILITY MANAGEMENT - cont

### OUTPUTS AND TARGETS

Strategic Objective	Performance Indicator	Previous Year Target	Current Year Target	Medium Term Targets		
				2013/14	2014/15	2015/16
		2011/12 Update data on the borrowing requirement of SOEs as at 31 December 2011 and consolidate the five year borrowing requirement for SOEs have been consolidated	2012/13	2013/14	2014/15	2015/16
	Benchmark to determine appropriate target capital structure for SOEs	Completed the industry benchmarking, financial modelling and review of the draft results of the project	Review the outcomes/results of SOEs piloted	Annually monitor and report on implementation of capital structures and dividend policies by SOEs		
	Monitor shareholder compliance with PFMA, King III Code and Remuneration Guidelines compliance monitored	100% of the corporate plans and annual reports were received within one quarter of the required submission	Annual reporting on compliance of major SOEs Review and report on compliance with remuneration guidelines			

**PROGRAMME 4: ASSET AND LIABILITY MANAGEMENT - cont**

Strategic Objective	Performance Indicator	Previous Year Target	Current Year Target	Medium Term Targets
<b>Sub-programme:</b> Oversight and Governance of State Owned Enterprises				
	Review corporate plans, shareholder compacts and annual reports	Corporate plans and annual reports of public enterprises reviewed	Shareholder compacts of public enterprises requested annually Produce report reviewing public enterprises' corporate plans, shareholder compacts and annual reports; in consolidated form annually	2011/12 2012/13 2013/14 2014/15 2015/16
	Review PFMA submissions, and applications for guarantees, funding, borrowing limits and MFMA Section 42 tariff applications	Reviewed PFMA applications and applications for guarantees, funding and borrowing limits. Review water board applications for changes to bulk water tariffs in terms of Section 42 of the MFMA	Submission on PFMA applications, for guarantees, funding or borrowing limits from public enterprises produced as received Respond to applications MFMA Section 42 application for amendments to water and electricity tariffs	





## PROGRAMME 4: ASSET AND LIABILITY MANAGEMENT - cont

### OUTPUTS AND TARGETS

Strategic Objective	Performance Indicator	Previous Year Target	Current Year Target	Medium Term Targets		
				2013/14	2014/15	2015/16
	Undertake industry and sector research to build knowledge and influence policy and public enterprises' strategic direction	2011/12 International benchmarking of financing and repayment models for financing water and transport infrastructure completed  Principles to guide the financing and repayment of economic infrastructure developed  Provided input on the alignment of regulators in water, electricity, pipelines and aviation sectors to best practice	2012/13 Research reports on identified issues relating to public enterprises in the areas of regulation and administered prices, industry structure, sector policies, sector trends, infrastructure requirements, regional integration and financing produced as required	2013/14	2014/15	2015/16
	Actively participate and contribute in fora where sector reforms are being implemented	Participated in sector reforms in the energy, water, transport and other sectors	Actively participated and contributed in relevant fora where sector reforms are being implemented as required			



## PROGRAMME 4: ASSET AND LIABILITY MANAGEMENT - cont

Strategic Objective	Performance Indicator	Previous Year Target	Current Year Target	Medium Term Targets		
				2013/14	2014/15	2015/16
	Review and provide input into corporate plans and shareholder compacts of the public enterprises reporting to National Treasury (PIC, Sasria, DBSA and Land Bank)	Reviewed and provided input on the corporate plans and shareholder compacts of DBSA, Land Bank, PIC and Sasria	2012/13	2013/14	2014/15	2015/16
	Review annual reports and prepare for submission to Parliament of the public enterprises reporting to National Treasury (PIC, Sasria, DBSA and Land Bank)	Reviewed annual reports of DBSA, Land Bank, PIC and Sasria Review submitted to Parliament	Submission and report reviewing each year DBSA, Land Bank, PIC and Sasria's corporate plan prepared for submission to Parliament Inputs provided and identified issues taken up with PIC, Sasria or other relevant stakeholders	Report reviewing DBSA, Land Bank, PIC and Sasria's annual reports produced each year DBSA, Land Bank, PIC and Sasria's annual report prepared for submission to Parliament Identified issues taken up with DBSA, Land Bank, PIC, Sasria or other relevant stakeholders		



## PROGRAMME 4: ASSET AND LIABILITY MANAGEMENT - cont

### OUTPUTS AND TARGETS

Strategic Objective	Performance Indicator	Previous Year Target	Current Year Target	Medium Term Targets		
				2013/14	2014/15	2015/16
<b>Sub-programme:</b> Government Debt Management						
Optimal debt management and funding of government borrowing requirement	Annual total government borrowing needs fully met	Targets for 2011/12 should be comfortably met	Gross issuance of R211.93 billion	Gross issuance of R192.92 billion	Gross issuance of R176.50 billion	Fund the borrowing requirement
	Enhanced liquidity	Auction remains supported	Concentrate issuance in benchmark bonds. Scrip lending and repo facilities		Concentrate issuance in new and existing benchmark bonds.	Concentrate issuance in new and existing benchmark bonds.
	Active debt management	Switch have been partially successful	Buyback and switches/exchanges in domestic debt to reduce loan redemptions by R8 billion (2011/12) and R19 billion (2012/13)		Manage refinancing risks	Manage refinancing risks
	Ensure timely and accurate payment of debt-related obligations	Pay R76.6 billion	Pay R89.9 billion	Pay R100.8 billion	Pay R109.0 billion	Payment amount to be projected during 2013
	Diversification of funding instruments	Continued adherence to the 80/20 nominal vs inflation linked bonds	Domestic funding in fixed-income, inflation-linked and retail bonds, floating rate notes and treasury bills. International funding through capital market and export credit agency loans			
Retain current investors and attract new ones	Scheduled road show for March 2012	Conduct two domestic and two foreign road shows annually Timely dissemination of reliable information		Conduct two domestic and two foreign road shows annually	Conduct two domestic and two foreign roadshows annually	

## PROGRAMME 4: ASSET AND LIABILITY MANAGEMENT - cont

Strategic Objective	Performance Indicator	Previous Year Target	Current Year Target	Medium Term Targets		
		2011/12	2012/13	2013/14	2014/15	2015/16
<b>Sub-programme:</b> Financial Operations						
Ensure sound management of government's cash resources	Government's liquidity requirements met every time	Forecasting R2.8 trillion of cash flows	Forecasting R3.1 trillion of cash flows	Forecasting R3.3 trillion of cash flows	Forecasting R3.6 trillion of cash flows	Forecasting R3.7 trillion of cash flows
	Investment of surplus cash at market-related rates	Quarterly analysis and review of investment rates	Quarterly analysis and review of investment rates	Quarterly analysis and review of investment rates	Quarterly analysis and review of investment rates	Quarterly analysis and review of investment rates
	Public sector cash coordinated	Ongoing broadening of the coordination of public sector cash	Ongoing broadening of the coordination of public sector cash	Ongoing broadening of the coordination of public sector cash	Ongoing broadening of the coordination of public sector cash	Ongoing broadening of the coordination of public sector cash
	Saving on borrowing cost by national and provincial governments	Saving of up to 3.5% on borrowing costs compared to borrowing from commercial banks	Saving of up to 3.5% on borrowing costs compared to borrowing from commercial banks	Saving of up to 3.6% on borrowing costs compared to borrowing from commercial banks	Saving of up to 3.5% on borrowing costs compared to borrowing from commercial banks	Saving of up to 4% on borrowing costs compared to borrowing from commercial banks
	Timely and accurate reporting of national government debt	PFMA reporting requirements met	PFMA reporting requirements met	PFMA reporting requirements regarding annual financial statements	PFMA reporting requirements regarding annual financial statements	PFMA reporting requirements regarding annual financial statements
		Reporting requirements for the special data dissemination standards of the IMF met and reliable market information timely disseminated	Timely dissemination of reliable market information	Timely dissemination of reliable market information	Timely dissemination of reliable market information	Timely dissemination of reliable market information



## PROGRAMME 4: ASSET AND LIABILITY MANAGEMENT - cont

### OUTPUTS AND TARGETS

Strategic Objective	Performance Indicator	Previous Year Target	Current Year Target	Medium Term Targets		
				2013/14	2014/15	2015/16
	Reliable, automated and integrated systems to be implemented	<p>2011/12 Implement the domestic and retail debt modules on the new back office system.</p> <p>Implement and actively manage the revised systems integration strategy.</p>	<p>2012/13 Implement the retail bonds module on the new back office system. Implement new retail bond products.</p> <p>Implement new interfaces for the retail bonds website and correspondence module to the new Back Office System retail bonds module</p> <p>Implement the Commonwealth's Public Debt Analytical Tool.</p> <p>Finalise systems requirements for consolidating public sector debt for reporting to the World Bank.</p> <p>Implement improved operational controls</p>	<p>2013/14 Implement the money market module on the new back office system</p> <p>Archive and migrate data on the mainframe to the new back office system. Decommission the mainframe applications.</p> <p>Review accounting, cash management and contingent liability management system requirements and overlaps or integration with IFMS</p>	<p>2014/15 Implement solutions according to business priorities</p>	<p>2015/16 Implement solutions according to business priorities</p> <p>Eliminate reliance on consultants for day to day operational work</p>
			<p>Alignment to departmental ICT Governance Framework</p>			

**PROGRAMME 4: ASSET AND LIABILITY MANAGEMENT - cont**

Strategic Objective	Performance Indicator	Previous Year Target	Current Year Target	Medium Term Targets
<b>Sub-programme:</b> Strategy and Risk Management				
Minimise and mitigate risks emanating from government's fiscal obligations	<p>Performance against benchmarks:</p> <ul style="list-style-type: none"> <li>• Non-fixed versus fixed debt</li> <li>• Foreign debt versus domestic debt</li> </ul> <p>Address refinancing risk in government's debt portfolio</p>	<p>2011/12</p> <p>Review strategic benchmarks of 70/30 fixed vs non-fixed rate domestic debt and 20-25% maximum foreign debt exposures as percentage of total debt.</p> <p>Implement and Monitor strategic benchmarks</p> <p>Quarterly review of performance against benchmarks (including cost-at-risk)</p>	<p>2012/13</p> <p>Implement, monitor and review strategic benchmarks of 70/30 fixed versus non-fixed rate domestic debt and 20% maximum foreign debt exposure as a percentage of total debt. Quarterly review of performance against benchmarks (including cost-at-Risk)</p> <p>Maximum nominal issuance limits on inflation linked bonds of R33 billion (excluding revaluations)</p> <p>Maximum limits on fixed rate bonds consistent with maintaining average maturity of the debt portfolio between 10 and 13 years in the medium-term</p> <p>Quarterly review of refinancing risk against risk guidelines, including the performance of actual switch programme against planned switches (i.e. exchange of short-term bonds for long-term bonds)</p>	<p>2013/14</p> <p>2014/15</p> <p>2015/16</p>





## PROGRAMME 4: ASSET AND LIABILITY MANAGEMENT - cont

### OUTPUTS AND TARGETS

Strategic Objective	Performance Indicator	Previous Year Target	Current Year Target	Medium Term Targets		
				2013/14	2014/15	2015/16
	Adherence to surplus cash benchmark investment ratios and total limits per counterparty	2011/12 Annual review of investment ratios and limits per counterparty  Semi-annual reports on adherence to ratios and limits	2012/13 Annual review of investment ratios and limits per counterparty Semi-annual reports on adherence to ratios and limits Annual analysis of settlement risk exposure to primary dealers	2013/14	2014/15	2015/16
	Quantitative and qualitative indicators of sovereign risk	Monthly Sovereign risk review and credit valuation modeling  Semi-annual sovereign rating reviews  Align the timing of the sovereign rating review visits to the budget process	Monthly sovereign risk review and credit valuation modeling Semi-annual sovereign rating reviews Effective engagement with the rating agencies Improve stakeholder relations and communication with regard to the rating process Annual Review of the sovereign risk policy			

**PROGRAMME 4: ASSET AND LIABILITY MANAGEMENT - cont**

Strategic Objective	Performance Indicator	Previous Year Target	Current Year Target	Medium Term Targets		
				2013/14	2014/15	2015/16
	Capping total government debt, provisions plus contingent liabilities at sustainable levels and improve the quality of exposure	2011/12 Review and monitor benchmark of net government debt, provisions and contingent liabilities to ensure that they remain within sustainable levels consistent with the country's credit rating Review and monitor quality of government's contingent liability exposure Review and monitor exposure to PPP projects and their possible impact on fiscus	2012/13	2013/14	2014/15	2015/16



## QUARTERLY TARGETS FOR 2012/2013

### PROGRAMME 4: ASSET AND LIABILITY MANAGEMENT - cont

Performance Indicator	Reporting Period	Annual Target	Quarterly Targets			
			Q 1 (Apr – Jun)	Q 2 (Jul – Sep)	Q 3 (Oct – Dec)	Q 4 (Jan – Mar)
<b>Sub-programme:</b> Oversight and Governance of State Owned Enterprises						
Report and resolve DFI issues regarding cost effectiveness, development effectiveness and financial sustainability	Annually	Annually report on the review of corporate plans and financial statements of DFIs to ensure financial sustainability and alignment with mandates	Completion of Corporate plan analysis and submission to the Minister of Finance for Tabling in Parliament	Consolidate the analysis of Corporate Plans of all DFIs with those of other Directorate within CD: Governance & Financial Analysis.	Make follow up on key issues arising from Corporate Plans	Obtain and assess Corporate Plans from DFIs by end of March
		Monitor and report on achievement of targets (shareholder compact) by the Land Bank and Development Bank of Southern Africa	Completion and submission of analysis of quarterly reports (KPIs)	Receipts and Analysis of Annual Reports  Complete review of Annual Reports of DFIs reporting to the Minister of Finance for Tabling in Parliament	Continuation of analysis of Annual Reports  Provide Report to the Minister on concerns regarding the financial performance of all DFIs	Follow up with oversight departments and DFIs with issues arising from Annual Reports
Promote appropriate treasury management policies and practices through monitoring adherence to treasury guidelines by SOEs and major metros		Attend to all ad-hoc functions and provide advice/ commentary on all DFI related matters	Analyse all DFI related applications Provide support to DFIs in the implementation of mandates	Completion and submission of analysis of quarterly reports (KPIs)	Completion and submission of analysis of quarterly reports (KPIs)	Completion and submission of analysis of quarterly reports (KPIs)
		Development of DFIs Best Practice Reporting Framework in consultation with responsible departments and their respective DFIs	Research and develop a draft concept Best Practice Reporting Framework	Stakeholder consultation: Creation of interdepartmental committee comprising responsible departments and individual DFIs for the development of the draft Best Practice Reporting Framework	Approval by Ministers	



**PROGRAMME 4: ASSET AND LIABILITY MANAGEMENT - cont**

Performance Indicator	Reporting Period	Annual Target	Quarterly Targets			
			Q 1 (Apr – Jun)	Q 2 (Jul – Sep)	Q 3 (Oct – Dec)	Q 4 (Jan – Mar)
2012/13	Compile fact sheets for Provincial DFIs	Develop a plan and collect all relevant information of the provincial DFIs	Conduct a desktop analysis of all provincial DFIs	Engage with all stakeholders for information collection	Provide a comprehensive Report to the Minister of Finance on all the Provincial DFIs	Compile fact sheets for Provincial DFIs
			Review the corporate treasury policy and governance structures of identified SOEs	Review the corporate treasury activities of identified SOEs, eg Liquidity risk, counterparty risk, etc	Review the corporate treasury structure of identified SOEs	Compile reports and ensure full compliance to Guideline Statements on Treasury Best Practice
			Review the treasury operations of two SOEs	Facilitate the possibility of bringing outsourced treasury divisions of SOEs in-house	Consult with the treasury functions divisions of metro's and implement adopted guideline statements on treasury best practice to metros	
Quarterly	Continue consultation with the metro treasuries and adapt the guideline statement on Treasury Best Practice over the medium term	Conduct research on the funding models of multilaterals to SOEs	Prepare research report	Release a summary report on findings of pricing models of multilaterals		





## PROGRAMME 4: ASSET AND LIABILITY MANAGEMENT - cont

### QUARTERLY TARGETS FOR 2012/2013

Performance Indicator	Reporting Period	Annual Target	Quarterly Targets			
			Q 1 (Apr – Jun)	Q 2 (Jul – Sep)	Q 3 (Oct – Dec)	Q 4 (Jan – Mar)
Promote appropriate treasury management policies and practices through monitoring adherence to treasury guidelines by SOEs and major metros	Quarterly	2012/13 Prepare recommendations to Minister of Finance concerning the application of Section 66(7)(b) which regulates foreign currency borrowings by SOEs Undertake a consultative process with stakeholders and draft recommendations to Minister of Finance on way forward	Consult SOEs and relevant stakeholders Compile findings of engagements	Consult SOEs and relevant stakeholders Compile findings of engagements	Consult SOEs and relevant stakeholders Compile findings of engagements	Report approved by Minister of Finance
Coordinate borrowing programmes of SOEs and ensure alignment with sovereign borrowing through compilation of borrowing calendar and consolidated maturity profile	Quarterly	Quarterly report/up-date SOEs: Borrowing programmes Hedging risk exposures Annual publication of borrowing calendar by March Market Surveillance Project: Variables and their impact on the funding programmes of SOEs	Consolidate data and compile report on SOEs	Consolidate data and compile report on SOEs	Consolidate data and compile report on SOEs	Consolidate data and compile report on SOEs
Benchmark to determine appropriate target capital structure for SOEs	Quarterly	Review the outcomes/results of SOEs piloted	Engage all stakeholders concerning market surveillance project and document findings	Review the outcomes/results of SOEs piloted		Release report on findings of market surveillance project

## PROGRAMME 4: ASSET AND LIABILITY MANAGEMENT - cont

Performance Indicator	Reporting Period	Annual Target	Quarterly Targets			
			Q 1 (Apr – Jun)	Q 2 (Jul – Sep)	Q 3 (Oct – Dec)	Q 4 (Jan – Mar)
Monitor compliance with PFMA, King III Code and SOE Remuneration Guidelines (SOERG)	Annually	Annual reporting on compliance by major SOEs to: Public Finance Management Act (PFMA)	Receive 100% of the corporate plans from schedule 3B public entities (water boards) with 30 June year-end, by 31 May 2012	Receive 100% of the draft financial statements from Schedule 3B public entities (water boards) with 30 June year-end, by 31 August 2012	Receive 100% of the annual reports from Schedule 3B public entities (water boards) with 30 June year -end, by 30 November 2012	Review annual reports for Schedule 3B public entities (water boards) with 30 June year-end
		State Owned Entities Remuneration Guidelines (SOERG) New Companies Act (for entities that report to the Minister of Finance)	Receive 100% of the draft financial statements from Schedule 2 and 3 B public entities with 31 March year-end, by 31 May 2012	Receive 100% of the annual reports for Schedule 2 and 3B public entities with 31 March year-end, by 31 August 2012	Receive annual reports for Schedule 2 and 3B public entities with 31 March year-end	Receive 100% of the corporate plans from Schedule 2 public entities with 31 March year-end, by 28 February 2013
		King III Recommendations (For entities that reports to the Minister of Finance)	Review corporate plans (governance aspects) for Schedule 2 and 3B public entities with 31 March year-end	Coordinate and provide support to the Guarantee Certification Committee (GCC)	Provide report to the Minister of Finance on Schedule 2 public entities' remuneration review against SOERG guidelines	Coordinate and provide support to the Guarantee Certification Committee (GCC)
			Review remuneration policies for Schedule 2 public entities and Schedule 3B public entities under the Minister of Finance's portfolio		Recommend appointment of members to the Boards of Land Bank, DBSA, SASRIA and PIC	
		Update Board data base for SOEs under the Minister of Finance's portfolio				Provide SOEs dividend and guarantee fees paid, and forecast to the Economic Policy and International Financial Relations division for Medium Term Expenditure Framework (MTEF)



## PROGRAMME 4: ASSET AND LIABILITY MANAGEMENT - cont

### QUARTERLY TARGETS FOR 2012/2013

Performance Indicator	Reporting Period	Annual Target	Quarterly Targets			
			Q 1 (Apr – Jun)	Q 2 (Jul – Sep)	Q 3 (Oct – Dec)	Q 4 (Jan – Mar)
Monitor compliance with PFMA , King III Code and SOE Remuneration Guidelines (SOERG)		2012/13	Provide comments on Cabinet memorandums for appointment of members to Boards of Schedule 2 public entities			
Review corporate plans, shareholder compacts and annual reports	Annually	Shareholder compacts of public enterprises requested annually Report reviewing each public enterprises' corporate plans, shareholder compacts and annual reports; and a consolidated report produced each year Identified issues taken up with shareholder department and public enterprises or other relevant stakeholders	Shareholder compacts requested Review corporate plans Reports reviewing water board annual reports completed Begin review of water board corporate plans	Finalise the corporate plan review memo Review draft annual financial reports Begin review of annual reports Reports reviewing water board corporate plans completed	Review annual reports	Finalise the annual report review memo Begin review of corporate plans Review water board annual reports
			Identified issues taken up with shareholder department and public enterprises or other relevant stakeholders as required			

## PROGRAMME 4: ASSET AND LIABILITY MANAGEMENT - cont

Performance Indicator	Reporting Period	Annual Target	Quarterly Targets			
			Q 1 (Apr – Jun)	Q 2 (Jul – Sep)	Q 3 (Oct – Dec)	Q 4 (Jan – Mar)
Review PFMA submissions, and applications for guarantees, funding, borrowing limits and MFMA Section 42 tariff applications	Quarterly	Submission on PFMA applications , and funding or borrowing limits from public enterprises produced as received Submission and letter to entities responding to applications in terms of Section 42 of the MFMA for amendments to water and electricity tariffs as received.  Public enterprises requested to provide a list of Section 54 applications annually in their Corporate Plans Partnered with public enterprises during the development phase of major projects	Submissions on applications prepared as required	Submissions on applications prepared as required Assessment of MTEF funding requests undertaken	Submissions on applications prepared as required	Submissions on applications prepared as required
	Annually	Collection of CAPEX and Borrowing figures	Partnering with public enterprises during the development phase of major projects as far as possible	Collection of CAPEX and borrowing figures from SOEs for the second quarter	Collection of CAPEX and borrowing figures from SOEs for the third quarter	Collection of CAPEX and borrowing figures from SOEs for the fourth quarter
Monitor guarantees	Quarterly	Guarantee reports on the status of guarantees issued to public enterprises produced quarterly Report to Cabinet on guarantees provided annually	Guarantee reports on the status of guarantees issued to public enterprises completed Annual report to Cabinet on guarantees drafted	Guarantee reports on the status of guarantees issued to public enterprises completed	Guarantee reports on the status of guarantees issued to public enterprises completed	Guarantee reports on the status of guarantees issued to public enterprises completed



## PROGRAMME 4: ASSET AND LIABILITY MANAGEMENT - cont

### QUARTERLY TARGETS FOR 2012/2013

Performance Indicator	Reporting Period	Annual Target	Quarterly Targets			
			Q 1 (Apr – Jun)	Q 2 (Jul – Sep)	Q 3 (Oct – Dec)	Q 4 (Jan – Mar)
Undertake industry and sector research to build knowledge and influence policy and public enterprises' strategic direction	Quarterly	2012/13 Research reports on identified issues relating to public enterprises in the areas of regulation and administered prices, industry structure, sector policies, sector trends, infrastructure requirements, regional integration and financing produced as required	Research undertaken as required	Research undertaken as required	Research undertaken as required	Research undertaken as required
Respond to legislation, policies and regulations being introduced or amended	Quarterly	Submissions on legislation, policies and regulations provided as required Identified issues taken up with relevant stakeholders	Submissions provided as required			
Actively participate and contribute in fora where policies and strategies are being developed	Quarterly	Actively participated and contributed in relevant fora where policies and strategies were being developed as required, including the Presidential Review Committee on SOEs, Presidential Infrastructure Coordinating Commission and Infrastructure Development Cluster Progress updates provided as required	Participated and contributed on policies and strategies as required			

## PROGRAMME 4: ASSET AND LIABILITY MANAGEMENT - cont

Performance Indicator	Reporting Period	Annual Target	Quarterly Targets			
			Q 1 (Apr – Jun)	Q 2 (Jul – Sep)	Q 3 (Oct – Dec)	Q 4 (Jan – Mar)
Actively participate and contribute in fora where sector reforms are being implemented	Quarterly	2012/13 Actively participated and contributed in relevant fora where sector reforms are being implemented as required Progress updates provided as required	Participated and contributed on sector reforms as required			
Review and provide input into corporate plans and shareholder compacts of the public enterprises reporting to National Treasury, i.e. PIC, Sasria, DBSA and Land Bank (SOEs)	Quarterly	Submission and report reviewing each of SOE's corporate plans and shareholder compacts produced each year SOE's corporate plan prepared for submission to Parliament Inputs provided and identified issues taken up with SOE's or other relevant stakeholders				Submission and report reviewing each of SOE's corporate plans and shareholder compacts produced each year SOE's corporate plan prepared for submission to Parliament Inputs provided and identified issues taken up with SOE's or other relevant stakeholders
Review annual reports and prepare for submission to Parliament of the public enterprises reporting to National Treasury (PIC, Sasria, DBSA and Land Bank)	Quarterly	Report reviewing PIC and Sasria's annual reports produced each year PIC and Sasria's annual report prepared for submission to Parliament Identified issues taken up with PIC, Sasria or other relevant stakeholders				Report reviewing PIC and Sasria's annual reports produced each year PIC and Sasria's annual report prepared for submission to Parliament Identified issues taken up with PIC, Sasria or other relevant stakeholders



## PROGRAMME 4: ASSET AND LIABILITY MANAGEMENT - cont

### QUARTERLY TARGETS FOR 2012/2013

Performance Indicator	Reporting Period	Annual Target	Quarterly Targets			
			Q 1 (Apr – Jun)	Q 2 (Jul – Sep)	Q 3 (Oct – Dec)	Q 4 (Jan – Mar)
<b>Sub-programme: Government Debt Management</b>						
Annual total government borrowing needs fully met	Quarterly	Gross issuance of R207,2 billion	R52 billion issued	R104 billion issued (cumulative)	R156 billion issued (cumulative)	R207 billion issued (cumulative)
Enhanced liquidity	Annual	Concentrate issuance in benchmark bonds. Scrip lending and repo facilities	On-going issuance			
Active debt management	Annual	Buyback and switches/exchanges in domestic debt to reduce loan redemptions	Continue to manage the switch program, which will be dependent on appetite			
Ensure timely and accurate payment of debt-related obligations	Annual, with quarterly reporting	Pay R89.9 billion	Pay R 18.6 billion	Pay R27.4 billion	Pay 18.0 billion	Pay R24.4 billion
Diversification of funding instruments	Annual	Domestic funding in fixed-income, inflation-linked and retail bonds, floating rate notes and treasury bills. International funding through capital market and export credit agency loans	Domestic funding in fixed-income, inflation-linked and retail bonds, floating rate notes and treasury bills. International funding through capital market and export credit agency loans			
Retain current investors and attract new ones	Annual	Conduct two domestic and two foreign roadshows annually. Timely dissemination of reliable information	Complete both the domestic and the international road show	Embark on another non-deal road show post the MTBPS	Conduct two domestic and two foreign roadshows annually. Timely dissemination of reliable information	



## PROGRAMME 4: ASSET AND LIABILITY MANAGEMENT - cont

Performance Indicator	Reporting Period	Annual Target	Quarterly Targets			
			Q 1 (Apr – Jun)	Q 2 (Jul – Sep)	Q 3 (Oct – Dec)	Q 4 (Jan – Mar)
<b>Sub-programme: Financial Operations</b>						
Government's liquidity requirements met every time	Annually/ Quarterly	Forecasting R3.1 trillion of cash flows	Forecasting R691 billion of cash flows	Forecasting R726 billion of cash flows	Forecasting R720 billion of cash flows	Forecasting R943 billion of cash flows
Investment of surplus cash at market-related rates	Annually/ Quarterly	Quarterly analysis and review of investment rates	Quarterly analysis and review of investment rates			
Public sector cash coordinated	Annually/ Quarterly	On-going broadening of the coordination of public sector cash	On-going broadening of the coordination of public sector cash			
Saving on borrowing cost by national and provincial governments	Annually/ Quarterly	Saving of up to 3.5% on borrowing costs compared to borrowing from commercial banks	Saving of up to 3.5% on borrowing costs compared to borrowing from commercial banks measured quarterly			
Timely and accurate reporting of national government debt	Annually/ Quarterly	Compliance with PFMA reporting requirements regarding annual financial statements	Compile annual financial information for the Asset and Liability Management division (Government debt and cash balances) as source documents to the financial statements of National Treasury and National Revenue Fund	Submit guarantee information for compiling interim financial statements	Submit guarantee information for compiling interim financial statements	Submit guarantee information for compiling interim financial statements



## PROGRAMME 4: ASSET AND LIABILITY MANAGEMENT - cont

### QUARTERLY TARGETS FOR 2012/2013

Performance Indicator	Reporting Period	Annual Target	Quarterly Targets			
			Q 1 (Apr – Jun)	Q 2 (Jul – Sep)	Q 3 (Oct – Dec)	Q 4 (Jan – Mar)
	Monthly / Quarterly	2012/13 Timely dissemination of reliable market information	Monthly and quarterly reporting on guarantees to the IMF Monthly reporting on government's borrowing programme, outstanding debt and borrowing cost Maintenance of information on Investor Relations website	Monthly and quarterly reporting on guarantees to the IMF Monthly reporting on government's borrowing programme, outstanding debt and borrowing cost Maintenance of information on Investor Relations website	Monthly and quarterly reporting on guarantees to the IMF Monthly reporting on government's borrowing programme, outstanding debt and borrowing cost Maintenance of information on Investor Relations website	Monthly and quarterly reporting on guarantees to the IMF Monthly reporting on government's borrowing programme, outstanding debt and borrowing cost Maintenance of information on Investor Relations website
Reliable, automated and integrated systems to be implemented	Quarterly	Implement the retail bonds module on the new back office system Implementation of new retail bond products Commence with the money market module	Finalise user requirements and system specifications	Complete development of the retail bonds module	Complete quality assurance and user acceptance testing	Implement the retail bonds module. Complete user requirements and system specifications for the money market module
	Quarterly	Implement new interfaces for the retail bonds website and correspondence module to the new Back Office system retail bonds module	Finalise user requirements and system specifications	Complete development of the interfaces	Complete quality assurance and user acceptance testing	Implement the new interfaces

**PROGRAMME 4: ASSET AND LIABILITY MANAGEMENT - cont**

Performance Indicator	Reporting Period	Annual Target	Quarterly Targets			
			Q 1 (Apr – Jun)	Q 2 (Jul – Sep)	Q 3 (Oct – Dec)	Q 4 (Jan – Mar)
	Quarterly	2012/13 Implement the Commonwealth's Public Debt Analytical Tool	Complete testing. Prepare environment for the system. Participate in workshops with stakeholders	Pilot and implement the tool Prepare a recommendation for an appropriate solution		
	Quarterly	Finalise system requirements for consolidating public sector debt for reporting to the World Bank				
	Quarterly	Implement improved operational controls	User Account Management Procedures Complete specifications for improved business continuity and disaster recovery management	Release Management Procedures Improved User Requirement templates Review of insourcing vs. outsourcing strategies	Participate in implementing the Virtual Private Network (VPN) of the corporate services project	Integrate the divisional Information and Communications Technology (ICT) governance within the broader National Treasury ICT governance framework





## PROGRAMME 4: ASSET AND LIABILITY MANAGEMENT - cont

### QUARTERLY TARGETS FOR 2012/2013

Performance Indicator	Reporting Period	Annual Target	Quarterly Targets			
			Q 1 (Apr – Jun)	Q 2 (Jul – Sep)	Q 3 (Oct – Dec)	Q 4 (Jan – Mar)
<b>Sub-programme: Strategy and Risk Management</b>						
Performance against benchmarks: <ul style="list-style-type: none"> <li>Non-fixed versus fixed debt</li> <li>Foreign debt versus domestic debt</li> </ul>	Weekly/ Monthly/ Quarterly/ Annual	Review of strategic benchmarks of 70/30 fixed versus non-fixed rate domestic debt and 20-25% maximum foreign debt exposure as a percentage of total debt Implement and monitor strategic benchmarks Quarterly review of performance against benchmarks (including cost-at-Risk)	Quarterly risk profile of government's debt portfolio Quarterly review of performance against strategic benchmarks Monthly monitoring of Market Reports (weekly)	Quarterly risk profile of government's debt portfolio Quarterly review of performance against benchmarks Monthly monitoring of strategic benchmarks Risk Review of the 2012/13 funding Strategy. Analysis of risk factors and funding recommendations for 2013/14 Market Reports (weekly) Annual Market Risk Rating report	Quarterly risk profile of government's debt portfolio Quarterly review of performance against benchmarks Monthly monitoring of strategic benchmarks Risk Review of the 2012/13 funding Strategy. Analysis of risk factors and funding recommendations for 2013/14 Market Reports (weekly) Annual Market Risk Rating report	Quarterly risk profile of government's debt portfolio Quarterly review of performance against benchmarks Monthly monitoring of strategic benchmarks Risk Review of the 2012/13 funding Strategy. Analysis of risk factors and funding recommendations for 2013/14 Market Reports (weekly) Annual Market Risk Rating report
Adherence to surplus cash benchmark and investment ratios and total limits per counterparty	Quarterly and Annually	Annual review of investment ratios and limits per counterparty Semi-annual reports on adherence to ratios and limits Annual analysis of settlement risk exposure to primary dealers	Monitor financial position of the Banks where surplus cash is invested	Semi-annual reports on adherence to ratios and limits Monitor financial position of the Banks where surplus cash is invested	Monitor financial position of the Banks where surplus cash is invested	Monitor financial position of the Banks where surplus cash is invested

## PROGRAMME 4: ASSET AND LIABILITY MANAGEMENT - cont

Performance Indicator	Reporting Period	Annual Target	Quarterly Targets			
			Q 1 (Apr – Jun)	Q 2 (Jul – Sep)	Q 3 (Oct – Dec)	Q 4 (Jan – Mar)
Quantitative indicators of sovereign risk	Monthly/ Quarterly and Annually	2012/13 Monthly sovereign risk review and credit valuation modelling. Semi-annual sovereign rating reviews. Align the timing of the sovereign rating review visits to the budget process. Improved stakeholder relations and communication.	Monthly sovereign risk review and credit valuation modelling	Monthly sovereign risk review and credit valuation modelling	Monthly sovereign risk review and credit valuation modelling	Monthly sovereign risk review and credit valuation modelling
Capping total government debt, provisions plus contingent liabilities at sustainable levels	Quarterly/ Annually	Review and monitor benchmark of net government debt, provisions and contingent liabilities not exceeding 50% of GDP. Review and monitor quality of government's explicit guarantee exposure. Review of exposure to PPP projects and their possible impact on the fiscus.	Report on official reserves Semi-Annual Sovereign rating review Report on official reserves	Quarterly report on contingent liability exposure	Develop a risk matrix to report on the status of the government guarantee portfolio	Develop a database of exposures to PPPs Annual Review of methodology for managing contingent liabilities



## PROGRAMME 4: ASSET AND LIABILITY MANAGEMENT - cont

### RESOURCE PLAN: EXPENDITURE ESTIMATES

Subprogramme	Audited outcome				Adjusted appropriation	Medium-term expenditure estimate			
	2008/09	2009/10	2010/11	2011/12		2012/13	2013/14	2014/15	
<b>R million</b>									
Programme Management for Asset and Liability Management	22.7	12.0	13.3	14.3	15.1	15.8	12.2		
State Owned Entity Financial Management and Governance	11.9	13.9	19.1	23.2	26.7	28.1	29.6		
Government Debt Management	10.5	11.2	13.7	14.9	17.8	18.7	19.6		
Financial Operations	11.0	10.1	13.9	15.4	17.7	18.1	18.5		
Strategy and Risk Management	6.4	6.0	7.3	8.1	9.3	9.7	10.3		
Financial Investments	10 000.0	31 000.0	20 746.7	750.0	200.0	300.0	500.0		
<b>Total</b>	<b>10 062.5</b>	<b>31 053.2</b>	<b>20 813.9</b>	<b>825.9</b>	<b>286.6</b>	<b>390.3</b>	<b>590.3</b>		
Change to 2011 Budget estimate				3.3	210.4	312.0	500.0		
<b>Economic classification</b>									
<b>Current payments</b>	<b>61.9</b>	<b>53.1</b>	<b>66.5</b>	<b>75.3</b>	<b>85.9</b>	<b>89.7</b>	<b>90.1</b>		
Compensation of employees	33.4	38.1	47.5	56.6	65.8	69.1	72.9		
Goods and services	28.5	15.0	19.1	18.7	20.1	20.6	17.2		
of which:									
Computer services	2.5	2.1	6.6	5.2	6.2	6.7	4.7		
Consultants and professional services: Business and advisory services	17.0	6.5	7.7	8.5	7.5	7.2	5.3		
Lease payments	0.1	0.2	0.2	0.2	0.2	0.2	0.2		
Travel and subsistence	2.6	1.9	2.4	2.1	2.8	3.2	3.6		
<b>Transfers and subsidies</b>	<b>-</b>	<b>-</b>	<b>0.0</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>		
Households	-	-	0.0	-	-	-	-		

## PROGRAMME 4: ASSET AND LIABILITY MANAGEMENT - cont

Subprogramme	Audited outcome		Adjusted appropriation	Medium-term expenditure estimate		
	2008/09	2009/10		2010/11	2012/13	2013/14
<b>R million</b>						
<b>Payments for capital assets</b>	<b>0.6</b>	<b>0.1</b>	<b>0.6</b>	<b>0.7</b>	<b>0.6</b>	<b>0.2</b>
Machinery and equipment	0.6	0.1	0.6	0.7	0.6	0.2
<b>Payments for financial assets</b>	<b>10 000.0</b>	<b>31 000.0</b>	<b>20 746.7</b>	<b>200.0</b>	<b>300.0</b>	<b>500.0</b>
<b>Total</b>	<b>10 062.5</b>	<b>31 053.2</b>	<b>20 813.9</b>	<b>286.6</b>	<b>390.3</b>	<b>590.3</b>

### EXPENDITURE TRENDS

Expenditure decreased at an average annual rate of 56.5 per cent from R10.1 billion in 2008/09 to R825.9 million in 2011/12, primarily in payments for financial assets. This is attributed to the phasing out of the allocation to Eskom. Excluding the Eskom and Land and Agricultural Development Bank of South Africa allocations, the programme's operational expenditure increased at an average annual rate of 6.7 per cent from R62.5 million in 2008/09 to R75.9 million in 2011/12.

Over the medium term, expenditure is expected to decrease at an average annual rate of 10.6 per cent to R590.3 million. The decrease is due to a R550 million decrease in the allocation relating to the Land and Agricultural Development Bank of South Africa in 2012/13. Excluding the Land and Agricultural Development Bank of South Africa allocation, the programme's operational expenditure is expected to increase at an average annual rate of 6 per cent from R75.9 million to R90.3 million.



## PROGRAMME 5: FINANCIAL ACCOUNTING AND REPORTING

### OUTPUTS AND TARGETS

Strategic Objective	Performance Indicator	Previous Year Target	Current Year Target	Medium Term Targets		
		2011/12	2012/13	2013/14	2014/15	2015/16
<b>Sub-programme:</b> Supply Chain Management (SCM) Policy						
Maintain corporate reference data	<ul style="list-style-type: none"> <li>Fully specified SCM URS to support systems functionality and requirements at all times.</li> <li>Enhancing URS to support new system development requirements eg. Services Procurement Module</li> <li>Development of Procurement Catalogue</li> </ul>	<p>Completed SCM URS Repository</p> <p>Completed URS end specifications for the Services Procurement Module</p> <p>Acquire the Services Procurement Module</p> <p>Implement Procurement Catalogue and make available for use by all departments</p>	Ongoing maintenance and enhancement of SCM URS	Ongoing maintenance and enhancement of SCM URS	Ongoing maintenance and enhancement of SCM URS	Ongoing maintenance and enhancement of SCM URS
Implementation of the Services Procurement Module as per revised roll-out plan						
Annual Review of the Catalogue and populate new items where required						



**PROGRAMME 5: FINANCIAL ACCOUNTING AND REPORTING - cont**

Strategic Objective	Performance Indicator	Previous Year Target	Current Year Target	Medium Term Targets		
				2013/14	2014/15	2015/16
Roll out strategic sourcing principles to the public sector and assist institutions with implementation	Training material validated to assist in implementation and accreditation of service providers	2011/12	2012/13	2013/14	2014/15	2015/16
		Training material validated to assist in the implementation				
		One service provider accredited to provide training	Increase training capacity through the accreditation of service providers through Palama			
Alignment of the preferential procurement with the aims of the BBBEE Act and its related strategy	Promulgate and implement revised preferential procurement regulations	Promulgate Preferential Procurement Regulations	Monitor implementation of the revised preferential procurement regulations and provision of support where necessary	Ongoing monitoring of implementation of the revised preferential procurement regulations		
To monitor compliance to prescribe SCM processes	<ul style="list-style-type: none"> <li>Improved compliance in respect of SCM processes by Organs of State</li> </ul>	Issuance of Guides for	Complete annual reports on identified gaps and weaknesses in SCM processes and introduce remedial actions when required			
		<ul style="list-style-type: none"> <li>Demand management</li> <li>Revised Preferential Procurement Regulations</li> </ul>				
Review Statutory Framework in respect of SCM	Promulgated Revised Statutory Framework	Terms of Reference in respect of SCM Review	Draft Revised Framework for SCM	Promulgation of new Framework	Implementation of new Framework	



## PROGRAMME 5: FINANCIAL ACCOUNTING AND REPORTING - cont

### OUTPUTS AND TARGETS

Strategic Objective	Performance Indicator	Previous Year Target	Current Year Target	2013/14	2014/15	2015/16
Facilitation and management of transversal term contracts	Renewal of Transversal Contracts on due dates	20 transversal term contracts renewed.	35 transversal term contracts due for renewal during 2012/13	19 transversal term contracts due for renewal during 2013/14	34 transversal term contracts due for renewal during 2014/15	18 transversal term contracts due for renewal during 2015/16
<b>Sub-programme:</b> Financial Systems						
Maintenance of current transversal systems: BAS, FMS, Logis, Persal and Vulindlela	Percentage availability of systems during working hours	Annually provide 98% availability of systems during working hours				
Develop outstanding IFMS Modules and roll-out of Integrated Solutions to national and provincial departments	<ul style="list-style-type: none"> <li>Configure and customise the Human Resource Module (HRM) and Procurement Management Module (PMM) solutions in lead sites</li> <li>Develop Inventory Management Module (IMM)</li> <li>Develop specifications for IMM, Payroll, Fin Core, Master Data Management (MDM) and Business Intelligence (BI) solution</li> </ul>	Complete generic template in lead sites	Roll out to the rest of national and provincial government	Roll out to the rest of national and provincial government	Roll out to the rest of national and provincial government	Roll out to the rest of national and provincial government
		Complete development specifications	Complete the development of Inventory Management Module, Financial Management Module and Payroll Module	Complete the development of Inventory Management Module, Financial Management Module and Payroll Module	Complete the development of Inventory Management Module, Financial Management Module and Payroll Module	Test and quality check Payroll, FinCore, MDM, BI and Inventory Management Module

## PROGRAMME 5: FINANCIAL ACCOUNTING AND REPORTING - cont

Strategic Objective	Performance Indicator	Previous Year Target	Current Year Target	Medium Term Targets			
				2013/14	2014/15	2015/16	
<ul style="list-style-type: none"> <li>Roll out IFMS to government departments</li> </ul>		2011/12	2012/13	2013/14	2014/15	2015/16	
		Implementation at NT and DoD	Procurement Management Module implemented at national and provincial departments <sup>1</sup>	Procurement Management Module implemented at national and provincial departments <sup>1</sup>	Procurement Management Module implemented at national and provincial departments <sup>1</sup>	Procurement Management Module implemented at national and provincial departments <sup>1</sup>	Procurement Management Module implemented at national and provincial departments <sup>1</sup>
		Implementation at DPSA and Free State DoD	Human Resources Module implemented at national and provincial departments <sup>1</sup>	Human Resources Module implemented at national and provincial departments <sup>1</sup>	Human Resources Module implemented at national and provincial departments <sup>1</sup>	Human Resources Module implemented at national and provincial departments <sup>1</sup>	Human Resources Module implemented at national and provincial departments <sup>1</sup>
		Implementation at NT, DoD and 5 Limpopo Departments	Asset Management implemented at national and provincial departments <sup>1</sup>	Asset Management implemented at national and provincial departments <sup>1</sup>	Asset Management implemented at national and provincial departments <sup>1</sup>	Asset Management implemented at national and provincial departments <sup>1</sup>	Asset Management implemented at national and provincial departments <sup>1</sup>
		Development of the BI solution completed	Business Intelligence implemented at national and provincial departments <sup>1</sup>	Business Intelligence implemented at national and provincial departments <sup>1</sup>	Business Intelligence implemented at national and provincial departments <sup>1</sup>	Business Intelligence implemented at national and provincial departments <sup>1</sup>	Business Intelligence implemented at national and provincial departments <sup>1</sup>
		RFB's published for Inventory Management, Payroll and Financial Management Module	Inventory Management Module implemented at national and provincial departments <sup>1</sup>	Inventory Management Module implemented at national and provincial departments <sup>1</sup>	Inventory Management Module implemented at national and provincial departments <sup>1</sup>	Inventory Management Module implemented at national and provincial departments <sup>1</sup>	Inventory Management Module implemented at national and provincial departments <sup>1</sup>

<sup>1</sup> The rate of implementation is subject to SITAs implementation capacity for this purpose



## PROGRAMME 5: FINANCIAL ACCOUNTING AND REPORTING - cont

### OUTPUTS AND TARGETS

Strategic Objective	Performance Indicator	Previous Year Target	Current Year Target	Medium Term Targets		
				2013/14	2014/15	2015/16
<b>Sub-programme:</b> Financial Management Policy and Compliance Improvement						
To enforce compliance with public sector financial management legislation in each sphere of government	Monitor the improvement of financial management in national and provincial institutions and the submission of progress reports to Parliamentary oversight committees	Report provided to the Standing Committee On Public Accounts and to the Standing Committee on Finance in October 2011	30 September 2012	30 September 2013	30 September 2014	30 September 2015
	Monitor and report on municipal financial management and regulations to inform support initiatives and interventions for affected municipalities.	New MFMA monitoring indicators consisting of 30 indicators prepared and report produced by due date	Continued review and roll out of monitoring tools and report on progress annually			
	Conduct fraud and corruption investigations	Assisted police in numerous investigations, many resulting in successful outcomes	8 departments / municipalities / public entities	8 departments per annum		

**PROGRAMME 5: FINANCIAL ACCOUNTING AND REPORTING - cont**

Strategic Objective	Performance Indicator	Previous Year Target	Current Year Target	Medium Term Targets		
				2013/14	2014/15	2015/16
To support public sector institutions to execute their financial management functions effectively, efficiently, economically and transparently	Conduct performance audits, promote the economic procurement of goods and services and the effective and efficient utilization of state resources	2011/12 Investigations done at 20 institutions	2012/13 8 targeted departments per annum	2013/14	2014/15	2015/16
	Implementation of the recommendations of the multi-agency working group established to counter SCM fraud and corruption	Produced 16 forensic and performance reports for implementation of corrective actions.	Produce forensic and performance reports for implementation of corrective actions.			
	Conduct internal control breakdown reviews in procurement processes	-	4 financial system fraud reviews per annum			
	Develop and publish the framework for annual financial statement reporting by national and provincial departments	2012/2013 on course for publication in March 2012	2013/2014 reporting framework published by 31 March 2013	2014/2015 reporting framework published by 31 March 2014	2015/2016 reporting framework published by 31 March 2015	2016/2017 reporting framework published by 31 March 2016





## PROGRAMME 5: FINANCIAL ACCOUNTING AND REPORTING - cont

### OUTPUTS AND TARGETS

Strategic Objective	Performance Indicator	Previous Year Target	Current Year Target	Medium Term Targets		
				2013/14	2014/15	2015/16
To support public sector institutions to execute their financial management functions effectively, efficiently, economically and transparently	Develop and maintain guidelines on the Standards of GRAP	4 new guides on course for publication in March 2012	31 March 2013 for new guides Ongoing maintenance and enhancement of existing guides	31 March 2014 for new guides Ongoing maintenance and enhancement of existing guides	31 March 2015 for new guides Ongoing maintenance and enhancement of existing guides	31 March 2016 for new guides Ongoing maintenance and enhancement of existing guides
	Develop and maintain policies, frameworks and practices in line with approved reporting frameworks	16 financial management policies developed	31 March 2013 for new policies, frameworks and practices Ongoing maintenance and enhancement of existing new policies, frameworks and practices	31 March 2014 for new policies, frameworks and practices Ongoing maintenance and enhancement of existing new policies, frameworks and practices	31 March 2015 for new policies, frameworks and practices Ongoing maintenance and enhancement of existing new policies, frameworks and practices	31 March 2016 for new policies, frameworks and practices Ongoing maintenance and enhancement of existing new policies, frameworks and practices
	Develop and maintain guidelines to strengthen the monitoring and oversight responsibilities of Parliamentarians	-	31 March 2013 for development of guides			

**PROGRAMME 5: FINANCIAL ACCOUNTING AND REPORTING - cont**

Strategic Objective	Performance Indicator	Previous Year Target	Current Year Target	Medium Term Targets		
				2013/14	2014/15	2015/16
Develop and maintain fraud & corruption prevention frameworks	Develop and maintain MFMA regulations, supporting circulars and guides	Ongoing training and research on incidents of public procurement fraud and corruption	Framework 31 March 2013	4 Fraud prevention awareness workshops		
			Increased criminal charges based on PFMA and Treasury Regulations and civil recovery	Increase in reporting of cases of fraud and corruption to the National Treasury		
			Empowered law enforcement agencies in investigation and prosecution of public procurement fraud & corruption	Empowered law enforcement agencies in investigation and prosecution of public procurement fraud & corruption		
Develop and maintain a queries portal for the OAG	Develop and maintain MFMA regulations, supporting circulars and guides	Developed and drafted Financial Misconduct regulation	Ongoing maintenance and enhancement of regulations, supporting circulars and guides			
			Portal finalized by 30 September 2012	Ongoing maintenance and enhancement of portal		
						75 percent of responses concluded within 30 days



## PROGRAMME 5: FINANCIAL ACCOUNTING AND REPORTING - cont

### OUTPUTS AND TARGETS

Strategic Objective	Performance Indicator	Previous Year Target	Current Year Target	Medium Term Targets		
				2013/14	2014/15	2015/16
To support public sector institutions to execute their financial management functions effectively, efficiently, economically and transparently	Maintain and enhance the FMCMM	-	Ongoing maintenance and enhancement of the FMCMM			
	Maintain and enhance Treasury Regulation and Treasury Instructions	Draft amendments to Treasury Regulations ready for public consultation in February 2012	Ongoing maintenance and enhancement of Treasury Regulations and Treasury Instructions			
	Contribute towards development of local and international standards on accounting, auditing and risk management	Three meetings were attended and reports submitted. Comments provided on exposure drafts issued for comment.	Reports on all IPSASB meetings attended submitted within 7 days of return Comment letters submitted on 100% of documents published for comment			
	Review and respond to requests for development of financial recovery plans	All recovery plan issues were handled within 45 days of request for assistance	Recovery plans prepared within 90 days			



## PROGRAMME 5: FINANCIAL ACCOUNTING AND REPORTING - cont

Strategic Objective	Performance Indicator	Previous Year Target 2011/12	Current Year Target 2012/13	Medium Term Targets		
				2013/14	2014/15	2015/16
	Support to provincial treasuries for preparation of provincial consolidated financial statements, provincial revenue fund statements and implementation of GRAP Standards	1,024 trainees trained	200 trainees in provincial treasuries, municipalities and public entities	200 trainees in provincial treasuries, municipalities and public entities	100 trainees in provincial treasuries, municipalities and public entities	100 trainees in provincial treasuries, municipalities and public entities
	Conduct workshops/ information sessions to empower oversight structures to fulfill their responsibilities <sup>1</sup>	Participated in 2 APAC training sessions	150 participants			
	Conduct Internal audit and state of readiness quality assurance reviews to assess compliance with PFMA, MFMA, the International Standards for the Professional Practice of Internal Audit (ISPIIA) and adoption of best practice	29 internal audit reviews conducted for municipalities	12 institutions	16 institutions	20 institutions	



## PROGRAMME 5: FINANCIAL ACCOUNTING AND REPORTING - cont

### OUTPUTS AND TARGETS

Strategic Objective	Performance Indicator	Previous Year Target	Current Year Target	2013/14	2014/15	2015/16
	Strategic support plans (SSPs) to support financial management improvement in prioritized institutions	-	SSPs signed off by Head of Department and Accountant-General by September 2012	SSPs signed off by Head of Department and Accountant-General by September 2013	SSPs signed off by Head of Department and Accountant-General by September 2014	SSPs signed off by Head of Department and Accountant-General by September 2015
To facilitate capacity development for the enhancement of skills and competency levels across each sphere of government	Implementation of financial management capacity development strategy	Financial management capacity building strategy developed and consulted with stakeholders	Institutionalise PFM talent management by 31 March 2013	Implement an integrated learning matrix for PFM by 31 March 2014	Support the development and delivery of PFM related occupational qualifications by 31 March 2015	Central PFM knowledge and information system developed and implemented by 31 March 2016
			Develop and issue guidelines on structures for CFO's office, Supply Chain Management, Internal Audit and Enterprise Risk Management by 31 March 2013	Review departmental CFO's office, Supply Chain Management, Internal Audit and Enterprise Risk Management structures by 31 March 2014	Support implementation and enhancement of Performance Management and Development System (PMDS) for PFM by 31 March 2015	Establish mechanisms to institutionalise HR planning for PFM by 31 March 2016
			Develop and implement PFM internship and learnership programmes by 31 March 2013	Develop and implement PFM on-boarding programmes for current and new employees by 31 March 2014	Establish and maintain PFM learning networks by 31 March 2015	Develop and implement a talent pipeline for PFM related disciplines

<sup>1</sup>These workshops and information sessions are based on demand for such from the relevant oversight structures.

**PROGRAMME 5: FINANCIAL ACCOUNTING AND REPORTING - cont**

Strategic Objective	Performance Indicator	Previous Year Target 2011/12	Current Year Target 2012/13	2013/14	Medium Term Targets		
					2014/15	2015/16	
	Implementation of the academic support programme for Chartered Accountants Academy (CAA) and other accountants in government	18 participants	20 participants	24 participants	25 participants	25 participants	
	Facilitate knowledge sharing in financial management practices through formal platforms	774 officials were trained on the revised Public Sector Risk Management Framework. Officials were trained in 20 priority entities on the Internal Audit Framework and Guidelines	300 participants	300 participants	300 participants	300 participants	
	Facilitate opportunities for relevant officials to attain financial management competencies in municipalities		1,000 participants	1,000 participants	1,000 participants	1,000 participants	



## OUTPUTS AND TARGETS

### PROGRAMME 5: FINANCIAL ACCOUNTING AND REPORTING - cont

Strategic Objective	Performance Indicator	Previous Year Target	Current Year Target	Medium Term Targets		
				2013/14	2014/15	2015/16
<b>Sub-programme:</b> Financial Reporting for National Account						
To support public sector institutions to execute their financial management effectively, efficiently, economically and transparently	Timely and accurate publication of monthly statements of actual revenue and actual expenditure for the National Revenue Fund	All reports completed and published on time without any errors	Reports published on the last working day of each month.			
	Banking services for national government	Daily bank reconciliations performed Electronic verifications completed timeously	Daily bank reconciliation of the National Revenue Fund (NRF) Electronic verification of supplier banking details within four working days			
	Tabling of the consolidated annual financial statements for national departments and for public entities as well as annual financial statements for the RDP fund.	Consolidation completed and presented on time	31 October 2012	31 October 2013	31 October 2014	31 October 2015

**PROGRAMME 5: FINANCIAL ACCOUNTING AND REPORTING - cont**

**QUARTERLY TARGETS FOR 2012/2013**

Performance indicator	Reporting period	Annual Target	Quarterly targets	Q 1 (Apr – Jun)	Q 2 (Jul – Sep)	Q 3 (Oct – Dec)	Q 4 (Jan – Mar)
<b>Sub-programme: Supply Chain Management (SCM)</b>							
<ul style="list-style-type: none"> <li>Fully specified SCM URS to support systems functionality and requirements at all times.</li> <li>Enhancing URS to support new system development requirements eg. Services Procurement Module</li> <li>Development of Procurement Catalogue</li> </ul>	Annually	Ongoing	Ongoing maintenance	Ongoing maintenance	Ongoing maintenance	Service maintenance URS updated	Ongoing maintenance
		<ul style="list-style-type: none"> <li>Implementation of the Services Procurement Model</li> </ul>	Initiate the codification of items at the Department of Health (DoHL)	Finalise codification of items at DoHL. Initiate the codification of items at the DoD	Finalise Codification at the DoD	Facilitate training on strategic sourcing principles for provincial departments	Facilitate training on strategic sourcing principles for provincial departments
<ul style="list-style-type: none"> <li>Review of the Catalogue</li> </ul>	Annually	Increase training capacity through accreditation of service providers through PALAMA	Accredit one service provider	Facilitate training on strategic sourcing principles for national departments	Facilitate training on strategic sourcing principles for provincial departments	Facilitate training on strategic sourcing principles for provincial departments	Accredit one service provider





## PROGRAMME 5: FINANCIAL ACCOUNTING AND REPORTING - cont

### QUARTERLY TARGETS FOR 2012/2013

Performance indicator	Reporting period	Annual Target	Quarterly targets	Q 1 (Apr – Jun)	Q 2 (Jul – Sep)	Q 3 (Oct – Dec)	Q 4 (Jan – Mar)
Development and issuance of a new framework for the implementation of the revised procurement legislation		2012/13 Ongoing comprehensive review of the procurement legislation, as guided by the agreed terms of reference.	Development of Terms of Reference	Q 1 (Apr – Jun) Legislative processing	Q 2 (Jul – Sep) Ongoing	Q 3 (Oct – Dec)	Q 4 (Jan – Mar)
Improved compliance in respect of SCM Instruction Notes by Organs of State	Annually	Report on identified gaps and weaknesses in SCM	Assessment of 6 national departments	Assessment of 11 national departments	Assessment of 11 national departments	Assessment of 11 national departments	Assessment of 11 national departments
Continuous application of strategic sourcing methodologies to improve value for money		35 transversal term contracts due for renewal during 2012/13	10 transversal term contracts due for renewal	7 transversal term contracts due for renewal	8 transversal term contracts due for renewal	10 transversal contract due for renewal	
<b>Sub-programme:</b> Financial Systems							
Percentage availability of systems during working hours		Provide 98% availability of systems during working hours	>99% On target	>99% On Target	>99% On target	>99% On target	

## PROGRAMME 5: FINANCIAL ACCOUNTING AND REPORTING - cont

Performance indicator	Reporting period	Annual Target	Quarterly targets	Q 2 (Jul – Sep)	Q 3 (Oct – Dec)	Q 4 (Jan – Mar)
Configure and customise the Human Resource Module (HRM) and Procurement Management Module (PMM) solution	2012/13	Roll out to the rest of national and provincial government	Develop a Roll-out Plan for national and provincial government	Consult national and provincial departments on plan	Consult national and provincial departments on plan	Seek Cabinet approval for the Roll-out Plan
Develop Inventory Management Module (IMM) Develop specifications for IMM, Payroll, Fin Core, Master Data Management (MDM) and Business Intelligence (BI) solution		Complete the development of Inventory Management Module, Financial Management Module and Payroll Module	Conclude contract negotiations with preferred development partners	Commence development of the solutions	Continue development of the solutions	Test developed solutions
Roll out IFMS to lead and other sites		Procurement Management Module implemented at national and provincial departments <sup>1</sup>	Continue roll-out at DoD. Support and maintenance at NT			
		Human Resources Module implemented at national and provincial departments <sup>1</sup> .	Continue roll-out at Free State Dep of Education Maintenance support at DPISA			



## PROGRAMME 5: FINANCIAL ACCOUNTING AND REPORTING - cont

### QUARTERLY TARGETS FOR 2012/2013

Performance indicator	Reporting period	Annual Target	Quarterly targets	Q 1 (Apr – Jun)	Q 2 (Jul – Sep)	Q 3 (Oct – Dec)	Q 4 (Jan – Mar)
		2012/13					
		Asset Management implemented at national and provincial departments <sup>1</sup>	<ul style="list-style-type: none"> <li>Continue roll-out at DoD and Limpopo Health.</li> <li>Maintenance and support at NT and 4 Limpopo depts</li> </ul>				
		Business Intelligence implemented at national and provincial departments <sup>1</sup>	Awaiting finalisation of roll-out plan		Ongoing	Ongoing	Ongoing
		<ul style="list-style-type: none"> <li>Inventory Management Module implemented at national and provincial departments<sup>1</sup></li> <li>Payroll Module implemented at national and provincial departments<sup>1</sup></li> <li>Financial Management Module implemented at national and provincial departments<sup>1</sup></li> </ul>	Awaiting finalisation of tenders		Ongoing	Ongoing	Ongoing

<sup>1</sup>The rate of implementation is subject to SITA's implementation capacity for this purpose



## PROGRAMME 5: FINANCIAL ACCOUNTING AND REPORTING - cont

Performance indicator	Reporting period	Annual Target	Quarterly targets	Q 2 (Jul – Sep)	Q 3 (Oct – Dec)	Q 4 (Jan – Mar)
<b>Sub-programme:</b> Financial Management Policy and Compliance Improvement						
Monitor the improvement of financial management in national and provincial institutions and the submission of progress reports to Parliamentary oversight committees	Annually	September 2012	Engagement with Departments to update FMCMM.	Analysis of responses and finalisation of report Responses made available to support teams for preparation of SSPs		
Monitor and report on municipal financial management and regulations to inform support initiatives and interventions for affected municipalities.	Annually	Continued review and roll out of monitoring tools and report on progress annually	Finalise monitoring tools and report on progress. Identification of support interventions	Pilot tools in selected municipalities and report on progress Identification of support interventions	Review results of findings and report on progress Identification of support interventions	Inform invention measures and report on progress
Conduct fraud and corruption investigations	Quarterly	8 (departments / municipalities / public entities) Framework 31 March 2013	2 reports Research and development	2 reports Research and development	2 reports Research and development	2 reports Finalisation and publication



## PROGRAMME 5: FINANCIAL ACCOUNTING AND REPORTING - cont

### QUARTERLY TARGETS FOR 2012/2013

Performance indicator	Reporting period	Annual Target	Quarterly targets	Q 1 (Apr – Jun)	Q 2 (Jul – Sep)	Q 3 (Oct – Dec)	Q 4 (Jan – Mar)
Conduct performance audits, promote the economic procurement of goods and services and the effective and efficient utilization of state resources	Quarterly	2012/13 8 targeted departments per annum	Quarterly targets 2 reports	2 reports	2 reports	2 reports	2 reports
Implementation of the recommendations of the multi-agency working group established to counter SCM fraud and corruption	Quarterly	Produce forensic and performance reports for implementation of corrective actions.	2 forensic reports 2 performance audit reports	2 forensic reports 2 performance audit reports	2 forensic reports 2 performance audit reports	2 forensic reports 2 performance audit reports	2 forensic reports 2 performance audit reports
Conduct internal control breakdown reviews in procurement processes	Annually	4 financial system fraud reviews per annum	1 review	1 review	1 review	1 review	1 review

## PROGRAMME 5: FINANCIAL ACCOUNTING AND REPORTING - cont

Performance indicator	Reporting period	Annual Target	Quarterly targets	Q 2 (Jul – Sep)	Q 3 (Oct – Dec)	Q 4 (Jan – Mar)
Develop and publish the framework for the annual financial statement reporting by national and provincial departments	Annually	2012/13 2013/2014 reporting framework published by 31 March 2013			Q 3 (Oct – Dec) Publish the draft 2013/14 framework for comment	Q 4 (Jan – Mar) Finalise and publish the 2013/14 framework
Develop and maintain guidelines on the Standards of GRAP	Annually	31 March 2013 for new guides Ongoing maintenance and enhancement of existing guides	Research and identification of amendments required to existing GRAP guides	Finalisation of enhancements to existing GRAP guides	Research and development of new GRAP guides	Finalise and publish new GRAP guides
Develop and maintain policies, frameworks and practices in line with approved reporting frameworks	Annually	31 March 2013 for new policies, frameworks and practices Ongoing maintenance and enhancement of existing new policies, frameworks and practices	Research and identification of amendments required to existing policies, frameworks and practices	Research and identification of amendments required to existing policies, frameworks and practices	Research and development of amendments required to existing policies, frameworks and practices	Finalisation and publication of enhanced policies, frameworks and practices
Develop and maintain guidelines to strengthen the monitoring and oversight responsibilities of Parliamentarians	Annually	31 March 2013 for development of guides	Research and development of the guides	Research and development of the guides	Research and development of the guides	Finalisation and publication of the guides



## PROGRAMME 5: FINANCIAL ACCOUNTING AND REPORTING - cont

Performance indicator	Reporting period	Annual Target	Quarterly targets	Q 1 (Apr – Jun)	Q 2 (Jul – Sep)	Q 3 (Oct – Dec)	Q 4 (Jan – Mar)
Maintain and enhance Treasury Regulation and Treasury Instructions	Annually	2012/13 Ongoing maintenance and enhancement of Treasury Regulations and Treasury Instructions	Ongoing maintenance and enhancement of Treasury Regulations and Treasury Instructions	Ongoing maintenance and enhancement of Treasury Regulations and Treasury Instructions	Ongoing maintenance and enhancement of Treasury Regulations and Treasury Instructions	Ongoing maintenance and enhancement of Treasury Regulations and Treasury Instructions	Ongoing maintenance and enhancement of Treasury Regulations and Treasury Instructions
Contribute towards development of local and international standards on accounting, auditing and risk management	Quarterly	Reports on all IPSASB meetings attended submitted within 7 days of return Comment letters submitted on 100% of documents published for comment	1 report	1 report	1 report	1 report	1 report
Review and respond to requests for development of financial recovery plans	Ad hoc	Recovery plans prepared within 90 days	Recovery plans prepared within 90 days	Recovery plans prepared within 90 days	Recovery plans prepared within 90 days	Recovery plans prepared within 90 days	Recovery plans prepared within 90 days
Support to provincial treasuries for preparation of provincial consolidated financial statements, provincial revenue fund statements and implementation of GRAP Standards	Annually	200 trainees in provincial treasuries, municipalities and public entities	50 trainees	50 trainees	50 trainees	50 trainees	50 trainees



## PROGRAMME 5: FINANCIAL ACCOUNTING AND REPORTING - cont

### QUARTERLY TARGETS FOR 2012/2013

Performance indicator	Reporting period	Annual Target	Quarterly targets	Q 1 (Apr – Jun)	Q 2 (Jul – Sep)	Q 3 (Oct – Dec)	Q 4 (Jan – Mar)
Conduct workshops/information sessions to empower oversight structures to fulfill their responsibilities	Ad hoc	2012/13 150 participants	Ad hoc	Ad hoc			
Conduct Internal audit and state of readiness quality assurance reviews to assess compliance with PFMA, MFMA, ISPPIA and adoption of best practice	Annually	12 institutions	3 institutions	3 institutions	3 institutions	3 institutions	3 institutions
Strategic support plans (SSPs) to support financial management improvement in prioritized institutions	Annually	SSPs signed off by 30 September 2012	Implementation and monitoring against approved SSP	Implementation and monitoring against approved SSP	Implementation and monitoring against approved SSP	Revision or creation of SSPs to take into account latest Auditor-General reports for prioritized institutions	Implementation and monitoring against approved SSP
Implement risk management modeling tool	Annually	50 institutions	10 institutions	10 institutions	10 institutions	25 institutions	5 institutions
Institutionalise PFM talent management	Annually	Policies and guidelines on PFM talent pipeline developed	Assess supply and demand of PFM related skills in South Africa	Assess supply and demand of PFM related skills in South Africa	Develop policy to support recruitment of scarce and critical PFM skills		

**PROGRAMME 5: FINANCIAL ACCOUNTING AND REPORTING - cont**

Performance indicator	Reporting period	Annual Target	Quarterly targets	Q 2 (Jul – Sep)	Q 3 (Oct – Dec)	Q 4 (Jan – Mar)
Develop and issue guidelines on structures for CFO's office, Supply Chain Management, Internal Audit and Enterprise Risk Management	Annually	2012/13 Guidelines developed and issued to departments	Q 1 (Apr – Jun) Review organizational design toolkit with a view to integrate finance related components	Q 2 (Jul – Sep) Develop guidelines on CFO's office, Supply Chain Management, Enterprise Risk Management	Q 3 (Oct – Dec)	Q 4 (Jan – Mar)
	Annually	Policies and guides developed and issued for PFM internships and learnerships	Develop a guide to enhance existing internships and learnerships	Develop a policy on absorbing interns into the establishments of departments	Issue a guide on the establishment of internships and learnerships	Support 10 departments with establishment/enhancement of existing internships and learnerships
Implementation of the academic support programme for Chartered Accountants Academy (CAA) and other accountants in government	Annually	20 participants	Ongoing monitoring and support			Identification and appointment of new trainees into the CAA
Facilitate knowledge sharing in financial management practices through formal platforms		300 participants		150 participants		150 participants





**PROGRAMME 5: FINANCIAL ACCOUNTING AND REPORTING - cont**

**QUARTERLY TARGETS FOR 2012/2013**

Performance indicator	Reporting period	Annual Target	Quarterly targets			
		2012/13	Q 1 (Apr – Jun)	Q 2 (Jul – Sep)	Q 3 (Oct – Dec)	Q 4 (Jan – Mar)
Facilitate opportunities for officials to attain financial management competencies in municipalities	Annually	1,000 learners	250	250	250	250
<b>Sub-programme:</b> Financial Reporting for National Account						
Timeous and accurate publication of monthly statements of actual revenue and actual expenditure for the National Revenue Fund	Monthly	Reports published on the last working day of each month.	Ongoing			
	Daily	Daily bank reconciliation of the National Revenue Fund (NRF)	Ongoing			
Banking services for national government	Ad hoc	Electronic verification of supplier banking details within four working days				



**PROGRAMME 5: FINANCIAL ACCOUNTING AND REPORTING - cont**

Performance indicator	Reporting period	Annual Target	Quarterly targets	Q 2 (Jul – Sep)	Q 3 (Oct – Dec)	Q 4 (Jan – Mar)
Tabling of the consolidated annual financial statements for national departments and for public entities as well as annual financial statements for the RDP fund.	Annually	2012/13 31 October 2012	Q 1 (Apr – Jun)			





## PROGRAMME 5: FINANCIAL ACCOUNTING AND REPORTING - cont

### RESOURCE PLAN: EXPENDITURE ESTIMATES

Subprogramme	Audited outcome					Adjusted appropriation	Medium-term expenditure estimate			
	2008/09	2009/10	2010/11	2011/12	2012/13		2013/14	2014/15		
<b>R million</b>										
Programme Management for Financial Systems and Accounting	15.4	11.7	7.2	11.3	10.8	11.6	12.3			
Supply Chain Policy	20.8	30.6	31.6	40.0	45.0	47.0	50.5			
Financial Systems	250.5	373.4	362.0	385.5	405.9	437.5	450.7			
Financial Reporting for National Accounts	53.2	64.8	71.1	83.6	85.0	87.8	93.1			
Financial Management Policy and Compliance Improvement	29.3	42.4	65.7	97.8	109.3	116.1	121.5			
Audit Statutory Bodies	106.4	19.6	21.4	29.9	30.2	49.3	52.3			
Service Charges: Commercial Banks	0.1	0.2	0.1	0.2	0.2	0.2	0.2			
<b>Total</b>	<b>475.7</b>	<b>542.7</b>	<b>559.1</b>	<b>648.2</b>	<b>686.3</b>	<b>749.5</b>	<b>780.6</b>			
Change to 2011 Budget estimate				(10.0)	(4.0)	9.3	-			
<b>Economic classification</b>										
<b>Current payments</b>	<b>279.0</b>	<b>310.2</b>	<b>325.1</b>	<b>407.2</b>	<b>279.9</b>	<b>320.0</b>	<b>325.8</b>			
Compensation of employees	64.1	90.4	108.5	138.2	151.5	159.2	169.1			
Goods and services	214.9	219.8	216.6	269.0	128.3	160.8	156.8			
of which:										
Computer services	168.9	183.1	173.5	200.6	55.2	82.2	74.5			
Consultants and professional services: Business and advisory services	5.0	11.6	18.9	34.2	43.6	48.1	50.4			
Lease payments	0.6	0.5	0.4	0.5	0.5	0.5	0.5			
Travel and subsistence	6.3	5.6	6.2	9.3	8.1	8.3	8.8			
<b>Transfers and subsidies</b>	<b>134.1</b>	<b>52.8</b>	<b>62.2</b>	<b>73.6</b>	<b>71.9</b>	<b>90.9</b>	<b>96.3</b>			
Departmental agencies and accounts	134.1	52.8	61.7	73.2	71.9	90.9	96.3			

## PROGRAMME 5: FINANCIAL ACCOUNTING AND REPORTING - cont

Households	-	-	0.4	-	-	-	-	-
Payments for capital assets	62.6	179.7	167.4	334.5	338.6	358.5		
Machinery and equipment	2.9	2.2	2.8	168.8	170.7	180.8		
Software and other intangible assets	59.7	177.5	164.6	165.8	167.9	177.7		
<b>Total</b>	<b>475.7</b>	<b>542.7</b>	<b>648.2</b>	<b>686.3</b>	<b>749.5</b>	<b>780.6</b>		
<b>Details of selected transfers and subsidies</b>								
<b>Departmental agencies and accounts</b>								
<b>Departmental agencies (non-business entities)</b>								
<b>Current</b>	<b>134.1</b>	<b>52.8</b>	<b>61.7</b>	<b>71.9</b>	<b>90.9</b>	<b>96.3</b>		
Accounting Standards Board	7.4	7.2	7.5	9.5	9.9	10.5		
Independent Regulatory Board for Auditors	20.3	22.0	29.3	32.2	31.6	33.5		
Institute for Public Finance and Auditing	-	3.9	-	-	-	-		
Public Administration Leadership and Management Academy	-	-	3.4	-	-	-		
Auditor-General of South Africa	106.4	19.6	21.4	30.2	49.3	52.3		

### EXPENDITURE TRENDS

Between 2008/09 and 2011/12, expenditure increased at an average annual rate of 10.9 per cent from R475.7 million to R648.2 million, mainly due to the increase in the programme's establishment, the Chartered Accountants Academy (CAA) and the Specialised Audit Services unit as well as for the costs of formulating the financial management capability maturity model. Also contributing to the increase is the phased implementation of the integrated financial management system project and the ongoing maintenance work on the legacy systems, such as the basic accounting system, Logis, Peral and Vulindlela.

Over the medium term, expenditure is expected to increase at an average annual rate of 6.4 per cent to R780.6 million, mainly due to enhancing the capacity of the special audit services unit and the integrated financial management project. Further governance aspects, which include measures to reduce corruption, are being supported through the specialised audit services unit which has a total allocation of R125.8 million.



## PROGRAMME 6: INTERNATIONAL FINANCIAL RELATIONS

### OUTPUTS AND TARGETS

Strategic Objective	Performance Indicator	Previous Year Target 2011/12	Current Year Target 2012/13	2013/14	2014/15	2015/16
<b>Sub-programme:</b> International Economic Cooperation						
Advance South Africa's interests specifically, and that of Africa more generally, through regular strategic analysis, engagement and negotiation at financial and economic forums	Influence the development finance policy agenda	Played a leading and facilitating role at the high level forum on aid effectiveness in Busan				
		Successfully hosted WEF Africa and coordinated South African Government's participation at the WEF on Africa	Propose a re-formulated position on WEF, and particularly on WEF Africa. Support the Ministry in the co-ordination of SA's participation in WEF Africa to be held in Addis Ababa	Support the Ministry in the co-ordination of WEF Africa to be held in Cape Town		

**PROGRAMME 6: INTERNATIONAL FINANCIAL RELATIONS - cont**

Strategic Objective	Performance Indicator	Previous Year Target	Current Year Target	Medium Term Targets		
				2013/14	2014/15	2015/16
		2011/12	2012/13	2013/14	2014/15	2015/16
		Lead interdepartmental cooperation and support Presidency function as co-chair the Development Working Group; hosted one of the three DWG meetings; hosted a parallel Development Conference on Infrastructure pillar of DWG	Continue to lead interdepartmental cooperation and support Presidency function as co-chair the Development Working Group with clear positions on the agenda;	Evaluate outcomes / efficacy of the group since 2010	(to be assessed)	
	Fulfil a prominent role in capacity building initiatives in the region	Provide Secretarial support to the CABRI network of African budget officials	Support CABRI in establishing itself as an independent and standalone institution.			
	An AfDB country strategy paper (CSP) for South Africa	Commenced internal discussions on the new CSP	Finalise a new CSP	Monitor the implementation of the CSP		
	A World Bank Country Partnership Strategy for South Africa (CPS)	Commenced internal discussions on the new CPS	Finalise a new CPS	Monitor the implementation of the CPS		



## PROGRAMME 6: INTERNATIONAL FINANCIAL RELATIONS - cont

### OUTPUTS AND TARGETS

Strategic Objective	Performance Indicator	Previous Year Target	Current Year Target	Medium Term Targets		
				2013/14	2014/15	2015/16
Increase Africa's voice and enhance South Africa's contribution to (and participation in) international institutions and fora	Conclude the IMF-SA Article 4 consultation	2011/12 Pushed for intensive engagement with a widening group of stakeholders, including with key Parliamentary structures	2012/13 Explore even wider participation in this discussion process by engaging think tanks and policy caucus groups	2013/14 This is an annual process	2014/15	2015/16
	Meaningful contribution by Africa in the international policy discourse		Reformulate the Committee of Ten into an African structure that will process all African economic and financial positions that the continent takes to the G20	Lobby South Africa's position with regard to the reformulation of the C10	Formalise the C10 in terms of the new mandate and structure	(To be assessed in 2013)
	A more effective G24 as a result of leadership by South Africa within this group	Chaired the G24 and initiated reform process; hosted a technical working group to discuss effectiveness	Work with India, Mexico and Egypt to conclude the reforms and achieve greater synergy between the G24 and the G20	Work closely with Mexico on implementation	Support Egypt in its role as chair; build a partnership to deliver stronger participation and engagement by African Finance Ministers in the G24	

## PROGRAMME 6: INTERNATIONAL FINANCIAL RELATIONS - cont

Strategic Objective	Performance Indicator	Previous Year Target	Current Year Target	Medium Term Targets		
				2013/14	2014/15	2015/16
IMF reform		2011/12 Sensitised countries to our ambition to ensure that the Executive Board agreement at a global level delivers a 3rd chair for Africa; lobbied for more transparent process for IMF MD selection	2012/13 Conclude South Africa's formal acceptance of Executive Board reform; seek outcome that delivers more voice and participation by South Africa and Africa in the globally agreed Executive Board configuration; review the quota formula put forward in January 2013 by the IMF	2013/14 Assess the implications of the 15th quota review	2014/15 Seek to ensure that the outcome of the next cycle of quota review delivers greater voice and participation for South Africa and Africa	2015/16 (To be assessed in 2013)
		2011/12 Lobbied IDA deputies and got agreement to set up four working groups of the International Development Association (IDA); co-chair of Inclusive Growth working group	2012/13 Present output to the membership at the IDA16 mid-term review	2013/14 Develop policy proposals for the next round of WB reforms	2014/15 Lobby countries on SA position	2015/16 Secure WB reform outcome that delivers more voice and participation for South Africa and Africa
	World Bank reform					



## PROGRAMME 6: INTERNATIONAL FINANCIAL RELATIONS - cont

### OUTPUTS AND TARGETS

Strategic Objective	Performance Indicator	Previous Year Target	Current Year Target	Medium Term Targets			
				2013/14	2014/15	2015/16	
Lead reform of the governance and administration structures of African institutions	Progressive and effective governance structures of key African institutions	2011/12	2012/13	2013/14	2014/15	2015/16	
		Played a prominent role as Chair of the Finance Sub-Committee and member of the Finance Committee of SADC	Alignment of greater proportion of SADC expenditure to regional integration projects	Use role within the Finance Committee to address spending inefficiencies and ensure alignment of resource allocation with regional priorities.			
		National consultations commenced on the permanent management of the South Africa of the SACU Common Revenue Pool (CRP)	Arrangements around the permanent management of the CRP finalised and MOU concluded	CRP established as a standalone account with the SARB			
	Commenced national consultations on the governance and administration functioning of the African Union Commission	Develop a South African position on the governance and administration of the AUC, in consultation with relevant stakeholders	Collaborate with relevant government departments in maintaining an effective and efficient AUC	Ongoing			



## PROGRAMME 6: INTERNATIONAL FINANCIAL RELATIONS - cont

Strategic Objective	Performance Indicator	Previous Year Target	Current Year Target	Medium Term Targets		
				2013/14	2014/15	2015/16
Promote integration and strengthen links with Africa by creating an enabling environment for economic activity	Increased voice and enlarged shareholding for South Africa in African Multilateral Institutions	2011/12	2012/13	2013/14	2014/15	2015/16
		Increased SA's shareholding in the African Development Bank to 4.8%	Buy more shares as and when they become available to reach shareholding target approved by Cabinet	Utilise the Regional Resource Centre to promote the regions key priorities		
Promote integration and strengthen links with Africa by creating an enabling environment for economic activity	New SACU revenue-sharing formula (RSF) operational	South Africa nominated by the African Development Bank to pilot their Regional Resource Centre	Facilitate the establishment of the AFDB Regional Resource Centre (RRC)	Implement new RSF	Ongoing	
		Reached agreement on the principles underpinning a new SACU RSF	Determine South Africa's policy position on the new RSF	Review the effectiveness of the new RSF	Review the effectiveness of the new RSF	Review the effectiveness of the new RSF
Implementation of SADC's Finance and Investment Protocol (FIP)		Status of adherence to FIP targets determined	Coordinate SA's alignment with the FIP and facilitate regional implementation			



## PROGRAMME 6: INTERNATIONAL FINANCIAL RELATIONS - cont

### OUTPUTS AND TARGETS

Strategic Objective	Performance Indicator	Previous Year Target	Current Year Target	Medium Term Targets		
				2013/14	2014/15	2015/16
Support regional trade facilitation		2011/12 Commenced consultation on the development of a South African policy on One Stop Border Posts	2012/13 Develop the policy on One-Stop Border Posts and submit to Cabinet for approval			
		Commenced national consultation on South Africa's membership to the African Export Import Bank	Finalise South Africa's membership to the Africa Export Import Bank	Enhance SA's membership and shareholding in the Africa Export Import Bank	Ongoing	Review SA's membership and shareholding
Increase the number of bilateral financial engagements with strategic economies		Commenced consultation on the development of a South African policy on One Stop Border Posts	Further negotiations with the Angolan authorities on areas of closer cooperation			
		Commenced national consultation on South Africa's membership to the African Export Import Bank	Identify pilot projects for implementation	Implement the project	Monitor and Evaluate the project	

**PROGRAMME 6: INTERNATIONAL FINANCIAL RELATIONS - cont**

Strategic Objective	Performance Indicator	Previous Year Target	Current Year Target	Medium Term Targets		
				2013/14	2014/15	2015/16
		2011/12 Commenced national consultations on the implementation of the Angolan Declaration of Intent	2012/13 Further discussions on areas of possible technical assistance			
		Commenced initial discussions with Angolan authorities on areas of opportunity within the ambit of the Declaration of Intent	Develop a policy with regard to financial and technical assistance to African countries	Identify areas of closer cooperation with African economies in accordance with South Africa's strategic priorities. Implement the policy		
			Establish a formalised forum with the exchange of information on key African economies with relevant South African interlocutors	Ensure effective utilisation of the forum to advance South Africa's national priorities as it pertains to the continent		
		Commenced negotiations with Swaziland on possible financial and technical assistance	Establish a roundtable with key African Finance Ministries for the exchange of policy information	Ensure effective utilisation of the network for information sharing and capacity building		



## PROGRAMME 6: INTERNATIONAL FINANCIAL RELATIONS - cont

### QUARTERLY TARGETS FOR 2012/2013

Performance Indicator	Reporting Period	Annual Target	Quarterly targets			
			Q 1 (Apr – Jun)	Q 2 (Jul – Sep)	Q 3 (Oct – Dec)	Q 4 (Jan – Mar)
<b>Sub-programme:</b> International Economic Cooperation						
Influence the development finance policy agenda	Bi-annually	Formulate South Africa's position to be taken to WEF Davos				Draft the position document for the WEF in Davos in consultation with the WEF interdepartmental task team
		Formulate South Africa's position to be taken to the WEF on Africa	Draft the position document for the WEF on Africa, in consultation with the WEF interdepartmental task team			
		Continue to lead on interdepartmental cooperation and support Presidency function as co-chair the Development Working Group with clear positions on the agenda;	Ensure that the positions developed by the Interdepartmental Task Team on the DWG are advanced at the Los Cabos Summit	Review the outcomes of the Summit and identify priorities for the incoming chair	Advance this emphasis at the final meeting of the G20 DWG of 2012 and Mexico's Presidency	Review the priorities that are set by the incoming chair and prepare a consolidated response
A World Bank Country Partnership Strategy for South Africa (CPS)		Finalise a new CPS	Conclude the completion report of the current CPS	Review lessons learnt from the current CPS and undertake domestic consultations	Review lessons learnt from the current CPS and undertake domestic consultations	Submit draft new CPS to Cabinet

## PROGRAMME 6: INTERNATIONAL FINANCIAL RELATIONS - cont

Performance Indicator	Reporting Period	Annual Target	Quarterly targets			
			Q 1 (Apr – Jun)	Q 2 (Jul – Sep)	Q 3 (Oct – Dec)	Q 4 (Jan – Mar)
Fulfil a prominent role in capacity building initiatives in the region		2012/13 Enable the CABRI Secretariat to plan and manage the 8th Annual Seminar to be held in Bamako, Mali; and the projects and programmes approved by the network's Management Committee	Successful Annual Seminar	CABRI established as an independent entity - separate from the National Treasury		
An AfDB country strategy paper (CSP) for South Africa		Finalise a new CSP	Finalise consultations with the AfDB and the key stakeholders	Commence with the drafting process of the CSP	Ministerial and Cabinet approval obtained	Presentation to Parliament
Conclude the IMF-SA Article 4 consultation		Explore even wider participation in this discussion process by engaging think tanks and policy caucus groups	Table a proposal with the IMF to broaden the consultation process		Host an event during the Staff Mission to discuss the analysis and recommendations of the Article 4	
A more effective G24 as a result of leadership by South Africa within this group		Work India, Mexico and Egypt to conclude the reforms and get especially greater synergy between the G24 and the G20	Meet bilaterally with the current chair of the G24	Work through the secretariat and constituency office to push for G20 agenda in the G24	Ensure that key outcomes at G20 level are reflected in the final communique; lobby for Ministerial participation in Tokyo	Present the outcomes of the Global Forum meeting at the G24 TGM
Meaningful contribution by Africa in the international policy discourse		Reformulate the Committee of Ten (C10) into an African structure that will process all African economic and financial positions that the continent takes to the G20		Ministerial approval obtained		Begin the process of engaging C10 member states



## PROGRAMME 6: INTERNATIONAL FINANCIAL RELATIONS - cont

### QUARTERLY TARGETS FOR 2012/2013

Performance Indicator	Reporting Period	Annual Target	Quarterly targets			
			Q 1 (Apr – Jun)	Q 2 (Jul – Sep)	Q 3 (Oct – Dec)	Q 4 (Jan – Mar)
		2012/13				
		Conclude South Africa's formal acceptance of Executive Board reform; seek outcome that delivers more voice and participation for South Africa and Africa in the globally agreed Executive Board configuration; review the quota formula put forward in January 2013 by the IMF	Satisfy domestic requirements for acceptance of the final agreement; submit declaration of acceptance	Lobby for Executive Board configuration that secures a 3rd chair for South Africa ahead of the 2012 Annual Meetings	Undertake review of quota formula and present options to domestic policy decision makers	Continue review of quota formula and present options to domestic policy decision makers and initiate lobby for outcomes that best serve South Africa and Africa's interests
IMF reform		Conclude South Africa's formal acceptance of Executive Board reform; seek outcome that delivers more voice and participation for South Africa and Africa in the globally agreed Executive Board configuration; review the quota formula put forward in January 2013 by the IMF				
World Bank reform		Present output to the membership at the IDA16 mid-term review	Co-chair meeting at the Spring Meetings and get agreement on output	Meet (teleconference) with the drafting team of the WDR	Present outcomes to the MTR	

## PROGRAMME 6: INTERNATIONAL FINANCIAL RELATIONS - cont

Performance Indicator	Reporting Period	Annual Target	Quarterly targets			
			Q 1 (Apr – Jun)	Q 2 (Jul – Sep)	Q 3 (Oct – Dec)	Q 4 (Jan – Mar)
Progressive and effective governance structures of key African institutions	Annually	2012/13 Alignment of greater proportion of SADC expenditure to regional integration projects Arrangements around the permanent management of the CRP finalised and MOU concluded	Effectively participate in the SADC Finance Sub- and Committee meetings to prioritise spending on programmes related to the regional integration agenda	Approve a SADC budget that is increasingly reflective of the priorities of regional integration		
			Agreement is reached with SARB (hosting the CRP account) and SARS (transfer into the CRP). Agreement is reached with the Secretariat on its role. MOU is finalised and signed	New arrangement comes into effect		
Increased voice and engaged shareholding for South Africa in multilateral development banks and institutions	Annually	2012/13 Develop a South African position on the governance and administration of the AUC, in consultation with relevant stakeholders Purchase relinquished shares as and when they become available, in order to attain the target as directed by Cabinet	Approval obtained for South Africa's position	Draft Terms of Reference that will guide a South African mission to AU Head Offices, Addis Ababa		
			Obtain Minister's approval to purchase additional shares as and when they become available, in accordance with Cabinet's target of 6%			
		2012/13 Facilitate the establishment of the AfDB Regional Resource Centre (RRC)	Preparation for the official opening of the RRC	Strategic support to identify the regions key priority areas	Support the RCC in identifying projects and programmes for implementation	Monitor the implementation of projects identified



## PROGRAMME 6: INTERNATIONAL FINANCIAL RELATIONS - cont

### QUARTERLY TARGETS FOR 2012/2013

Performance Indicator	Reporting Period	Annual Target	Quarterly targets			
			Q 1 (Apr – Jun)	Q 2 (Jul – Sep)	Q 3 (Oct – Dec)	Q 4 (Jan – Mar)
New SACU revenue-sharing formula (RSF) operational		2012/13	Determine South Africa's policy position on the new RSF	Cabinet approval is obtained for SA position		
			Commence negotiations around a new RSF		Bilateral negotiations undertaken and common ground established	
			Identify common ground with BLNS on the new RSF			
			Reach agreement on the new RSF		Agreement is reached on a new SACU RSF.	New arrangement implemented
Implementation of SADC's Finance and Investment Protocol (FIP)		Coordinate SA's alignment with the FIP and facilitate regional implementation	Coordinate SA's alignment with the FIP and facilitate regional implementation			
A South African position on SADC's Regional Development Fund (RDF)		Finalise South African position on the SADC RDF	Policy position is developed on the SADC RDF through a process of consultations	Approval obtained for South Africa's policy position		
Support regional trade facilitation	Annually	Develop the policy on One-Stop Border Posts (OSBP) and submit to Cabinet for approval	Finalise on the TOR and appoint a consultant	Undertake national consultation on the outcome of the consultants work	Cabinet approval obtained	
		Finalise South Africa's membership to the Africa Export Import Bank	Ministerial approval obtained	Commence with the ratification and budgetary process	Finalise the ratification, signatories and budgetary process	



## PROGRAMME 6: INTERNATIONAL FINANCIAL RELATIONS - cont

Performance Indicator	Reporting Period	Annual Target	Quarterly targets				
			Q 1 (Apr – Jun)	Q 2 (Jul – Sep)	Q 3 (Oct – Dec)	Q 4 (Jan – Mar)	
Increase the number of bilateral financial engagements with strategic economies		2012/13	Task Team on the implementation of the Angola Declaration of Intent is convened				
		Further negotiations with the Angolan authorities on areas of closer cooperation	Identify pilot projects for implementation	Possible areas of cooperation are identified and pilot projects suggested			
		Identify pilot projects for implementation	Further discussions on areas of possible technical assistance				
		Develop a policy with regard to financial and technical assistance to African countries	Undertake the necessary consultation within the department. Draft the policy on financial and technical assistance	Ministerial approval obtained			
		Increased dissemination of knowledge on regional developments to key national stakeholders	Bi-annually	Establish a forum to exchange information on key African economies with relevant South African interlocutors	Establish structure, modalities and agenda for the first forum meeting	Convene the first forum meeting. Invite feedback and comments on the effectiveness of the meeting	
		Capacity building and knowledge sharing within key African economies and stakeholders	Bi-annually	Establish a roundtable to exchange policy information with key African Finance Ministries	Establish structure, modalities and agenda for the first roundtable discussion		


**PROGRAMME 6: INTERNATIONAL FINANCIAL RELATIONS - cont**
**RESOURCE PLAN: EXPENDITURE ESTIMATES**

Subprogramme	Audited outcome				Adjusted appropriation	Medium-term expenditure estimate			
	2008/09	2009/10	2010/11	2011/12		2012/13	2013/14	2014/15	
R million									
Programme Management for International Financial Relations	0.7	2.7	6.2	10.5	11.3	12.0	13.8		
International Economic Cooperation	18.8	19.9	20.4	23.6	24.4	26.0	27.8		
Common Monetary Area Compensation	362.5	409.9	397.8	403.8	602.1	653.9	693.2		
Financial and Technical Support	-	-	-	4.5	6.7	6.7	29.0		
African Development Bank and African Development Fund	93.8	57.3	55.1	225.4	241.9	268.6	284.7		
World Bank Group	68.0	68.0	68.0	135.5	135.5	129.5	148.5		
Collaborative Africa Budget Reform Initiative	-	-	1.1	1.2	1.3	1.3	1.4		
Commonwealth Fund for Technical Cooperation	3.7	3.5	3.0	4.4	4.7	5.0	0.5		
International Funding Facility for Immunisation	9.6	7.5	7.1	9.7	10.0	10.0	10.0		
Investment Climate Facility	10.2	7.6	-	-	-	-	-		
African Regional Technical Assistance Centre for Southern Africa	-	-	-	-	0.4	0.4	0.4		
<b>Total</b>	<b>567.3</b>	<b>576.4</b>	<b>558.7</b>	<b>818.7</b>	<b>1 038.2</b>	<b>1 113.3</b>	<b>1 209.3</b>		
Change to 2011 Budget estimate				6.3	(26.1)	(27.9)	0.4		
<b>Economic classification</b>									
<b>Current payments</b>	<b>19.3</b>	<b>22.5</b>	<b>26.5</b>	<b>33.9</b>	<b>35.6</b>	<b>37.8</b>	<b>41.5</b>		
Compensation of employees	11.5	14.3	16.5	22.4	25.4	26.8	29.2		
Goods and services	7.8	8.2	10.0	11.6	10.2	11.1	12.3		
of which:									
Computer services	0.0	0.1	0.0	0.0	0.0	0.0	0.0		
Consultants and professional services: Business and advisory services	0.1	0.5	0.5	0.3	0.3	0.4	0.5		

**PROGRAMME 6: INTERNATIONAL FINANCIAL RELATIONS - cont**

Subprogramme	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
	2008/09	2009/10	2010/11		2012/13	2013/14	2014/15
R million							
Travel and subsistence	5.4	4.8	5.3	7.4	5.1	5.8	7.0
<b>Transfers and subsidies</b>	<b>547.8</b>	<b>553.8</b>	<b>532.1</b>	<b>784.5</b>	<b>1 002.5</b>	<b>1 075.3</b>	<b>1 167.6</b>
Foreign governments and international organisations	547.8	553.8	532.1	784.5	1 002.5	1 075.3	1 167.6
<b>Payments for capital assets</b>	<b>0.2</b>	<b>0.1</b>	<b>0.1</b>	<b>0.2</b>	<b>0.1</b>	<b>0.1</b>	<b>0.2</b>
Machinery and equipment	0.2	0.1	0.1	0.2	0.1	0.1	0.2
<b>Total</b>	<b>567.3</b>	<b>576.4</b>	<b>558.7</b>	<b>818.7</b>	<b>1 038.2</b>	<b>1 113.3</b>	<b>1 209.3</b>
<b>Details of selected transfers and subsidies</b>							
<b>Foreign governments and international organisations</b>							
<b>Current</b>	<b>386.0</b>	<b>428.5</b>	<b>409.0</b>	<b>419.2</b>	<b>618.5</b>	<b>670.6</b>	<b>705.5</b>
Common Monetary Area compensation	362.5	409.9	397.8	403.8	602.1	653.9	693.2
Collaborative Africa Budget Reform Initiative	-	-	1.1	1.2	1.3	1.3	1.4
Commonwealth Fund for Technical Cooperation	3.7	3.5	3.0	4.4	4.7	5.0	0.5
International Funding Facility for Immunisation	9.6	7.5	7.1	9.7	10.0	10.0	10.0
Investment Climate Facility	10.2	7.6	-	-	-	-	-
African Regional Technical Assistance Centre for Southern Africa	-	-	-	-	0.4	0.4	0.4
<b>Capital</b>	<b>161.8</b>	<b>125.3</b>	<b>123.1</b>	<b>365.4</b>	<b>384.0</b>	<b>404.7</b>	<b>462.2</b>
Financial and technical support	-	-	-	4.5	6.7	6.7	29.0
African Development Bank and African Development Fund	93.8	57.3	55.1	225.4	241.9	268.6	284.7
World Bank Group	68.0	68.0	68.0	135.5	135.5	129.5	148.5



## PROGRAMME 6: INTERNATIONAL FINANCIAL RELATIONS - cont

### EXPENDITURE TRENDS

Approximately 96.2 per cent of this programme's expenditure over the seven-year period goes to transfer payments to foreign governments and international organisations for international obligations. The transfers made include those for commitments to: the common monetary area compensation, which includes Lesotho, Namibia and Swaziland; the African Development Bank and African Development Fund; and the World Bank. The significant operational cost driver for this programme is travel and subsistence due to international engagements mainly relating to the Bretton Woods institutions and the Brazil Russia, India China and South African group of countries. This programme expects to complete an evaluation of the World Bank country strategy paper in 2012/13 at a cost of R1 million.

Expenditure increased at an average annual rate of 13 per cent from R567.3 million in 2008/09 to R818.7 million in 2011/12, mainly due to the impact of Rand circulation as per the common monetary area compensation, and the recapitalisation of African Development Bank and the World Bank.

Over the medium term, expenditure is expected to increase at an average annual rate of 13.9 per cent to R1.2 billion. This is mainly due to the international commitments for the recapitalisation of the African Development Bank and the expected increase in the Rand circulation related to the common monetary area compensation agreement.

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

### OUTPUTS AND TARGETS

Strategic Objective	Performance Indicator	Previous Year Target 2011/12	Current Year Target 2012/13	Medium Term Targets		
				2013/14	2014/15	2015/16
<b>Sub-programme 1, 2 &amp; 3: Civil Pensions and Contributions to Funds (Post-Retirement Medical Benefits, Injury on Duty, Special Pensions and Other Benefits)</b>						
Timeous and accurate payment of benefits	% Payments paid on time from date receipt of application		100% of all benefits paid in the prescribed time frames PRMB – 30 days IOD – 45 days SP – 60 days	% of all benefits payments paid within the prescribed timeframes and 80% better than the agreed time PRMB – 30 days IOD – 45 days SP – 60 days	% of all benefits payments paid within the prescribed timeframes and 100% better than the agreed time	% of all benefits payments paid within the prescribed timeframes and 100% better than the agreed time
	% of benefits paid accurately (audited)		80% of quality assured payments samples were paid accurately	95% of quality assured payments samples were paid accurately	99% of quality assured payments samples were paid accurately	99% of quality assured payments samples were paid accurately
Reduction of backlog	% reduction of backlog (> 60 days) baseline.		Reduce backlog to 50% of baseline >60 days from receipt of new applications			
Improvement of customer experience QCR = Query, complaint or request	% of Calls on customer demand responded to within service level agreement		80% of calls responded to within service level agreement	95% of calls responded to within service level agreement	98% of calls responded to within service level agreement	100% of calls responded to within service level agreement
	QCR responded to within 2 days		80% of responses to clients queries processed within 2 days	90% of responses to clients queries processed within 2 days	100% of responses to clients queries processed within 2 days	



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

### OUTPUTS AND TARGETS

Strategic Objective	Performance Indicator	Previous Year Target	Current Year Target	Medium Term Targets		
				2013/14	2014/15	2015/16
	% OCR resolved within 7 days	2011/12	2012/13 80% of clients complaints resolved within 7 days	2013/14 90% of clients complaints resolved within 7 days	2014/15 100% of clients complaints resolved within 7 days	2015/16
GPAA Modernised Capabilities (Operating) and Funding Models	Defined Operating and Funding Models		Funding Model Documented	New Operating Model		
Unqualified External Audit with no matters of emphasis	10% external audit findings resolved		Unqualified audit opinion			
Enterprise Wide Risks Management (including fraud and corruption and Business Continuity management)	<ul style="list-style-type: none"> <li>% risks mitigated</li> <li>% of finalised fraud cases</li> <li>Extent of business continuity plan implementation</li> </ul>		80% risks mitigated	85% risks mitigated	90% risks mitigated	95% risks mitigated
Compliance to Stakeholder SLA's	% compliance to Stakeholder SLA performance requirements		80%	85%	90%	95%

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

Strategic Objective	Performance Indicator	Previous Year Target	Current Year Target	Medium Term Targets		
				2013/14	2014/15	2015/16
Institutionalised Key Account Management	<ul style="list-style-type: none"> <li>% level of Key Account Management</li> <li>Number of hours taken to respond to stakeholder complaints</li> <li>Number of working days taken to resolve stakeholder complaints</li> </ul>	2011/12	2012/13	2013/14	2014/15	2015/16
			<ul style="list-style-type: none"> <li>2hrs to respond</li> <li>5 working days</li> </ul>			
Deployment of applicable technology to automate processes	% Core processes Automated		% Core processes automated	% Core processes automated	% Core processes automated	% Core processes automated

**QUARTERLY TARGETS FOR 2012/2013**

Performance Indicator	Reporting Period	Annual Target	Quarterly Targets			
			Q 1 (Apr – Jun)	Q 2 (Jul – Sep)	Q 3 (Oct – Dec)	Q 4 (Jan – Mar)
<b>Sub-programme 1, 2 &amp; 3 : Civil Pensions and Contributions to Funds (Post-Retirement Medical Benefits, Injury on Duty, Special Pensions and Other Benefits)</b>						
% benefits paid within 60 of receipt of application	Monthly and quarterly	80% benefits paid within 60 of receipt of application	75%	80%	80%	80%
% of benefits paid accurately (audited)	Monthly and quarterly	80% benefits paid accurately	70%	75%	80%	80%





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

### QUARTERLY TARGETS FOR 2012/2013

Performance Indicator	Reporting Period	Annual Target 2012/13	Quarterly Targets			
			Q 1 (Apr – Jun)	Q 2 (Jul – Sep)	Q 3 (Oct – Dec)	Q 4 (Jan – Mar)
% reduction of backlog (> 60 days) baseline.	Monthly and quarterly	Reduce backlog to 50% of baseline >60 days from exit date	15%	25%	35%	50%
% of Calls on customer demand responded to within service level agreement	Monthly and quarterly	10% reduction of cases in the unclaimed account successfully traced and paid.	3% reduction	6% reduction	8% reduction	10% reduction
QCR responded to within 2 days	Monthly and quarterly	80 % responded within 2 days	75% in 2 Days	78% in 2 Days	80% in 2 Days	80% in 2 Days
% QCR resolved within 7 days	Monthly and quarterly	70 % resolved within 7 days	65% in 7 Days	67% in 7 Days	68% in 7 Days	70% in 7 Days
Defined Operating and Funding Models	Monthly and quarterly	Criteria for Operating and Funding Model defined	Operating Model defined	Funding Model defined	Operating Model documented	Funding Model documented
10% external audit findings resolved	Quarterly	100% audit findings resolved	30% resolved	55% resolved	80% resolved	100% resolved
% budget variance	Monthly and quarterly	±2% budget variance	±2% variance	±2% variance	±2% variance	±2% variance
<ul style="list-style-type: none"> <li>% risks mitigated</li> <li>% of finalised fraud cases</li> <li>Extent of business continuity plan implementation</li> </ul>	Quarterly	<ul style="list-style-type: none"> <li>80% risks mitigated</li> <li>30% open cases solved</li> <li>Plan implemented and exercised</li> </ul>	<ul style="list-style-type: none"> <li>50% mitigated</li> <li>18% solved</li> <li>Plan developed</li> </ul>	<ul style="list-style-type: none"> <li>60% mitigated</li> <li>20% solved</li> <li>Plan passed</li> </ul>	<ul style="list-style-type: none"> <li>70% mitigated</li> <li>25% solved</li> <li>Plan implemented</li> </ul>	<ul style="list-style-type: none"> <li>80% mitigated</li> <li>30% solved</li> <li>Plan maintained</li> </ul>



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

Performance Indicator	Reporting Period	Annual Target 2012/13	Quarterly Targets			
			Q 1 (Apr – Jun)	Q 2 (Jul – Sep)	Q 3 (Oct – Dec)	Q 4 (Jan – Mar)
% compliance to Stakeholder SLA performance requirements	Monthly and quarterly	95% compliance	80%	85%	90%	95%
<ul style="list-style-type: none"> <li>% level of Key Account Management</li> <li>Number of hours taken to respond to stakeholder complaints</li> <li>Number of working days taken to resolve stakeholder complaints</li> </ul>	Monthly and quarterly	<ul style="list-style-type: none"> <li>Key Account Manager Appointed</li> <li>2 hours taken to respond</li> <li>5 working days</li> </ul>	<ul style="list-style-type: none"> <li>Interviews</li> </ul>	<ul style="list-style-type: none"> <li>Appointments</li> </ul>		
			<ul style="list-style-type: none"> <li>2 Hr Response</li> <li>5 working days</li> </ul>			
% Core processes Automated	Monthly and quarterly	30% Core processes Automated	10% automated	15% automated	20% automated	30% automated
% Capability to take on new products	Monthly and quarterly	60% capability index rating (CIR)	60% CIR	60% CIR	60% CIR	60% CIR
% level of compliance to the performance Management Plan	Monthly and quarterly	60% level of compliance to the performance Management Plan	45% compliance	50% compliance	55% compliance	60% compliance
Number of MOU's to support the Benefit Process Automation	Monthly and quarterly	25% of Employer Department Staff trained	5% Trained	10% Trained	15% Trained	25% Trained
Rating on pensioner awareness and empowerment survey	Monthly and quarterly	>60% rating	>50% rating	>55% rating	>60% rating	>60% rating





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

### RESOURCE PLAN: EXPENDITURE ESTIMATES

Sub-programme	Audited outcome	Adjusted appropriation	Medium-term expenditure estimate	2011/12	2012/13	2013/14	2014/15
R million	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15
Programme Management for Civil and Military Pensions, Contributions to Funds and Other Benefits	-	-	-	2.3	2.4	2.6	2.7
Government Pensions Administration Agency	18.2	25.5	38.0	46.0	43.9	43.8	46.4
Civil Pensions and Contributions to Funds	2 158.8	4 767.7	2 495.2	3 538.0	3 102.0	3 259.5	3 455.1
Military Pensions and Other Benefits	154.3	161.9	164.6	190.6	200.1	211.4	224.0
<b>Total</b>	<b>2 331.3</b>	<b>4 955.1</b>	<b>2 697.8</b>	<b>3 776.9</b>	<b>3 348.3</b>	<b>3 517.2</b>	<b>3 728.2</b>
Change to 2011 Budget estimate				637.1	150.2	149.9	-
<b>Economic classification</b>							
<b>Current payments</b>	<b>17.9</b>	<b>25.3</b>	<b>37.9</b>	<b>48.3</b>	<b>46.3</b>	<b>46.4</b>	<b>49.1</b>
Compensation of employees	-	-	-	2.3	2.4	2.6	2.7
Goods and services	17.9	25.3	37.9	46.0	43.9	43.8	46.4
of which:							
Consultants and professional services: Business and advisory services	17.9	25.3	37.9	46.0	43.9	43.8	46.4
<b>Transfers and subsidies</b>	<b>2 313.0</b>	<b>4 929.6</b>	<b>2 659.8</b>	<b>3 728.6</b>	<b>3 302.0</b>	<b>3 470.9</b>	<b>3 679.1</b>
Foreign governments and international organisations	2.7	1.4	1.6	1.9	2.2	2.4	2.5
Non-profit institutions	-	0.1	-	0.1	0.1	0.1	0.1
Households	2 310.4	4 928.2	2 658.2	3 726.6	3 299.7	3 468.4	3 676.5
<b>Payments for financial assets</b>	<b>0.3</b>	<b>0.2</b>	<b>0.2</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total</b>	<b>2 331.3</b>	<b>4 955.1</b>	<b>2 697.8</b>	<b>3 776.9</b>	<b>3 348.3</b>	<b>3 517.2</b>	<b>3 728.2</b>





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

### EXPENDITURE TRENDS

Approximately 98.8 per cent of this programme's expenditure over the seven-year period is in transfer payments to households mainly for the Political Office Bearers Pension Fund, injury on duty and the contributions for post-retirement medical benefits. The Government Pensions Administration Agency, which is contracted as a consultant, provides administrative support to this programme.

Government's contributions to pensions, military and other benefits on behalf of retired civil servants increased at an average annual rate of 17.4 per cent from R2.3 billion in 2008/09 to R3.8 billion in 2011/12. This is mainly due to the above average increase in contributions to the Political Office Bearers Pension Fund for post-retirement medical benefits and other benefit tariffs, and increased spending on injury on duty. The post-retirement benefit payments to 76 427 beneficiaries in 2012/13 will be processed at a cost of R1.9 billion.

Over the medium term, expenditure is expected to decrease marginally to R3.7 billion, at an average annual rate of 0.4 per cent, due to additional allocations for implementing the benefit equalisation for political office bearers and the eradication of the backlog on injury on duty claims. Spending on compensation of employees is expected to increase at an average annual rate of 5.3 per cent from R2.3 million to R2.7 million, in line with inflation projections. An additional R459.4 million is allocated over the medium term for injury on duty and the Political Office Bearers Pension Fund.

## PROGRAMME 8: TECHNICAL AND MANAGEMENT SUPPORT AND DEVELOPMENT FINANCE

### OUTPUTS AND TARGETS

Strategic Objective	Performance Indicator	Previous Year Target 2011/12	Current Year Target 2012/13	Medium Term Targets 2013/14	2014/15
<b>Sub-programme:</b> Technical and Advisory Support					
Project Management Support/ Capacity Building/ Technical and Advisory Services	Percentage of clients capacity improved as a result of TAU's assistance	80.6% of clients surveyed satisfied	85% of clients surveyed satisfied	85% of clients surveyed satisfied	90% of clients surveyed satisfied
	Increased learning on effective approaches to technical support and capacity building	1 Methodology, 5 practices, 5 case studies, 2 learning sessions	2 Methodologies, 5 practices, 5 case studies, 2 learning sessions	2 Methodologies, 5 practices, 5 case studies, 3 learning sessions	2 Methodologies, 5 practices, 6 case studies, 3 learning sessions
Public Private Partnership and capital projects oversight	Expanded project appraisal methodology for capital and infrastructure projects developed		Pilot methodology drafted and approval obtained for implementation on selected projects	Methodology amended to reflect pilot project lessons learnt followed by full implementation to all projects	
	Number of projects reaching financial close		4 renewable energy projects, 1 rolling stock project	3 health projects, 2 transport projects, 5 renewable energy projects	
Infrastructure Delivery Capacity Programme	Number of Teams of Technical Assistants deployed in provinces, targeting Education, Health, Public Works and Treasuries		36 Long Term Technical Assistants (4 per province) deployed across all 9 provinces One TA deployed to DoBE Two TAs deployed to NDoH		
	Number of departments that implement the principles of the IDM Toolkit		108 people trained per province. 40% of the IDM Toolkit utilised by provinces.	144 people trained per province. 70% of the IDM Toolkit utilized by provinces.	Target reached in 2013/14 (144 people trained per province). 100% of the IDM Toolkit utilized by provinces..



## PROGRAMME 8: TECHNICAL AND MANAGEMENT SUPPORT AND DEVELOPMENT FINANCE - cont

### OUTPUTS AND TARGETS

Strategic Objective	Performance Indicator	Previous Year Target 2011/12	Current Year Target 2012/13	Medium Term Targets 2013/14	2014/15
	Number of interns/ graduates in engineering, science, town planning and project management managed and coached		250		
<b>Sub-Programme:</b> Local Government Financial Management Grant					
Financial Management Capacity Building Programme	Transfers made according to conditions	Transfers made by March 2012	Transfers made by 31 March 2013	Transfers made by 31 March 2014	Transfers made by 31 March 2015
<b>Sub-Programme:</b> Municipal Finance Improvement Programme					
Financial Management Capacity Building Programme	Number of municipalities assisted		75	85	95
	Number of provinces assisted		8	9	9
<b>Sub-Programme:</b> Neighbourhood Development Partnership Grant					
Neighbourhood Development Partnership Programme	Total number of long-term townships exposed to regeneration programme		52	55	58
	Total number of neighbourhood development partnership grant projects under construction		85	90	95
	3 <sup>rd</sup> party investment leveraged		R1.5bn	R2bn	R2.5bn

**PROGRAMME 8: TECHNICAL AND MANAGEMENT SUPPORT AND DEVELOPMENT FINANCE - cont**

Strategic Objective	Performance Indicator	Previous Year Target 2011/12	Current Year Target 2012/13	2013/14	Medium Term Targets 2014/15
<b>Sub-Programme:</b> Employment Creation Facilitation Fund					
Jobs Fund programme	Number of Sustainable job creation projects funded	13	30	40	50
	Documented and disseminated learning on effective approaches to job creation		1 learning intervention hosted, 1 case study and 1 <sup>st</sup> evaluation of the Fund <sup>1</sup>	1 learning intervention hosted, 1 case study and 1 Review	1 learning intervention hosted and 1 Review of the Fund.
	Effective governance framework and M&E tools established and implemented	Governance framework and monitoring structures in place			Programme management undertaken in accordance with governance frameworks

<sup>1</sup> Final evaluation will take place at the end of the Jobs Fund



## PROGRAMME 8: TECHNICAL AND MANAGEMENT SUPPORT AND DEVELOPMENT FINANCE - cont

### QUARTERLY TARGETS FOR 2012/2013

Performance Indicator	Reporting Period	Annual Target	Quarterly Targets	Q 1 (Apr – Jun)	Q 2 (Jul – Sep)	Q 3 (Oct – Dec)	Q 4 (Jan – Mar)
<b>Sub-programme:</b> Technical and Advisory Support							
Percentage of clients capacity improved as a result of TAU's assistance	Quarterly	85%	No survey	No survey	No survey	Start-up of survey	Survey completed
Increased learning on effective approaches to technical support and capacity building	Quarterly	1 Methodology, 5 practices, 5 case studies, 2 learning sessions	1 learning session	1 learning session	1 practice 2 case studies	1 learning session 2 practices	1 methodology 2 practices 3 case studies
Expanded project appraisal methodology for capital and infrastructure projects developed	Quarterly	Pilot methodology on selected projects	Methodology drafted and approved. Pilot projects selected	Methodology applied to pilot projects	Methodology applied to pilot projects	Methodology applied to pilot projects	Review and report on application of methodology to pilot projects
Number of projects reaching financial close	Bi-Annually	1			Progress on target project		Progress on target project



**PROGRAMME 8: TECHNICAL AND MANAGEMENT SUPPORT AND DEVELOPMENT FINANCE - cont**

Performance Indicator	Reporting Period	Annual Target	Quarterly Targets	Q 2 (Jul – Sep)	Q 3 (Oct – Dec)	Q 4 (Jan – Mar)
Teams of Technical Assistants deployed to nine provinces, targeting Education, Health, Public Works and Treasuries	Quarterly	2012/13 <ul style="list-style-type: none"> <li>36 Long Term Technical Assistants (4 per province) deployed across all 9 provinces</li> <li>One TA deployed to the Department of Basic Education</li> <li>Two TAs deployed to the national Department of Health</li> </ul>	Retaining 39 Technical Assistants	Retaining 39 Technical Assistants	Retaining 39 Technical Assistants	Retaining 39 Technical Assistants
Number of departments implementing the principles of the IDM Toolkit	Quarterly	At least 50% of provinces to be targeted	1 province	1 province	1 province	1 province
Number of interns/ graduates in engineering, science, town planning and project management managed and coached	Quarterly	250	25	50	75	100
<b>Sub-Programme:</b> Local Government Financial Management Grant						
Transfers made according to conditions	Quarterly	Transfers made by 31 March 2013		Transfer process commenced	Transfers process continues	Transfers concluded



## PROGRAMME 8: TECHNICAL AND MANAGEMENT SUPPORT AND DEVELOPMENT FINANCE - cont

### QUARTERLY TARGETS FOR 2012/2013

Performance Indicator	Reporting Period	Annual Target	Quarterly Targets			
		2012/13	Q 1 (Apr – Jun)	Q 2 (Jul – Sep)	Q 3 (Oct – Dec)	Q 4 (Jan – Mar)
<b>Sub-Programme:</b> Municipal Financial Improvement Programme						
Number of municipalities assisted	Quarterly	75	60	65	70	75
Number of provinces assisted	Quarterly	8	8	8	8	8
<b>Sub-Programme:</b> Neighbourhood Development Partnership Grant						
Total number of long-term townships regeneration programme	Quarterly	52	50	50	50	52
Total number of neighbourhood development partnership grant projects under construction	Quarterly	85	75	78	80	85
3 <sup>rd</sup> party investment leveraged	Quarterly	R1.5bn	-	-	-	R1.5bn
<b>Sub-Programme:</b> Employment Creation Facilitation Fund						
Sustainable job creation projects funded	Quarterly	30 projects implemented	5 projects	5 projects	10 projects Round 3 call for proposals opened	10 projects

**PROGRAMME 8: TECHNICAL AND MANAGEMENT SUPPORT AND DEVELOPMENT FINANCE - cont**

Performance Indicator	Reporting Period	Annual Target	Quarterly Targets	Q 2 (Jul – Sep)	Q 3 (Oct – Dec)	Q 4 (Jan – Mar)
Effective governance arrangements, frameworks and M&E tools established and implemented	Quarterly	2012/13 All governance, frameworks, management, monitoring structures in place	<p><b>Q 1 (Apr – Jun)</b></p> <p>Round 1 Call for proposals finalised. Round 2 Call for proposals closed. Advisory committee convened.</p> <ul style="list-style-type: none"> <li>• JF Logframe developed</li> <li>• Fund Strategy, Financial Management Framework, M&amp;E Plan developed and approved</li> <li>• -Electronic Grant management System (JF MIS) developed and tested</li> <li>• Implementing Agent contracted</li> </ul>	<p><b>Q 2 (Jul – Sep)</b></p> <p>Electronic Grant Management system implemented Project log frames finalised for approved projects Effective monitoring process implemented Compliant project reporting and disbursement process</p>	<p><b>Q 3 (Oct – Dec)</b></p> <p>Investment committee met according to meeting schedule. Compliant project reporting and disbursement process</p>	<p><b>Q 4 (Jan – Mar)</b></p> <p>Quality Assurance on round 2 completed Compliant project reporting and disbursement process</p>
Documented and disseminated learning on effective approaches to job creation	Quarterly	1 Case Study 1 Learning Intervention 1 Evaluation	-	1 learning intervention hosted.	1 Case Study	First evaluation of the Fund completed.



## PROGRAMME 8: TECHNICAL AND MANAGEMENT SUPPORT AND DEVELOPMENT FINANCE - cont

### TECHNICAL SUPPORT AND DEVELOPMENT FINANCE

Subprogramme	Audited outcome				Adjusted appropriation	Medium-term expenditure estimate		
	2008/09	2009/10	2010/11	2011/12		2012/13	2013/14	2014/15
<b>R million</b>								
Programme Management for Technical Support and Development Finance	127.4	144.1	124.2	178.6	158.5	182.4	193.2	
Local Government Financial Management and Skills Development Grant	180.0	300.0	364.6	423.6	478.2	524.8	555.1	
Neighbourhood Development Partnership Grant	261.6	578.1	881.8	850.0	658.1	653.0	649.5	
Gautrain Loan	-	4 200.0	-	-	-	-	-	
Municipal Finance Improvement Programme	82.0	88.5	100.7	100.0	110.0	121.5	128.8	
Employment Creation Facilitation Fund	-	-	-	2 000.0	1 000.0	2 500.0	2 000.0	
Infrastructure Grant to Provinces	-	-	-	1 089.7	-	-	-	
<b>Total</b>	<b>651.0</b>	<b>5 310.7</b>	<b>1 471.3</b>	<b>4 641.9</b>	<b>2 404.8</b>	<b>3 981.8</b>	<b>3 526.6</b>	
Change to 2011 Budget estimate				485.7	(2 251.0)	(1 725.9)	-	
<b>Economic classification</b>								
<b>Current payments</b>	<b>106.9</b>	<b>125.0</b>	<b>101.4</b>	<b>165.8</b>	<b>145.3</b>	<b>162.1</b>	<b>171.5</b>	
Compensation of employees	25.1	30.9	34.3	42.0	42.1	45.4	48.7	
Goods and services	81.8	94.1	67.1	123.8	103.3	116.7	122.8	
of which:								
Computer services	0.5	0.1	0.7	0.2	0.8	0.8	0.8	
Consultants and professional services: Business and advisory services	70.4	87.1	60.4	105.7	84.5	97.5	103.5	
Lease payments	0.2	0.2	0.2	0.1	0.1	0.1	0.1	
<b>Travel and subsistence</b>	<b>3.2</b>	<b>2.7</b>	<b>2.4</b>	<b>5.6</b>	<b>7.7</b>	<b>7.8</b>	<b>7.8</b>	
Transfers and subsidies	543.5	5 185.5	1 369.4	4 474.8	2 258.5	3 819.1	3 354.3	

**PROGRAMME 8: TECHNICAL AND MANAGEMENT SUPPORT AND DEVELOPMENT FINANCE - cont**

Subprogramme	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
	2008/09	2009/10	2010/11		2012/13	2013/14	2014/15
<b>R million</b>							
Provinces and municipalities	361.5	5 008.1	1 196.4	2 263.3	1 122.8	1 146.3	
Departmental agencies and accounts	100.1	88.9	72.4	161.4	126.5	133.5	
Higher education institutions	–	–	–	–	10.0	12.0	
Public corporations and private enterprises	82.0	88.5	100.7	2 050.0	2 559.8	2 062.5	
<b>Payments for capital assets</b>	<b>0.6</b>	<b>0.2</b>	<b>0.3</b>	<b>1.4</b>	<b>0.6</b>	<b>0.7</b>	
Machinery and equipment	0.6	0.2	0.3	1.4	0.6	0.7	
<b>Payments for financial assets</b>	<b>0.0</b>	<b>0.0</b>	<b>0.1</b>	<b>–</b>	<b>–</b>	<b>–</b>	
<b>Total</b>	<b>651.0</b>	<b>5 310.7</b>	<b>1 471.3</b>	<b>4 641.9</b>	<b>3 981.8</b>	<b>3 526.6</b>	
<b>Details of selected transfers and subsidies</b>							
<b>Departmental agencies and accounts</b>							
<b>Departmental agencies (non-business entities)</b>							
<b>Current</b>	<b>100.1</b>	<b>88.9</b>	<b>72.4</b>	<b>161.4</b>	<b>140.5</b>	<b>133.5</b>	
Project development facility trading account	–	–	3.0	23.0	21.0	23.0	
Technical assistance unit trading entity	20.0	18.9	19.4	38.4	39.5	52.2	
Neighbourhood development partnership grant	80.1	70.0	50.0	100.0	80.0	58.3	



**PROGRAMME 8: TECHNICAL AND MANAGEMENT SUPPORT AND DEVELOPMENT FINANCE - cont**

**RESOURCE PLAN: EXPENDITURE ESTIMATES**

Subprogramme	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
	2008/09	2009/10	2010/11		2012/13	2013/14	2014/15
<b>R million</b>							
<b>Higher education institutions</b>							
Current	-	-	-	-	8.0	10.0	12.0
University of Cape Town	-	-	-	-	8.0	10.0	12.0
<b>Public corporations and private enterprises</b>							
<b>Public corporations</b>							
<b>Public corporations - subsidies on products and production</b>							
Current	82.0	88.5	100.7	100.0	110.0	121.5	128.8
Development Bank of Southern Africa	82.0	88.5	100.7	100.0	110.0	121.5	128.8
<b>Public corporations and private enterprises</b>							
<b>Public corporations</b>							
<b>Other transfers to public corporations</b>							
Current	-	-	-	1 950.0	943.6	2 438.3	1 933.8
Development Bank of Southern Africa	-	-	-	1 950.0	943.6	2 438.3	1 933.8
<b>Provinces and municipalities</b>							
<b>Municipalities</b>							
<b>Municipal bank accounts</b>							
Current	180.0	300.0	364.6	423.6	478.2	524.8	555.1
Local government financial management grant	180.0	300.0	364.6	423.6	402.8	424.8	449.1
Infrastructure skills development grant	-	-	-	-	75.5	100.0	106.0
Capital	181.5	508.1	831.8	750.0	578.1	598.0	591.2
Neighbourhood development partnership grant	181.5	508.1	831.8	750.0	578.1	598.0	591.2
<b>Provinces and municipalities</b>							
<b>Provinces</b>							

## PROGRAMME 8: TECHNICAL AND MANAGEMENT SUPPORT AND DEVELOPMENT FINANCE - cont

Subprogramme	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
	2008/09	2009/10	2010/11		2012/13	2013/14	2014/15
<b>R million</b>							
<b>Provincial Revenue Funds</b>							
<b>Capital</b>	-	<b>4 200.0</b>	-	<b>1 089.7</b>	-	-	-
Infrastructure grant to provinces	-	-	-	1 089.7	-	-	-
Gautrain loan	-	4 200.0	-	-	-	-	-

### EXPENDITURE TRENDS

Expenditure increased significantly at an average annual rate of 92.5 per cent from R651 million in 2008/09 to R4.6 billion in 2011/12, due to the implementation of the Jobs Fund through the Employment Creation Facilitation Fund subprogramme. The subprogramme is allocated R1 billion in 2012/13, R2.5 billion in 2013/14 and R2 billion 2014/15. Over the medium term, it is expected that 100 000 job opportunities will be created through the implementation of projects in this subprogramme.

The Programme Management for Technical Support and Development Finance subprogramme, which includes the operational budget, increased at an average annual rate of 11.9 per cent from R127.4 million in 2008/09 to R178.6 million in 2011/12. This increase was broadly driven by the implementation of the infrastructure development improvement programme project, increase on project development facility and the technical assistance unit trading entity to support the job fund.

Over the medium term, expenditure is expected to decrease at an average annual rate of 8.8 per cent to R3.5 billion, mainly due to the focused implemented of the neighbourhood development partnership grant, which has resulted in the reduction of allocations. The medium term reduction in the neighbourhood development partnership grant allocations amount to R221.9 million in 2012/13, R202 million in 2013/14 and R256.8 million in 2014/15 and took into account the lessons learned from the previous projects. The neighbourhood development partnership grant contributed R80 million to the intermodal transport facility, a link road and an interchange in eThekweni metropolitan municipality.

Spending on the Local Government Financial Management and Skills Development Grants subprogramme, includes expenditure on the financial management grant, and the new infrastructure skills development grant which was conceptualised in 2011. Expenditure on the financial management grant has increased at an average annual rate of 33 per cent from R180 million in 2008/09 to R423.6 million. Over the medium term, the spending on the financial management grant is anticipated to increase to R449.1 million in 2014/15, at an average annual rate of 2 per cent. Meanwhile, the newly established infrastructure skills development grant is expected to increase at an average annual rate of 12.8 per cent over the medium term, with allocations of R75.5 million in 2012/13, R100 million in 2013/14 and R106 million in 2014/15. The infrastructure skills development grant aims to increase the pool of professionals in the infrastructure sector and it targets both the energy and water sector.



## ANNEXURE

### ABBREVIATIONS

<b>ACCC</b>	Anti-Corruption Coordinating Committee
<b>ADB</b>	African Development Bank
<b>ADF</b>	African Development Fund
<b>APRM</b>	African Peer Review Mechanism
<b>ASB</b>	Accounting Standards Board
<b>AU</b>	African Union
<b>BAS</b>	Basic Accounting System
<b>BIS</b>	Bank for International Settlements
<b>CFTC</b>	Commonwealth Fund for Technical Cooperation
<b>CISNA</b>	Securities and Non-banking Financial Authorities
<b>CMU</b>	Contract Management Unit
<b>CMA</b>	Common Monetary Area
<b>CPD</b>	Corporation for Public Deposits
<b>DBSA</b>	Development Bank of Southern Africa
<b>DCIS</b>	Development Corporation Information System
<b>DFI</b>	Development Finance Institution
<b>DORA</b>	Division of Revenue Act
<b>DPE</b>	Department of Public Enterprises
<b>DPSA</b>	Department of Public Service and Administration
<b>EU</b>	European Union
<b>FATF</b>	Financial Action Task Force
<b>FFC</b>	Financial and Fiscal Commission
<b>FIC</b>	Financial Intelligence Centre
<b>FMS</b>	Financial Management System
<b>FOSAD</b>	Forum of SA Directors-General
<b>FSB</b>	Financial Services Board
<b>G20</b>	Group of Twenty Countries
<b>G24</b>	Group of Twenty-Four Countries
<b>GAMAP</b>	Generally Accepted Municipal Accounting Practices
<b>GCC</b>	Guarantee Certification Committee
<b>GCIS</b>	Government Communications and Information System
<b>GDS</b>	Growth and Development Summit
<b>GPAA</b>	Government Pensions Administration Agency
<b>GEPF</b>	Government Employees Pension Fund
<b>GFECRA</b>	Gold and Foreign Exchange Contingency Reserve Account
<b>GRAP</b>	Generally Recognised Accounting Practices
<b>HSRC</b>	Human Sciences Research Council
<b>IAS</b>	International Accounting Standards
<b>ICASA</b>	Independent Communications Authority of South Africa
<b>IDC</b>	International Development Cooperation
<b>IFAC</b>	International Federation of Accountants
<b>IFMS</b>	Integrated Financial Management Systems
<b>IJS</b>	Integrated Justice Sector
<b>IMF</b>	International Monetary Fund
<b>IMFC</b>	International Monetary and Financial Committee
<b>IOSCO</b>	International Organisation of Securities Commissions



<b>IPFA</b>	Institute for Public Finance and Auditing
<b>IPSAS</b>	International Public Sector Accounting Standards
<b>ISDA</b>	International Swaps and Derivatives Association
<b>LRAD</b>	Land Reform for Agricultural Development
<b>MFI</b>	Micro-Finance Intermediaries
<b>MFMA</b>	Municipal Financial Management Act
<b>MFMTAP</b>	Municipal Finance Management Technical Assistance Project
<b>MIG</b>	Municipal Infrastructure Grant
<b>MOU</b>	Memorandum of Understanding
<b>MSP</b>	Master Systems Plan
<b>MTEF</b>	Medium-Term Expenditure Framework
<b>MTSF</b>	Medium-Term Strategic Framework
<b>MYPD</b>	Multi-Year Price Determination
<b>NCOP</b>	National Council of Provinces
<b>NEDLAC</b>	National Economic Development and Labour Council
<b>NEPAD</b>	New Partnership for Africa's Development
<b>NERSA</b>	National Energy Regulator of South Africa
<b>NERT</b>	National Energy Response Team
<b>NIA</b>	National Intelligence Agency
<b>OAG</b>	Office of the Accountant-General
<b>PIC</b>	Public Investment Corporation
<b>PFMA</b>	Public Finance Management Act
<b>PPP</b>	Public-Private Partnerships
<b>PPPFA</b>	Preferential Procurement Policy Framework Act
<b>RDP</b>	Reconstruction and Development Programme
<b>REDS</b>	Regional Electricity Distributors
<b>RMF</b>	Risk Management Framework
<b>SACU</b>	Southern African Customs Union
<b>SADC</b>	Southern African Development Community
<b>SAFCOL</b>	SA Forestry Company Limited
<b>SANReN</b>	South African Research Network
<b>SAPS</b>	South African Police Services
<b>SAPO</b>	South African Post Office
<b>SARB</b>	South African Reserve Bank
<b>SARS</b>	South African Revenue Service
<b>SASRIA</b>	South African Special Risks Insurance Association
<b>SAQA</b>	South African Qualifications Authority
<b>SCM</b>	Supply Chain Management
<b>SCOA</b>	Standard Chart of Accounts
<b>SEC</b>	US Securities and Exchange Commission
<b>SETA</b>	Sector Education and Training Authority
<b>SITA</b>	State Information Technology Agency
<b>SCOPA</b>	Standing Committee on Public Accounts
<b>SMMEs</b>	Small, Medium and Micro-Enterprises
<b>SOEs</b>	State-owned Enterprises
<b>WTO</b>	World Trade Organisation

