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## GENERAL NOTICE

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NOTICE 1846 OF 2006

NATIONAL TREASURY

### **PUBLIC FINANCE MANAGEMENT ACT, 1999: DRAFT TREASURY REGULATIONS**

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The draft Chapter 5 of the Treasury Regulations (Strategic Planning) are set out in the Schedule and are hereby published for public comment in terms of section 78 of the Public Finance Management Act (PFMA), 1999, (Act No. 1 of 1999).

Interested persons who wish to comment on the draft Treasury Regulations may submit their representations in writing before **6 January 2007** to:

**The Director-General  
National Treasury  
Private Bag X115  
PRETORIA  
0001**

All representations must be marked for the attention of **Mr Jayce Nair** and may either be posted to the above address, transmitted by fax to **086 513 0008** or by e-mail to **Jayce.Nair@treasury.gov.za**

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**SCHEDULE**

**Draft Chapter 5 of the Treasury  
Regulations for departments, trading  
entities, constitutional institutions  
and public entities**

**Issued in terms of the  
Public Finance Management Act, 1999**

**National Treasury  
Republic of South Africa  
[March 2005] December 2006**



# 5

## Strategic Planning

### 5.1 Annual preparation of strategic plans

- 5.1.1 [Each year, the] The accounting officer of an institution must prepare a strategic plan that is consistent with the period covered by the Medium Term Expenditure Framework [for the forthcoming MTEF period] for approval by the relevant executive authority.

### 5.2 Submission and contents of strategic plans

- 5.2.1 In order to facilitate the annual discussion of individual votes, accounting officers must provide [the approved strategic plan must be tabled in] Parliament or the relevant legislature with their respective institution's medium-term strategic plan, and where applicable, with its annual performance/business plan. [at least 7 days prior to the discussion of the department's budget vote.]
- 5.2.2 The strategic plan must –
- [a]** **cover a period of three years and be consistent with the institution's published medium term expenditure estimates;**
  - [a][b]** include specific Constitutional and other legislative, functional and policy mandates that indicate the output deliverables for which the institution is responsible;
  - [b][c]** include policy developments and legislative changes that influence programme spending plans over the three-year period;
  - [c][d]** include the measurable objectives, expected outcomes, programme outputs, indicators (measures) and targets of the institution's programmes ;
  - [d][e]** include details of proposed acquisitions of fixed or movable capital assets, planned capital investments and rehabilitation and maintenance of physical assets;
  - [e][f]** include details of proposed acquisitions of financial assets or capital transfers and plans for the management of financial assets and liabilities;
  - [f][g]** include multi-year projections of income and projected receipts from the sale of assets;
  - [g][h]** include details of the Service Delivery Improvement Programme;
  - [h][i]** include details of proposed information technology acquisition or expansion in reference to an information technology plan; **[and]**
  - [i][j]** for departments, include the requirements of Chapter 1, Part III B of the *Public Service Regulations, 2001* [.]; and
  - [j]** include details of specific plans that the executive authority, Parliament or the relevant provincial legislature may direct the institution to report on.
- 5.2.3 The strategic plan must form the basis for the annual reports of accounting officers as required by sections 40(1)(d) and (e) of the Act.

**5.3 Evaluation of performance [Section 27(4) read with 36(5) of the PFMA]**

- 5.3.1 The accounting officer of an institution must establish procedures for quarterly reporting to the executive authority to facilitate effective performance monitoring, evaluation and corrective action.
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