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## GOVERNMENT NOTICE

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### NATIONAL TREASURY

No. R. 146

20 February 2007

## **PUBLIC FINANCE MANAGEMENT ACT, 1999: AMENDMENT OF TREASURY REGULATIONS IN TERMS OF SECTION 76**

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The Minister of Finance has, in terms of Section 76 of the Public Finance Management Act, 1999 (Act No. 1 of 1999), amended Chapter 5 of the Treasury Regulations that were published in Government Gazette No. 27388 dated 15 March 2005 as set out in the Schedule.

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**SCHEDULE**

**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  
February 2007**



# 5

## Strategic Planning

### 5.1 Preparation of strategic plans

- 5.1.1 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 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 Parliament or the relevant legislature with their respective institution's medium-term strategic plan, and where applicable, with its annual performance plan,
- 5.2.2 Parliament or the relevant legislature should receive the plans of departments at least 10 days prior to the discussion of the department's budget vote.
- 5.2.3 The strategic plan must –
- (a) cover a period of at least three years and be consistent with the institution's published medium term expenditure estimates;
  - (b) include specific Constitutional and other legislative, functional and policy mandates that indicate the output deliverables for which the institution is responsible;
  - (c) include policy developments and legislative changes that influence programme spending plans over the MTEF period;
  - (d) include the measurable objectives, expected outcomes, programme outputs, indicators (measures) and targets of the institution's programmes;
  - (e) include details of proposed acquisitions of fixed or movable capital assets, planned capital investments and rehabilitation and maintenance of physical assets;
  - (f) include details of proposed acquisitions of financial assets or capital transfers and plans for the management of financial assets and liabilities;
  - (g) include multi-year projections of income and projected receipts from the sale of assets;
  - (h) include details of the Service Delivery Improvement Programme;
  - (i) include details of proposed information technology acquisition or expansion in reference to an information technology plan;
  - (j) for departments, include the requirements of Chapter 1, Part III B of the *Public Service Regulations, 2001*; and
  - (k) include details of specific plans that the executive authority, Parliament or the relevant provincial legislature may direct the institution to report on.
- 5.2.4 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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