

# NATIONAL TREASURY INDUCTION AND ORIENTATION STANDING COMMITTEE ON FINANCE

20 August 2019



**national treasury**

Department:  
National Treasury  
REPUBLIC OF SOUTH AFRICA

# NATIONAL TREASURY (NT) MANDATE CONTRIBUTING TO GOVERNMENT PRIORITIES SUMMARY

## Chapter 13 of the Constitution

## Chapter 2 PFMA

Enforcing transparency and effective management in respect of revenue and expenditure, assets and liabilities, public entities, and constitutional institutions

Promoting national government's fiscal policy and the coordination of its macroeconomic policy

Ensuring the stability and soundness of the financial system and financial services

Coordinating intergovernmental financial and fiscal relations

Managing the budget preparation process

**Vision:** The National Treasury is the custodian of the nation's financial resources. We hold ourselves accountable to the nation to discharge our responsibilities professionally and with humility, with the aim of promoting growth and prosperity for all. We aspire to excellence in the quality of our analysis, our advice and the execution of our financial management responsibilities. We aim to realise the full potential of South Africa's economy and people and to mobilise the resources of the state, business enterprises and the wider community in a partnership of trust and mutual respect.

**Mission:** Support economic growth and development, good governance, social progress and rising living standards through the accountable, economical, efficient, equitable and sustainable management of public finances, maintenance of macroeconomic and financial sector stability, and effective financial regulation of the economy.

## NT reports to:

### Outcome 4

Decent employment through inclusive economy Growth

### Outcome 6

An efficient, competitive and responsive economic infrastructure network.

### Outcome 8

Sustainable human settlements and improved quality of household life

### Outcome 9

A responsive, accountable, effective local government system

### Outcome 11

Create a better South Africa and contribute to a better and safer Africa and the world

### Outcome 12

An efficient, effective and development oriented public service and an empowered, fair and inclusive citizenship

**Priority 1:** Economic Transformation and Job Creation

**Priority 2:** Education, Skills and Health

**Priority 3:** Consolidating the Social Wage through Reliable and Quality Basic Services

**Priority 4:** Spatial Integration, Human Settlements and Local Government

**Priority 5:** Social Cohesion and Safe Communities

**Priority 6:** A Capable, Ethical and Developmental State

**Priority 7:** A better Africa and World



# MANDATE OF NATIONAL TREASURY

## THE CONSTITUTION OF THE REPUBLIC OF SOUTH AFRICA (1996)

### CHAPTER 13: FINANCE

#### 216. TREASURY CONTROL

- 1) National legislation must establish a national treasury and prescribe measures to ensure both transparency and expenditure control in each sphere of government by introducing-
  - a) Generally recognised accounting practice;
  - b) Uniformed expenditure classifications; and
  - c) Uniformed treasury norms and standards
- 2) The national treasury must enforce compliance with the measures established in terms of subsection (1), and stop the transfer of funds to an organ of state if that organ of state commits a serious or persistent material breach of those measures.
- 3) A decision to stop the transfer of funds due to a province in terms of section 214(1)
  - a) May be taken only in the circumstances mentioned in subsection (2)
  - b) May be enforced immediately, but will lapse retrospectively unless Parliament approves it following a process substantially the same as that established in terms of section 76 (l) and prescribed by the joint rules and orders of Parliament. This process must be completed within 30 days of the decision by the national treasury
- 4) Parliament may renew a decision to stop the transfer of funds for no more than 120 days at a time, following the process established in terms of subsection (3).
- 5) Before Parliament may approve or renew a decision to stop the transfer of funds to a province-
  - a) the Auditor-General must report to Parliament; and
  - b) the province must be given an opportunity to answer the allegations against it, and to state its case, before a committee.

# MANDATE OF NATIONAL TREASURY

## THE CONSTITUTION OF THE REPUBLIC OF SOUTH AFRICA (1996)

### CHAPTER 13: FINANCE

#### 217. PROCUREMENT

- 1) When an organ of state in the national, provincial or local sphere of government, or any other institution identified in national legislation, contracts for goods or services, it must do so in accordance with a system which is fair, equitable, transparent, competitive and cost-effective.
- 2) Subsection (1) does not prevent the organs of state or institutions referred to in that subsection from implementing a procurement policy providing for-
  - a) categories of preference in the allocation of contracts; and
  - b) the protection or advancement of persons, or categories of persons, disadvantaged by unfair discrimination
- 3) National legislation must prescribe a framework within which the policy referred to in subsection (2) must be implemented.

Further clauses refer to:

218. Government guarantees

219. Remuneration of persons holding public office

# MANDATE OF NATIONAL TREASURY

## THE PUBLIC FINANCE MANAGEMENT ACT (PFMA)(1999) CHAPTER 2: NATIONAL TREASURY AND NATIONAL REVENUE FUND

### 6. FUNCTIONS AND POWERS.—

- 1) The National Treasury must—
  - a) promote the national government's fiscal policy framework and the coordination of macroeconomic policy;
  - b) coordinate intergovernmental financial and fiscal relations;
  - c) manage the budget preparation process;
  - d) exercise control over the implementation of the annual national budget, including any adjustments budgets;
  - e) facilitate the implementation of the annual Division of Revenue Act;
  - f) monitor the implementation of provincial budgets;
  - g) promote and enforce transparency and effective management in respect of revenue, expenditure, assets and liabilities of departments, public entities and constitutional institutions; and
  - h) perform the other functions assigned to the National Treasury in terms of this Act.
- 2) To the extent necessary to perform the functions mentioned in subsection (1), the National Treasury—
  - a) must prescribe uniform treasury norms and standards;
  - b) must enforce this Act and any prescribed norms and standards, including any prescribed standards of generally recognised accounting practice and uniform classification systems, in national departments;
  - c) must monitor and assess the implementation of this Act, including any prescribed norms and standards, in provincial departments, in public entities and in constitutional institutions;

# MANDATE OF NATIONAL TREASURY

## THE PUBLIC FINANCE MANAGEMENT ACT (PFMA)(1999) CHAPTER 2: NATIONAL TREASURY AND NATIONAL REVENUE FUND

3) [Para. (c) substituted by s. 3 of Act No. 29 of 1999.]

- a) may assist departments and constitutional institutions in building their capacity for efficient, effective and transparent financial management;
- b) may investigate any system of financial management and internal control in any department, public entity or constitutional institution;
- c) must intervene by taking appropriate steps, which may include steps in terms of section 100 of the Constitution or the withholding of funds in terms of section 216 (2) of the Constitution, to address a serious or persistent material breach of this Act by a department, public entity or constitutional
- d) may do anything further that is necessary to fulfil its responsibilities effectively.

(3) Subsections (1) (g) and (2) apply to public entities listed in Schedule 2 only to the extent provided for in this Act.

Further clauses refer to :

- 7. Banking, cash management and investment framework
- 8. Annual consolidated financial statements
- 9. Financial statistics and aggregations
- 10. Delegations by National Treasury

Part 2: National Revenue Fund

# NATIONAL TREASURY VISION AND MISSION STATEMENT

## VISION

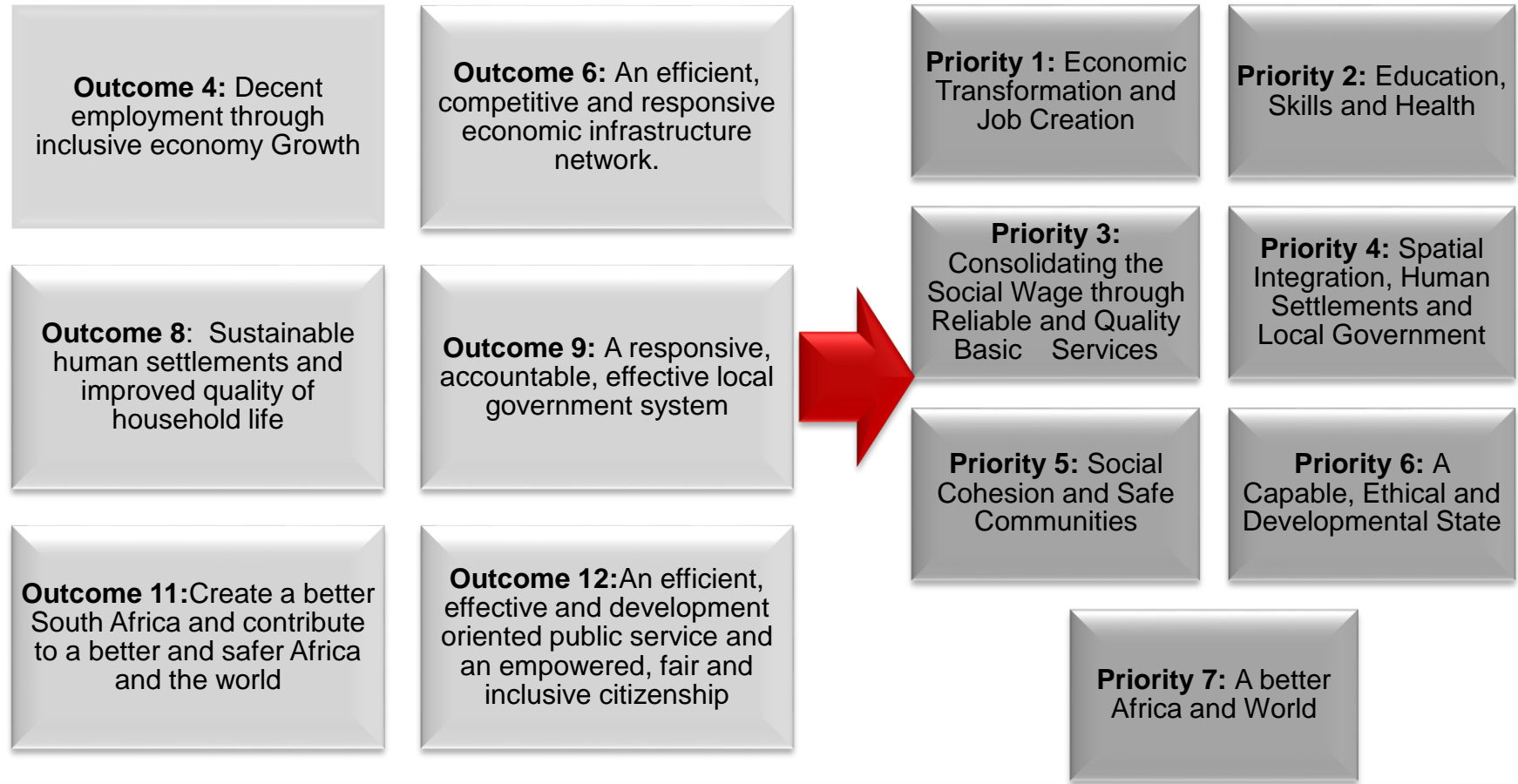
The National Treasury is the custodian of the nation's financial resources. We hold ourselves accountable to the nation to discharge our responsibilities professionally and with humility, with the aim of promoting growth and prosperity for all. We aspire to excellence in the quality of our analysis, our advice and the execution of our financial management responsibilities. We aim to realise the full potential of South Africa's economy and people and to mobilise the resources of the state, business enterprises and the wider community in a partnership of trust and mutual respect.

## MISSION

Support economic growth and development, good governance, social progress and rising living standards through the accountable, economical, efficient, equitable and sustainable management of public finances, maintenance of macroeconomic and financial sector stability, and effective financial regulation of the economy.

# NATIONAL TREASURY CONTRIBUTED TO THE 6 OUTCOMES AND WILL CONTRIBUTE TOWARDS THE 7 APEX PRIORITIES OF GOVERNMENT

- In particular





# STRUCTURE AND COMPOSITION OF PROGRAMMES SUMMARY

## **Programme 1: Administration**

*Ministry  
Office of the DG  
Corporate Services*

## **Programme 2: Economic Policy, Tax, Financial Regulation and Research**

*Economic Policy  
Tax and Fin Sec. Policy*

## **Programme 3: Public Finance and Budget Management**

*Public Finance  
Budget Office  
Intergovernmental  
Relations*

## **Programme 4 : Asset and Liability Management**

*Asset and Liability  
Management*

## **Programme 5: Financial Accounting and Supply Chain Management Systems**

*Office of the Accountant  
General  
Office of the Chief  
Procurement Officer*

## **Programme 6: International Financial Relations**

*International and Regional  
Economic Policy*

## **Programme 7: Civil and Military Pensions, Contributions to Funds & Other Benefits**

## **Programme 8: Technical Support and Development Finance**

## **Programme 9: Revenue Administration**

## **Programme 10: Financial Intelligence and State Security**

# PROGRAMME PURPOSE AND DIVISION STRUCTURE

## PROGRAMME 1

- Ensures Effective Leadership, Strategic Management And Administrative Support Services To The National Treasury Through Continuous Refinement Of Organisational Strategy And Structure In Line With Appropriate Legislation And Best Practice.

MINISTRY, OFFICE OF THE DG,  
CORPORATE SERVICES

## PROGRAMME 2

- Provide Specialist Policy Research, Analysis And Advisory Services In The Areas Of Macroeconomics, Microeconomics, The Financial Sector, Taxation And Regulatory Reform.

ECONOMIC POLICY; TAX AND  
FINANCIAL POLICY

## PROGRAMME 3

- Provide Analysis And Advice On Fiscal Policy And Public Finances, Intergovernmental Financial Relations, Expenditure Planning And Priorities. Manage Government's Annual Budget Process And Provide Public Finance Management Support

PUBLIC FINANCE, BUDGET  
OFFICE,  
INTERGOVERNMENTAL  
RELATIONS

## PROGRAMME 4

- Manage Government's Annual Funding Programme In A Manner That Ensures Prudent Cash Management, An Optimal Portfolio Of Debt And Other Fiscal Obligations. Promote And Enforce The Prudent Financial Management Of State Owned Entities Through Financial Analysis And Oversight.

ASSETS AND LIABILITIES  
MANAGEMENT

# PROGRAMME PURPOSE AND DIVISION STRUCTURE

## PROGRAMME 5

- Facilitate Governance And Accountability By Promoting And Enforcing The Transparent, Economic And Effective Management Of Revenue, Expenditure, Assets, Liabilities And Supply Chain Processes In The Public Sector

OFFICE OF THE CHIEF  
PROCUREMENT  
OFFICER, OFFICE OF THE  
ACCOUNTANT GENERAL

## PROGRAMME 6

- Manage South Africa's Interests In Shaping Regional And Global Policies That Advance The Economic, Financial And Development Objectives Of The Country And Africa.

INTERNATIONAL  
REGIONAL ECONOMIC  
POLICY

## PROGRAMME 7

- Provide For Governments Pension And Post Retirement Medical Benefit Obligations To Former Employees Of State Departments And Bodies. Provide For Similar Benefits To Retired Members Of The Military

GPAA

## PROGRAMME 8

- Provide Advisory Services, Programme Management And Development Finance Support To Improve Public Finance Management, Support High-impact Government Initiatives, Facilitate Employment Creation And Strengthen Infrastructure Planning And Delivery

GTAC

# **NATIONAL TREASURY INDUCTION AND ORIENTATION STANDING COMMITTEE ON PUBLIC FINANCE**

**THANK YOU**

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