

DRAFT UPDATED NATIONAL TREASURY STRATEGIC PLAN 2020-2025 AND ANNUAL PERFORMANCE PLAN 2020/21

JOINT MEETING OF THE STANDING AND SELECT COMMITTEE ON FINANCE

7 JULY 2020



national treasury

Department:
National Treasury
REPUBLIC OF SOUTH AFRICA



STRUCTURE AND COMPOSITION OF PROGRAMMES

Programme 1: Administration

Ministry

*Office of the DG
Corporate Services*

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

Economic Policy

*Tax and Financial
Sector 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: Revenue Administration

Programme 9: Financial Intelligence and State Security

ADJUSTED ALLOCATION 2020/21

PROGRAMMES	Voted (Main appropriation)	Significant and unforeseeable economic and financial events		Total special adjustments appropriation	Adjusted appropriation
		Suspension of funds	Allocation of funds		
Administration	536 925	(15 600)	-	(15 600)	521 325
Economic Policy, Tax, Financial Regulation and Research	162 409	(3 042)	-	(3 042)	159 367
Public Finance and Budget Management	3 394 365	(282 482)	-	(282 482)	3 111 883
Asset and Liability Management	124 179	(5 330)	3 000 000	2 994 670	3 118 849
Financial Accounting and Supply Chain Management Systems	1 033 835	(78 448)	-	(78 448)	955 387
International Financial Relations	6 398 588	(105 775)	-	(105 775)	6 292 813
Civil and Military Pensions, Contributions to Funds and Other Benefits	5 755 102	(172 323)	-	(172 323)	5 582 779
Revenue Administration	10 510 017	-	-	-	10 510 017
Financial Intelligence and State Security	5 207 743	(200 000)	-	(200 000)	5 007 743
Total for Programmes	33 123 163	(863 000)	3 000 000	2 137 000	35 260 163
Direct charge against the National Revenue Fund	781 986 299	-	7 187 876	7 187 876	789 174 175
Provincial equitable share	538 471 528	-	-	-	538 471 528
Debt-service costs	229 269 955	-	7 174 482	7 174 482	236 444 437
General fuel levy sharing with metropolitan municipalities	14 026 878	-	-	-	14 026 878
National Revenue Fund payments	97 937	-	13 394	13 394	111 331
Auditor-General of South Africa: Creation of direct charge	120 001	-	-	-	120 001
Total vote	815 109 462	(863 000)	10 187 876	9 324 876	824 434 338

ADJUSTED ALLOCATION 2020/21

DEPARTMENT: National Treasury		2020/21 Allocation amount	TOTAL REDUCTION	ADJUSTED ALLOCATION
Name of programme/sub-programme/ project/conditional grant/entity/ other transfer recipient	Economic classification	as included in 2020 App Bill (R thousand)	Suspension of funds (COVID-19)	
Municipal Finance Improvement Programme	Goods and services	156 749	(10 189)	146 560
Infrastructure Delivery Improvement Programme	Goods and services	33 673	(11 000)	22 673
Cities Support Programme	Goods and services	70 292	(18 000)	52 292
Employment Creation Facilitation Fund- Goods and Services	Goods and services	93 000	(13 000)	80 000
Office of the Chief Procurement Officer	Goods and services	88 385	(37 130)	51 255
Integrated Financial Management System (IFMS)	Goods and services	256 350	(20 000)	236 350
Transversal Systems	Goods and services	324 222	(11 000)	313 222
Other: Operational budget dominated by Travel, training, venues, stationary, entertainment and consultancy services on various programmes	Goods and services	530 263	(32 979)	497 284
Travel, Training, Stationary, Venues, consultancy services under Programme 1	Goods and services	287 730	(15 600)	272 130
Travel, Training, Stationary, Venues, consultancy services under Programme 2	Goods and services	48 340	(1 000)	47 340
Municipal Revenue Improvement Programme	Goods and services	329 600	(150 000)	179 600

CONT.....ADJUSTED ALLOCATION 2020/21

DEPARTMENT: National Treasury	Economic classification	2020/21 Allocation amount as included in 2020 App Bill (R thousand)	TOTAL REDUCTION Suspension of funds (COVID-19)	ADJUSTED ALLOCATION
Name of programme/sub-programme/ project/conditional grant/entity/ other transfer recipient				
Infrastructure skills development grant	Provinces and municipalities	153 192	(7 600)	145 592
Neighbourhood development partnership grant	Provinces and municipalities	559 442	(67 692)	491 750
Injury on duty	Households	726 724	(12 323)	714 401
Political Office Bearers Pension Fund	Households	50 001	(50 001)	–
Post Retirement Medical Scheme	Households	3 868 576	(100 000)	3 768 576
Special Pension	Households	480 000	(10 000)	470 000
Secret Services	Departmental agencies and accounts	4 582 490	(200 000)	4 382 490
Common Monetary Area	Foreign governments and international organisations	1 236 685	(95 486)	1 141 199
TOTAL		13 875 714	(863 000)	13 012 714

PROCESS

Programmes currently considering amendments to the SP 2020-25 and APP 2020/21 in respect of:

- Incorporate COVID-19 interventions
- Amend planned indicators and targets to reflect the adjusted 2020/21 budget allocations
- Amend planned indicators and targets where they will be impacted on by COVID-19 prioritisation or shut-downs

Amended SP 2020-25 and APP 2020/21 to be approved by Accounting Officer, Executive Authority and submitted to Parliament for tabling

DRAFT UPDATED NATIONAL TREASURY STRATEGIC PLAN

2020-2025



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STRATEGIC OUTCOMES AND INDICATORS 2020 – 2025

Strategic Plan Pages 27-29

SP 2020-2025 PROPOSED ADJUSTMENTS: SUMMARY

OUTCOME	ADJUSTMENTS PROPOSED	ON NUMBER OF INDICATORS
Sustainable Public Finances	No	0
Coherent Economic Policy Advocated	No	0
Sound Financial Controls And Management Of Public Finances	No	0

DRAFT UPDATED NATIONAL TREASURY ANNUAL PERFORMANCE PLAN

2020/21



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DEVELOPMENT OF NEW POLICIES OR REVIEWING OF EXISTING INSTRUMENTS

Annual Performance Plan Pages 16

DRAFT LEGISLATION TO BE PROCESSED:

- Bills already tabled/passed or to be tabled in 2020/21
 - Auditing Profession Amendment Bill (tabled Feb 2020)
 - 2020/21 Division of Revenue Bill (already passed) and *two* Divisions of Revenue Amendment Bills (tabled June & to be tabled Oct 2020)
 - 2020/21 Appropriation Bill (already passed) and *two* Adjustments Appropriation Bills (tabled June & to be tabled Oct 2020)
 - Disaster Management Tax Relief and Administration Bills (tabled June 2020)
 - Financial Sector Laws Amendment Bill (to tabled in July/August 2020)
 - Financial Sector Related Levies Bill (envisaged to be tabled Aug 2020)
 - Rates and Monetary Amounts and Amendments of Revenue Laws Bill (envisaged to be tabled Sept 2020)
 - Tax Administration Laws Amendment Bill, 2020 (envisaged to tabled be Sept 2020)
 - Taxation Laws Amendment Bill, 2020 (envisaged to be tabled Sept 2020)

DEVELOPMENT OF NEW POLICIES OR REVIEWING OF EXISTING INSTRUMENTS

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DRAFT LEGISLATION TO BE PROCESSED:

- Other draft legislation
 - Municipal and Fiscal Powers and Functions Amendment Bill (*once ready, only to be tabled in 2020 in consultation with Leader of Government Business*)
 - Conduct of Financial Institutions Bill (*once ready, only to be tabled in 2020 in consultation with Leader of Government Business*)
 - Public procurement Bill (envisaged to be tabled in 2021)
 - Revised Treasury Regulations (envisaged to be published for comment in August/September 2020)

APP 2020/21 PROPOSED ADJUSTMENTS

APP 2020/21 Proposed Adjustments: Summary

PROGRAMME	ADJUSTMENTS PROPOSED	ON NUMBER OF INDICATORS
Programme 1: Administration	Yes	1
Programme 2: Economic policy, Tax, Financial Regulation and Research	No	0
Programme 3: Public Finance and Budget Management	Yes	1
Programme 4: Assets and Liability Management	No	0
Programme 5: Financial Accounting and Supply Chain Management Systems	Yes	1
Programme 6: International Financial Relations	Yes	1
Programme 7: Civil and Military Pensions, Contributions to Funds & Other Benefits	No	0

PROGRAMME 1: ADMINISTRATION

Annual Performance Plan Pages 32-36

PROVIDE STRATEGIC LEADERSHIP, MANAGEMENT AND SUPPORT SERVICES TO THE DEPARTMENT.

No.	Output Indicators	Annual Target	Quarter 1	Quarter 2	Quarter 3	Quarter 4	Proposed Amendment
1.1.4	Percentage spend of training and development budget	70%	70%	70%	70%	70%	Annual Target to be reduced

PROGRAMME 3: PUBLIC FINANCE AND BUDGET MANAGEMENT

Annual Performance Plan Pages 50-58

PROVIDE ANALYSIS AND ADVICE ON FISCAL POLICY AND PUBLIC FINANCES, INTERGOVERNMENTAL FINANCIAL RELATIONS, EXPENDITURE PLANNING AND PRIORITIES. MANAGE GOVERNMENT'S ANNUAL BUDGET PROCESS AND PROVIDE PUBLIC FINANCE MANAGEMENT SUPPORT. FACILITATE HIGH-IMPACT GOVERNMENT INITIATIVES, EMPLOYMENT CREATION AND STRENGTHEN INFRASTRUCTURE PLANNING AND DELIVERY

No.	Output Indicators	Annual Target	Quarter 1	Quarter 2	Quarter 3	Quarter 4	Proposed Amendment
3.1.6	Number of catalytic projects approved in spatially targeted areas within metropolitan cities, secondary cities and rural towns	20	5	5	5	5	Annual target to remain. Quarter 2 and 3 targets be rescheduled to Q4

PROGRAMME 5: FINANCIAL SYSTEMS AND SUPPLY CHAIN MANAGEMENT SYSTEMS

Annual Performance Plan Pages 73-77

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.

No.	Output Indicators	Annual Target	Quarter 1	Quarter 2	Quarter 3	Quarter 4	Proposed Amendment
5.1.6	Implementation of the IFMS II plan	Execution of Common Design and procurement of supporting services	Approved Common Design business case	Professional services terms of reference approved and published	Common Design initiation and execution	Common Design execution	Annual target to remain. Quarter 2 and 3 targets be rescheduled to Q4
			Contracting of Common Design	Project initiation and on-boarding of Common Design resources			

PROGRAMME 6: INTERNATIONAL FINANCIAL RELATIONS

Annual Performance Plan Pages 83 - 86

ADVOCATE FOR SOUTH AFRICA'S FINANCIAL, ECONOMIC AND DEVELOPMENTAL INTERESTS IN FORUMS REGIONALLY AND GLOBALLY.

No.	Output Indicators	Annual Target	Quarter 1	Quarter 2	Quarter 3	Quarter 4	Proposed Amendment
6.1.2	Number of advocacy forums hosted for the uptake of development finance	1	N/A	1	N/A	N/A	Annual target to remain Quarter 2 targets to be rescheduled to Q4

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