

NATIONAL TREASURY ANNUAL PERFORMANCE PLAN 2021/22

STANDING COMMITTEE ON FINANCE

4 May 2021



national treasury

Department:
National Treasury
REPUBLIC OF SOUTH AFRICA

NATIONAL TREASURY (NT) MANDATE

MTSF PRIORITIES

Chapter 13 of the Constitution

Chapter 2 PFMA

Coordinating intergovernmental financial and fiscal relations.

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.

Managing the budget preparation process.

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

Vision:

National Treasury strives to be professional, courageous and trusted, working in partnership to mobilise resources, to improve the living standards of South Africans.

We aspire to excellence in the quality of our analysis, advice and execution of our financial management responsibilities.

Mission:

As custodians of the nation's financial resources we oversee the management of public finances, we maintain the stability of the macro-economic and financial sectors and we ensure the effective financial regulation of the economy. We embrace innovation and sustainability as we strive to realise the full potential of South Africa's economy and people. In doing this, we value and invest in our staff, hold them accountable, recognise each contribution and celebrate our diversity.

NT reports to:

Priority 1

Capable, ethical and developmental state.

Priority 2

Economic transformation and job creation.

Priority 3

Education, skills and health.

Priority 5

Spatial integration, human settlements and local government.

Priority 7

A better Africa and world.



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

*Civil and Military Pensions,
Contributions to Funds and Other
Benefits*

Programme 8: Revenue Administration

Programme 9: Financial Intelligence and State Security

UPDATES TO INSTITUTIONAL POLICIES AND STRATEGIES

Annual Performance Plan Pages 9 -10

Tax Administration Laws Amendment Act 2012 (Act 21 of 2012)	The Land and Agricultural Development Bank Act 2002 (Act 15 of 2002)
Taxation Laws Amendment Act 2012 (Act 22 of 2012)	The Lotteries Act 1997 (Act 57 of 1997)
The Adjustments Appropriation Act 2012 (Act 17 of 2012)	The Lotteries Amendment Act 2013 (Act 32 of 2013)
The Appropriation Act 2012 (Act 7 of 2012)	The Municipal Finance Management Act 2003 (Act 56 of 2003)
The Co-Operative Banks Act 2007 (Act 40 of 2007)	The National Credit Act (NCA) 2005 (Act 34 of 2005)
The Credit Rating Services Act 2012 (Act 24 of 2012)	The National Gambling Act 2004 (Act 7 of 2004)
The DBSA Act 1997 (Act 13 of 1997)	The PIC Act 2004 (Act 23 of 2004)
The Division of Revenue Act 2012 (Act 5 of 2012)	The Public Finance Management Act 1999 (Act 1 of 1999)
The Division of Revenue Amendment Act 2012 (Act 18 of 2012)	The Rates and Monetary Amounts and Amendment of Revenue Laws Act 2012 (Act 13 of 2012)
The FIC Act 2001 (Act 38 of 2001)	The SARS Act 1997 (Act 34 of 1997)
The Financial Advisory and Intermediaries (FAIS) Act 2002 (Act 37 of 2002)	The South African Reserve Bank (SARB) Act 1989 (Act 90 of 1989)
The Financial Markets Act 2012 (Act 19 of 2012)	The Tax Administration Act 2011 (Act 28 of 2011)
The FSR Act 2017 (Act 9 of 2017)	

NATIONAL TREASURY'S APP 2021/22 FOCUS

Annual Performance Plan Pages 6

NT APP 2021/22 FOCUSES THE WORK OF THE DEPARTMENT IN:

- Coordination of the national budgeting process.
- Monitoring and analysing public expenditure as well as managing future spending growth and fiscal risk.
- Coordination of fiscal relations between the three spheres of government with emphasise on ensuring sound budgetary planning at provincial and local levels of government.
- Providing advice and input into tax policy, frameworks and legislation and strengthening financial sector regulation.
- Conducting of research into strategic areas of the economy to better inform the implementation of economic policy.
- Managing government's annual funding programme by way of optimally managing public debt; ensuring that government's liquidity requirements are met through effective cash management; and overseeing state owned companies to enable their achievement of government's policy objectives in a manner that is financially and fiscally sustainable.

NATIONAL TREASURY'S APP 2020/21 FOCUS

Annual Performance Plan Pages 6

NT APP 2021/22 FOCUSES THE WORK OF THE DEPARTMENT IN:

- Strengthening public sector financial management as well as improving financial management governance and compliance across all spheres of government and in government entities.
- Managing government's financial systems.
- Overseeing and improving government's supply chain management systems and making government procurement more transparent, efficient, effective and economical.
- Advancing South Africa's national economic interests, within the context of reputable international institutions dealing with economic development and facilitating regional and international cooperation.
- Supporting infrastructure development and economically integrated cities and communities.

PROGRAMME 1: ADMINISTRATION

Annual Performance Plan Pages 23 - 30

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

- Monitor the efficiency of ICT by ensuring 90% delivery against the service level agreements.
- Ensure usefulness and reliability of the reported performance information in accordance with the performance management and reporting framework by obtaining an unqualified audit opinion with 25% fewer findings than 2020/21 on financial and non-financial performance information.
- Provide support for strategic planning, performance management and reporting across the organisation.
- Ensure good governance and sound control environment by achieving level 3.5 of the risk management maturity assessment.
- Advance organisational optimisation by utilising 70% of the training and development budget in the 2020/21 financial year.
- Produce 4 quarterly progress reports on the extent of mainstreaming and institutionalisation of Women, Youth, Persons with Disabilities (WYPD) in the department through the implementation of the action plan on gender mainstreaming.

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

Annual Performance Plan Pages 35 - 38

PROVIDE SPECIALIST POLICY RESEARCH, ANALYSIS AND ADVISORY SERVICES IN THE AREAS OF MACROECONOMICS, MICROECONOMICS, THE FINANCIAL SECTOR, TAXATION AND REGULATORY REFORM.

- Publish 50 research papers through the SA-TIED programme.
- Submission of financial sector legislation for tabling in Parliament.
- Submission of tax legislation for tabling in Parliament.
- Develop 4 economic forecasts that provide reliable macro-economic projections to aid policy making.
- Produce 4 relevant micro and macro economic research outputs that contribute to the promotion of macroeconomic stability, poverty alleviation, retirement reform, social security and the development of inclusive growth and job creating policies.
- Continue to monitor external vulnerabilities facing the domestic economy and provide recommendations on how to address them and maintain macro stability thus providing a supportive environment for transformational policies.

PROGRAMME 3: PUBLIC FINANCE AND BUDGET MANAGEMENT

Annual Performance Plan Pages 44 - 51

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

- Contribute to the South African economy by developing, ensuring Cabinet authorisation of and implementing South Africa's fiscal policy and related frameworks, importantly the budget process.
- Provide fiscal policy advice by monitoring economic and fiscal trends and advising on policy options and the budget framework.
- Coordinate the national budgeting process which includes coordinating resource allocation to meet strategic priorities set by government in line with a fiscal framework that will ensure sound and sustainable financial policies.
- Introduce 3 reforms to enhance provincial and local government fiscal frameworks.
- Implement 5 township economic development strategies.
- Produce 36 infrastructure plans assessment reports to monitor the ability of provincial departments to improve their infrastructure planning.

PROGRAMME 3: PUBLIC FINANCE AND BUDGET MANAGEMENT

Annual Performance Plan Pages 44 - 51

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

- Identify and approve 20 catalytic projects in spatially targeted areas within metropolitan cities, secondary cities and rural towns to provide technical support to cities to strengthen infrastructure planning, delivery capacity and to support spatial transformation and inclusive developments.
- Produce 8 quarterly financial reports to monitor financial and conditional grant performance for all provinces.
- Ensure that requests to draft financial recovery plans are efficiently responded to within 90 days of receipt.
- Provide the Standing Committee on Appropriations with 4 high level summary reports of quarterly expenditure for all departments.
- Provide support to provincial treasuries to strengthen their oversight and address municipal finance performance failures.
- 80 technical advisors placed at National Treasury, provincial treasuries and municipalities to provide assistance to all three spheres of government to effectively perform their responsibilities regarding local government financial management compliance, support, monitoring and oversight through the Municipal Finance Improvement Programme (MFIP).

PROGRAMME 4: ASSET AND LIABILITY MANAGEMENT

Annual Performance Plan Pages 57 - 62

TO PRUDENTLY MANAGE GOVERNMENT'S FINANCIAL ASSETS AND LIABILITIES

- Exercise oversight over state owned enterprises to enable the achievement of government's policy objectives, whilst ensuring financial and fiscal sustainability.
- Ensure timely and accurate payment of government debt obligations to avoid any credit defaults.
- Finance government's gross borrowing requirement over the MTEF and minimise risk emanating from government's fiscal obligations by measuring performance and ensuring compliance with market and refinancing risk benchmarks.
- Ensure sound management of government's cash resources by meeting government's liquidity requirements at all times.
- Produce 4 reports on the management of government's contingent liabilities.

PROGRAMME 5: FINANCIAL SYSTEMS AND SUPPLY CHAIN MANAGEMENT SYSTEMS

Annual Performance Plan Pages 66 - 71

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.

- Improve governance and compliance across all spheres of government by:
 - Development of 8 norms and standards.
 - Producing 16 governance reports to provide an update to oversight structures of government on the improvement of financial management governance and compliance across all spheres and entities in government.
 - Facilitating 16 capacity development programmes across all spheres of government in order to improve financial management execution.
 - Ensuring 98% availability of transversal systems to users in line with SLA agreements.
 - Producing 10 statutory reports to improve financial management statutory compliance across all spheres and entities in government.
 - Issuing frameworks, guidelines, circulars, treasury instructions and other tools to enable proper implementation of the legislation.

PROGRAMME 5: FINANCIAL SYSTEMS AND SUPPLY CHAIN MANAGEMENT SYSTEMS

Annual Performance Plan Pages 66 - 71

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.

- Implementation of the IFMS II Plan:
 - Roll out of the generic template for accelerated implementation to Lead Sites and Pilot Sites.
- Develop and approve policy directives in preferential procurement for Institutions to spend by sex/gender, age and disability.
- Develop programmes to strengthen the Supply Chain Management and Procurement System in the public sector.
- 100% implementation of a support plan on identified or prioritised institutions in order to improve SCM performance.
- Implementation of 21 transversal term contracts.
- 100% implementation of the strategic sourcing opportunities plan.

PROGRAMME 6: INTERNATIONAL FINANCIAL RELATIONS

Annual Performance Plan Pages 77 - 81

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

- Ensure 100% response to all economic surveillance reports.
- Host 1 advocacy forum to increase the uptake of development finance.
- Produce 3 country partnership framework progress reports that report on the relationship between the Government of South Africa and various Multilateral Development Banks that operate within the Republic of South Africa.
- Produce 1 analysis report on the outcomes of South Africa's engagements in regional and global forums.
- Develop policy positions to measure South Africa's engagement in various global forums and institutions.

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

Annual Performance Plan Pages 87 - 90

PROVIDE FOR GOVERNMENT'S 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.

- Provide an improved and integrated customer service experience by:
 - Paying 99% of benefits validated within liable dates through improved turnaround times.

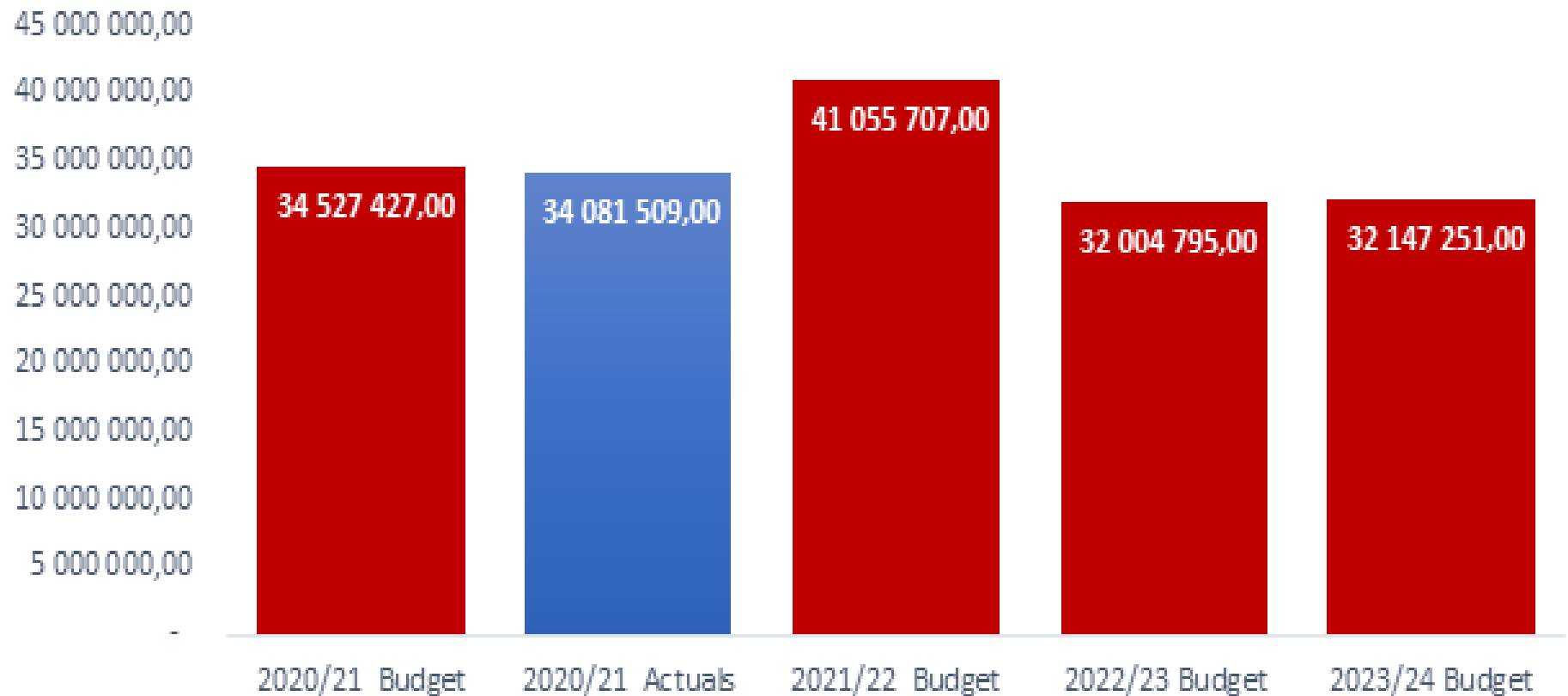
- Ensure good governance and robust control environment for fund administration by:
 - Ensuring 95% integrity of client data through improving accuracy and reliability of information.
 - Ensuring 90% reduction of fraudulent claims through improvement of internal controls.

FINANCIAL RESOURCE PLAN 2020/21-2023/24

PROGRAMMES	Final	Actuals as at	2021 ENE Baseline Allocation		
	Appropriation	31 March 2021			
	2020/21	2020/21	2021/22	2022/23	2023/24
	R'000	R'000	R'000	R'000	R'000
Administration	529 287	496 344	530 699	535 758	537 695
Economic Policy, Tax, Financial Regulation and Research	141 919	124 730	153 802	157 059	157 467
Public Finance and Budget Management	2 802 790	2 697 173	3 929 923	3 844 366	3 801 296
Asset and Liability Management	3 035 331	3 022 589	5 117 938	1 118 332	1 118 836
Financial Accounting and Supply Chain Management Systems	835 719	696 627	1 082 906	1 122 188	1 075 792
International Financial Relations	6 650 492	6 640 502	7 286 226	2 306 224	2 347 940
Civil and Military Pensions, Contributions to Funds and Other Benefits	5 317 128	5 188 783	6 409 525	7 012 051	7 038 992
Revenue Administration	10 271 873	10 271 873	11 295 167	10 527 781	10 657 596
Financial Intelligence and State Security	4 942 888	4 942 888	5 249 521	5 381 036	5 411 637
Total	R34 527 427	R34 081 509	R41 055 707	R32 004 795	R32 147 251

FINANCIAL RESOURCE PLAN 2020/21-2023/24

2020/21 Actuals vs Medium Term Allocation



CLASSIFICATION OF FINANCIAL RESOURCE PLAN 2021/22

Budget summary		2021/22										2022/23	2023/24
PROGRAMMES	Total	Compensation of employees	% Allocation	Goods and Services	% Allocation	Transfers and subsidies	% Allocation	Payments for capital assets	% Allocation	Payments for financial assets	% Allocation	Total	Total
	R'000	R'000	%	R'000	%	R'000	%	R'000	%	R'000	%	R'000	R'000
Administration	530 699	210 162	40%	290 172	55%	4 292	1%	26 073	5%	–	0%	535 758	537 695
Economic Policy, Tax, Financial Regulation and Research	153 802	85 271	55%	47 214	31%	20 328	13%	989	1%	–	0%	157 059	157 467
Public Finance and Budget Management	3 929 923	233 012	6%	891 671	23%	2 802 491	71%	2 749	0%	–	0%	3 844 366	3 801 296
Asset and Liability Management	5 117 938	85 630	2%	31 481	1%	–	0%	827	0%	5 000 000	98%	1 118 332	1 118 836
Financial Accounting and Supply Chain Management Systems	1 082 906	219 152	20%	747 512	69%	110 661	10%	5 581	1%	–	0%	1 122 188	1 075 792
International Financial Relations	7 286 226	29 599	0%	36 304	0%	1 470 587	20%	288	0%	5 749 448	79%	2 306 224	2 347 940
Civil and Military Pensions, Contributions to Funds and Other Benefits	6 409 525	–	0%	77 725	1%	6 331 800	99%	–	0%	–	0%	7 012 051	7 038 992
Revenue Administration	11 295 167	–	0%	–	0%	11 295 167	100%	–	0%	–	0%	10 527 781	10 657 596
Financial Intelligence and State Security	5 249 521	–	0%	–	0%	5 249 521	100%	–	0%	–	0%	5 381 036	5 411 637
Total expenditure estimates	41 055 707	862 826	2%	2 122 079	5%	27 284 847	66%	36 507	0%	10 749 448	26%	32 004 795	32 147 251

Executive authority Minister of Finance

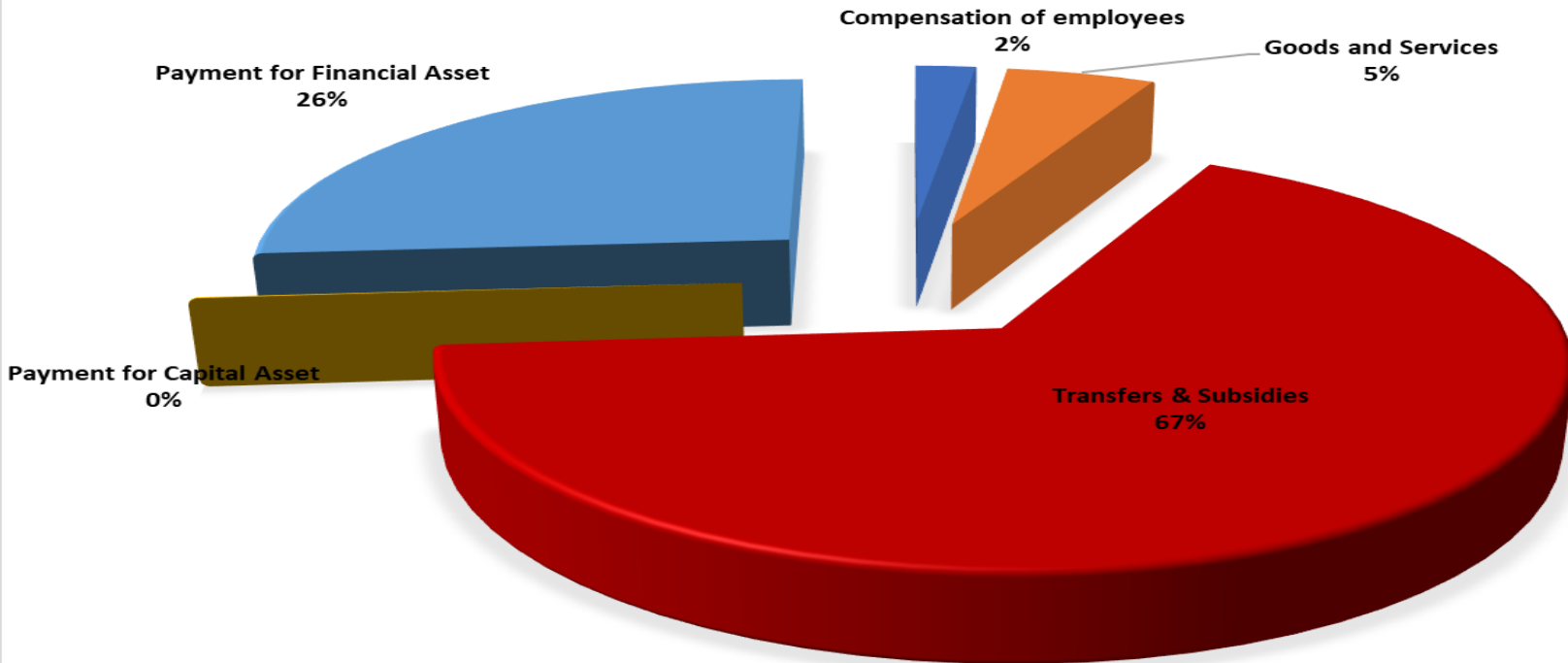
Accounting officer Director-General of the National Treasury

Website www.treasury.gov.za

The Estimates of National Expenditure is available at www.treasury.gov.za. Additional tables in Excel format can be found at www.treasury.gov.za and www.vulekamali.gov.za.

CLASSIFICATION OF FINANCIAL RESOURCE PLAN 2021/22

ECONOMIC CLASSIFICATIONS



HUMAN CAPITAL

Number of posts estimated for			Number and cost2 of personnel posts filled/planned for on funded establishment															Number		
Number of funded posts	Number of posts additional to the establishment		Actual			Revised estimate			Medium-term expenditure estimate									Average growth rate (%)	Average: Salary level/ Total (%)	
			2019/20			2020/21			2021/22			2022/23			2023/24					2020/21 - 2023/24
			Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost			
National Treasury																				
Salary level	1 188	124	1 048	804,8	0,8	979	797,9	0,8	1 055	862,8	0,8	1 034	861,6	0,8	1 021	862,3	0,8	1,4%	100,0%	
1 – 6	140	80	114	21,4	0,2	112	23,4	0,2	131	24,4	0,2	128	25,2	0,2	132	26,0	0,2	5,6%	12,3%	
7 – 10	423	37	390	218,8	0,6	369	222,0	0,6	390	240,5	0,6	381	237,1	0,6	364	227,9	0,6	-0,4%	36,8%	
11 – 12	321	–	283	250,4	0,9	254	238,7	0,9	276	263,5	1,0	267	258,2	1,0	268	262,9	1,0	1,8%	26,1%	
13 – 16	304	7	261	314,2	1,2	244	313,8	1,3	257	334,4	1,3	258	341,1	1,3	257	345,5	1,3	1,8%	24,8%	
Programme	1 188	124	1 048	804,8	0,8	979	797,9	0,8	1 055	862,8	0,8	1 034	861,6	0,8	1 021	862,3	0,8	1,4%	100,0%	
Programme 1	368	67	327	192,4	0,6	297	180,0	0,6	327	210,2	0,6	322	210,2	0,7	319	210,2	0,7	2,4%	30,9%	
Programme 2	102	8	77	70,8	0,9	75	80,5	1,1	80	85,3	1,1	80	85,2	1,1	79	85,3	1,1	1,6%	7,7%	
Programme 3	279	7	250	224,0	0,9	237	219,3	0,9	248	233,0	0,9	246	233,3	0,9	245	233,3	1,0	1,2%	23,9%	
Programme 4	114	6	94	78,4	0,8	95	86,1	0,9	110	85,6	0,8	106	84,7	0,8	105	85,1	0,8	3,3%	10,2%	
Programme 5	290	35	267	207,7	0,8	245	204,0	0,8	258	219,2	0,9	251	219,2	0,9	243	219,2	0,9	-0,4%	24,4%	
Programme 6	35	1	33	31,6	1,0	30	28,0	0,9	32	29,6	0,9	30	29,1	1,0	31	29,3	1,0	1,1%	3,0%	

1. Data has been provided by the department and may not necessarily reconcile with official government personnel data.

2. Rand million.

THANK YOU

NATIONAL TREASURY ANNUAL PERFORMANCE PLAN 2021/22

STANDING COMMITTEE ON FINANCE

4 May 2021



national treasury

Department:
National Treasury
REPUBLIC OF SOUTH AFRICA