



# Annual Performance Plan for 2023/2024

## ABBREVIATIONS AND ACRONYMS

ACRONYM	DESCRIPTION
AG	Auditor General
APP	Annual Performance Plan
CEO	Chief Executive Officer
Commission	Financial and Fiscal Commission
DOR	Division of Revenue
DPME	Department of Planning Monitoring and Evaluation
ENE	Estimates of National Expenditure
FFC	Financial and Fiscal Commission
ICT	Information and Communications Technology
IGFR	Intergovernmental Fiscal Relations
MTBPS	Medium-Term Budget Policy Statement
MTEF	Medium-Term Expenditure Framework
MTSF	Medium-Term Strategic Framework
NDP	National Development Plan
NPC	National Planning Commission
NT	National Treasury
PFMA	Public Finance Management Act
RP	Research Programme
SALGA	South African Local Government Association

# EXECUTIVE AUTHORITY STATEMENT – COMMISSION CHAIRPERSON



Between 1994 and 2023 the Financial and Fiscal Commission contributed significantly to providing advice and recommendations on financial and fiscal matters. It is the only constitutional institution in South Africa that is tasked with this significant mandate. The vision of the FFC is to provide influential advice for an equitable, efficient and sustainable Intergovernmental Fiscal Relations System. Through its renewal process, the Commission is positioning itself to continue serving South Africa as an agile, responsive and resilient institution in changing times.

In pursuit of this vision, the financial year 2023/2024 envisages a renewed and rigorous implementation of the Annual Performance Plan. In developing this Annual Performance Plan, the Financial and Fiscal Commission is focused on the fundamental elements of achieving inclusive growth and restoring fiscal strength.

The Strategic Plan and the Annual Performance Plan 2023/2024 take into account the priorities set out in the State of the Nation Address 2023, National Development Plan 2030 and Government's Medium-Term Strategic Framework that reflects on the outcomes priorities.

This Annual Performance Plan put forward a substantial programme of work undertaken by the FFC. It sets out the contributions that the Commission is making toward advancing a sustainable and equitable intergovernmental fiscal relations system to realise the values of the Constitution of the Republic of South Africa.

The role of the FFC cannot be overstated in ensuring that its financial advice and recommendations are quality assured and evidence-based. As an arbiter in our intergovernmental fiscal relations system, through its independent advice and researched evidence, the potential impact of fiscal choices and various proposed policies are scrutinised to ensure these are in the national interest. The Commission has endorsed the Annual Performance Plan and is committed to ensuring that it is implemented.

A handwritten signature in black ink, which appears to read 'Mbava'.

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**Dr Patience Nombeko Mbava**  
**Chairperson**

# ACCOUNTING OFFICER STATEMENT

The demand for the Commission's evidence-based policymaking recommendations is on the rise. We must also lead by example in discharging our constitutional mandates and live true to our advice to other public sector institutions, whether on financial discipline, institutional capability, or economic productivity. We must commit ourselves to the strategic direction provided by the Commission and take the Commission forward and to the next level.

The Commission's 2023/24 Annual Performance Plan is the first page of the new chapter on strategic organisational realignment and restructuring. From top to bottom, the Commission has undertaken to restructure, relocate and consolidate the business centre to where the place of market is according to the Constitution: Parliament; and substantially expanded the actual capacity of research, both vertically the organisational structure. More specifically, following the moving of its business centre to consolidate to where the legislative branch of government resides, and the restructuring of the organisational structure, the 2023/24 APP focuses the efforts to continue with management efforts on stabilising and solidifying the strategic commitments of-

- Leading by example, following our advice to public sector institutions regarding spending efficacy, operational functionality, and institutional efficiency.
- Focusing its available resources on building research capacity, capability and productivity as its core mandate.
- Improving the fiscal system of South Africa through research and evidence-based policymaking recommendations.

As Accounting Officer, I am keenly aware that consequence management must be effectively implemented. Before the start of 2023/24 financial year, all investigations on the irregular, fruitless and wasteful expenditure incurred since the 2020/21 and 2021/22 financial years will be completed with disciplinary actions.

As we prepare for the 2023/24 financial year, guided by the APP, I would like to acknowledge and appreciate the entire staff of the Commission for their patience, solidarity and service through their actions. Collectively, our efforts to change will prevail.



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Mr Chen-Wei Tseng

Acting Chief Executive Officer

## OFFICIAL SIGN-OFF


It is hereby certified that the attached Performance Plan:

- Was developed by the Financial and Fiscal Commission under the guidance of the Chairperson of the Commission, Dr Patience Nombeko Mbava.
- Takes into account all the relevant policies, legislation and other mandates for which the Financial and Fiscal Commission is responsible; and
- Accurately reflects the annual targeted performance and budgets and is based on the outcomes and outputs which the Financial and Fiscal Commission will endeavour to achieve given the resources that have been allocated to it in the budget for the 2023/ 2024 financial year.

Signature: 

Kwandiwe Mviko

Chief Financial Officer

Signature: 

Chen Tseng

Accounting Officer: Financial and Fiscal Commission

**Approved by:**

Signature: 

Dr Patience Nombeko Mbava

Chairperson

# PART A: OUR MANDATE

## CONSTITUTIONAL MANDATE

The Commission is established in terms of Section 220 of the Constitution of the Republic of South Africa Act, 1996 as amended. The Constitution provides among others, that the Commission is an independent and impartial advisory institution to Parliament, provincial legislatures, organised local government and other organs of state on the division of revenue among the three spheres of government and any other financial and fiscal matters.

## RELEVANT LEGISLATIVE AND POLICY MANDATES

The Financial and Fiscal Commission Act, 1997 as amended is the enabling legislation that gives effect to the constitutional requirements. The Commission must perform its functions as envisaged in the Constitution or as required by national legislation and may perform those functions on its own initiative; or on request of an organ of the state. The Commission must submit for tabling copies of all its recommendations made in terms of a provision of the Constitution to both Houses of Parliament and to the provincial legislatures.

An organ of state in one sphere of government which seeks to assign a power or function to an organ of state in another sphere of government in terms of law must notify the Commission of the fiscal and financial implications of such assignment and request the recommendation of the Commission on the future division of revenue raised nationally between the spheres of government as required by the Constitution; the fiscal power, fiscal capacity and efficiency of the relevant province or municipality in the case of an assignment to them; and any transfer of employees, assets and liabilities. An assignment contemplated has no legal force unless the organ of state making such assignment has requested and considered the recommendation of the Commission.

In addition to the Constitution, 1996 (as amended) and the Financial and Fiscal Commission Act, 1997 (as amended), the Commission operates in terms of the undermentioned regulatory prescripts:

**Borrowing Powers of Provincial Governments Act, 1996 (Act No 48 of 1996)** established a Loan Coordinating Committee (Committee) to coordinate the borrowing requirements of provincial governments, which must report to the Commission so as to allow the Commission to effectively fulfil its functions as contemplated in the Constitution.

**Intergovernmental Fiscal Relations Act, 1997 (Act No 97 of 1997)** allows for the Commission Chairperson or a delegation of the Commission designated by the Chairperson to attend the Budget

Council. After receiving any recommendations of the Commission in terms of but before the Division of Revenue Bill is introduced in the National Assembly, the Minister must consult the Provincial Governments, either in the Budget Council or in another way; organised local government, either in the Budget Forum or in another way; and the Commission.

**Local Government: Municipal Finance Management Act, 2003 (Act No 56 of 2003)** (as amended) requires that draft national legislation which directly or indirectly amends the Act or provides for the enactment of subordinate legislation that may conflict with the Act, may be introduced in Parliament only after the Minister of Finance and the Commission have been consulted and responded to in writing.

**Local Government: Municipal Systems Act, 2000 (Act No 32 of 2000)** (as amended) requires that any assignment of functions or powers to municipalities must be preceded by a request to the Commission to assess the financial and fiscal implications. Before embarking on any negotiations with parties in the bargaining council established for municipalities, the local government must consult the Commission.

**Money Bills Amendment Procedure and Related Matters Act, 2009 (Act No 9 of 2009)** After the adoption of the fiscal framework, the Division of Revenue Bill must be referred to the committee on appropriations of the National Assembly for consideration and report. The committees on appropriations must consult with the Commission and allow the Minister of Finance the opportunity to respond to any amendments proposed at least three days prior to the submission of the report to the relevant House.

**Municipal Fiscal Powers and Functions Act, 2007 (Act No 12 of 2007)** stipulates that the Minister of Finance must consult with the Commission prior to authorising a municipal tax and associated regulations.

**Provincial Tax Regulation Process Act, 2001 (Act No 53 of 2001)** If a province intends to impose a new provincial tax, the MEC for Finance in the province must submit particulars of the proposed provincial tax to the Minister of Finance. The Minister of Finance must submit a copy to the Commission for comment. The Minister of Finance is obliged to consider the comments of the Commission.

## **REVISED INSTITUTIONAL STRATEGY OVER THE FIVE-YEAR PLANNING PERIOD GUIDING THE ANNUAL PERFORMANCE PLAN**

### **2023 Revised Commission Strategic Plan 2020-2025**

The revised Commission 5-year strategy for the 2020-2025 planning period guiding this Annual Performance Plan is focused on realigning itself to be an influential constitutional institution and advisory body by making recommendations for consideration by "Parliament, provincial legislatures and any other authorities determined by national legislation" on financial and fiscal matters. This includes, but is not limited to: the macroeconomic environment globally and domestically impacting the financial stability and viability of the fiscal system as a whole; revenue and tax-related matters; the fiscal framework balancing the fiscal budget; the three spheres of government in terms of the intergovernmental transfers, to operations of individually "distinct, and interrelated" departments, provincial departments and local government's own revenue and loans.

As an independent constitutional institution, the Commission's main interest lies in the implications of government strategies and plans for economic growth and legislation determining the equitability, functionality, productivity and management of the financial and fiscal system. To that end, the Commission examines how economic and fiscal developments are complemented by effective financial and fiscal governance in realising the government's planned strategic outcomes.

To that end, the Commission conducts independent, objective research in making evidence-based recommendations to inform the government's policymaking. In implementing this strategy as the 2023/24 Annual Performance Plan, the Commission is to use research and evidence to ensure the sustainability between the financial-fiscal nexus; that the fiscal policy, including the distribution across the three spheres of government, is equitable, economical, and productive as the division of revenue. The goal of the FFC as an institution is to be a leading example of governance, following the advice the Commission gives to other institutions regarding functional-financial viability and spending efficiency. Hence, refocusing its available resources to build research capacity, capability and productivity within the Commission is imperative.

### **Stakeholders**

At the Commission Strategy Session dated 24 and 25 January 2023 in Cape Town, the Commission as Commissioners, staff, and both internal as well as external stakeholders came together to deliberate under the theme of "FFC's strategic repositioning with the changing times":

*Hon MJ Maswanganyi, Chairperson of the Standing Committee on Finance (StCOF)*

Honourable Maswanganyi emphasised that from a parliamentary point of view, the role of the FFC is that of the only constitutional institution, consultative body advising parliament on the overall fiscal framework and the revenue proposals, as well as the Money Bills Amendment Procedure and Related Matters Act No 9 of 2009. FFC is legislated to be engaged to advise the Finance portfolio committees. Honourable Chairperson reiterated that the StCOF is the relevant oversight committee over the work of the FFC, and the Constitution states clearly that the FFC is independent and must be impartial. Commission must perform its mandate without fear, favour or prejudice. It is critical that the FFC can perform its functions proactively. Many issues require FFC's recommendations in the changing environment facing South Africa. In particular, FFC should work on the issue of energy challenges causing disruptions and disparities within the economy and between businesses; consider the aftermath of the Covid-19 pandemic, natural disasters (e.g. flood) and the July 2021 civil unrest. The Commission must communicate in an easy-to-understand manner to policymakers and provide solution-driven recommendations to policymakers.

*Ms Phindile Baleni, Director-General of the Presidency and Secretary of Cabinet*

Director-General spoke on the important role the FFC plays in the country's financial and fiscal policymaking process and financial governance. FFC is an important ally in addressing the government's objectives through collaboration and cooperation. FFC must remain faithful to its mandate as stipulated in the Constitution. The challenge is in the execution: assessment of fiscal policy instruments, such as conditional grants, equitable share transfers and taxes, and asking: Do the Conditional grants and their mechanisms still serve the people? FFC's core mandate lies in making evidence-based research recommendations to address fiscal imbalances and ensure fiscal sustainability. To promote job and economic growth and to address socio-economic challenges of poverty, inequality and unemployment. To improve social inclusivity and social cohesion, as well as make recommendations on improving state-owned entities' current statuses and governance failures.

*Ms Trudie Makhaya, Economic Advisor to the President*

Ms Makhaya painted the vision of the rise in digital, inclusive economy, structural reforms, and reducing business costs for big and small businesses. FFC's role is to bring in innovation and new solutions to advise on economic, financial and fiscal issues, advising on the future growth identity of South Africa, a smart just transition in the public sector and beyond. FFC must remain firm to make independent and oversight the budget despite uncertainty. It must build the resilience of institutions to respond to the changing times.

*Mr Lawrence Matemba, Acting Head of Policy and Research at the Presidency*

Mr Matemba encouraged the Commission to reimagine the FFC to be the provider of an integrated and coordinated research institution, to provide premium content, strategic and technical recommendations and advice to all spheres of the state. A thought leader that is a knowledge creator, agenda setter and influencer by:

1. Providing the best evidence-based advice to organs of state in the national, provincial, and local spheres of government to make high-quality decisions;
2. Supporting the organs of state in the national, provincial, and local spheres of government in the coordination and integration of policy development, formulation, and implementation and in the coordination of functions of state departments and administrations;
3. Detecting cases of non-performance and providing content, strategic and technical recommendations and advice in the implementation of course correction;
4. Developing a High Performing, Diverse, Agile, Engaged and Evolved workforce;
5. Increasing and expanding the use of Data within a comprehensive knowledge management framework to ensure integrity, drive insight and improve outcomes;
6. Modernising FFC systems to provide Digital and Streamlined online services;
7. Demonstrating effective Resource Stewardship to ensure efficiency and effectiveness in the delivery of quality outcomes and performance excellence;
8. Working with and through Stakeholders in the organs of state in the national, provincial, and local spheres of government and beyond to improve the ecosystem;
9. Building Public Trust and Confidence in the integrated and coordinated support system and infrastructure capability at the FFC.

*Prof Somadoda Fikeni, Chairperson of the Public Service Commission*

Professor spoke about the constancy of change, volatility and uncertainties – FFC as an institution must have institutional adaptability and response in a constant state of preparedness by staying with the current events in its research. South Africa may be in a state of *Gwara Gwara* – the collapse of the system and institutions. The social and political disorder across the world – those rich are richer, and those poor are poorer as inequality and social disparity rise. Given the crisis, FFC must consider and be able to stick its neck out on some of the deep structural and institutional issues within South Africa's budget system, where we suddenly realise that there are billions unclaimed from the social grant, all the while we are paying for the escalating debt service cost. Are we a Treasury-driven country or a strategy-driven country? Policy as a budget tends to give illusions of implementation, and the FFC must have oversight of its process and execution to ensure value for the people of South Africa.

*Adv. Kholeka Gcaleka, Deputy Public Protector/ Acting Public Protector*

The need for an equitable division of resources is the foundation of our democracy—both vertical and horizontal division of revenue. Independent fiscal institution, watchdog, monitor the financial resources at the centre and the division thereof. South Africa's solution for the FFC is the winning solution. Imperative to emphasise the independence of such institutions. Evidence-based recommendations. FFC is the only constitutional institution powered to advise parliament. FFC should consider entering the space of investigative recommendations and support each other as constitutional institutions supporting democracy to hold the government accountable for the failure to implement its recommendations.

## **SONA 2023**

### *Energy Crisis*

At the State of Nation Address 2023, the President acknowledged that persistent load shedding impedes the economy's recovery. It was highlighted that without a reliable electricity supply, businesses would not grow, assembly lines would not run, crops could not be irrigated, and basic services would be interrupted. Load shedding means households and supermarkets cannot keep food fresh, the water supply could be disrupted, traffic lights stop working, and streets remain dark at night. Without a reliable electricity supply, our efforts to grow an inclusive economy that creates jobs and reduces poverty will not succeed.

### *Reducing unemployment*

The challenge of unemployment continues to be persistent and impacts the youth more than other sections of society. The President highlighted efforts to mobilise greater levels of investment, which is essential to growing the economy and creating jobs. To address the challenge of youth unemployment, the Employment Tax Incentive has been expanded to encourage businesses to hire more young people in large numbers.

### *Cost of living*

The rising cost of living is deepening poverty and inequality. The President highlighted that approximately 60 per cent of the budget is allocated to the social wage, providing various forms of support, basic services and assistance to households and individuals to combat poverty and hunger. The President announced that to counter the rising cost of living. We will continue the Social Relief of Distress Grant, which currently reaches around 7.8 million people.

Furthermore, the President announced that the existing social grants would be increased to cushion the poor against rising inflation. The Minister of Finance will set out the quantum of the increases in the budget. He further announced that work is underway to develop a targeted basic income support mechanism for the most vulnerable within our fiscal constraints.

### *Crime and Corruption*

Crime and corruption continue to affect South Africa. The President announced the strengthening of the South African Police Service to prevent crime and improve the capacity of the National Prosecuting Authority and courts to ensure perpetrators are brought to justice. It was announced that more than 10,000 new recruits graduated from police academies, and a further 10,000 will be recruited and trained this year.

## **National Development Plan 2030 & Medium-Term Strategic Framework (MTSF) 2019-2024**

The MTSF is a strategic government document that guides the 5-year implementation and monitoring of the NDP 2030 in terms of its stated outcomes. It identifies the priorities to be undertaken during the MTSF planning period 2019 to 2024, which are to place the country on a positive trajectory towards the achievement of the 2030 vision. The Commission mandate requires it to provide research and evidence on the division of revenue between the three spheres of government: national, provincial and local, to ensure that the allocation, reallocation and reprioritisation of resources is informed by these priorities.

The MTSF sets targets for the implementation of the priorities and interventions for the 5-year period and states the outcomes and indicators to be monitored. The Seven Priorities for 2019-2024 derived from the Electoral Mandate and State of the Nation Address are as follows:

- Priority 1: Building a capable, ethical and developmental state
- Priority 2: Economic transformation and job creation
- Priority 3: Education, skills and health
- Priority 4: Consolidating the social wage through reliable and quality services
- Priority 5: Spatial integration, human settlements and local government
- Priority 6: Social cohesion and safe communities
- Priority 7: A better Africa and World

Further, the government has undertaken to factor in the interests of Women, Youth and People with Disabilities during the implementation of the MTSF. All the priorities are important for the Commission, which is tasked with providing evidence and research to inform fiscal policy and allocations in supporting these priorities.

## **RELEVANT COURT RULINGS**

There are no relevant court rulings impacting this plan.

## PART B: OUR STRATEGIC FOCUS

### SITUATIONAL ANALYSIS

The Commission is charged with conducting research and evidence-based policy research to inform and make recommendations to Parliament and the legislature on fiscal and financial matters. The Commission provides advice on fiscal management regarding raising and spending public finances and the economic and equitable division of revenue amongst the three spheres of government.

It is incumbent upon the Commission to inform policymakers of all spheres of financial and fiscal matters through stakeholder engagements and partnerships. This includes:

- Parliament (including the National Assembly and National Council of Provinces) and the Provincial Legislatures to which the Commission provides statutorily mandated advice.
- Any other authorities determined by national legislation, e.g. government stakeholders within the fiscal and Intergovernmental Fiscal Relations (IGFR) system, Organised Local Government, Provincial Executives and Fiscal Institutions Advancing Democracy, to name a few.

The Commission is particularly concerned with the government's impact on ensuring the sustainability of the financial-fiscal nexus to alleviate the long-standing socio-economic challenges of poverty, inequality and unemployment.

### 5.1 External Environment Analysis

According to IMF's World Economic Outlook (2023), global economic growth is set to slow down in 2023 from an estimated 3.4 per cent in 2022 to 2.9 per cent in 2023, then rise to 3.1 per cent in 2024. Central banks' interest rate increases to contain price inflation and the conflict between Russia and Ukraine will negatively affect economic activity.

Although the growth trajectory in Emerging Market and Developing Economies (EMDE) remains positive from 3.9 per cent in 2022 to 4.0 per cent in 2023, high debt levels arising from the pandemic, uneven growth patterns and higher borrowing costs exacerbate the downside risk of some of the EMDE. Inflation over the medium term is expected to remain elevated, especially on essential items of food and utility, despite marginal declines in prices of fuel and nonfuel commodities, notably in the United States, the euro area, and Latin America.

The fiscal framework's credibility and sustainability depend on consistency in the policy stance of fiscal consolidation. However, if a higher-than-budgeted wage agreement materialises, it constitutes a significant risk to attaining budgetary targets. Similarly, a permanent extension of the COVID-19 social

relief without a corresponding permanent increase in funding by revenue means (not debt with interest costs), a decrease in spending, or a mixture of both would threaten the sustainability of the fiscal framework.

During the 2023 State of Nation Address, the President underscored vital issues facing the country with interventions to be undertaken by the government to address them. More specifically, the President acknowledged that persistent load shedding is impeding the economy's recovery and that National Treasury to devise a solution to Eskom's R400 billion debt to reduce the severity of load shedding by purchasing diesel fuel. In this regard, The Eskom Debt Relief Bill attributes to the Vote of the National Treasury: R78 billion for the 2023/24 financial year, R66 billion for the 2024/25 financial year, and R40 billion for the 2025/26 financial year as a loan with conditions to Eskom. At the determination of the Minister of Finance regarding the progress on compliance, these loans can be converted into ordinary shares. In addition, for the 2025/26 financial year, R70 billion of the Eskom debt will be a direct charge against the National Revenue Fund through a debt takeover arrangement as determined by the Minister.

It is worth noting that in 2019, the government made a R23 billion provisional allocation per year to Eskom to service its debts and meet its redemption requirements (2019 Budget Review). In addition, a special appropriation with conditions responsible by the Department of Public Enterprises at R59 billion was allocated to assist Eskom with its financial obligations over the medium term. These experiences raise doubts that adopting the same approach, i.e. special appropriations, even with conditions, to address the structural issues at Eskom, would yield a different outcome in 2023.

The challenge of unemployment continues to be persistent and disproportionately impacts the youth, exacerbating intergenerational poverty and inequality. The President highlighted efforts to mobilise greater levels of investment, which is essential to growing the economy and creating jobs. Contrary to the President's address, the 2023 Budget did not emphasise the Employment Tax Incentive, the Social Employment Fund and the National Youth Service to expand employment opportunities. The poor financial health of most state-owned companies (SOCs) constitutes a fiscal risk in the form of contingent liabilities. Some of these risks have already materialised, thus requiring financial resources from the fiscus. The Commission observes with concern specifically regarding the Eskom Debt Relief Bill. The Commission remembers that in 2019, a special appropriation with conditions responsible by the Department of Public Enterprises and Minister at R59 billion was allocated to assist Eskom with its financial obligations. This does not include the R23 billion yearly allocation over the MTEF to make urgent operational improvements. These experiences raise doubts that by adopting the same approach, i.e. special appropriations, even with conditions, to address the structural issues at Eskom, would yield a different outcome in 2023.

## **5.2 Internal Environment Analysis**

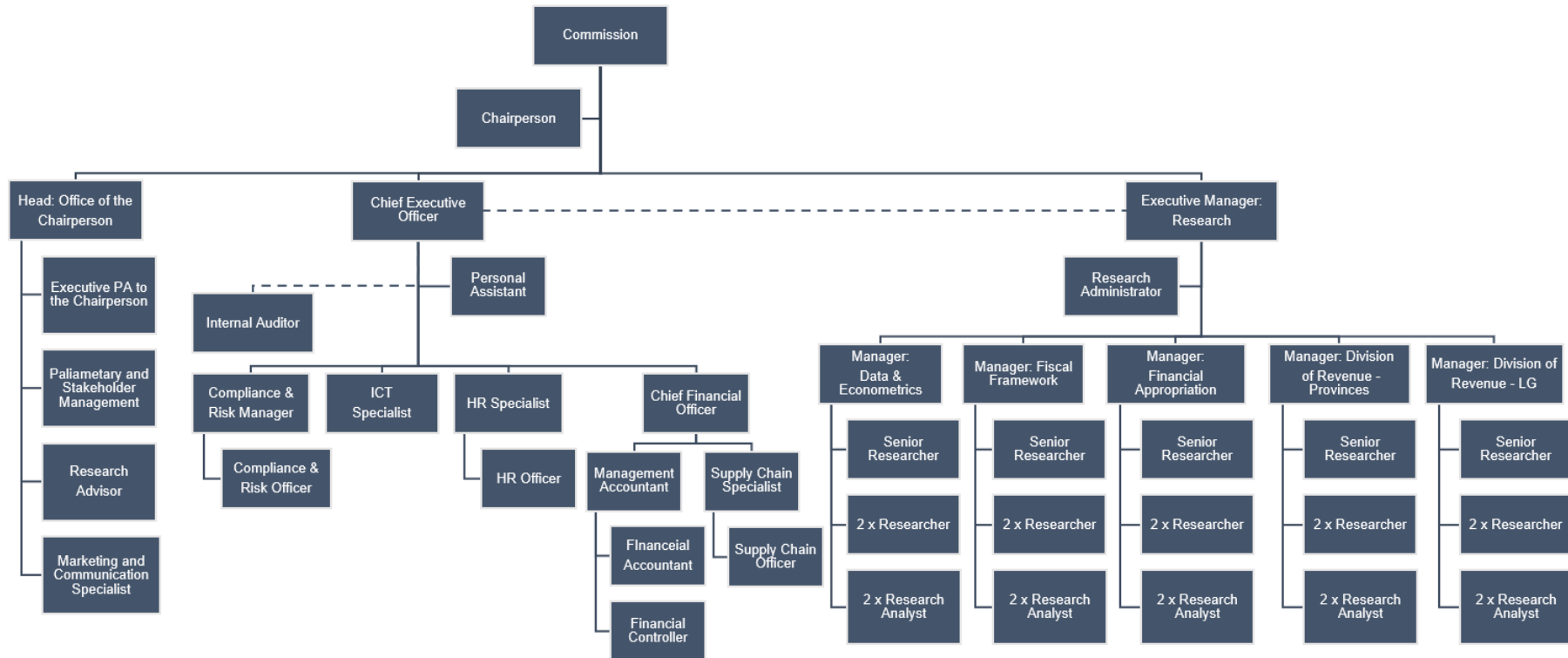
The Commission has undertaken three institutional projects at both a strategic and operational level of implementation: Firstly, the organisation has looked at its institutional construct and organisational structure through its Strategic Organisational Alignment and Restructuring (SOAR) project. The purpose of the once-off costing and project is for the institution to be capacitated and better fitted towards fulfilling its constitutional mandate and core function of research, to streamline and strengthen its resource allocation to its core function. The associated cost implications in the short-, medium- and long-term related to the restructuring are immense but crucial for the functionality and effectiveness of the Commission in fulfilling its constitutional mandate.

Secondly, the Commission is implementing a strategic relocation and consolidation of the FFC offices to its place of market, and the epicentre of its core function in Cape Town, to be close to Parliament as the primary stakeholder. This undertaking will create uncertain demands on its resources on a once-off basis for the transition.

As these strategic and significant undertakings of relocation and organisational restructuring will require substantial, once-off resources to operationalise, the Commission will seek to retain surpluses accumulated in the 2021/22 and 2022/23 financial years until the full completion of the strategic and structural changes to the Commission, envisaged to be achieved in 2023/24. The Commission shall utilise the retention of its surplus money to relocate employees and their families to Cape Town, move files and furniture, and find new office space. In conjunction, there will be necessary costs to effect structural changes based on operational requirements to be more effective and aligned with its constitutional mandate.

Lastly, the Commission has received requests from an increasing number of provincial legislatures seeking advice to enact and operationalise similar functions of the national Money Bills Amendment Procedure and Related Matters Act 9 of 2009, but at the provincial level. More and more provinces are calling upon the Commission to advise provincial legislatures in exercising its oversight function on its provincial money bills and related matters. The Commission sees these requests to be in line with Section 214 of the Constitution and the other enabling legislation relevant to provincial and local government taxes and loans. Hence, a framework to operationalise with provisions is being formulated to submit for Commission approval.

## Approved Financial and Fiscal Commission Organogram



Note: Interns (though funded in the budget) are not expressed in the organisational structure, as the Internship Policy of the Commission governs it.

From the 2023/24 financial year onwards, the core mandate of the research programme is expanded in capacity and elevated to report functionally and directly to the Chairperson and the Commission as per the FFC Act. It will still report to the Accounting Officer purely on administrative matters such as HR function, Finance, ICT requirements etc.

For the 2023/24 financial year, it is envisaged that with the expansion of its operational scope and capacity to advise provincial legislatures, organised local government and councils on subnational money bill matters, more provisions will have to be raised through either the appropriation from National Treasury, or raising of Commission's own revenue within the confines of the FFC Act, the PFMA and the Constitution.

In terms of secretariat support, learning from past experiences of the previous structure, the Commission has consolidated and reconfigured its corporate services into more specific topics and areas of function, reporting directly to the Chief Executive Officer, who is ultimately accountable. Human Resources and Compliance and Risk functions too will report directly to the CEO as the Accounting Officer to improve the effectiveness of internal control, accountability and governance from risk, and compliance to operations in a logical flow. Finance, managed by the Chief Financial Officer, will report to the Accounting Officer per the PFMA. The Internal Auditor will functionally support the Audit & Risk Committee to strengthen and maintain internal control and administratively report to the CEO.

As of 31 February 2023, the Commission has a staff complement of 25 individuals employed permanently on the establishment, four employees on fixed-term contracts and three research interns (not on the structure but funded in terms of the budget). The Commission endeavours to recruit inclusively and believes in strengthening the empowerment of Women, Youth and People with Disabilities in its recruitment process. In total, currently, there are 20 female and 12 male employees. Regarding being transformation conscious, 22 employees (permanent and fixed term) are from communities that were historically disadvantaged before the advent of democracy.

	Male				Female				Total
	African	Coloured	Asian	White	African	Coloured	Indian	White	
Permanent	7	1	1	0	11	3	1	1	25
Fixed term	2	0	0	0	2	0	0	0	4
Internship	1	0	0	0	2	0	0	0	3
<b>Total</b>	10	1	1	0	15	3	1	1	
	12				20				

Implementing the FFC Recruitment Plan is underway to hire additional capacity within the Research Department that will increase research productivity and better position the Commission as an efficient, effective, and responsive fit-for-purpose organisation customised for fulfilling its constitutional mandate. The Recruitment of two Researchers and a Research Manager has already been finalised, with the new recruits having assumed their functions effective March 2023. The process for recruiting all ten research analysts is in progress, envisaged to be finalised to assume duty within the first month of the 2023/24 financial year in April. The 11 funded intern positions (not on the structure) are being appointed in March 2023 to create job and learning opportunities as an investment in our youth to be the future researchers and advisers.

#### *Status of compliance with the B-BBEE Act*

The Commission is aligned with the objectives of the BBBEE Act; this is evidenced by its application of the BBBEE codes of good practice in implementing preferential procurement in its supply chain management processes.

### **5.3 Impact and outcomes**

The impact statement with strategic outcomes of the Commission is:

"Strengthened financial governance and fiscal system through making researched, evidence-based recommendations to policymakers".

- **Outcome 1:** A conducive corporate environment with sound financial controls of Commission resources for fulfilling its mandate.
  - Leading by example—implement our advice to public sector institutions regarding spending efficacy, operational functionality, and institutional efficiency.
  - Focusing the available resources to build research capacity, capability and productivity to fulfil the Commission mandate.
- **Outcome 2:** Evidence-based informed policymaking through recommendations on financial and fiscal matters to the legislature.
  - Improving the fiscal system of South Africa through research and evidence-based policymaking recommendations.
  - Monitoring, analysing and advising through recommendations on current economic and fiscal issues to inform the policymakers and the public.



# PART C: MEASURING OUR PERFORMANCE

## PROGRAMME 1: ADMINISTRATION

**Purpose:** Provide a conducive corporate environment with sound financial controls of Commission resources for fulfilling its mandate.

### 6.1 Sub-Programmes:

#### *Office of the Chairperson and Commission*

Chairperson and Commission provide strategic direction and leadership to the organisation and are responsible for research matters and institutional outcomes. This sub-programme provides support and reports directly to the Chairperson and the Commission with administrative services deals with matters of commission affairs and parliamentary liaison and advises the Commission regarding oversight over the management.

#### *Office of the CEO*

The Chief Executive Office supports the Chairperson and the Commission in providing operational leadership and execution for the organisation. The Chief Executive Officer is responsible for the operational outputs and implementation and all responsibilities conferred by being the Commission's accounting officer. Its function involves identifying all operational and administrative support requirements in terms of ICT management, Human Resources, and Facilities, monitoring and maintaining service levels with financial governance and setting standards aligned with compliance and best practices.

#### *Finance*

The Finance division reports to the CEO and administers financial governance and compliance with all relevant financial statutes and regulations, the most important of which is the Public Finance Management Act (PFMA). In ensuring compliance, the unit strives to attain a balance between achieving service excellence and maintaining administrative controls.

## 6.2 Programme 1 - Outcomes, Outputs, Performance Indicators and Targets

Revised Outcome	Outputs	No.	Output Indicators	Audited / Actual Performance			Estimated Performance	MTEF Period		
				2019/20	2020/21	2021/2022	2022/23	2023/24	2024/25	2025/26
A conducive corporate environment with sound financial controls of Commission resources for fulfilling its mandate	Human Resource Management Reports in line with the implementation of training and development, the recruitment plan and the employment equity plan.	1.1.1	Percentage spend of training budget.	#	#	#	30% due to policy ambiguities	>85%	>90%	>90%
		1.1.2	Number of quarterly reports on monitoring of the recruitment plan and the Employment Equity Plan implementation.	#	#	#	4	4	4	4
	ICT reports monitoring the implementation of ICT components (namely software and hardware) supporting operations.	1.2.1	Number of quarterly ICT reports	#	#	#	4	4	4	4
	Audit Opinion by the Auditor General South Africa	1.3.1	Audit Opinion obtained.	Unqualified audit opinion with findings	Unqualified audit opinion with findings	Unqualified audit opinion with findings	10% has been recorded in line with technical indicator description.	Unqualified audit opinion with >=30% fewer findings than the previous year.	Unqualified audit opinion with >=30% fewer findings than the previous year.	Unqualified audit opinion with >=30% fewer findings than the previous year.

Financial and Fiscal Commission Annual Performance Plan for the financial year 2023/24

	Payment of valid invoices to suppliers within 30 days of acceptance.	1.3.2	Percentage of valid invoices paid within 30 days of acceptance.	100%	100%	100%	99%	100%	100%	100%
	Compliance reports with key legislative requirements	1.3.3	Number of compliance reports generated and submitted to the Accounting Officer	4	4	4	4	4	4	4
	Risk management reports	1.3.4	Number of risk management reports generated and submitted to the Accounting Officer, corroborating the Audit Improvement Plan.	4	4	4	4	4	4	4
	Procurement reports monitoring the duration as well as progress of the procurement plan	1.3.5	Percentage of Procurement processes completed within 6 months of requisition, in line with the procurement plan.	62%	75%	>=80%	200% due to strategic restructuring and office relocation	>=85%	>=90%	>=90%
	Quarterly management reports	1.3.6	Number of quarterly reports	4	4	4	4	4	4	4

### 6.3 Programme 1 - Indicators, Annual and Quarterly Targets

Revised Outcome	Outputs	No.	Output Indicators	MTEF Period				
				2023/24	Q1	Q2	Q3	Q4
A conducive corporate environment with sound financial controls of Commission resources for fulfilling its mandate	Human Resource Management Reports in line with the implementation of training and development, the recruitment plan and the employment equity plan.	1.1.1	Percentage spent of training budget.	>85%	>50%	>60%	>80%	>85%
		1.1.2	Number of quarterly reports on monitoring of the recruitment plan and the Employment Equity Plan implementation.	4	1	1	1	1
	ICT reports monitoring the implementation of ICT components (namely software and hardware) supporting operations.	1.2.1	Number of quarterly ICT reports	4	1	1	1	1
	Audit Opinion by the Auditor General South Africa	1.3.1	Audit Opinion obtained.	Unqualified audit opinion with >=30% fewer findings than the previous year.	n/a	Unqualified audit opinion with >=30% fewer findings than the previous year.	n/a	n/a
	Payment of valid invoices to suppliers within 30 days of acceptance.	1.3.2	Percentage of valid invoices paid within 30 days of acceptance.	100%	100%	100%	100%	100%
	Compliance reports with key legislative requirements	1.3.3	Number of compliance reports generated and submitted to the Accounting Officer	4	1	1	1	1

	Risk management reports	1.3.4	Number of risk management reports generated and submitted to the Accounting Officer, corroborating the Audit Improvement Plan.	4	1	1	1	1
	Procurement reports monitoring the duration as well as progress of the procurement plan	1.3.5	Percentage of Procurement processes completed within 6 months of requisition, in line with the procurement plan.	>=85%	>=85%	>=85%	>=85%	>=85%
	Quarterly management reports	1.3.6	Number of quarterly reports	4	1	1	1	1

*Explanation of planned performance over the medium-term period*

The Administration programme's sole purpose is to provide integrated business support to research in terms of human resource management, information and communication technology and sound financial management. Under the leadership of the newly appointed Chairperson beginning in August 2021, the desired outcome for the administration programme is to build "**an agile, responsive and resilient institution in changing times**". The programme aims to create a conducive corporate environment supporting research production and realising its constitutional mandate in advising the government. To that end, 2023/24 shall be a year of fundamental organisational optimisation through the reprioritisation of Commission resources towards its constitutional mandate.

In the same year, the Commission plans to substantially step up the reporting requirements for improved transparency and governance of the administration programme. It has been the main costing item of the Commission's scarce resource for too long, with rather limited reporting as means of control, only to result in a substantial number of operational issues and findings in the end.

Hence, the old Corporate Services function is consolidated under the CEO to ensure that all support services are executed timeously and proactively, whether in human resource management, ICT or physical infrastructure of facility and accommodation. Effective initiatives are undertaken towards enabling the Commission to attract, develop and retain the skills needed to deliver on its mandate.

The Administration programme is also responsible and accountable for the Commission's control environment, risk management, and compliance functions. The Finance team needs to ensure sound financial controls of Commission resources and strive towards a "clean audit" in financial statements and procurement management, working together with compliance monitoring and risk management.

Focus over the medium term will be placed on strengthening governance and accountability, emphasising further maturing institutional risk management and intensifying anti-corruption and ethics management. The programme shall continue striving towards transparency and clean governance in all aspects of managing the administrative function of the Commission. Change management has already begun with the focus on implementing institutional overhaul by means of restructuring and office relocation.

Hence, the Administration programme's provisions are reduced from over 70 per cent to under 59 per cent of the total budget in the 2023/24 financial year.

## 6.4 Programme 1 - Resource Considerations

### 6.4.1 Expenditure trends and estimates

#### Administration expenditure trends and estimates by subprogramme and economic classification

Statement of financial performance	Audited outcome			Approved budget	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term estimate			Average growth rate (%)	Expenditure/total: Average (%)
R thousand	2019/20	2020/21	2021/22	2022/23	2019/20-2022/23	2023/24	2024/25	2025/26	2022/23 - 2025/26		
Administration	36 379	55 988	45 219	47 294	9.1%	90.9%	38 559	40 410	42 333	-3.6%	100.0%
<b>Economic Classification</b>	<b>36 379</b>	<b>55 988</b>	<b>45 219</b>	<b>47 294</b>	<b>9.1%</b>	<b>90.9%</b>	<b>38 559</b>	<b>40 410</b>	<b>42 333</b>	<b>-3.6%</b>	<b>100.0%</b>
Compensation of employees	20 942	21 315	17 177	22 228	-14.2%	46.2%	19 434	20 367	21 336	-1.4%	49.6%
Goods and services	15 437	32 301	27 703	24 849	4.3%	52.5%	18 725	19 624	20 558	-6.1%	49.6%
Depreciation	–	2 372	339	216	–	1.4%	400	419	439	26.7%	0.9%
<b>Total expenses</b>	<b>36 379</b>	<b>55 988</b>	<b>45 219</b>	<b>47 294</b>	<b>-6.1%</b>	<b>100.0%</b>	<b>38 559</b>	<b>40 410</b>	<b>42 333</b>	<b>-3.6%</b>	<b>100.0%</b>

### 6.4.2 Personnel information

#### Administration personnel numbers and cost by salary level

Post status estimated for 31 March 2023				Number and cost <sup>1</sup> of personnel posts filled/planned for on funded establishment														Number		
Number of posts on approved establishment	Number of funded posts	Actual			Revised estimates			Medium-term expenditure estimate							Average growth rate of personnel posts (%)	Average: salary level/ Total (%)				
		2021/22			2022/23			2023/24			2024/25			2025/26			2021/22-2025/26			
Administration				Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	1%	100%
	22	23	23	19 405	924	23	21 127	960	23	18 946	902	23	20 683	940	23	21 668	985			
1 – 6	2	5	5	2 082	521	3	1 530	383	3	575	288	3	579	290	3	607	303	-27%	11%	
7 – 10	6	8	7	4 761	794	7	4 227	604	7	3 680	613	7	4 560	651	7	4 777	682	4%	31%	
11 – 12	8	2	5	5 867	1 173	6	4 523	905	6	5 062	844	6	5 098	850	6	5 341	890	6%	26%	
13 – 16	5	7	5	5 827	1 165	6	8 967	1 793	6	7 647	1 274	6	8 450	1 408	6	8 853	1 475	0%	26%	
17 – 22	1	1	1	868	868	1	1 881	1 881	1	1 981	1 981	1	1 995	1 995	1	2 090	2 090	4%	5%	

<sup>1</sup>Includes interns as part of the remuneration budget

## 7.5 Key risks

Outcome	Key Risk	Risk Mitigation
A conducive corporate environment with sound financial controls of Commission resources for fulfilling the Commission mandate	Ineffective Contract Management Commitments which may result in the following: <ul style="list-style-type: none"> <li>• Non completion of projects awarded.</li> <li>• Incomplete contracts register.</li> <li>• Scope creep</li> <li>• Wasteful expenditure</li> <li>• Financial loss</li> <li>• Litigations</li> <li>• Unauthorised expenditure</li> <li>• Poor quality disputes</li> <li>• deficient Service Level Agreement</li> </ul>	Supply Chain Management approved and updated policies.  Provision of progress reports monthly to management.  Connecting payment systems with Service Level Agreement and Service performance of Service Providers.  Notification of user divisions 6 months prior to contract expiry and initiate procurement plan updates if necessary.
	Ineffective Asset management	Integrate the asset register with physical verification of assets in terms of the Asset Management Policy.
	Invoices not paid within 30 days	Establish process to accept/reject (dispute) invoices for processing payments. Finance Division to verify completed payment request form against purchase order and historical records before sending to end-users for performance verification.
	Lack of integration between the budget and the procurement plan for a proactive, efficient SCM process.	Integrating the budget with the procurement plan, so the demand plan is resourced appropriately.
	Reactive as opposed to proactive parliamentary liaison service and function.	Parliamentary Liaison Officer to actively manage and control stakeholder relations in processing invites.

## PROGRAMME 2: RESEARCH

**Purpose:** Provide research and evidence-based recommendations to the legislature to inform policymaking on financial and fiscal matters.

This programme is the core function of the Commission and the very meaning of the Commission's existence as enshrined in the Constitution. The research Programme is responsible for conducting research to make evidence-based recommendations to Parliament, provincial legislatures and any other authorities determined by national legislation, to inform and advise policymakers on financial and fiscal matters.

## 7.1 Programme 2 - Outcomes, Outputs, Performance Indicators and Targets

Revised Outcome	Outputs	No.	Output Indicators	Audited / Actual Performance			Estimated Performance	MTEF Period		
				2019/20	2020/21	2021/2022	2022/23	2023/24	2024/25	2025/26
Evidence-based informed policymaking through recommendations on financial and fiscal matters to the legislature.	Annual Submission for the Division of Revenue with Recommendations	2.1.1	Annual Submission for the Division of Revenue with Recommendations tabled.	1	1	1	1	1	1	1
	Technical Research report regarding the Annual Submission	2.1.2	Technical Research report regarding the Annual Submission published.	1	1	1	1	1	1	1
	Policy Briefs	2.1.3	Number of Policy Briefs published.	8	4	10	11	>=10	>=10	>=10
	Submission on the Medium-Term Budget Policy Statement	2.1.4	Submission on the Medium-Term Budget Policy Statement submitted.	1	1	1	1	1	1	1
	Submission on the Division of Revenue Bill	2.1.5	Submission on the Division of Revenue Bill submitted.	1	1	1	1	1	1	1
	Submission on the Appropriation Bill	2.1.6	Submission on the Appropriation Bill submitted.	1	1	1	1	1	1	1
	Briefings and presentations for engagement	2.2.1	Number of briefings and presentations made.	17	46	25	42	>=20	>=20	>=20
	Special projects undertaken.	2.2.2	Number of special projects undertaken.	#	#	#	1 - Zondo Commission Report Summaries	2 - Public Procurement Bill & State of SOEs (Energy)	2	2

## 7.2 Programme 2 - Indicators, Annual and Quarterly Targets

Revised Outcome	Outputs	No.	Output Indicators	MTEF Period				
				2023/24	Q1	Q2	Q3	Q4
Evidence-based informed policymaking through recommendations on financial and fiscal matters to the legislature.	Annual Submission for the Division of Revenue with Recommendations	2.1.1	Annual Submission for the Division of Revenue with Recommendations tabled.	1	1			
	Technical Research report regarding the Annual Submission	2.1.2	Technical Research report regarding the Annual Submission published.	1	1			
	Policy Briefs	2.1.3	Number of Policy Briefs published.	>=10	>=10			
	Submission on the Medium-Term Budget Policy Statement	2.1.4	Submission on the Medium-Term Budget Policy Statement submitted.	1			1	
	Submission on the Division of Revenue Bill	2.1.5	Submission on the Division of Revenue Bill submitted.	1	1			
	Submission on the Appropriation Bill	2.1.6	Submission on the Appropriation Bill submitted.	1	1			
	Briefings and presentations for engagement	2.2.1	Number of briefings and presentations made.	>=20		>5	>10	>5
	Special projects undertaken.	2.2.2	Number of special projects undertaken.	2 - Public Procurement Bill & State of SOEs (Energy)			1	1

*Explanation of planned performance over the medium-term period*

To advance "**evidence-based informed policymaking through recommendations on financial and fiscal matters to the legislature**", the research programme plans to substantially expand its internal capacity to conduct quality research to make recommendations to meet the stakeholders' needs. To that end, the programme will research legislated topics guided by the Commission, prepare research and discussion documents, hold research seminars and respond to stakeholders. Its duties are to prepare formal submission documents to submit to Parliament, provincial legislatures and any other authorities determined by national legislation. The programme will continue to produce regular research papers, policy briefs, a technical report with research chapters, budget submissions and annual submission research to inform Parliament and legislatures on matters of the fiscus, financial and economic environment of South Africa.

From 2023 onwards, the research programme will also conduct special research projects to advise the Commission and Chairperson on the strategic topics for stakeholder engagements to optimise the Commission's influence. Through the sub-programmes of Macroeconomic unit, Data unit, Appropriation, Division of Revenue: Provinces and Division of Revenue: Local Government, the programme will continue to use researched evidence to influence evidence-based informed policymaking on the relevant policies and legislation.

Over the medium term, the programme in 2023 envisages significant expansions in its research capacity and capability through recruitments, research succession planning, internal human capital, and capacity development and retention.

The overarching theme for the Annual Submission to be submitted during the financial year of the APP is "**Improving service delivery and inclusivity in an environment of expenditure moderation**". In essence, the Commission observes the rise of global inflation and the rising domestic prices, combined with expenditure moderations due to SOEs needing bailouts. Questions abound on what squeezing the fiscus from the escalating price levels, combined with the dwindling fiscal resources, means for critical social and economic priorities such as education at the provincial sphere and basic services in local government.

In terms of special projects, the Commission research will be conducting policy analysis on the proposed Public Procurement Bill Amendment as it is arguably one of the integral functions of government enabling it to make strategic purchases of public goods and services through competitive and equitable means. In addition, the Commission is concerned about the persistent deterioration in the state of SOEs, promulgating towards the worst energy crisis ever witness in South Africa since democracy.

## 7.3 Programme 2 - Resource Considerations

### 7.3.1 Expenditure trends and estimates

#### Research expenditure trends and estimates by subprogramme and economic classification

Statement of financial performance	Audited outcome			Approved budget	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term estimate			Average growth rate (%)	Expenditure/total: Average (%)
R thousand	2019/20	2020/21	2021/22	2022/23	2019/20-2022/23		2023/24	2024/25	2025/26	2022/23 - 2025/26	
Research	20 752	10 788	20 300	16 650	-7.1%	84.1%	26 787	28 073	29 409	20.9%	100.0%
<b>Economic Classification</b>	<b>20 752</b>	<b>10 788</b>	<b>20 300</b>	<b>16 650</b>	<b>-7.1%</b>	<b>84.1%</b>	<b>26 787</b>	<b>28 073</b>	<b>29 409</b>	<b>20.9%</b>	<b>100.0%</b>
Compensation of employees	14 264	9 831	12 872	15 130	-24.5%	76.8%	25 043	26 245	27 494	22.0%	92.8%
Goods and services	6 488	957	7 428	1 520	-58.9%	23.2%	1 744	1 828	1 915	8.0%	7.2%
<b>Total expenses</b>	<b>20 752</b>	<b>10 788</b>	<b>20 300</b>	<b>16 650</b>	<b>-33.7%</b>	<b>100.0%</b>	<b>26 787</b>	<b>28 073</b>	<b>29 409</b>	<b>20.9%</b>	<b>100.0%</b>

### 7.3.2 Personnel information

#### Research personnel numbers and cost by salary level

Post status			Number and cost <sup>1</sup> of personnel posts filled/planned for on funded establishment												Number				
Number of posts on approved establishment	Number of funded posts		Actual			Revised estimates			Medium-term expenditure estimate						Average growth rate of personnel posts (%)	Average salary level/ Total (%)			
Administration			2021/22			2022/23			2023/24			2024/25			2025/26			2021/22-2025/26	
			Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost		
Salary level	38	22	19	10 644	560	37	14 790	778	37	16 039	729	37	16 153	734	37	16 922	769	5%	100%
1 – 6	11	12	12	7 132	648	12	4 187	349	12	4 444	370	12	4 476	373	12	4 689	391	4%	57%
7 – 10	11	0	0	-	-	11	-	-	11	-	-	11	-	-	11	-	-	0%	0%
11 – 12	10	2	0	-	-	6	1 488	-	6	1 569	784	6	1 580	790	6	1 655	827	4%	7%
13 – 16	6	8	7	3 512	439	8	9 114	1 302	8	10 026	1 253	8	10 097	1 262	8	10 578	1 322	5%	36%
17 – 22	0	0	0	-	-	0	-	-	0	-	-	0	-	-	0	-	-	0%	0%

<sup>1</sup>Includes interns as part of the remuneration budget

## 7.4 Key risks

Outcome	Key Risk	Risk Mitigation
Evidence-based informed policymaking through recommendations on financial and fiscal matters.	Lack of proper understanding of FFC Mandate of the Commission by internal and external stakeholders	Familiarising with the correct interpretations of the Commission's mandate on committee engagements

# PART D: TECHNICAL INDICATOR DESCRIPTIONS

## PROGRAMME 1: ADMINISTRATION

Output Indicator	No. 1.1.1
Indicator Title	Percentage spent of training budget.
Definition	This indicator measures the expenditure on research training and development against the budgeted amount in a financial year.
Source of data	Quarterly Financial/HR Reports
Method of Calculation / Assessment	(Training and development spend to date / Training and development budget for the year) x 100
Means of verification	Audited Financial Statements
Assumptions	The Commission will budget for training and development
Disaggregation of Beneficiaries (where applicable)	<ul style="list-style-type: none"> <li>• Target for Women: N/A</li> <li>• Target for Youth: N/A</li> <li>• Target for People with Disabilities: N/A</li> </ul>
Spatial Transformation (where applicable)	<ul style="list-style-type: none"> <li>• Reflect on contribution to spatial transformation priorities: N/A</li> <li>• Reflect on the spatial impact area: N/A</li> </ul>
Calculation Type	Cumulative (year-end)
Reporting Cycle	Quarterly
Desired performance	85% of the budgeted amount of training and development spent
Indicator Responsibility	Human Resources Specialist

Output Indicator	No. 1.1.2
Indicator Title	Number of quarterly reports on monitoring of the recruitment plan and the Employment Equity Plan implementation.
Definition	This indicator monitors the implementation of the recruitment plan as well as the employment equity plan on gender, youth and people with disabilities mainstreaming.
Source of data	Quarterly Human Resources Reports
Method of Calculation / Assessment	Simple count of quarterly reports on the implementation of the recruitment plan as well as employment equity plan
Means of verification	Quarterly Accounting Officer Reports
Assumptions	There are recruitment plan and employment equity plan in place.
Disaggregation of Beneficiaries (where applicable)	<ul style="list-style-type: none"> <li>• Target for Women: &gt;50%</li> <li>• Target for Youth: &gt;40%</li> <li>• Target for People with Disabilities: &gt;10</li> </ul>
Spatial Transformation (where applicable)	<ul style="list-style-type: none"> <li>• Reflect on contribution to spatial transformation priorities: Place of origin</li> <li>• Reflect on the spatial impact area: Place of residence</li> </ul>
Calculation Type	Cumulative (year-end)
Reporting Cycle	Quarterly
Desired performance	4 quarterly reports on the implementation of the recruitment plan and employment equity plan on gender, youth and people with disabilities mainstreaming.
Indicator Responsibility	Human Resources Specialist

Output Indicator	No. 1.2.1
Indicator Title	Number of quarterly ICT reports
Definition	This indicator measures the ICT equipment, service and infrastructure standards met against market-related benchmarks
Source of data	ICT reports that assess the progress of user-centric ICT services, hardware and software and infrastructure standards in line with market benchmarks.
Method of Calculation / Assessment	(Number of user-centric ICT Service components met / Total number of ICT standards per the industry benchmark) x 100
Means of verification	Quarterly Accounting Officer Reports
Assumptions	The Commission will have a user-guided ICT benchmark with strategic components in place.
Disaggregation of Beneficiaries (where applicable)	<ul style="list-style-type: none"> <li>• Target for Women: N/A</li> <li>• Target for Youth: N/A</li> <li>• Target for People with Disabilities: N/A</li> </ul>
Spatial Transformation (where applicable)	<ul style="list-style-type: none"> <li>• Reflect on contribution to spatial transformation priorities: N/A</li> <li>• Reflect on the spatial impact area: N/A</li> </ul>
Calculation Type	Non-cumulative
Reporting Cycle	Quarterly
Desired performance	95% of ICT component standards met.
Indicator Responsibility	Information, Communication Technology (ICT) Specialist

Output Indicator	No. 1.3.1
Indicator Title	Audit Opinion obtained.
Definition	This is an opinion expressed by the external auditors on the financial statements of the departments at financial year-end and the reported performance information that financial year.
Source of data	Audited Annual Report
Method of Calculation / Assessment	<ol style="list-style-type: none"> <li>1. The opinion expressed by the external auditors on the financial statements and the reported performance information is unqualified.</li> <li>2. Calculate the percentage reduction: (No. of unresolved findings in the previous financial year – No. of unresolved findings in current financial year) / No. of unresolved findings in the previous financial year x 100</li> </ol>
Means of verification	Audited Annual Report
Assumptions	The Commission's financial statements and non-financial performance will be audited
Disaggregation of Beneficiaries (where applicable)	<ul style="list-style-type: none"> <li>• Target for Women: N/A</li> <li>• Target for Youth: N/A</li> <li>• Target for People with Disabilities: N/A</li> </ul>
Spatial Transformation (where applicable)	<ul style="list-style-type: none"> <li>• Reflect on contribution to spatial transformation priorities: N/A</li> <li>• Reflect on the spatial impact area: N/A</li> </ul>
Calculation Type	Non-cumulative
Reporting Cycle	Annually
Desired performance	Unqualified audit opinion with 30% fewer findings on financial and non-financial performance than the previous financial year.
Indicator Responsibility	Chief Financial Officer

Output Indicator	No. 1.3.2
Indicator Title	Percentage of valid invoices paid within 30 days of acceptance.
Definition	This indicator measures the percentage of valid invoices authorised and paid within 30 days as per Section 38(1)(f) of the PFMA and Treasury Regulation 8.2.3
Source of data	Payment reports and contract register
Method of Calculation / Assessment	$(\text{No. of valid invoices authorised and paid} / \text{No. of valid invoices}) \times 100$
Means of verification	Payment reports and contract register
Assumptions	The Commission has a system of transaction able to discern the validity of the invoices and make payment thereof.
Disaggregation of Beneficiaries (where applicable)	<ul style="list-style-type: none"> <li>• Target for Women: N/A</li> <li>• Target for Youth: N/A</li> <li>• Target for People with Disabilities: N/A</li> </ul>
Spatial Transformation (where applicable)	<ul style="list-style-type: none"> <li>• Reflect on contribution to spatial transformation priorities: N/A</li> <li>• Reflect on the spatial impact area: N/A</li> </ul>
Calculation Type	Non-cumulative
Reporting Cycle	Quarterly
Desired performance	100% valid invoices paid within 30 days
Indicator Responsibility	Chief Financial Officer

Output Indicator	No. 1.3.3
Indicator Title	Number of compliance reports generated and submitted to the Accounting Officer
Definition	This indicator monitors and reports the status of compliance in line with the legislation to the Audit and Risk Committee for compliance monitoring, control, and governance.
Source of data	Progress reports that presents the status of compliance in line with the compliance universe and legislation
Method of Calculation / Assessment	Simple count of quarterly reports that reports the status of institutional compliance in line with the legislation and policies
Means of verification	Quarterly compliance reports and monitoring
Assumptions	The Commission will have identified all applicable legislation for compliance
Disaggregation of Beneficiaries (where applicable)	<ul style="list-style-type: none"> <li>• Target for Women: N/A</li> <li>• Target for Youth: N/A</li> <li>• Target for People with Disabilities: N/A</li> </ul>
Spatial Transformation (where applicable)	<ul style="list-style-type: none"> <li>• Reflect on contribution to spatial transformation priorities: N/A</li> <li>• Reflect on the spatial impact area: N/A</li> </ul>
Calculation Type	Cumulative (year-end)
Reporting Cycle	Quarterly
Desired performance	4 quarterly reports on the Commission operation's status of compliance
Indicator Responsibility	Accounting Officer

Output Indicator	No. 1.3.4
Indicator Title	Number of risk management reports generated and submitted to the Accounting Officer, corroborating the Audit Improvement Plan.
Definition	This indicator monitors and reports the developments in the risk register to the Audit and Risk Committee for risk management, control, and governance.
Source of data	Progress reports that monitor and reports on risk management
Method of Calculation / Assessment	Simple count of quarterly risk management reports
Means of verification	Quarterly Reports
Assumptions	The Commission has a risk register
Disaggregation of Beneficiaries (where applicable)	<ul style="list-style-type: none"> <li>• Target for Women: N/A</li> <li>• Target for Youth: N/A</li> <li>• Target for People with Disabilities: N/A</li> </ul>
Spatial Transformation (where applicable)	<ul style="list-style-type: none"> <li>• Reflect on contribution to spatial transformation priorities: N/A</li> <li>• Reflect on the spatial impact area: N/A</li> </ul>
Calculation Type	Cumulative (year-end)
Reporting Cycle	Quarterly
Desired performance	4 quarterly reports on risk management of Commission operations, reporting risk tolerance and coverage of mitigation
Indicator Responsibility	Accounting Officer

Output Indicator	No. 1.3.5
Indicator Title	Percentage of procurement processes completed within six months of requisition, in line with the procurement plan.
Definition	This indicator monitors the efficiency of the procurement process completed in line with the procurement plan.
Source of data	Procurement plan, requisition register and contract register
Method of Calculation / Assessment	The average of (Date of appointment of SP - Date of Requisition / 25 working days in a month)
Means of verification	Quarterly SCM reports
Assumptions	Updated procurement plan, requisition register and contract register.
Disaggregation of Beneficiaries (where applicable)	<ul style="list-style-type: none"> <li>• Target for Women: N/A</li> <li>• Target for Youth: N/A</li> <li>• Target for People with Disabilities: N/A</li> </ul>
Spatial Transformation (where applicable)	<ul style="list-style-type: none"> <li>• Reflect on contribution to spatial transformation priorities: N/A</li> <li>• Reflect on the spatial impact area: N/A</li> </ul>
Calculation Type	Average of days/25 working days to date (year-end)
Reporting Cycle	Quarterly
Desired performance	4 quarterly reports on Supply Chain Management
Indicator Responsibility	Chief Financial Officer

Output Indicator	No. 1.3.6
Indicator Title	Number of quarterly reports
Definition	This indicator ensures the accountability of the accounting officer in terms of s38-40 of the PFMA.
Source of data	Quarterly Reports
Method of Calculation / Assessment	Simple count of quarterly management reports
Means of verification	Quarterly Reports
Assumptions	All input reports needed to compile the report are available.
Disaggregation of Beneficiaries (where applicable)	<ul style="list-style-type: none"> <li>• Target for Women: N/A</li> <li>• Target for Youth: N/A</li> <li>• Target for People with Disabilities: N/A</li> </ul>
Spatial Transformation (where applicable)	<ul style="list-style-type: none"> <li>• Reflect on contribution to spatial transformation priorities: N/A</li> <li>• Reflect on the spatial impact area: N/A</li> </ul>
Calculation Type	Cumulative (year-end)
Reporting Cycle	Quarterly
Desired performance	4 quarterly reports
Indicator Responsibility	Accounting Officer

**PROGRAMME 2: RESEARCH**

<b>Output Indicator</b>	<b>No. 2.1.1</b>
Indicator Title	Annual Submission for the Division of Revenue with Recommendations tabled.
Definition	This refers to the statutory requirement of the Commission approved Annual Submission for the Division of Revenue with recommendations.
Source of data	Office of the Chairperson and Commission records.
Method of Calculation / Assessment	Simple count of the Annual Submission tabled
Means of verification	Electronic proof of the Annual Submission
Assumptions	That there are sufficient resources and supports available
Disaggregation of Beneficiaries (where applicable)	<ul style="list-style-type: none"> <li>• Target for Women: N/A</li> <li>• Target for Youth: N/A</li> <li>• Target for People with Disabilities: N/A</li> </ul>
Spatial Transformation (where applicable)	<ul style="list-style-type: none"> <li>• Reflect on contribution to spatial transformation priorities: N/A</li> <li>• Reflect on the spatial impact area: N/A</li> </ul>
Calculation Type	Cumulative (year-end).
Reporting Cycle	Annually
Desired performance	1 Annual Submission for the Division of Revenue
Indicator Responsibility	Executive Manage: Research

<b>Output Indicator</b>	<b>2.1.2</b>
Indicator Title	Technical Research report regarding the Annual Submission published.
Definition	This refers to the technical research report published on the Commission website
Source of data	Commission website
Method of Calculation / Assessment	Simple count of the technical report published
Means of verification	Electronic document accessible on the Commission website.
Assumptions	That there is a functioning Commission website and that are sufficient resources and supports available to conduct the research
Disaggregation of Beneficiaries (where applicable)	<ul style="list-style-type: none"> <li>• Target for Women: N/A</li> <li>• Target for Youth: N/A</li> <li>• Target for People with Disabilities: N/A</li> </ul>
Spatial Transformation (where applicable)	<ul style="list-style-type: none"> <li>• Reflect on contribution to spatial transformation priorities: N/A</li> <li>• Reflect on the spatial impact area: N/A</li> </ul>
Calculation Type	Cumulative (year-end).
Reporting Cycle	Annually
Desired performance	1 technical research report published
Indicator Responsibility	Executive Manage: Research

Output Indicator	2.1.3
Indicator Title	Number of Policy Briefs published.
Definition	This refers to the policy briefs published on the Commission website
Source of data	Commission website
Method of Calculation / Assessment	Simple count of the policy briefs published
Means of verification	Electronic documents accessible on the Commission website.
Assumptions	That there is a functioning Commission website and that are sufficient resources and supports available to conduct the research
Disaggregation of Beneficiaries (where applicable)	<ul style="list-style-type: none"> <li>• Target for Women: N/A</li> <li>• Target for Youth: N/A</li> <li>• Target for People with Disabilities: N/A</li> </ul>
Spatial Transformation (where applicable)	<ul style="list-style-type: none"> <li>• Reflect on contribution to spatial transformation priorities: N/A</li> <li>• Reflect on the spatial impact area: N/A</li> </ul>
Calculation Type	Cumulative (year-end).
Reporting Cycle	Quarterly
Desired performance	10 policy briefs published
Indicator Responsibility	Executive Manage: Research

Output Indicator	No. 2.1.4
Indicator Title	Submission on the Medium-Term Budget Policy Statement submitted.
Definition	This refers to the statutory requirement of the Commission approved submission on the MTBPS with recommendations.
Source of data	Office of the Chairperson and Commission records.
Method of Calculation / Assessment	Simple count of the submission on the MTBPS submitted
Means of verification	Electronic proof of the submission on the MTBPS
Assumptions	That the MTBPS is tabled timeously by the Minister of Finance and that there are sufficient resources and supports available.
Disaggregation of Beneficiaries (where applicable)	<ul style="list-style-type: none"> <li>• Target for Women: N/A</li> <li>• Target for Youth: N/A</li> <li>• Target for People with Disabilities: N/A</li> </ul>
Spatial Transformation (where applicable)	<ul style="list-style-type: none"> <li>• Reflect on contribution to spatial transformation priorities: N/A</li> <li>• Reflect on the spatial impact area: N/A</li> </ul>
Calculation Type	Cumulative (year-end).
Reporting Cycle	Annually
Desired performance	1 submission on the MTBPS
Indicator Responsibility	Executive Manage: Research

Output Indicator	2.1.5
Indicator Title	Submission on the Division of Revenue Bill submitted.
Definition	This refers to the statutory requirement of the Commission approved submission on the Division of Revenue Bill with recommendations.
Source of data	Office of the Chairperson and Commission records.
Method of Calculation / Assessment	Simple count of the submission on the Division of Revenue Bill
Means of verification	Electronic proof of the submission on the Division of Revenue Bill
Assumptions	That the Division of Revenue Bill is tabled by the Minister of Finance timeously and that there are sufficient resources and supports available
Disaggregation of Beneficiaries (where applicable)	<ul style="list-style-type: none"> <li>• Target for Women: N/A</li> <li>• Target for Youth: N/A</li> <li>• Target for People with Disabilities: N/A</li> </ul>
Spatial Transformation (where applicable)	<ul style="list-style-type: none"> <li>• Reflect on contribution to spatial transformation priorities: N/A</li> <li>• Reflect on the spatial impact area: N/A</li> </ul>
Calculation Type	Cumulative (year-end).
Reporting Cycle	Annually
Desired performance	1 submission on the Division of Revenue Bill
Indicator Responsibility	Executive Manage: Research

Output Indicator	2.1.6
Indicator Title	Submission on the Appropriation Bill submitted.
Definition	This refers to the statutory requirement of the Commission approved submission on the Appropriation Bill with recommendations.
Source of data	Office of the Chairperson and Commission records.
Method of Calculation / Assessment	Simple count of the submission on the Appropriation Bill
Means of verification	Electronic proof of the submission on the Appropriation Bill
Assumptions	That the Appropriation Bill is tabled by the Minister of Finance timeously and that there are sufficient resources and supports available
Disaggregation of Beneficiaries (where applicable)	<ul style="list-style-type: none"> <li>• Target for Women: N/A</li> <li>• Target for Youth: N/A</li> <li>• Target for People with Disabilities: N/A</li> </ul>
Spatial Transformation (where applicable)	<ul style="list-style-type: none"> <li>• Reflect on contribution to spatial transformation priorities: N/A</li> <li>• Reflect on the spatial impact area: N/A</li> </ul>
Calculation Type	Cumulative (year-end).
Reporting Cycle	Annually
Desired performance	1 submission on the Appropriation Bill
Indicator Responsibility	Executive Manage: Research

Output Indicator	2.2.1
Indicator Title	Number of briefings and presentations made.
Definition	This refers to the statutory requirement of the Commission to brief Parliament, provincial legislatures and any other authorities determined by national legislation, whereby the Commission responded with contributions.
Source of data	Office of the Chairperson and Commission records.
Method of Calculation / Assessment	Simple count of engagements attended to.
Means of verification	Invite received and Commission approved presentation or briefing notes as contributions for the engagement
Assumptions	That invites are received timeously and there are sufficient resources and supports available to respond to the invites.
Disaggregation of Beneficiaries (where applicable)	<ul style="list-style-type: none"> <li>• Target for Women: N/A</li> <li>• Target for Youth: N/A</li> <li>• Target for People with Disabilities: N/A</li> </ul>
Spatial Transformation (where applicable)	<ul style="list-style-type: none"> <li>• Reflect on contribution to spatial transformation priorities: N/A</li> <li>• Reflect on the spatial impact area: N/A</li> </ul>
Calculation Type	Cumulative (year-end).
Reporting Cycle	Quarterly
Desired performance	At least 20 engagements
Indicator Responsibility	Executive Manage: Research

Output Indicator	2.2.2
Indicator Title	Number of special projects undertaken.
Definition	This refers to the special project undertaken by the Commission on relevant, current issues impacting on the economy, the fiscal and financial system. These projects can take various forms as other submissions, conferences, surveys etc.
Source of data	Office of the Chairperson and Commission records.
Method of Calculation / Assessment	Simple count of special project with submission conducted and submitted.
Means of verification	Electronic proof of the special project report accessible to the public.
Assumptions	Sufficient research capacity
Disaggregation of Beneficiaries (where applicable)	<ul style="list-style-type: none"> <li>• Target for Women: N/A</li> <li>• Target for Youth: N/A</li> <li>• Target for People with Disabilities: N/A</li> </ul>
Spatial Transformation (where applicable)	<ul style="list-style-type: none"> <li>• Reflect on contribution to spatial transformation priorities: N/A</li> <li>• Reflect on the spatial impact area: N/A</li> </ul>
Calculation Type	Cumulative (year-end).
Reporting Cycle	Quarterly
Desired performance	At least 2 special projects/submissions
Indicator Responsibility	Executive Manage: Research

## Annexure A: Amendments to the Strategic Plan 2020-2025

This section provides details of the revisions to the approved SP with reasons for the revisions to align with the Annual Performance Plan 2023/24.

### PROGRAMME 1: ADMINISTRATION

2020-2025 Strategic Plan				Revised Outcome	Outcome Indicator	Five-year target	Reasons for revision	Outputs
Outcome	Outcome Indicators	Baseline	Five Year Targets					
Strengthening the effectiveness of the internal capacity available to the Commission	Vacancy Rate of staff	To be determined	Less than 5% per annum at the end of the 5-year planning period	A conducive corporate environment with sound financial controls of Commission resources for fulfilling its mandate	Percentage spend of training budget.	>90% of total research training budget spend	To capacitate staff through training and development	Human Resource Management Reports in line with the implementation of training and development, the recruitment plan and the employment equity plan.
					Duration of vacancies on the organisational structure	All vacancies filled within 6 months of requisition	To increase the process efficiency of recruitment, subject to the changing operational requirements.	
	ICT Strategy and Knowledge Management System	Outdated ICT Strategy and Knowledge Management System	A new ICT Strategy and Knowledge Management system is in place and implemented in each year		A user-centric, up-to-date ICT environment in terms of software and hardware.	A user-centric, up-to-date ICT environment in terms of software and hardware.	To ensure the implementation of a conducive and up-to-date ICT environment.	ICT reports monitoring the implementation of ICT components (namely software and hardware) supporting operations.
	Reduction of annual repeat audit findings	Baseline: 41%	Annual repeat audit findings are between 5% to 10% at the end of the 5-year planning period		Audit opinion	Clean audit opinion	A clean audit	Audit Opinion by the Auditor General South Africa
					Efficient and accurate payment system	100% of valid invoices paid within 30 days of acceptance	To ensure financial controls of the Commission resources	Payment of valid invoices to suppliers within 30 days of acceptance.

					Compliance monitoring	Elimination of non-compliance	To ensure compliance	Compliance reports with key legislative requirements
					Effective Risk Register and Audit Improvement Plan	Effective Risk Register and Audit Improvement Plan	To effectively manage audit risks	Risk management reports
					Efficient procurement processes complete within 6 months of requisition	100% of procurement processes completed within 6 months of requisition, in line with the procurement plan.	To ensure an efficient procurement environment.	Procurement reports monitoring the duration as well as progress of the procurement plan
					Effective internal controls	Effective internal controls	To ensure effective internal controls.	Quarterly management reports

**PROGRAMME 2: RESEARCH**

2020-2025 Strategic Plan				Revised Outcome	Outcome Indicator	Five-year target	Reasons for revision	Outputs
Outcome	Outcome Indicators	Baseline	Five Year Targets					
Strengthen co-operative governance through harmonising the fiscal system.	Proportion of recommendations on the annual budget responded to by government	To be determined	60% of recommendations responded to by government at the end of the 5-year planning period	Evidence-based informed policymaking through recommendations on financial and fiscal matters to the legislature.	Annual Submissions for the Division of Revenue with Recommendations tabled.	5 Annual Submissions for the Division of Revenue with Recommendations tabled	To fulfil the Constitutional Mandate of the Commission, in terms of S220 of the Constitution: "which makes recommendations envisaged in this Chapter (13: Finance), or in national legislation, to Parliament, provincial legislatures and any other authorities determined by national legislation."	Annual Submission for the Division of Revenue with Recommendations
					Technical Research reports regarding the Annual Submission published.	5 Technical Research reports regarding the Annual Submission published.		Technical Research report regarding the Annual Submission
					Policy Briefs published.	Policy Briefs published.		Policy Briefs
	Number of downloads of reports and knowledge products from the Commission website	To be determined	100 downloads of reports and knowledge products from the Commission website per annum at the end of the 5-year planning period		Submissions on the Medium-Term Budget Policy Statement submitted.	5 Submissions on the Medium-Term Budget Policy Statements submitted.		Submission on the Medium-Term Budget Policy Statement
					Submissions on the Division of Revenue Bill submitted.	Submissions on the Division of Revenue Bill submitted.		Submission on the Division of Revenue Bill
					Submissions on the Appropriation Bill submitted.	Submissions on the Appropriation Bill submitted.		Submission on the Appropriation Bill
	The number of seminars, meetings and forums initiated by the Commission with any	3	3 at the end of the 5-year planning period		Research engagements and recommendations advocacy	Total number of research engagements and recommendations advocacy		Briefings and presentations for engagement

	stakeholders regarding Commission reports, policy briefs or other knowledge products and contributions				Impactful, relevant research and recommendations on topical financial and fiscal issues	Impactful, relevant research and recommendations on topical financial and fiscal issues	fiscal issues through engagements and advocacy	Special projects undertaken.
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