

ANNUAL PERFORMANCE PLAN 2024 /25

GTAC Analyse
Assess
Activate
Strategic & Technical Advisory

National Treasury
REPUBLIC OF SOUTH AFRICA

Ministers Foreword

South Africa's development journey is a monumental undertaking, a journey characterized by an involved and passionate citizenry, a dedicated civil service, and tremendous natural resources at our disposal. At the same time the complexities and uncertainties of a global economy, energy crises, the relentless specter of climate change, and the persistent challenge of high unemployment, challenges our progress at every turn. We face pressing domestic issues, from the heartbreaking scourge of violence against women and children to the unacceptable inequalities, rising public debt, and the devastating impact of natural disasters. This journey is indeed a marathon, not a sprint, one that calls for commitment and dedication.

Despite these formidable challenges, our government has been resolute in its efforts to manage fiscal challenges, following a strategic roadmap laid out in the five-year fiscal consolidation pathway. This strategy seeks to balance economic growth, debt control, and the redirection of our spending from consumption to investment, all while reducing the cost of capital. Navigating these complexities demands difficult yet essential trade-offs, in pursuit of economic growth, fiscal sustainability, reduced inequality, social harmony, and climate change mitigation.

The Government Technical Advisory Centre, or GTAC, has earned a reputation as a dependable institution providing sound advice in the domain of public finance. Through its rigorous analysis of public expenditure, the ability to assess policy imperatives, and the provision of specialized technical advice to state organs, GTAC has made important contributions in expanding South African Public Private Partnerships and accelerating economic growth through infrastructure project delivery.

While South Africa is renowned for its innovative policy frameworks, we are also held accountable for our capacity to translate these policies into tangible outcomes. I commend GTAC for embracing the challenge in the current financial year. GTAC's pivotal role as a bridge between government, the private sector, donors, and civil society is fundamental in turning government policy into meaningful action.

GTAC is more than an institution; it embodies a dedicated team of professionals committed to contribute and support a public sector that is confident, competent, and capable, committed to understanding government priorities, responding effectively, and devising innovative and sustainable solutions for overcoming challenges.

In the coming financial year, I encourage GTAC stay the course, dedicating their resources and skills to government priorities, particularly those within the finance family, expanding and enriching its pool of experts through strategic partnerships and creating opportunities for young professionals to contribute to the GTAC team and expanding the use of cutting-edge technology to enhance the quality of government service delivery.

As we move forward together in this challenging year, let us remember that it is the collective partnership of government, the private sector, civil society, academia, and every South African citizen that will guide our nation toward the brighter future we aspire to build. This collaboration significantly contributes to the fulfilment of GTAC's mandate to assist state organs in building the capacity for efficient, effective, and transparent financial management

Thank you, and may this year be marked by unity, purpose, and progress.



Minister of Finance

Accounting Officer Statement

This year marks an important chapter in our journey towards improved service delivery, job creation and economic growth, one that calls for unwavering commitment and innovation by every organ of state, with GTAC playing its part.

As we delve into the priorities and objectives that will guide GTAC's actions in the coming year, it is essential to acknowledge the broader context within which we operate. Our great nation, South Africa, faces formidable challenges and opportunities. The alignment of GTAC's support with the government's priorities, especially those within the finance family, is a critical element of our mission. It underscores our dedication to addressing the pressing issues that affect the lives of our citizens and the growth of our nation.

The 2024 Annual Performance Plan builds upon the invaluable insights and experiences detailed in the GTAC Annual Report. It is through a rigorous analysis of public expenditure, the assessment of policy imperatives, and the provision of specialised technical advice to state organs that GTAC has emerged as a dependable, quality driven and responsive partner in the realm of public finance. Our role in advancing South African public-private partnerships and accelerating economic growth through infrastructure project delivery is a testament to our commitment to driving tangible progress.

In the face of pressing challenges, both global and local, GTAC remains steadfast in its commitment to foster collaboration between government, the private sector, donors, academic institutions and civil society. Our role as a connector in this intricate web of stakeholders is fundamental to translating government policy into impactful action.

We recognise the necessity of swift and effective responses to urgent and high-priority matters. To this end, GTAC is dedicated to strengthening and streamlining institutional systems and processes, ensuring that we can navigate complex challenges with precision and efficiency. We understand that the pace of change in our modern world demands agile responses, and we stand ready to meet that demand.

GTAC is more than just an institution; it is an embodiment of our vision for a competent, capable and confident public sector. Our commitment to understanding government priorities, offering responsive solutions, and finding innovative and sustainable answers to challenges is at the core of our mission. Expanding and enriching our pool of experts through strategic partnerships, as well as creating opportunities for young professionals, is a commitment we take seriously. It is through the diversity of thought and experience that we find the wellspring of innovation.

As we navigate the complexities of the modern age, we are acutely aware of the critical role technology plays in enhancing the quality of government service delivery. GTAC is resolute in its commitment to expanding the use of cutting-edge technology, ensuring that we keep pace with the demands of a rapidly changing world, while delivering services of the highest standard.

As we strive to bridge the gap between policy and action, we look forward to a year of collaboration, innovation and impactful results. Together with government, the private sector, civil society, academia, and all South African citizens, we will continue to work towards a brighter, more prosperous future.

Sincerely,



RONETTE ENGELA

Acting Head and Accounting Officer: GTAC

Official Sign-off



MARKUS RAUTENBACH
Chief Financial Officer



ELAINE VENTER
Acting Chief Director: Strategy Management
and Communication



RONETTE ENGELA
Acting Head and Accounting Officer: GTAC



ENOCH GODONGWANA
Minister of Finance

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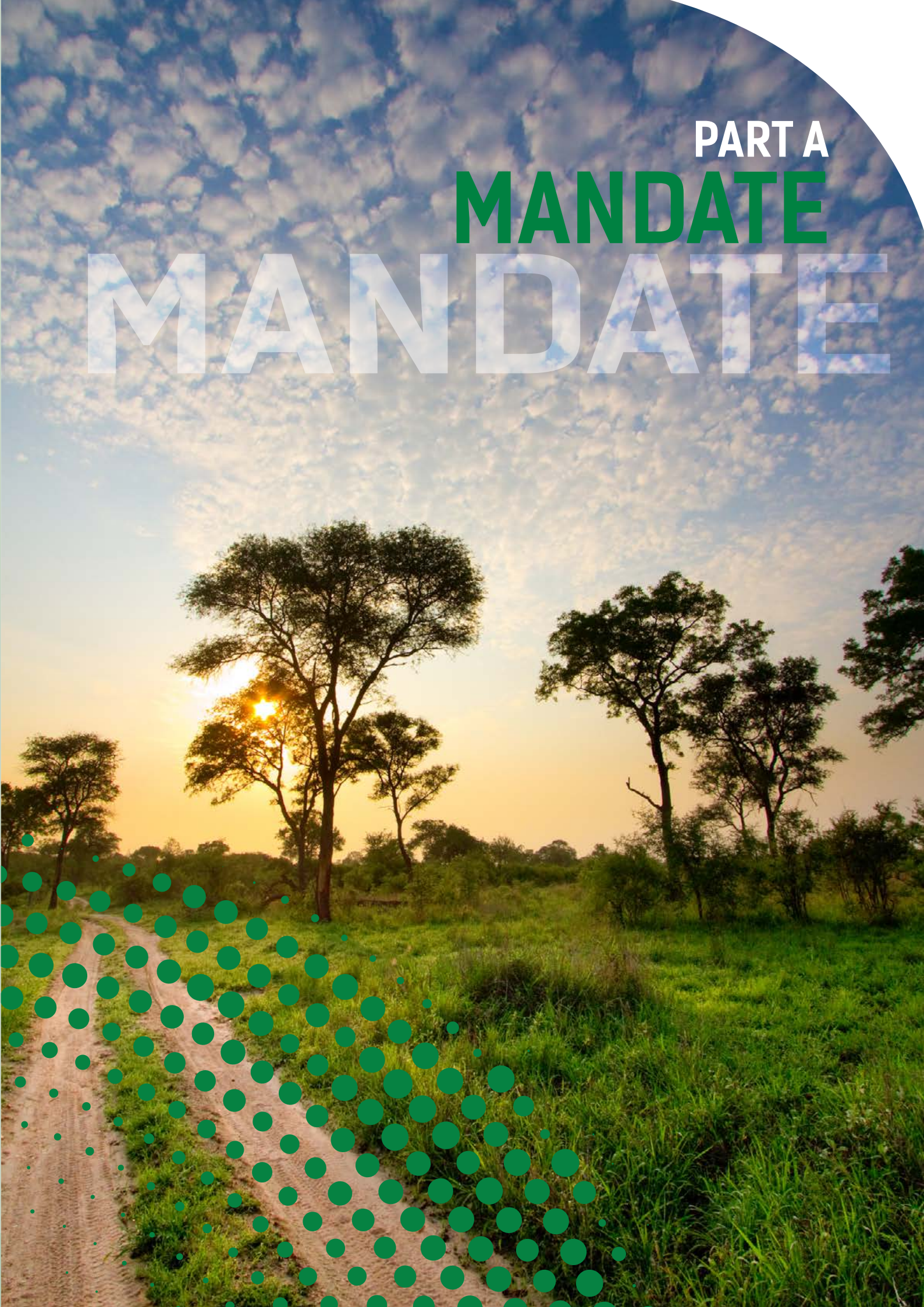
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PART A

MANDATE

MANDATE



1. GTAC's Rationale and Evolution

1.1. RATIONALE

The Government Technical Advisory Centre (GTAC) was established to consolidate the advisory and support activities of National Treasury within a dedicated centre with skilled expertise. The aim was to establish a government centre that could respond flexibly and professionally to service delivery constraints in the public sector by deploying technical and advisory expertise to address these challenges. The main benefits envisaged in establishing an independent advisory centre were to improve service delivery through a single-entry point; to improve governance; and to enhance the quality of public services.

The primary goal was to consolidate the advisory and support activities of National Treasury within a dedicated centre, staffed with skilled experts. The overarching aim of this establishment was to create a government centre, capable of providing flexible and professional responses to service delivery constraints within the public sector. It was designed to deploy technical and advisory expertise to effectively address the challenges faced in delivering public services. The main benefits envisioned in creating an independent advisory centre like the GTAC were as follows:

- **Improving service delivery through a single entry point:** The GTAC serves as a single point of contact for various government entities seeking technical and advisory support. This streamlines the process of accessing expertise and resources to address service delivery challenges, making it more efficient and user-friendly. By centralising this support, government departments can access the necessary assistance more easily and expediently.
- **Enhancing governance:** The GTAC's establishment can contribute to improved governance within the public sector. It can provide guidance, best practices and technical assistance to government departments, helping them adhere to higher standards of governance, transparency and accountability. This, in turn, promotes the responsible and effective management of public resources.
- **Enhancing the quality of public services:** Through its specialised expertise and advisory services, the GTAC can help government departments and agencies improve the quality of the public services they provide. This includes optimising resource allocation, implementing best practices, and ensuring that services meet the needs and expectations of the public.

In summary, the establishment of the GTAC aimed to create a centralised hub of technical and advisory expertise that could offer support to government entities in addressing service delivery challenges. This consolidation of resources and knowledge was intended to lead to more efficient service delivery, better governance, and higher-quality public services across the public sector.

2. Our Mandate

2.1. CONSTITUTIONAL AND LEGISLATIVE MANDATE

The GTAC's role is framed within a set of well-defined and forward-looking legal frameworks; key among these is the Constitution and GTAC's Founding Notice.

The Constitution of the Republic of South Africa (1996) sets out GTAC's foundational values. In Chapter 10 of the Constitution, which deals with public administration, section 195(1) states that "public administration must be governed by the democratic values and principles enshrined in the Constitution". For the GTAC, the most relevant of these are the promotion of the "efficient, economic and effective use of resource" and that "public administration must be development-oriented".

The GTAC's Founding Notice gives effect to this mandate by setting the GTAC's objective as "to assist organs of state in building their capacity for efficient, effective and transparent financial management" (Government Notice 261, *Government Gazette* 35194, March 2012). Acting in terms of section 7A(4) of the Public Service Act (Proclamation 103 of 1994), the Minister of Finance, with the Minister of Public Service and Administration, created the GTAC as a demand-driven, externally oriented professional support service that functions as a component of National Treasury. The Founding Notice describes the GTAC's functions as follows:

- To render technical consulting services to centre-of-government departments and organs of state
- To provide specialised procurement support for high-impact government initiatives
- To render advice on the feasibility of infrastructure projects
- To provide knowledge management for projects undertaken
- To perform anything ancillary to these functions

The GTAC performs its functions subject to Ministerial Guidance. The Minister may, to the extent permitted in the applicable legislation, at any time, in consultation with the Director-General, in writing instruct the GTAC's Head to do the following:

- Provide services in respect of financial planning for and the costing of policies being developed
- Provide economic analysis and actuarial advice on programmes and projects
- Perform ancillary functions as and when required by National Treasury

The GTAC's financial, policy and procedural arrangements must comply with the requirements for an organisational component. Such arrangements are made in terms of the Public Finance Management Act or other applicable laws.

2.2. INSTITUTIONAL POLICIES AND STRATEGIES OVER THE FIVE-YEAR PLANNING PERIOD

Government is committed to creating a better South Africa for all who live in it and a better world for all. In terms of its commitment to the precepts of the African Union, South Africa is a member of the global community and of global institutions working to achieve these goals. It remains an important regional actor and is the second-biggest economy on the continent after Nigeria. It plays a critical role in supporting economic growth, development and structural transformation to help Africa realise its opportunities.

South Africa's domestic environment has been affected by significant shifts in its political economy over the last decade. Poor economic performance and low business confidence have contributed to an increasing debt burden and sizeable job losses, particularly in labour-intensive sectors such as construction and mining. The President has committed the current administration to focusing on fiscal discipline, increasing potential foreign direct investment, and strengthening good governance. The GTAC will position its offering within this macro-context as it honestly assesses its strengths, weaknesses, opportunities and threats.

2. Our Mandate [continued]

Several global, regional, and national policies and strategies inform the GTAC's role in contributing to a better South Africa and a better world. The Sustainable Development Goals and Agenda 63 indirectly frame the GTAC's role, while the National Development Plan and the Medium-term Strategic Framework more directly determine its priorities.

The 2022 Medium-term Budget Policy Statement (MTBPS) has highlighted that the future of work and the economy in a post COVID-19 world remains different. The Minister and President have emphasised the need for the country to rally behind fiscal rehabilitation and growth. The efforts here are focused on the prioritisation of infrastructure implementation and delivery and a commitment to fast-tracking the implementation of the structural reform agenda. Operation Vulindlela is a critical coordination tool to unlock this capacity.

The National Development Plan offers a long-term perspective for South Africa's development. It defines a desired destination and identifies the role of different sectors of society in reaching that goal. The National Development Plan aims to eliminate poverty and reduce inequality by 2030, by drawing on the energies of the people, growing an inclusive economy, building capabilities, enhancing the capacity of the state, and promoting leadership and partnerships throughout society. The GTAC's primary contribution lies in helping to build a capable state, which, in turn, can implement key government policies and plans guided by the National Development Plan and its associated implementation plan.

The 2019–2024 Medium-term Strategic Framework (MTSF) directs government to invest in seven priorities. The MTSF is a key government strategic document that outlines priority areas for development over a medium-term period. The GTAC's work is aligned with Priority 1 of the MTSF, which emphasises specific government objectives. This alignment reinforces the GTAC's commitment to supporting the following government priorities.

- Priority 1: A 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

The GTAC is committed to giving effect to government's broader commitments to creating a better South Africa and playing an active role in the global community. In this regard, the GTAC's own business priority and mandate are also synchronised with the broader government objectives. By focusing on building the capacity of organs of state for effective public financial management, the GTAC directly contributes to improving government operations and service delivery.

3. COURT RULINGS

There are no court rulings that affect the GTAC's ability to deliver on this strategy.

PART B

STRATEGIC FOCUS

STRATEGIC



4. Vision



The GTAC's vision is to be “a creative centre of excellence in public sector support, which promotes learning and cooperation for improved financial management and service delivery”.

5. Mission



Its mission is to “provide analytical, advisory, institutional development and programme management support to public sector institutions to better manage and implement their mandates and consequently improve their quality of spend”.

6. Values & principles

The GTAC's culture, created through its behaviours, rests on the foundation of its values:



OUR VALUES:

- **Accountability:** Holding ourselves responsible for setting standards of excellence in all we do.
- **Professionalism:** Delivering high-quality work, in a disciplined, reliable manner within agreed budgets and timeline.
- **Transparency:** Allowing for scrutiny of our professional work in a manner that builds trust.
- **Integrity:** Conducting ourselves in an ethical manner, in the interests of building state capability
- **Inclusivity:** Working collaboratively with others in the interests of building individual and state capacity.



OUR BEHAVIOURS DEMONSTRATE:

- A proactive, integrated and “can do” stance
- A client-centric approach that reflects our understanding that our ultimate clients are the citizens receiving government services
- An understanding that excellence is about quality delivery
- An embrace of innovation and technology and a hunger to learn new skills
- An acceptance that working with partners is fundamental to our success
- An acknowledgement that we are ambassadors for the GTAC

Everyone in the GTAC embodies these behaviours and, in so doing, creates the kind of organisation to which we aspire.

Leadership strives to lead by example.

7. Situational analysis

7.1. CONTEXTUAL ANALYSIS

Global and local events since the inception of our current five-year strategic plan in 2019 have had a devastating effect on the South African and world economies. South Africa was already in a precarious financial position after years of state capture when the pandemic hit in March 2020. This was followed by the looting in July 2021, the Ukraine war starting in February 2022, and the floods of April 2022.

Unemployment continues to be a serious headache for the country. It is currently at 33%, although it is the lowest it has been since 2021. The Gini coefficient in South Africa is forecast to amount to 0.63 in 2023. The number of people in South Africa who are earning less than R40 (in South African rand) per day is forecast to amount to 12.89 million in 2023. The legacy of exclusion continues to hamper growth. Increasing inequality and the ongoing challenge of poverty fuels contestation over resources, leading to increasing policy uncertainty. The distribution of income and assets is skewed and contested, resulting in a fragile social contract. This plays out in high levels of distrust of the state and drives crime and violence.

The state, while having to contend with the impacts of these global and local events, has embarked on a programme of fiscal consolidation and professionalisation of the public service to address the years of state capture and failing service delivery. The strengthening of public institutions and investment in an ethical and competent public sector are more urgent than ever, with the renewed emphasis on transparency, strong procurement systems, and accountability being a defining feature of President Ramaphosa's term of office.

The GTAC's mandate to contribute to building an effective, efficient and transparent public sector places it at the forefront of efforts to contribute to building state capacity. The GTAC will take guidance from the Minister of Finance to ensure that it is able to successfully deliver on this mandate.

7.2. EXTERNAL ENVIRONMENT ANALYSIS

7.2.1 Economic risk factors

The GTAC, as a government component of National Treasury, is directly affected by the impact of the global and local events that present significant risks to its ability to deliver successfully on its mandate. The primary external risk that the GTAC faces is a range of complex economic constraints consisting of, chiefly, fiscal constraints and changing donor priorities. The fiscal constraints have seen National Treasury implement budget cuts across the public sector, from which the GTAC has not been spared. The GTAC's budget has seen significant reduction, with the expectation that this trend is set to continue. Shifts in donor priorities have negatively impacted the kind of work undertaken by the GTAC. The economic constraints also mean that a new consensus on public sector compensation must be sought. This will seriously impact government's ability to tap into the private sector for technical support, and therefore provides an opportunity for the GTAC to significantly build its value proposition. Finally, the GTAC's project selection process has been driven very much by its own governance mechanisms, through which it agrees on projects to be supported. As a result, there has been a lack of certainty from other centre-of-government departments about the relevance and alignment of the GTAC's work with national priorities.

However, the national priority of reinvesting in and rebuilding state capacity is more important than ever. The GTAC must therefore effectively manage these risks to successfully provide the needed support and deliver on its mandate. It is therefore imperative for the GTAC to be clear about its value-for-money proposition.

² National Income Dynamics Study - Coronavirus Rapid Mobile Survey, 2020 (<http://www.nids.uct.ac.za/about/nids-cram/nids-cram>)

³ Report of the Expert Panel into the July 2021 Civil Unrest, 2021 (<https://www.thepresidency.gov.za/download/file/fid/2442>)

⁴ The Impact of the Ukraine War on the South African Economy, United Nations Development Programme South Africa, 2022 (<https://www.undp.org/sites/g/files/zskgke326/files/migration/za/Policy-Brief---UNDP-SA---The-Impact-of-the-Ukraine-War-on-the-South-African-Economy.pdf>)

⁵ Quarterly Labour Force Survey (QLFS) Q4:2021, Statistics South Africa, p12 (<http://www.statssa.gov.za/publications/P0211/Presentation%20QLFS%20Q42021.pdf>)

⁶ Quarterly Labour Force Survey (QLFS) Q4:2021, Statistics South Africa, p20 (<http://www.statssa.gov.za/publications/P0211/Presentation%20QLFS%20Q42021.pdf>)

⁷ Chapter 3 – Fiscal policy, Budget Review 2022, National Treasury (<https://www.treasury.gov.za/documents/national%20budget/2022/review/FullBR.pdf>)

⁸ National Framework towards Professionalisation of the Public Sector, 2022 (https://www.gov.za/sites/default/files/gcis_document/202012/44031gon1392.pdf)

⁹ The administration uses this term to refer to President Ramaphosa's call to action to deal with state capture and political instability.

Situational analysis [continued]

In addressing these challenges, the GTAC has prioritised the establishment of appropriate governance mechanisms, as well as the review of its financing model, to ensure adequate funding streams to counteract cuts in donor and appropriations resourcing. A strategic financing approach will help ensure that the GTAC is sustainable and viable.

7.2.2 POLITICAL RISK FACTORS

Another major risk for the GTAC is the complex political environment in which it operates and its historic relationship with National Treasury. National Treasury is the GTAC's largest client and, as the GTAC is a component of National Treasury, it is also its authorising agency. However, the current scenario does not provide sufficient oversight of the GTAC's work, which poses a strategic risk for the GTAC. Part of the current challenge is that many of the business units have emerged from a unique institutional context within National Treasury, which has led to these relationships predating the current organisation. Furthermore, the difficult political dynamics of recent years and the resultant institutional instability have affected leadership within the GTAC. Since its inception, the GTAC has been led by an acting head. The lack of a permanent head compromises the organisation's ability to lead decisively.

The GTAC's business advantage is that it is an independent provider of advisory services in the public sector space. It prioritises capacity building interventions, convenes complex stakeholder groups, and accesses critical skills and best practices from across the public and private sectors, both locally and globally. The GTAC will therefore model resilience in its business and operating model, and pursue interventions that are innovative, proactive, sustainable and focused on the long-term building of state capability.

Although still a relatively new component of government, the GTAC has delivered many meaningful interventions since its inception, and its potential for growth is clear. In the year ahead, the GTAC will continue to consolidate institutionally and focus on becoming more sustainable.

To this end, GTAC's organising principles emphasise:

- Strengthening partnerships between government, the private sector and civil society by convening spaces for policy formulation, service delivery and accountability. This offering could potentially be expanded beyond South Africa.
- Being a thought leader on current challenges to the effective functioning of government. These include, for instance, how the current auditing regime drives malicious compliance with the rules; the lack of alignment between budget and planning cycles; and the misalignment between a developing state and the procurement regime. The GTAC will continue to demonstrate its forward-thinking advice in finding flexible solutions through a proactive and externally focused shared-learning approach.
- Providing specialised procurement of critical expertise through a fast-tracked, flexible mechanism within the remit of the Public Finance Management Act. Such a mechanism could potentially allow for the procurement of scarce skills locally or globally to address government challenges. It would also secure expertise through partnering with academic and research institutions and other think tanks. Through such specialised procurement, the GTAC would be able to assist with skills as needed, quickly and flexibly, while also providing efficiencies of scale.

Situational analysis [continued]

7.3. INTERNAL ENVIRONMENT ANALYSIS

The GTAC is in the process of moving towards the “centre of excellence” phase in its change trajectory shown below. This implies a significant transformation in its operations and services. The GTAC has identified certain areas of strength and weakness in its current state. The organisational identity and brand are still developing, which is considered a weakness. Additionally, internal support issues need to be addressed to establish mature operating systems, processes and structures.

To navigate the transition from 2024 to 2025 successfully, the GTAC recognises the need for investment in an appropriate and integrated management support approach. This is crucial for addressing internal challenges and facilitating the organisation's growth.

The GTAC will continue with the customisation of administrative and operational support systems to better align with its business needs. This responsiveness is vital for ensuring efficient operations. The GTAC sees the potential for becoming a major strength by providing integrated, financially sustainable and flexible solutions for information sharing and resource management across the public sector.

GTAC'S CHANGE TRAJECTORY

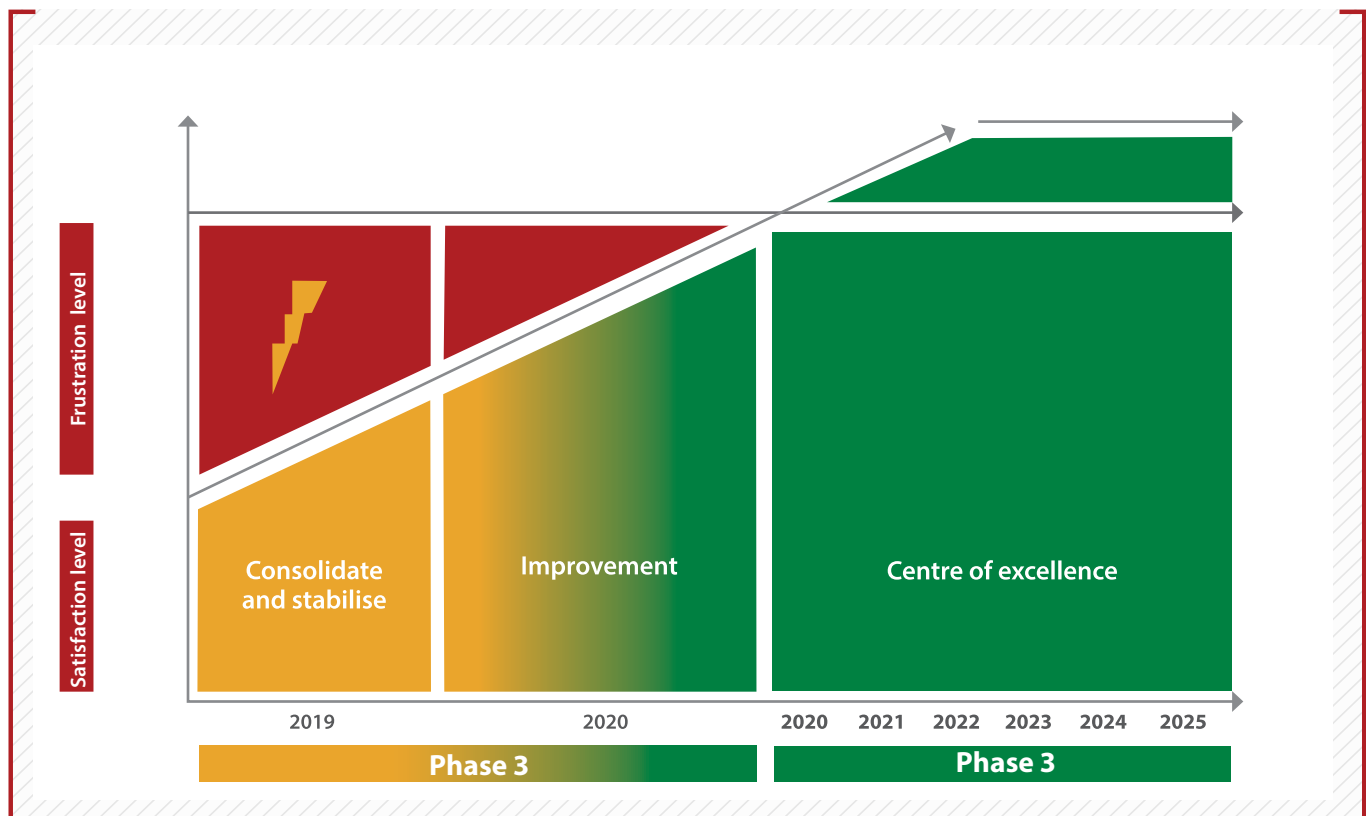


Figure 2: GTAC's change trajectory

The GTAC is in the process of transformation, and recognises the need to address weaknesses, improve internal support and invest in management support to fully realise its potential. The organisation aims to provide customised and integrated solutions to enhance its role in information sharing and resource management across the public sector during the upcoming Medium-term Expenditure Framework (MTEF) period.

The GTAC's strengths lie in its diverse skill set, which is a significant asset as it enables the organisation to offer a wide range of expertise and services, making it well-rounded in addressing various government needs. Association with National Treasury presents an opportunity, which lends credibility and enhances the GTAC's reputation in the public sector. It also provides better access to important resources and information.

Situational analysis [continued]

The work of the GTAC's business units (depicted in the figure below) is the fundamental reason for the organisation's existence. These business units focus on capacity building in government, emphasising the delivery of high-quality solutions that align with government priorities. This approach ensures that the GTAC's services are relevant and purposeful.

GTAC STRUCTURE

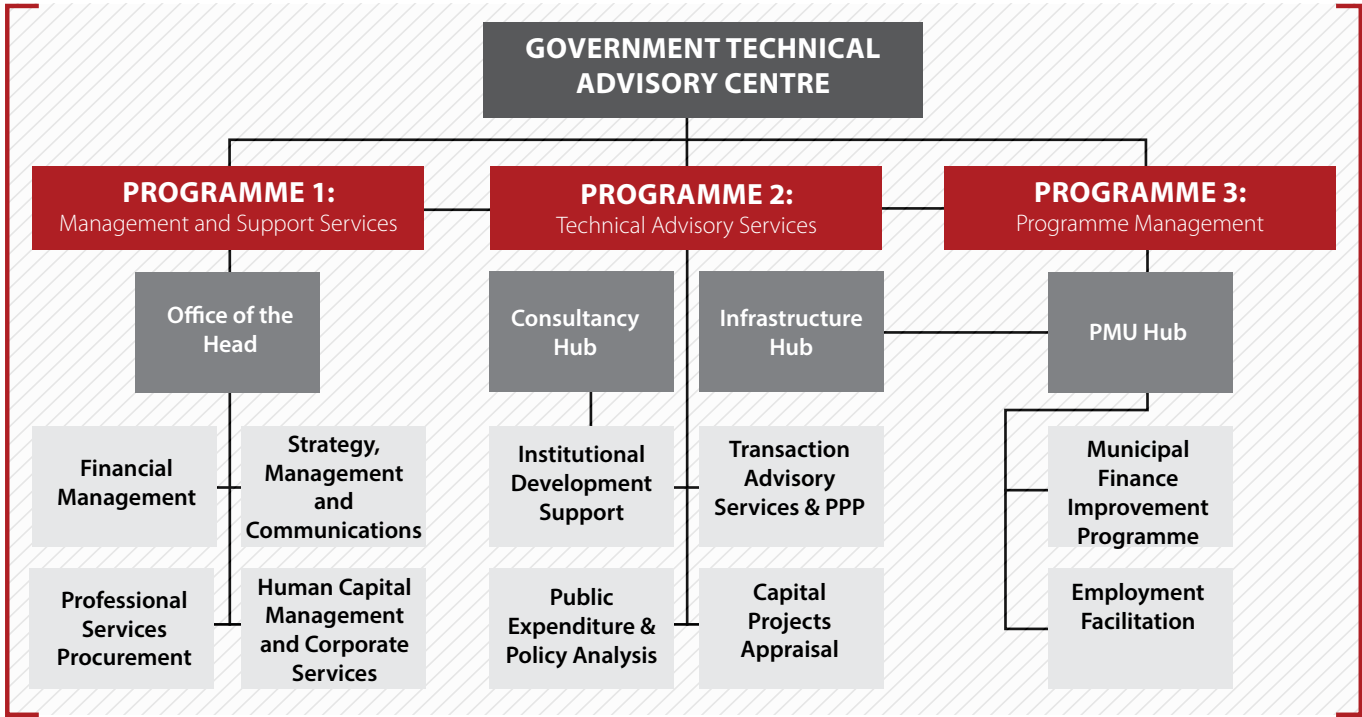


Figure 2: The GTAC's Structure

The business units collaborate with each other and also work individually. Partnering approaches are used to build consensus, provide additional research support and engage relevant stakeholders. This collaborative approach is essential in addressing complex challenges and promoting coordination within the organisation. The interventions of the business units aim to create enabling environments for government functions. This may involve improving organisational structures, systems and processes, and learning. Furthermore, they contribute to the development of the capabilities and capacities of individuals within the public sector. This focus on capacity building and enhancement is critical for the sustainable development of government operations.

The diagram below describes the interface of approaches used to deliver the GTAC's advisory work. This visual representation is an illustration of how the GTAC combines its diverse skill sets and collaborative efforts to provide advisory services that meet government's needs.

GTAC'S BUSINESS SUPPORT MODEL

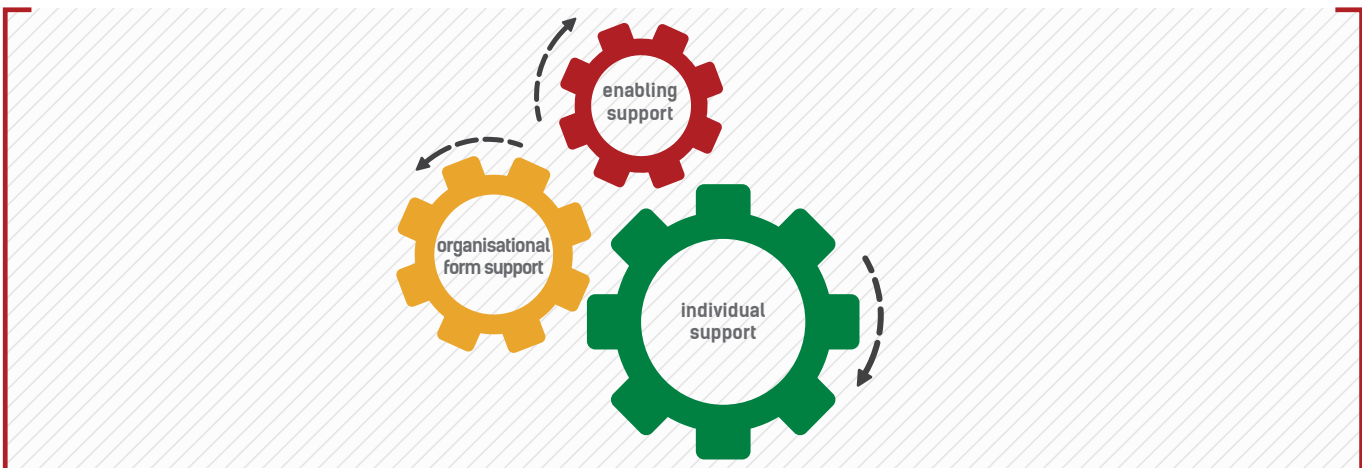


Figure 5: GTAC's Business Support Model

Situational analysis [continued]

The GTAC is committed to compliance with the Broad-based Black Economic Empowerment (B-BBEE) Act in its procurement decisions, and places a strong emphasis on promoting diversity, inclusivity and employment equity. Several key points highlight the GTAC's efforts in this regard:

- **Compliance with the B-BBEE Act:** The GTAC is dedicated to adhering to the B-BBEE Act, which is a legislative framework in South Africa aimed at promoting economic transformation, addressing historical disparities and advancing the economic interests of historically disadvantaged individuals and communities.
- **Prioritising women, youth, and people with disabilities:** The GTAC places a priority on the inclusion and advancement of women, youth and individuals with disabilities in its employment decisions. This reflects the organisation's commitment to diversity and inclusivity.
- **Strategic priority for transformation:** Employment equity targets are identified as a strategic priority for transformation within the GTAC. This indicates the organisation's commitment to creating a workforce that is reflective of the diverse demographics of South Africa.
- **Development of an employment equity policy:** The development of an Employment Equity Policy is a proactive step taken by the GTAC to formalise its commitment to equity in employment. This policy will provide guidelines and a framework for ensuring fairness and inclusivity in recruitment and workplace practices.
- **Initiatives for diversity and inclusion:** Planned initiatives include focusing on the development of female staff at middle-management levels, collaborating with stakeholders and other organisations to attract individuals with disabilities, and addressing the challenge of employing youth in a technical and complex work environment.
- **Internship opportunities:** The GTAC is addressing the need to employ youth and provide workplace experience for graduates through internships and the appointment of young professionals. This not only helps young individuals gain valuable skills, but also contributes to creating a more diverse and inclusive workforce.

Overall, the GTAC's commitment to employment equity, diversity and inclusion aligns with South Africa's broader goals of addressing historical disparities and fostering equal opportunities for all its citizens in the workforce. These efforts are a testament to the GTAC's dedication to social responsibility and transformation. GTAC will continue to implement the EE plans and targets through its Operation Plan.

Table 1 summarises the current employment status of women, youth, people with disabilities and interns.

Women	Youth	People with disabilities	Interns
77	1 (25yrs)	1	2
55.79%	0,72%	0.72%	1.44%

Total employees = 138

Table 1: GTAC Women, Youth and People with Disabilities Employment Profile

An hourglass is the central focus, with sand falling from the top bulb into the bottom bulb. The background is a gradient of blue and purple. The bottom bulb of the hourglass is filled with a pattern of yellow dots of varying sizes, which also extends into the background.

PART C

MEASURING OUR PERFORMANCE

PERFORMANCE

8. Institutional programme performance information

8.1 GTAC'S STRATEGIC PLAN – THEORY OF CHANGE

The theory of change model underpinning the GTAC's strategy is derived from the Framework for Managing Programme Performance Information.

The specific change pathways from inputs to impact over the reporting period are illustrated in Figure 2.

The change pathways show the channels through which the GTAC's inputs, activities, outputs and outcomes achieve the desired impact.

Table 2: GTAC's Theory of Change - Input-to-impact change pathways

INPUTS	ACTIVITIES	OUTPUTS	OUTCOMES	IMPACT
Invest in skills development to deliver a technically competent and administratively responsive hybrid human capital resource pool	Review and assess infrastructure investment proposals	Improvements in infrastructure planning, budgeting, procurement, financing, and implementation capacity	Capacity of government institutions improved through the provision of technical and advisory support	A capable and ethical developmental state
	Advise on the value-for-money prospects, affordability, and efficiency in infrastructure expenditure			
	Provide policy analysis and advice, feasibility studies and function shifts support Provide strategic and organisational reviews and business case development			
Strengthen collaboration with relevant stakeholders Consolidate the GTAC's brand and visibility	Deliver spending review capacity building initiatives Conduct remuneration analysis	Better organisational planning capacity and appropriate institutional design	Responsive and customised services delivered for programme implementation support	
	Provide public-private partnerships capacity-building initiatives Support procurement-ready projects	Better capacity for public finance analysis and improvements in decision making around resource allocation		
	Deliver a sustainable financing model Ensure good governance and internal control Institute a project development support function	Comprehensive and effective implementation support on priority programmes		

¹⁰ <https://www.treasury.gov.za/publications/guidelines/2015-16/FMPI.pdf>

Programme Performance [continued]

8.2 THE GTAC'S STRATEGIC PERFORMANCE INFORMATION

Based on its Strategic Plan, the GTAC has prioritised and will measure its performance based on two key outcomes for this Annual Performance Plan period:

Outcome 1: Capacity of government institutions improved through the provision of technical and advisory support is core to business and emphasises the continued technical and advisory support to government to build the capacity of the state. The business units that are programmatically located under this outcome include the following:

- The Capital Projects Appraisal unit
- The Public Expenditure and Policy Analysis unit
- The Institutional Development Support unit
- The Technical Advisory Support and Public-Private Partnership unit

The key deliverables for the planning period of the GTAC are outlined as follows:

Tools and methodologies for effective delivery: The GTAC aims to develop tools and methodologies that can shape and influence the effective delivery of government programmes and initiatives. Likewise, the quality of the GTAC's advisory support and capacity building interventions will be a significant factor in determining the demand for ongoing support. Feedback and evaluation will be used to refine these tools and methodologies.

Capacity building for sustainable public sector delivery: The GTAC remains committed to enhancing the sustainability and growth of efficient and effective public sector delivery. The GTAC plans to implement various forms of learning and capacity building programmes, such as **training, shared-learning events and online courses**. These initiatives are designed to improve the efficiency of government spending. The aim is to transform government departments into "learning organisations" that continually innovate and seek to deliver excellence in public services.

These deliverables reflect the GTAC's strategic focus on improving the efficiency, effectiveness and quality of public sector service delivery in South Africa. By developing tools, methodologies and capacity building initiatives, the GTAC seeks to play a pivotal role in shaping government practices and promoting a culture of continuous learning and innovation within government departments. The ultimate goal is to enhance the delivery of public services to benefit the citizens of South Africa.

Outcome 2: Responsive and customised services delivered for programme implementation support speaks to addressing the challenge of management support, which is siloed and needs to be appropriately customised to respond to business needs. The support under this outcome includes the traditional corporate programmatic services of finance, human capital management and the procurement of services. It also includes strategy management and communications.

The planning period will prioritise investment in three critical areas, each of which is essential for the organisation's effectiveness and alignment with its goals:

- **Strengthening support functions and service standards:** The aim is to enhance the support functions to better meet the service standards required for responding to business needs by optimising the services provided by the GTAC, ensuring that they are efficient, responsive and aligned with the needs of government entities and stakeholders. This involves improving internal processes, enhancing communication, and continuously assessing and improving service quality.
- **Maintaining good governance and internal control:** The objective is to uphold good governance and internal control practices in the administration of funds to recipients. The GTAC will ensure that all actions and transactions are in accordance with applicable legislation, including providing accurate, punctual and cost-effective services to recipients. Effective financial and operational control mechanisms are essential in achieving these objectives.

Programme Performance [continued]

- **Promoting inclusiveness and equity:** The focus will be on achieving employment equity targets, emphasising inclusiveness and equity in its workforce.
- **Diverse and inclusive workforce:** The GTAC's commitment to diversity and inclusiveness extends to its employment practices. This includes efforts to attract, retain and develop a diverse workforce that reflects South Africa's demographics and addresses historical disparities.

By prioritising these three critical areas, the GTAC aims to enhance its operational efficiency, governance and inclusivity. These investments will contribute to the organisation's ability to fulfil its mission and serve as a valuable resource in supporting government programmes and initiatives, while aligning with legal and ethical standards.

8.3 PROGRAMME 1: MANAGEMENT SUPPORT SERVICES

PURPOSE

The purpose of this programme is strengthened management support functions for the efficient delivery of services. Programme 1 includes four sub-programmes: financial management, professional service procurement, human capital management and corporate services, and strategic management and communication.

8.3.1 SUB-PROGRAMME 1.1: FINANCIAL MANAGEMENT

PURPOSE

The purpose of this sub-programme is to provide efficient and effective financial management support to the GTAC. Financial Management provides strategic financial support and direction to the GTAC and ensures effective internal controls.

FM OUTCOMES, OUTPUTS, PERFORMANCE INDICATORS AND TARGETS

Table 3: Financial Management's performance over the MTEF period

OUTCOME	OUTPUTS	OUTPUT INDICATORS	ANNUAL TARGETS						
			AUDITED/ACTUAL PERFORMANCE			ESTIMATED PERFORMANCE	MTEF PERIOD		
			19/20	20/21	21/22	23/24	24/25	25/26	26/27
Responsive and customised services delivered for programme implementation support	Efficient management of support services delivered	1.1.1 Unqualified audit opinion obtained	n/a	n/a	Unqualified audit opinion	Unqualified audit opinion	Unqualified audit opinion	Unqualified audit opinion	Unqualified audit opinion
		1.1.2 Percentage of invoices received and paid in 30 days	100%	n/a	n/a	100%	100%	100%	100%

FM QUARTERLY AND ANNUAL PERFORMANCE INDICATORS AND TARGETS

Table 4: Financial Management's quarterly and annual performance targets

OUTPUT INDICATORS	ANNUAL TARGET	Q1	Q2	Q3	Q4
1.1.1 Unqualified audit opinion obtained	Unqualified audit opinion	n/a	n/a	Unqualified audit opinion	n/a
1.1.2 Percentage of invoices received and paid in 30 days	100%	100%	100%	100%	100%

Programme Performance [continued]

EXPLANATION OF THE PLANNED PERFORMANCE OVER MEDIUM TERM

Over the MTEF period, Programme 1 is dedicated to achieving responsive and customised services that contribute to the efficient and effective implementation of government programmes. The programme aims to efficiently manage support services to ensure that the needs of government programmes and initiatives are met promptly and effectively.

To attain this goal, Programme 1 has set specific objectives and key performance indicators:

- a. **Invoices received and paid in 30 days:** One of the key interventions to achieve efficiency is the timely processing of invoices. The goal is to receive and pay invoices within a 30-day timeframe. This ensures that suppliers and service providers are compensated promptly, contributing to a smooth workflow in the delivery of services.
- b. **Unqualified audit opinion obtained:** The effectiveness of the programme's efforts will be evidenced by receiving an unqualified audit opinion. This signifies that the financial statements and related information provided by the programme accurately represent the financial position and performance, and that the programme is compliant with relevant accounting and regulatory standards.

The ability to pay invoices promptly and achieve unqualified audit opinions indicates effective financial management and sound governance practices, which are critical for the successful implementation of government initiatives.

8.3.2 PROGRAMME 1: MANAGEMENT SUPPORT SERVICES' EXPENDITURE TRENDS AND ESTIMATES

MANAGEMENT SUPPORT SERVICES RESOURCE CONSIDERATION

Table 5: Programme 1 2023 MTEF estimates

PROGRAMME 1: MANAGEMENT SUPPORT SERVICES	ADJUSTED BUDGET	2024 MEDIUM-TERM ESTIMATE			AVERAGE GROWTH (%)
		R'000	2023/24	2025/26	2026/27
Expenditure					
Compensation of employees	42,437	44,474	46,564	48,706	5%
Goods and services	25,750	18,133	19,118	20,747	-7%
Depreciation	1,829	2,718	2,839	2,966	-17%
Total budget	70,017	65,325	68,521	72,419	1%

Programme Performance [continued]

8.4 PROGRAMME 2: TECHNICAL AND ADVISORY SERVICES

PURPOSE

The purpose of this programme is to build the capacity of government institutions through the provision of technical and advisory services. Programme 2 includes sub-programmes: The Capital Projects Appraisal Unit (CPAU), the Institutional Development Support (IDS) Unit, the Technical Advisory Services and Public-Private Partnership (TAS and PPP) Unit, and the Public Expenditure and Policy Analysis (PEPA) Unit.

8.4.1 SUB-PROGRAMME 2.1: CAPITAL PROJECTS APPRAISAL UNIT (CPAU)

PURPOSE

The purpose of this sub-programme is to assist National Treasury in its review and assessment of infrastructure investment proposals and feasibility studies. Appraisals help determine the feasibility, viability and sustainability of the proposed mega-investment projects and programmes, particularly where fiscal support is sought. Through this assistance, the CPAU aims to contribute to better allocation of scarce fiscal resources (i.e. better value for money), efficiency in expenditure and affordable infrastructure investments. As such, it provides independent technical advisory services that promote sound, evidence-based decision making on infrastructure investments.

CPAU OUTCOMES, OUTPUTS, PERFORMANCE INDICATORS AND TARGETS

Table 6: CPAU's performance over the MTEF period

OUTCOME	OUTPUTS	OUTPUT INDICATORS	ANNUAL TARGETS							
			AUDITED/ACTUAL PERFORMANCE			ESTIMATED PERFORMANCE	MTEF PERIOD			
			20/21	21/22	22/23	23/24	24/25	25/26	26/27	
Capacity of government institutions improved through provision of technical and advisory support	2.1.1 Capital appraisal reports completed	2.1.1.1 Percentage of project appraisal reports completed per year	n/a	n/a	100%	100%	100%	100%	100%	100%

CPAU QUARTERLY AND ANNUAL PERFORMANCE INDICATORS AND TARGETS

Table 7: CPAU's quarterly and annual performance targets

OUTPUT INDICATORS	ANNUAL TARGET	Q1	Q2	Q3	Q4
2.1.1 Percentage of project appraisal reports completed per year	100%	0	0	0	100%

Programme Performance [continued]

EXPLANATION OF THE PLANNED PERFORMANCE OVER MEDIUM TERM

Over the MTEF period, the CPAU will maintain its focus on conducting reviews and assessments of investment proposals and feasibility studies. The GTAC's commitment to completing appraisal reports each year serves a crucial role in strengthening the capacity of government. This is done in several ways:

- **Value-for-money analysis:** Through appraisal reports, the GTAC advises on the value-for-money prospects of the proposed interventions. Value-for-money assessments help ensure that public funds are invested wisely and that the benefits of projects justify the costs.
- **Affordability considerations:** The GTAC's support includes evaluating the affordability of proposed infrastructure expenditure. This involves assessing whether the government has the financial capacity to undertake the proposed interventions without straining the budget or causing fiscal imbalances, and if interventions are underpinned by sustainable financing arrangements.
- **Efficiency assessments:** The CPAU contributes by evaluating the efficiency of the proposed projects, identifying potential cost savings, and recommending strategies for more efficient delivery.

By conducting these reviews and assessments, the GTAC plays a vital role in advising National Treasury on the merits and risks associated with proposals submitted by sponsors, including government departments, municipalities and public entities. This, in turn, helps the government allocate resources more effectively and ensures that public investments are aligned with national development objectives and provide maximum value for taxpayers' money.

8.4.2 SUB-PROGRAMME 2.2: INSTITUTIONAL DEVELOPMENT SUPPORT UNIT

PURPOSE

The purpose of this sub-programme is to provide on-demand technical advisory services to help build the capacity of the state. Its multidisciplinary teams provide macro institutional support, organisational strengthening support, and service delivery improvement modalities and approaches. The IDS Unit delivers a diverse range of organisational strengthening advice, including organisational design and development, and institutional feasibility studies, the development of business cases, policy analysis and advice, strategic facilitation, supply chain management advice and support, programme and project management and operational support.

The IDS Unit responds to requests from client departments and offers a consultative service model that incorporates innovative approaches to resolving challenges in public sector institutions.

Programme Performance [continued]

IDS OUTCOMES, OUTPUTS, PERFORMANCE INDICATORS AND TARGETS

Table 8: IDS Unit's performance over the MTEF period

OUTCOME	OUTPUTS	OUTPUT INDICATORS	ANNUAL TARGETS						
			AUDITED/ACTUAL PERFORMANCE			ESTIMATED PERFORMANCE	MTEF PERIOD		
			20/21	21/22	22/23	23/24	24/25	25/26	26/27
Capacity of government institutions improved through provision of technical and advisory support	Institutional development support provided	2.2.1 Percentage of approved institutional development support projects completed on time and within budget	100%	100%	100%	100%	100%	100%	100%

IDS QUARTERLY AND ANNUAL PERFORMANCE INDICATORS AND TARGETS

Table 9: IDS Unit's quarterly and annual performance targets

OUTPUT INDICATORS	ANNUAL TARGET	Q1	Q2	Q3	Q4
2.2.1 Percentage of approved institutional development support projects completed on time and within budget	100%	n/a	n/a	n/a	100%

EXPLANATION OF THE PLANNED PERFORMANCE OVER MEDIUM TERM

The planned performance over the medium term for the IDS Unit involves providing consulting services to government institutions. These services are procured to secure the necessary expertise and skills and are aimed at building the capacity of these institutions to deliver services effectively. The key elements and objectives of this support include the following:

- a. Macro institutional support:** The support provided encompasses policy analysis and advice (providing in-depth analysis and advice on policy matters to guide government decision making and development), feasibility studies (conducting studies to assess the practicality and viability of proposed initiatives or projects and function shifts (assisting in reorganising government functions to align with broader state objectives and improve the delivery of services)).
- b. Organisational strengthening services:** This element focuses on enhancing the performance and efficiency of government organisations through strategic and organisational reviews (conducting assessments of government organisations to identify areas for improvement and refine their strategic direction) and business case development (developing well-structured business cases to justify investments and resource allocation for government initiatives).
- c. Service delivery effectiveness and efficiency support:** This element focuses on innovative approaches to deliver services and enhance the management of government operations. It aims to ensure that public services are delivered more efficiently and effectively.

The overarching goal is to strengthen the capacity of client departments and entities within government. This involves prioritising the delivery of quality support through various projects. The unit aims to complete these projects on time and within budget, ensuring that government can better achieve its objectives, improve public finance spending and ultimately enhance service delivery to the public. The emphasis on efficiency, effectiveness and timely project completion underscores the commitment to achieving tangible results and improving the performance of government institutions.

Programme Performance [continued]

8.4.3 SUB-PROGRAMME 2.3: TRANSACTION ADVISORY SERVICES AND PUBLIC-PRIVATE PARTNERSHIP (TAS&PPP)

PURPOSE

The purpose of this sub-programme is to support the delivery of large or complex infrastructure projects by providing transaction advisory services for public-private partnerships (PPPs), as well as conventional procurement in support of National Treasury's focus on improving budgeting and financing processes. The TAS and PPP Unit also plays a pivotal role in training and promoting good practices in various aspects of project management and PPPs.

By providing training, advocating for best practices, and fostering an enabling environment for PPPs, the unit enhances government's ability to efficiently plan and manage projects, while creating conditions that are conducive to private sector involvement in critical public initiatives. This multifaceted approach contributes to the overall success of government programmes and the responsible use of public resources.

TAS & PPP OUTCOMES, OUTPUTS, PERFORMANCE INDICATORS AND TARGETS

Table 10: TAS and PPP Unit's performance over the MTEF period

OUTCOME	OUTPUTS	OUTPUT INDICATORS	ANNUAL TARGETS						
			AUDITED/ACTUAL PERFORMANCE			ESTIMATED PERFORMANCE	MTEF PERIOD		
			20/21	21/22	22/23	23/24	24/25	25/26	26/27
Capacity of government institutions improved through provision of technical and advisory support	Capacity building initiatives delivered	2.3.1 Number of PPP capacity building events held	n/a	n/a	n/a	6	6	6	6
	Procurement ready projects supported	2.3.2 Number of memos submitted for consideration and approval by National Treasury	n/a	n/a	n/a	6	6	6	6

TAS & PPP QUARTERLY AND ANNUAL PERFORMANCE INDICATORS AND TARGETS

Table 11: TAS and PPP Unit's quarterly and annual performance targets

OUTPUT INDICATORS	ANNUAL TARGET	Q1	Q2	Q3	Q4
2.3.1 Number of PPP capacity building events held	6	2	1	2	1
2.3.2 Number of memos submitted for consideration and approval by National Treasury	6	1	2	1	2

Programme Performance [continued]

EXPLANATION OF THE PLANNED PERFORMANCE OVER MEDIUM TERM

Over the MTEF period, the unit will persist in its mission to enhance capacity and provide technical support to government entities. The unit's focus during this period can be summarised as follows:

- a. **Capacity building initiatives:** The unit will continue to offer capacity building initiatives aimed at enhancing the skills and knowledge of government personnel involved in PPP projects. This capacity building equips government officials with the expertise needed to effectively plan, structure and manage PPP opportunities.
- b. **Support for procurement ready projects:** The unit will provide support for projects that are ready for procurement. This support will encompass a range of activities, including project feasibility assessments, financial modelling, risk assessment and assistance in drafting procurement documents.
- c. **Becoming an enabling advisory unit:** The goal for the unit is to evolve into an enabling, solutions-driven advisory unit. This means that it aspires to be a central resource for entities interested in exploring and structuring PPP opportunities. It will provide guidance, expertise and solutions to help these entities navigate the complexities of PPPs and successfully execute their projects.

The unit contributes to the development and implementation of PPPs that can effectively leverage private sector resources and expertise for public benefit. Its transition into a solutions-driven advisory unit aims to enhance its role as a valuable resource for entities seeking to harness the potential of PPP opportunities. This aligns with the broader goals of government to enhance service delivery and infrastructure development through strategic partnerships with the private sector.

8.4.4 SUB-PROGRAMME 2.4: PUBLIC EXPENDITURE AND POLICY ANALYSIS (PEPA)

PURPOSE

The purpose of this sub-programme is to provide an analysis of and insights into the performance, efficiency, cost effectiveness and expenditure trends of government programmes by conducting spending reviews. Spending reviews use existing expenditure data and accounting systems to understand policy and programme costs, as well as to ascertain the efficiency and/or effectiveness of government-funded programmes and/or interventions. The reviews scrutinise expenditure patterns and programme performance data and cost the implications of legislative changes and policy choices across all spheres of government, public entities and frontline service delivery sites. Furthermore, the unit capacitates responsible authorities to perform their own analyses using the proven methodology.

The PEPA Unit also analyses personnel expenditure trends across various government departments and sectors, including education, health, justice and central administration departments using payroll and other relevant datasets, including tax and survey data. This work provides critical information and recommendations that are used to inform decisions made around personnel, cost of employees and/or wage negotiations.

Programme Performance [continued]

PEPA OUTCOMES, OUTPUTS, PERFORMANCE INDICATORS AND TARGETS

Table 12: PEPA Unit's performance over the MTEF period

OUTCOME	OUTPUTS	OUTPUT INDICATORS	ANNUAL TARGETS						
			AUDITED/ACTUAL PERFORMANCE			ESTIMATED PERFORMANCE	MTEF PERIOD		
			20/21	21/22	22/23	23/24	24/25	25/26	26/27
Capacity of government institutions improved through provision of technical and advisory support	Spending review capacity building initiatives delivered	2.4.1 Percentage of spending review capacity building Initiatives delivered	n/a	n/a	n/a	100%	100%	100%	100%
	Remuneration analysis reports completed	2.4.2 Number of remuneration reports completed	4	4	4	4	4	4	4

PEPA QUARTERLY AND ANNUAL PERFORMANCE TARGETS 2023/24

Table 13: PEPA Unit's quarterly and annual performance targets

OUTPUT INDICATORS	ANNUAL TARGET	Q1	Q2	Q3	Q4
2.4.1 Percentage of spending review capacity building Initiatives delivered	100%	n/a	n/a	n/a	100%
2.4.2 Number of remuneration reports completed	4	n/a	2	n/a	2

EXPLANATION OF THE PLANNED PERFORMANCE OVER MEDIUM TERM

Over the MTEF period, the Public Expenditure and Policy Analysis Unit will maintain its commitment to capacity building initiatives, remuneration analysis and modelling, as well as conducting spending reviews. The unit's focus during this period can be summarised as follows:

- Capacity building initiatives:** The unit will continue to invest in capacity building initiatives. These initiatives aim to enhance the skills and knowledge of government personnel involved in budgeting, expenditure analysis and policy development. This will directly contribute to improving the overall capabilities of government institutions.
- Remuneration analysis and modelling:** The unit will conduct remuneration analysis and modelling to investigate the key drivers of compensation expenditure and personnel trends within government. This analysis is based on personnel salary data (PERSAL data) and helps government entities better understand and manage their compensation costs.
- Technical spending reviews:** The unit will provide technical and advisory support services through in-house technical spending reviews, which are undertaken on an as-needed basis. These reviews help government entities assess and optimise their spending practices.

Programme Performance [continued]

- d. **Enhancing analytical depth in planning and budgeting:** To improve the link between policy development and implementation, the unit will focus on enhancing analytical depth in planning and budgeting. This effort contributes to better alignment between government policies and budgets, ultimately enhancing the effectiveness of government programmes and services.
- e. **Refining and improving methodology:** The unit will continue to refine and improve its methodology and approach for conducting spending reviews. This ongoing effort ensures that the reviews remain effective and relevant, providing valuable insights into government spending and resource allocation.

The PEPA Unit plays a vital role in supporting government institutions to make informed decisions, manage their resources efficiently, and strengthen the link between policy development and budgeting. The unit's commitment to continuous improvement and capacity building contributes to building a more effective and accountable public sector..

8.4.5 PROGRAMME 2: TECHNICAL AND ADVISORY SERVICES' EXPENDITURE TRENDS AND ESTIMATES

TECHNICAL AND ADVISORY SERVICES' RESOURCE CONSIDERATION

Table 14: Programme 2 2024 MTEF estimates

PROGRAMME 1: MANAGEMENT SUPPORT SERVICES	ADJUSTED BUDGET	2024 MEDIUM-TERM ESTIMATE			AVERAGE GROWTH (%)
		2023/24	2025/26	2026/27	
R'000	2023/24	2023/24	2025/26	2026/27	2023/24 – 2026/27
Expenditure					
Compensation of employees	40,813	42,773	44,783	46,842	5%
Goods and services	64,483	58,449	69,176	73,730	5%
Total budget	105,296	101,222	113,959	120,572	5%

8.5 PROGRAMME 3: INCUBATION AND IMPLEMENTATION SUPPORT FOR PROGRAMMES PURPOSE

This programme intends to provide high-quality incubation and implementation support to the project management units (PMUs) of government programmes. GTAC currently provides administrative and operational support to the National Treasury's Jobs Fund and Municipal Finance Improvement Programme (MFIP).

GTAC plans to grow this business line to increase its financing stream and enhance its sustainability. To this end, financial modelling is currently being conducted to determine the financial implications and costs for offering such a service. Should this modelling provide evidence that this service is feasible, GTAC plans to expand its support to PMUs along a value chain that includes 'incubation' and 'acceleration' support in addition to the administrative support it currently provides.

Programme Performance [continued]

8.5.1 PROGRAMME 3: INCUBATION AND IMPLEMENTATION SUPPORT FOR PROGRAMMES' EXPENDITURE TRENDS AND ESTIMATES

INCUBATION AND IMPLEMENTATION SUPPORT FOR PROGRAMMES' RESOURCE CONSIDERATION

Table 15: Programme 3 2024 MTEF estimates

PROGRAMME 1: MANAGEMENT SUPPORT SERVICES	ADJUSTED BUDGET	2024 MEDIUM-TERM ESTIMATE			AVERAGE GROWTH (%)
		R'000	2023/24	2025/26	
Expenditure					
Compensation of employees	67,926	74,675	78,203	80,917	6%
Goods and services	39,870	18,648	15,383	15,232	-27%
Depreciation	590	882	921	963	18%
Total budget	108,386	94,205	94,507	97,112	-4%

9. Resource Considerations

GTAC 2024 MTEF

ECONOMIC CLASSIFICATION R'000	ADJUSTED BUDGET 2023/24	2024 MEDIUM-TERM ESTIMATE			AVE % GROWTH
		2024/25	2025/26	2026/27	
Revenue					
Non-tax revenue	154,436	143,519	155,036	161,464	1%
Sale of goods and services other than capital assets	154,436	143,519	155,036	161,464	1%
of which:					
Sales by market establishment	150,658	140,694	152,211	158,639	2%
Other sales	3,778	2,825	2,825	2,825	-9%
Other non-tax revenue	129,033	117,247	121,967	128,655	0%
Interest earned	42,054	43,360	44,411	47,276	4%
Transfers received- GTAC operations	52,681	55,952	58,459	61,072	5%
Transfers received- Infr Planning Support	23,510	15,661	16,721	17,826	-9%
Transfers received: ECFE	4,797	2,274	2,375	2,481	-20%
Donor funds received	5,991	-	-	-	-100%
Total revenue	283,469	260,766	277,003	290,119	1%
Expenses					
Current expenses	281,265	257,152	273,227	286,175	1%
Compensation of employees	151,176	161,922	169,550	176,465	5%
Goods and services	130,089	95,230	103,677	109,709	-6%
Depreciation	2,190	3,600	3,761	3,929	22%
Transfers and subsidies	14	15	15	16	4%
Total budget	283,469	260,766	277,003	290,119	1%
CAPEX	2,273	2,460	1,625	1,682	-10%

9. Resource Considerations [continued]

Revenue Analysis

The GTAC's revenue budget is made up of transfer fund from National Treasury (NT); Cost recovery fund from Jobs Fund and Municipal Finance Improvement Programme (MFIP) programmes through NT; Cost recovery revenue from services rendered to departments or any other organs of state; interest earned from unspent principal funds in the bank; donor funds; and lastly administration or management fees charged to PMUs for services rendered.

The transfer fund received from NT is to fund GTAC's operations and the Infrastructure Planning Support project. During the ENE process, the budget was cut with a total of R24 million through the MTEF period. The appropriated fund has a 4% growth through the MTEF period. The 2024 ENE preliminary allocation amounts to R71,61 million (2024/25), R75,18 million (2025/26), and R78,92 million (2026/27). The total of R175,48 million for the MTEF covers only about 61% of GTAC's personnel expenditure excluding goods and services. The remaining budget of R50,20 million is allocated to the Infrastructure Planning Support project.



9. Resource Considerations [continued]

GTAC generates its revenue from technical advisory services provided to the government departments through a cost recovery model. The department enters into a memorandum of agreement with GTAC to enable GTAC to recover direct cost spent on the projects. This model currently covers direct cost, and the shortfall on overhead costs is funded through other revenue streams as interest earned. The increase on revenue for the MTEF period is 2% at an average. Increase is mainly linked to the increase in the number of projects anticipated to fund the other costs not funded by the transfer from NT.

The PMUs have an average decrease percentage of 4%, due to budget cuts on the Jobs Fund Programme during the 2024 MTEF period. The budget was kept at R70 million per year for the entire MTEF period. This was based on the allocated budget from NT and the transfer of Youth Employment Services Programme to DEL and NYDA.

For the MTEF period there is no donor funding available on the budget, however the partnership and process of getting more donors is on-going. The status would change as and when donors are coming in.

Interest earned will increase with an average growth of 4% through the 2024 MTEF. The budget is based on the historical trend and unspent funds from principal agents.

Lastly, the administration or management fees will have a decrease of 9% mainly due to a decrease in the Jobs Fund budget and the two programmes of Youth Employment Services that are coming to an end in 2023.

Expenditure Analysis

GTAC's expenditure is allocated to three (3) Programmes, which are: Management Support Services (MSS), Transaction and Advisory Services (TAS) and PMUs (JF and MFIP).

The PMU's operational expenditure budgets are fully recovered from National Treasury.

The total expenditure budget will have an average increase of 1% through the MTEF period. The key driver of the expenditure budget is compensation of employees with 60% and goods and services at 40%. Compensation of employees shows an average increase of 5% through the MTEF period. The increase is in line with the estimated cost of living adjustment and vacant posts in the 2024 MTEF. The current establishment is expected to be 171 personnel through the MTEF period. PMUs make up 45% of total personnel with a total budget of R233,79 million through the MTEF period.

Goods and services show an average decrease of 6% through the MTEF period. The decrease is mainly on the PMUs with an average budget decrease of 27% due to the budget cuts on Jobs Fund. The Jobs fund operational budget is directly correlated to that of the grant issued to its partners which is between R500 million to R700 million per annum. With that in mind, the model of the operational budget must be in line with the requirements of the budget process and also the project portfolio.

9. Resource Considerations [continued]

On GTAC's technical advisory services to department projects expected an average increase of 4%. This is due to an expected increase in demand of services from departments. GTAC will continue to deliver on its mandate with providing technical support services to government departments and other spheres of government on request. The Technical Advisors are appointed on long-term and short-term basis to respond efficiently as and when services are required. The budget is based on costing the time allocated to do the projects by the technical advisors to recover the direct cost.

The other initiatives that GTAC is attaining to achieve during this MTEF period is to continue with building its visibility through branding footprint and knowledge sharing so that it can be able to increase its client base and expand its business. The funding model was implemented and is enabling GTAC to be more financially stable has been developed and the implementation phase is on progress.

The ENE budget result in break-even point throughout the MTEF period, meaning revenue generated with be able to cover 100% of its operation cost. The projected interests and the prior year surplus utilised will cover the shortfall resulting from the limited appropriated fund to ensure continuity of business operation.



10. Key risks

10.1 The GTAC's Key Risks

Table 16: The GTAC's key risk and risk mitigation factors

OUTCOME	KEY RISK	RISK MITIGATION
Capacity of government institutions improved through provision of technical and advisory support	Budget constraints leading to insufficient funding to support delivery on the GTAC's mandate	<ul style="list-style-type: none"> Continue to monitor and maintain budget controls and cost containment measures. Collect all debts as they become due. Ensure National Treasury approval to use retained surpluses to fund budget shortfalls.
	Existential risk of the GTAC as a stand-alone operating unit due to ineffective relationship with National Treasury	<ul style="list-style-type: none"> Continuous implementation of the strategic partnership framework for National Treasury and key stakeholders. Appointment of a permanent Head: GTAC.
Responsive and customised services delivered for programme implementation support	Inability to attract and retain critical skills and expertise leading to poor service delivery.	<ul style="list-style-type: none"> Internship programme that enables Human Resources to recruit high performers in academic programmes aligned to the GTAC's needs. Effective implementation of the approved succession planning and retention strategy.

11. Infrastructure Plans

GTAC does not have infrastructure plans as it provides infrastructure support to National Treasury.

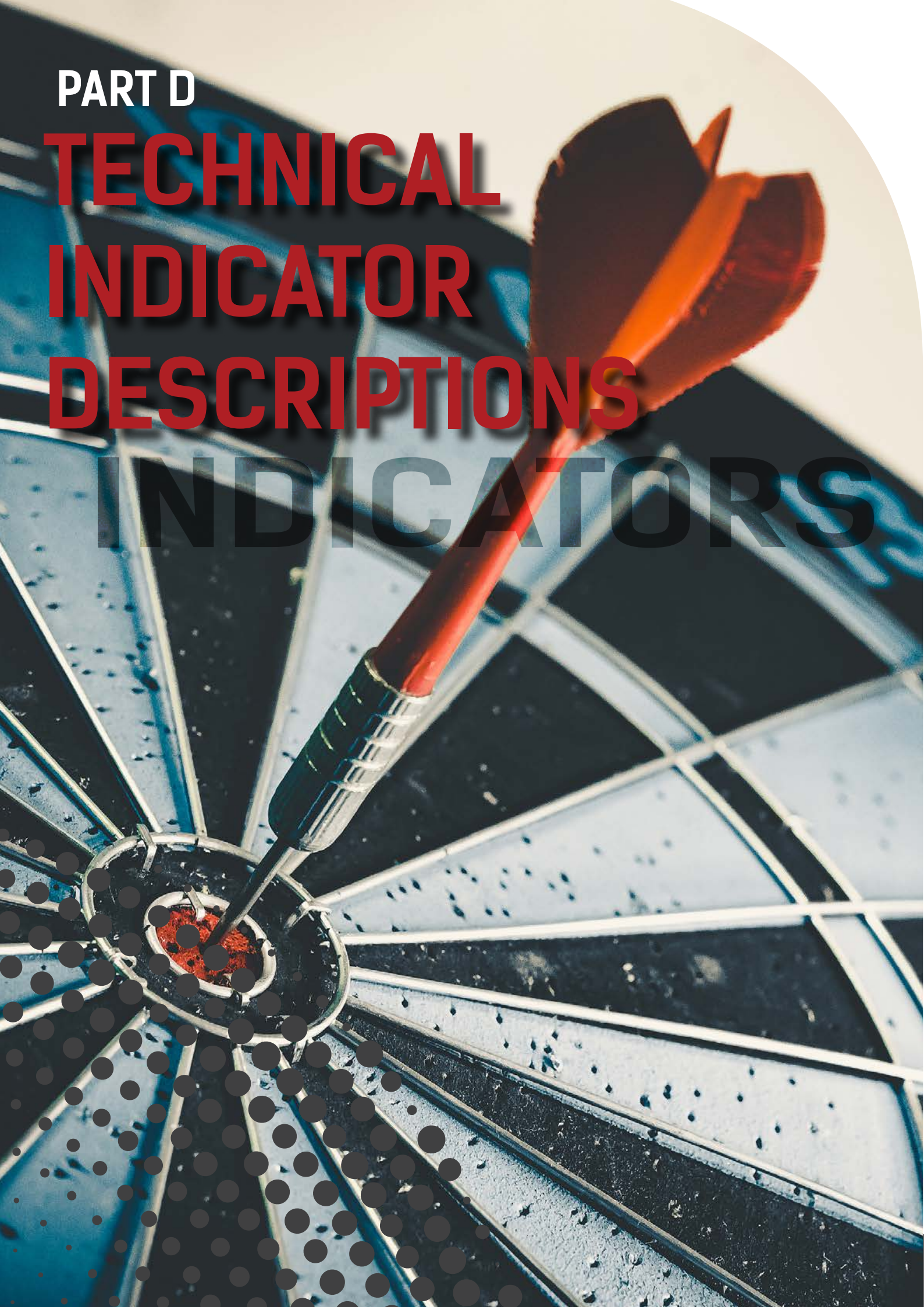
12. Public Private Partnerships

GTAC provides technical advice to other departments and the private sector. GTAC itself does not have a Public Private Partnership.



PART D

TECHNICAL INDICATOR DESCRIPTIONS INDICATORS



13. PROGRAMME 1: MANAGEMENT AND SUPPORT SERVICES

13.1 Sub-programme 1.1: Financial Management

Indicator number and title	1.1.1 Unqualified audit opinion obtained
Definition	This indicator measures the GTAC's efforts in ensuring good governance and internal control through the effective administration of funds where funds paid to eligible applicants and recipients are accurate, punctual and cost effective, as required by the applicable legislation.
Source of data	Auditor-General's report, audit dashboard
Method of calculation or assessment	Simple count
Means of verification	Auditor-General's report
Assumptions	The financial statements and non-financial performance information will be audited. Financial and performance controls are in place and effective
Disaggregation of beneficiaries (where applicable)	N/A
Spatial transformation (where applicable)	N/A
Calculation type	Non-cumulative for year
Reporting cycle	Quarterly
Desired performance	Unqualified audit opinion
Indicator responsibility	Chief Director: Financial Management

Indicator number and title	1.1.2 Percentage of invoices received and paid in 30 days
Definition	This indicator measures the GTAC's compliance to 30 days' turnaround time when processing payments to creditors. The 30 days will start from the day on which an accurate invoice has been received by Finance with all the details confirmed, i.e. banking details and approval by the relevant manager to confirm accuracy.
Source of data	PASTEL datasheet and register of project management unit's invoices received and paid
Method of calculation or assessment	$\frac{\text{Number of invoices received and paid within 30 days}}{\text{Total number of invoices paid}} \times 100$
Means of verification	PASTEL datasheet
Assumptions	All suppliers will submit their invoices after rendering the services
Disaggregation of beneficiaries (where applicable)	N/A
Spatial transformation (where applicable)	N/A
Calculation type	Non-cumulative
Reporting cycle	Quarterly
Desired performance	Finalise all payments within the prescribed norm of 30 days
Indicator responsibility	Chief Director: Financial Management

14. PROGRAMME 2: TECHNICAL AND ADVISORY SERVICES

14.1 Sub-programme 2.1: Capital Projects Appraisal Unit

Indicator number and title	2.1.1 Percentage of project appraisal reports completed
Definition	<p>This indicator measures the degree to which the GTAC reviews and assesses infrastructure investment proposals received through the Budget Facility for Infrastructure (BFI) process by advising on value-for-money prospects, affordability and efficiency in infrastructure expenditure.</p> <p>Appraisal reports are completed for each BFI proposal selected to undergo the detailed technical assessment. The compilation of these reports is led by analysts with inputs from various stakeholders involved in the process. The approval of the reports is done by the Head of the CPAU and the outcomes of the appraisal process feed into the budget process through the BFI's Joint Technical Committee.</p> <p>The Memorandum of Agreement (MoA) between National Treasury and the GTAC stands as an agreement that the GTAC will conduct appraisals for National Treasury.</p> <p>Reports are considered completed when approved by the Head of CPAU to have met the quality standards.</p>
Source of data	Email (from clients/stakeholders)
Method of calculation or assessment	$\frac{\text{Number of appraisal reports completed}}{\text{Number of BFI appraisal requests received}} \times 100$
Means of verification	Approved appraisal reports
Assumptions	National Treasury will request assistance from the GTAC
Disaggregation of beneficiaries (where applicable)	N/A
Spatial transformation (where applicable)	N/A
Calculation type	Non-cumulative
Reporting cycle	Annual
Desired performance	Complete 100% of project appraisal reports
Indicator responsibility	Chief Director: Capital Projects Appraisal Unit

Programme 2 [continued]

14.2 Sub-Programme 2.2: Institutional Development Support Unit

Indicator number and title	2.2.1 Percentage of approved Institutional Development Support projects completed on time and within budget
Definition	<p>This indicator measures the percentage of approved projects completed on time and within budget, as stipulated in the relevant project’s governance documents (Project Charter, MoA and addendum to the MoA) and/or as agreed with the client.</p> <p>A project is considered approved when a request has been submitted and approved by the IDS Unit’s Chief Director and is considered completed when the project closure report has been approved and submitted to the client.</p> <p>A project is considered completed on time if all project activities have been completed within the duration specified in Article 1 of the MoA or addendum to the MoA.</p> <p>A project is considered within budget if all project expenditure recorded is within the estimated costs specified in Article 2 of the MoA or the addendum to the MoA.</p> <p>This indicator will only measure projects that are completed in the current financial year. The start date of projects may begin in different financial years and may extend beyond 12 months or straddle more than one financial year.</p> <p>Timeframes are defined in the MoA and may be extended by mutual agreement in an addendum to the MoA.</p>
Source of data	Governance documents (Project Charter, MoA and addendum to the MoA), time management system (Ixsha) records.
Method of calculation or assessment	$\frac{\text{Number of approved projects completed on time and within budget}}{\text{Total number of approved projects completed}} \times 100$
Means of verification	Governance documents (Project Charter, MoA and addendum to the MoA), project closure report, project budget vs actual reports
Assumptions	<ul style="list-style-type: none"> • Time frames are defined in the project’s governance documents • Financial resources or project budgets are defined in the Project Charter and MoA and may be increased by mutual agreement in an addendum to the MoA and Project Charter.
Disaggregation of beneficiaries (where applicable)	N/A
Spatial transformation (where applicable)	N/A
Calculation type	Non-Cumulative
Reporting cycle	Annual
Desired performance	Complete all projects within time and budget Provide efficiencies in the completion of all projects delivered.
Indicator responsibility	Chief Director: Institutional Development Support Unit

Programme 2 [continued]

14.3 Sub-Programme 2.3: Transaction Advisory Services and Public-Private Partnership Unit

Indicator number and title	2.3.1 Number of PPP capacity building events held
Definition	<p>The GTAC provides capacity building initiatives such as training to PPPs through the TAS and PPP Unit to contribute to government capacity building initiatives and to capacitate institutions.</p> <p>This indicator measures the number of PPP capacity building events delivered by the GTAC to both government officials and members of the public who have expressed an interest in understanding the PPP process by applying to attend the course.</p>
Source of data	Programme agenda, attendance register, events calendar schedule
Method of calculation or assessment	Simple count of the PPP capacity building events held
Means of verification	Attendance register
Assumptions	Institutions will attend the scheduled training
Disaggregation of beneficiaries (where applicable)	N/A
Spatial transformation (where applicable)	N/A
Calculation type	Non-cumulative
Reporting cycle	Quarterly
Desired performance	Contribute to government capacity building initiatives
Indicator responsibility	Chief Director: TAS and PPP Unit

Programme 2 [continued]

14.4 Sub-Programme 2.4: Public Expenditure and Policy Analysis Unit

Indicator number and title	2.4.1 Percentage of spending review capacity building initiatives delivered
Definition	<p>This indicator measures the percentage of spending review capacity building initiatives delivered. Capacity building initiatives are defined as the process of developing and strengthening the skills of officials by providing spending review training.</p> <p>Delivered means training has been completed.</p> <p>Agreed on is defined as when there is an MoA or Memorandum of Understanding (MoU) in place for the capacity building initiative to be undertaken.</p>
Source of data	MoA, training attendance registers, training invitations (e.g. Microsoft Outlook calendar)
Method of calculation or assessment	$\frac{\text{Number of capacity building initiatives delivered}}{\text{Number of capacity building initiatives agreed on}} \times 100$
Means of verification	Training attendance registers
Assumptions	The PEPA Unit receives requests for spending review capacity building initiatives, sufficient number of resources available to provide training
Disaggregation of beneficiaries (where applicable)	N/A
Spatial transformation (where applicable)	N/A
Calculation type	Non-cumulative
Reporting cycle	Annual
Desired performance	All spending review capacity building initiatives delivered
Indicator responsibility	Deputy Director-General: PEPA Unit

Programme 2 [continued]

Indicator number and title	2.4.2 Number of remuneration reports completed
Definition	<p>This indicator measures the degree to which the PEPA Unit conducts investigations on key drivers of compensation expenditure and personnel trends in government using PERSAL data.</p> <p>Requests for analytical work are received from National Treasury: Budget Office and Public Finance. A detailed analysis is provided of personnel trends and costs across sectors. These are completed with findings and recommendations if appropriate.</p> <p>Completed is defined as a detailed analysis report submitted to National Treasury: Budget Office and Public Finance, or other clients.</p>
Source of data	Requests from National Treasury and/or other interested stakeholders or analysis/remuneration report
Method of calculation or assessment	Simple count of remuneration analysis reports completed
Means of verification	Remuneration reports completed
Assumptions	National Treasury: Budget Office and Public Finance will continue to request this analytical work from the PEPA Unit
Disaggregation of beneficiaries (where applicable)	N/A
Spatial transformation (where applicable)	N/A
Calculation type	Non-cumulative
Reporting cycle	Quarterly
Desired performance	All numerated reports completed
Indicator responsibility	Deputy Director-General: PEPA Unit

CONTACT US

TEL: +27 12 395 6761
info@gtac.gov.za | www.gtac.gov.za

POSTAL ADDRESS

GTAC, Government Technical Advisory Centre
Private Bag X115, Pretoria 0001

PHYSICAL ADDRESS

GTAC, Government Technical Advisory Centre
240 Madiba Street, Pretoria 0002

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