

PROVINSIALE TESOURIE • PROVINCIAL TREASURY •
UNONDYEBO WEPHONDO



Verwysing
Reference
Isalathiso

PT 1/3

Navrae
Enquiries
Imibuzo

Niezel Palmer

TREASURY CIRCULAR NO. 47 / 2006

THE ACCOUNTING OFFICER: VOTE 1: PREMIER (DR GA LAWRENCE)
THE ACCOUNTING OFFICER: VOTE 2: PROVINCIAL PARLIAMENT (MR P WILLIAMS)
THE ACCOUNTING OFFICER: VOTE 3: PROVINCIAL TREASURY (DR JC STEGMANN)
THE ACCOUNTING OFFICER: VOTE 4: COMMUNITY SAFETY (MR M DELIWE)
THE ACCOUNTING OFFICER: VOTE 5: EDUCATION (MR RB SWARTZ)
THE ACCOUNTING OFFICER: VOTE 6: HEALTH (PROF KG HOUSEHAM)
THE ACCOUNTING OFFICER: VOTE 7: SOCIAL DEVELOPMENT (MS K LUBELWANA) (ACTING)
THE ACCOUNTING OFFICER: VOTE 8: LOCAL GOVERNMENT AND HOUSING (MS S MAJIET)
THE ACCOUNTING OFFICER: VOTE 9: ENVIRONMENTAL AFFAIRS AND DEVELOPMENT PLANNING (MR T TOLMAY)
THE ACCOUNTING OFFICER: VOTE 10: TRANSPORT AND PUBLIC WORKS (MR T MANYATHI)
THE ACCOUNTING OFFICER: VOTE 11: AGRICULTURE (MS J ISAACS)
THE ACCOUNTING OFFICER: VOTE 12: ECONOMIC DEVELOPMENT AND TOURISM (DR H FAST) (ACTING)
THE ACCOUNTING OFFICER: VOTE 13: CULTURAL AFFAIRS AND SPORT (MR MN LINDIE)

THE CHIEF FINANCIAL OFFICER: VOTE 1: PREMIER (MR H ARENDSE)
THE CHIEF FINANCIAL OFFICER: VOTE 2: PROVINCIAL PARLIAMENT (MS A SMIT) (ACTING)
THE CHIEF FINANCIAL OFFICER: VOTE 3: PROVINCIAL TREASURY (MR A GILDENHUYS)
THE CHIEF FINANCIAL OFFICER: VOTE 4: COMMUNITY SAFETY (MR M MACIKAMA) (ACTING)
THE CHIEF FINANCIAL OFFICER: VOTE 5: EDUCATION (MR L ELY)
THE CHIEF FINANCIAL OFFICER: VOTE 6: HEALTH (MR A VAN NIEKERK)
THE CHIEF FINANCIAL OFFICER: VOTE 7: SOCIAL DEVELOPMENT (MR JO SMITH)
THE CHIEF FINANCIAL OFFICER: VOTE 8: LOCAL GOVERNMENT AND HOUSING (MR PAE BREDEKAMP)
THE CHIEF FINANCIAL OFFICER: VOTE 9: ENVIRONMENTAL AFFAIRS AND DEVELOPMENT PLANNING (MR AA GAFFOOR)
THE CHIEF FINANCIAL OFFICER: VOTE 10: TRANSPORT AND PUBLIC WORKS (MR CR ISMAY)
THE CHIEF FINANCIAL OFFICER: VOTE 11: AGRICULTURE (MR F HUYSAMER)
THE CHIEF FINANCIAL OFFICER: VOTE 12: ECONOMIC DEVELOPMENT AND TOURISM (MS M ABRAHAMS)
THE CHIEF FINANCIAL OFFICER: VOTE 13: CULTURAL AFFAIRS AND SPORT (MR A ASSIM)

THE HEAD OFFICIAL: PROVINCIAL TREASURY (DR JC STEGMANN)
THE HEAD: SUSTAINABLE RESOURCE MANAGEMENT (MS SMA ROBINSON)
THE HEAD: ASSET MANAGEMENT (MR TD PILLAY)
THE HEAD: FINANCIAL GOVERNANCE (MR TC ARENDSE)
THE HEAD: PUBLIC FINANCE (MR H MALILA)
THE CHIEF FINANCIAL OFFICER (MR A GILDENHUYS)
THE SENIOR MANAGER: HUMAN RESOURCE MANAGEMENT (MS C PAUL)
THE SENIOR MANAGER: ACCOUNTING (MR A REDDY)
THE SENIOR MANAGER: NORMATIVE FINANCIAL MANAGEMENT (MR F JACOBS) (ACTING)
THE SENIOR MANAGER: ENTERPRISE RISK MANAGEMENT AND GOVERNANCE SYSTEMS (MR L NENE)
THE CHIEF AUDIT EXECUTIVE (MS R JAFTHA)
THE SENIOR MANAGER: ECONOMIC ANALYSIS (MS B BOQWANA)
THE SENIOR MANAGER: FISCAL POLICY (MR D CORNELISSEN) (ACTING)
THE SENIOR MANAGER: BUDGET MANAGEMENT (MS AJ HICKEY)
THE SENIOR MANAGER: PROVINCIAL GOVERNMENT FINANCE (MR DG BASSON)
THE SENIOR MANAGER: LOCAL GOVERNMENT FINANCE (MR G PAULSE)
THE SENIOR MANAGER: IMMOVEABLE ASSET MANAGEMENT (MR NB LANGENHOVEN)
THE SENIOR MANAGER: MOVEABLE ASSET MANAGEMENT
THE SENIOR MANAGER: SUPPORTING AND INTERLINKED FINANCIAL SYSTEMS (MR A BASTIAANSE)
THE HEAD: OFFICE OF THE MINISTRY (MR G GESWINDT)

THE PROVINCIAL AUDITOR

MASTER RECORDS OFFICIAL: FINANCIAL MANAGEMENT

**REQUEST FOR COMMENTS AND/OR RECOMMENDATIONS RELATING TO THE
DRAFT CHAPTER 5 OF THE TREASURY REGULATIONS ON STRATEGIC PLANS**

1. The above has reference.
2. Enclosed herewith is a copy of the Draft Treasury Regulation regarding the preparation of the annual strategic plans by institutions, as published in Government Gazette No. 29490 dated 18 December 2006.

3. Treasury Regulation 5.1.1 currently requires accounting officers of institutions to annually prepare strategic plans for the forthcoming MTEF period for approval by the relevant executive authority.
4. The Treasury Regulations (TR 5.2.1) also require that accounting officers table these approved strategic plans in Parliament or the provincial legislatures at least seven days prior to the discussion of their department's budget vote.
5. Considering that the annual comprehensive review of departmental strategic plans is an unnecessary duplication of work, departments were encouraged in the Treasury Guidelines (2005) to adopt longer-term plans that can be updated annually to reflect changes in allocations and targets.
6. The aforementioned approach is, however, in conflict with the current provisions of the Treasury Regulations, which requires departments to annually prepare strategic plans, and to table such in the legislature at least seven days prior to discussion of their department's budget vote.
7. It is therefore considered necessary to amend the regulations to reflect that departments no longer need to table their annually prepared strategic plans in the legislature.
8. You are hereby requested to **submit your comments and/or recommendations** regarding the attached **DRAFT CHAPTER 5 OF THE TREASURY REGULATIONS** by no later than **Wednesday, 10 January 2007** for the attention of **Niezel Palmer** via email [npalmer@pgwc.gov.za].
9. Should you have no formal comments and/or recommendations, a request is made that a nil return be submitted accordingly.
10. Your assistance in **adhering to the stipulated deadline** is of vital importance as it provides this office only two days to consolidate all comments and forward it to National Treasury on 12 January 2007.
11. We await your prompt response.



ACTING SENIOR MANAGER: NORMATIVE FINANCIAL MANAGEMENT
DATE: 20.12.06

NATIONAL TREASURY

**PUBLIC FINANCE MANAGEMENT ACT, 1999:
DRAFT TREASURY REGULATIONS**

The draft Chapter 5 of the Treasury Regulations (Strategic Planning) are set out in the Schedule and are hereby published for public comment in terms of section 78 of the Public Finance Management Act (PFMA), 1999, (Act No. 1 of 1999).

Interested persons who wish to comment on the draft Treasury Regulations may submit their representations in writing before **6 January 2007** to:

**The Director-General
National Treasury
Private Bag X115
PRETORIA
0001**

All representations must be marked for the attention of **Mr Jayce Nair** and may either be posted to the above address, transmitted by fax to **086 513 0008** or by e-mail to **Jayce.Nair@treasury.gov.za**

The Minister of Finance has, in terms of Section 78 of the PFMA, published the enclosed draft Treasury Regulations for public comment in Government Gazette No. 29490 dated 18 December 2006

SCHEDULE

Draft Chapter 5 of the Treasury Regulations for departments, trading entities, constitutional institutions and public entities

**Issued in terms of the
Public Finance Management Act, 1999**

**National Treasury
Republic of South Africa
[March 2005] December 2006**



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Strategic Planning

5.1 Annual preparation of strategic plans

- 5.1.1 [Each year, the] The accounting officer of an institution must prepare a strategic plan that is consistent with the period covered by the Medium Term Expenditure Framework [for the forthcoming MTEF period] for approval by the relevant executive authority.

5.2 Submission and contents of strategic plans

- 5.2.1 In order to facilitate the annual discussion of individual votes, accounting officers must provide [the approved strategic plan must be tabled in] Parliament or the relevant legislature with their respective institution's medium-term strategic plan, and where applicable, with its annual performance/business plan. [at least 7 days prior to the discussion of the department's budget vote.]

- 5.2.2 The strategic plan must –

- [(a) cover a period of three years and be consistent with the institution's published medium term expenditure estimates;]
- (a)[b]) include specific Constitutional and other legislative, functional and policy mandates that indicate the output deliverables for which the institution is responsible;
- (b)[c]) include policy developments and legislative changes that influence programme spending plans over the three-year period;
- (c)[d]) include the measurable objectives, expected outcomes, programme outputs, indicators (measures) and targets of the institution's programmes ;
- (d)[e]) include details of proposed acquisitions of fixed or movable capital assets, planned capital investments and rehabilitation and maintenance of physical assets;
- (e)[f]) include details of proposed acquisitions of financial assets or capital transfers and plans for the management of financial assets and liabilities;
- (f)[g]) include multi-year projections of income and projected receipts from the sale of assets;
- (g)[h]) include details of the Service Delivery Improvement Programme;
- (h)[i]) include details of proposed information technology acquisition or expansion in reference to an information technology plan; **[and]**
- (i)[j]) for departments, include the requirements of Chapter 1, Part III B of the *Public Service Regulations, 2001[.]; and*
- (j) include details of specific plans that the executive authority, Parliament or the relevant provincial legislature may direct the institution to report on.

- 5.2.3 The strategic plan must form the basis for the annual reports of accounting officers as required by sections 40(1)(d) and (e) of the Act.

5.3 Evaluation of performance [Section 27(4) read with 36(5) of the PFMA]

- 5.3.1 The accounting officer of an institution must establish procedures for quarterly reporting to the executive authority to facilitate effective performance monitoring, evaluation and corrective action.