



Annual Performance Plan for 2020/2021

ABBREVIATIONS AND ACRONYMS

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

STATEMENT BY COMMISSION




2020/21 will be a year of great challenges for both the country and the Commission. South Africa is faced with a crisis: The impact of the COVID-19 pandemic coupled with the credit rating downgrade caused a seismic shock to our country's economy that was already plagued by a stubbornly low growth, high and increasing poverty, inequality and unemployment. Faced with mounting pressures of the nation-wide lockdown on our citizens, the faltering fiscal position and the credit rating downgrade, our economy will most likely experience deep economic recession (perhaps even depression) for the foreseeable future. Actions taken by Government and Parliament in midst of this crisis are key to our survival; there are no choice of trade-offs between lives and livelihoods. This is a pandemic that will have long-lasting consequences, and economic recovery is dependent on destroying virus and prioritizing the health and welfare of our people. The Commission must focus its work to

address the economic and fiscal impacts of the COVID-19 pandemic; by advising on macroeconomic trends with fiscal and financial interventions to protect our people, economy and society at large.

In light of the COVID-19 pandemic and the credit rating downgrade, the Commission prioritises as one of its primary objectives for the 2020/21 financial year to develop a robust macroeconomic data simulation model for advising the three spheres of Government and Parliament on matters of the macroeconomic fiscal framework with empirical evidence. This includes making recommendations that respond to the macroeconomic developments that impact our financial and fiscal systems within our mandates as per the constitutional vision.

This 2020/21 Annual Performance Plan is unique, for it is the first time that the Commission is specifically researching and addressing the current developments of the economy within the context of our fiscal system as part of the delivery process to advise the three spheres of Government and Parliament. Guided by the Commission's Strategic Plan of 2020 – 2025, this Annual Performance Plan is directed at ensuring the organisation achieves its service delivery objectives through performance targets, whilst ensuring the institution's systems of governance and administration are functioning optimally. More specifically, these performance targets will be used to appraise the workings of the Commission in fulfilling its constitutional mandate as functions - to ensure that this Commission is serving in the interest of the people who have entrusted this institution with their resources.

I present this performance framework as a reflection of the Commission's duty for the 2020/21 Financial Year in terms of its purpose and reason to exist: to conduct research to deliver impactful advice to the three spheres of Government and Parliament on financial and fiscal matters affecting our economic fiscal system.



PROF DANIEL PLAATJIES, PhD

Chairperson

Date: 07 July 2020

ACCOUNTING OFFICER STATEMENT



The Commission's mandate is to fulfil its role as an independent and impartial advisory institution to the three spheres of Government on financial and fiscal matters, particularly on the Division of Revenue. The Annual Performance Plan for 2020/2021 sets out the Commission's Programmes within the available budget. This plan identifies programme performance indicators and targets against which our results can be measured and evaluated by our stakeholders, namely parliament, provincial legislatures, national and provincial government departments, organised local government, organs of state and the public in general.

Monitoring and Evaluation is important in ensuring delivery of the Commission's mandate and institutional good governance. The Commission is determined to demonstrate the values of accountability, honesty and transparency in its day-to-day activities undertaken in the attainment of the Commission objectives.

Primary to these, is to renew the organisation by decisively addressing past challenges, building on existing potential and creating future opportunities. The organisational regeneration is bolstered by a full-time Chairperson, Commissioners, Chief Executive Officer and an executive management team. The backbone of our service delivery model is our cadre of staff and the Secretariat is reliant on the collective effort.

The Commission is committed to building its capacity and to delivering on its strategic outputs by seeking to optimise activities and working innovatively, particularly, in the research area.



Dr KAY BROWN, PhD.
Accounting Officer
Date: 07 July 2020

OFFICIAL SIGN-OFF

It is hereby certified that the attached Performance Plan was developed by the Financial and Fiscal Commission; takes into account all the relevant policies, legislation and other mandates for which the Financial and Fiscal Commission is responsible; and accurately reflects the annual targeted performance and budgets, and is based on the business' strategic outcomes-oriented goals and objectives which the Financial and Fiscal Commission will endeavour to achieve given the resources that have been allocated to it in the budget for the 2020/ 2021 Financial Year.

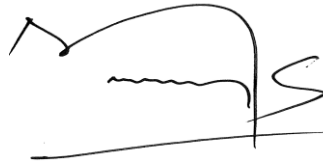
Accounting Officer: Signature



Date: 07 July 2020

Approved by:

Executive Authority: Signature



Date: 07 July 2020

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PART A: OUR MANDATE

1. CONSTITUTIONAL MANDATE

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

2. RELEVANT LEGISLATIVE AND POLICY MANDATES

The Commission Act, 1997 is the enabling Legislation that gives effect to the constitutional requirements. The Commission must perform its functions as envisaged in the Constitution or as required by national legislation; and may perform those functions on its own initiative; or on request of an organ of state. An organ of state in one sphere of Government which seeks to assign a power or function to an organ of state in another sphere of Government in terms of a law must first, before assigning the power or function notify the Commission of the fiscal and financial implications of such assignment and request the recommendation of the Commission on (a) the future division of revenue raised nationally between the spheres of Government as required by the Constitution; (b) in the case of an assignment to a provincial or local organ of state, the fiscal power, fiscal capacity and efficiency of the relevant province or municipality; and (c) any transfer of employees, assets and liabilities.

The Commission must, not later than 180 days from the date of its receipt of the notification and request or such other period agreed with the relevant organ of state, make such recommendation on the intended assignment as may be appropriate. An assignment contemplated in paragraph (a) has no legal force unless the organ of state making such assignment has requested and considered the recommendation of the Commission. The organ of state assigning any power or function to another organ of state must in an accompanying memorandum explain to the Commission, the organ of state to which a power or function is being assigned, the National Treasury and any other functionary responsible for authorising such assignment, the extent to which it has considered and considered the recommendation by the Commission.

Prior to requesting the recommendation of the Commission, the organ of state seeking to assign the power or function must, in the case of a national organ of state, obtain the written approval of the National Treasury; or of a provincial organ of state, obtain the written approval of the provincial treasury. The Commission must submit for tabling copies of all its recommendations made in terms of a provision of the Constitution to both Houses of Parliament and to the provincial legislatures.

In addition to the Constitution, 1996 and the Financial and Fiscal Commission Act, the Commission operates in terms of the undermentioned regulatory prescripts

- a) **Borrowing Powers of Provincial Governments Act, 1996 (Act No 48 of 1996)** established a Loan Coordinating Committee (Committee) to coordinate the borrowing requirements of provincial governments which must report to the Commission so as to allow the Commission to effectively fulfil its functions as contemplated in the Constitution.
- b) **Intergovernmental Fiscal Relations Act, 1997 (Act No 97 of 1997)** allows for the Commission Chairperson or a delegation of the Commission designated by the Chairperson may attend Budget Council. After receiving any recommendations of the Commission in terms of but before the Division of Revenue Bill is introduced in the National Assembly, the Minister must consult the Provincial Governments, either in the Budget Council or in another way; organised local government, either in the Budget Forum or in another way; and the Commission.
- c) **Local Government: Municipal Finance Management Act, 2003 (Act No 56 of 2003)** (as amended) requires that draft national legislation which directly or indirectly amends the Act or providing for the enactment of subordinate legislation that may conflict with the Act, may be introduced in Parliament only after the Minister of Finance and the Commission have been consulted and responded to in writing.
- d) **Local Government: Municipal Systems Act, 2000 (Act No 32 of 2000)** (as amended) requires that any assignment of functions or powers to municipalities must be preceded by a request to the Commission to assess the financial and fiscal implications. Organised local government must, before embarking on any negotiations with parties in the bargaining council established for municipalities consult the Commission.
- e) **Money Bills Amendment Procedure and Related Matters Act, 2009 (Act No 9 of 2009)** After the adoption of the fiscal framework the Division of Revenue Bill must be referred to the committee on appropriations of the National Assembly for consideration and report. The committees on appropriations must consult with the Commission and allow the Minister of Finance the opportunity to respond to any amendments proposed at least three days prior to the submission of the report to the relevant House
- f) **Municipal Fiscal Powers and Functions Act, 2007 (Act No 12 of 2007)** stipulates that the Minister of Finance must consult with the Commission prior to authorising a municipal tax and associated regulations.
- g) **Provincial Tax Regulation Process Act, 2001 (Act No 53 of 2001)** If a province intends to impose a new provincial tax, the MEC for Finance in the province must submit particulars of the proposed provincial tax to the Minister of Finance. The Minister of Finance must submit a copy to the Commission for comment. The Minister of Finance is obliged to consider the comments of the Commission.

3. INSTITUTIONAL POLICIES AND STRATEGIES OVER THE FIVE-YEAR PLANNING PERIOD GUIDING THE ANNUAL PERFORMANCE PLAN

A capable and developmental state – as envisioned in the NDP - is one that has the means to identify and deal with the causes of poverty and inequality in South Africa. As an independent Constitutional institution, the Commission is not bound by policies of the executive, but its work is informed by the strategic priorities reflected in the NDP, MTSF and MTBPS. The Commission is particularly concerned with the implications of government policies and plan for the intergovernmental fiscal system, and the extent to which fiscal policy is in fact effectively achieving its stated objectives, particularly in terms of addressing the critical developmental challenges of poverty and inequality. The Commission is an important institution for ensuring that fiscal policy is equitable and that public sector finances are appropriately structured to achieve these ends.

3.1 THE NATIONAL DEVELOPMENT PLAN (NDP)

The NDP calls for the building of a “capable state”. According to the National Planning Commission (NPC) the state is capable to the extent “that it has the capacity to formulate and implement policies that serve the national interest” (NPC, 2012).

The NDP identifies the need to improve efficiency of government expenditure, noting that the overall fiscal envelope is likely to grow relatively slowly over the medium term, therefore creating an emphasis on the need to balance competing pressures. A core aspect of the Commission mandate involves providing evidence and research to support the optimal reallocation of scarce fiscal resources across the three spheres of government.

3.2 THE MEDIUM-TERM STRATEGIC FRAMEWORK (MTSF) 2019-2024

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

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

- **Priority 1: Economic Transformation and Job Creation**
- **Priority 2: Education, Skills and Health**
- **Priority 3: Consolidating the Social Wage through Reliable and Quality Basic Services**
- **Priority 4: Spatial Integration, Human Settlements and Local Government**
- **Priority 5: Social Cohesion and Safe Communities**

- **Priority 6: A Capable, Ethical and Developmental State**
- **Priority 7: A Better Africa and World**

All the priorities are important for the Commission, which is tasked with providing evidence and research to inform fiscal policy and allocations in supporting these priorities.

3.3 THE MEDIUM-TERM BUDGET POLICY STATEMENT (MTBPS) 2019

The MTBPS stipulates that fiscal revenue projections have been sharply reduced as a consequence of slower than expected economic growth necessitating a reduction of long-term annual growth estimates. At the same time, debt and debt-service costs have significantly increased (and are projected to increase further) while spending pressures – most notably led by state-owned companies in crisis and the public sector wage bill – continue to increase.

Against this context of severe fiscal constraints, the budgetary policy of government seeks to stabilise public finances and restore economic growth, while continuing to prioritise social grants, education and health into the future. This is going to require some economies, including reform of state-owned companies and cuts to the public sector wage bill, public institutions as well as tax measures, reforms and organisational efficiencies. Greater efficiency and impact in public spending will be critical to boosting economic growth, and this imperative will guide the Commission’s work over the coming period.

4. RELEVANT COURT RULINGS

There are no relevant court rulings impacting on this plan.

PART B: OUR STRATEGIC FOCUS

5. SITUATIONAL ANALYSIS

The Commission is charged with conducting independent research, using its own-generated and unique datasets, and providing expert and impartial opinions on fiscal and financial matters. The Commission provides advice on the structure of public finances more broadly, as well as on the equitable division of revenue amongst the three spheres of government.

It is incumbent upon the Commission to leverage influence disproportionate to its size. Key to achieving this is stakeholder engagement and partnerships which include:

- Parliament (including the National Assembly and National Council of Provinces) and the Provincial Legislatures to which the Commission provides statutorily mandated advice.
- The executive structures responsible for budgets and finance, including the Minister of Finance, Budget Council, and Budget Forum.
- Other government stakeholders in IGFR Constitutional Institutions, Organised Local Government, Provincial Executives, the Auditor-General, and Statistics South Africa
- Non-governmental stakeholders, including Academia and Non-Governmental Organisations, Civil Society, Organised Labour, and Donors.

The Commission is particularly concerned with government's impact on alleviating poverty and inequality. It has the constitutional muster to provide recommendations and advise on financial and fiscal matters.

5.1 EXTERNAL ENVIRONMENT ANALYSIS

The Commission's submission on the 2020 fiscal framework and revenue proposals emphasised the continued weakening of the South African economy as reflected in declining per capita economic growth numbers and further rising unemployment is threatening the social gains South Africa has made over the last 25 years.

Average life expectancy is estimated to have increased by nearly 10 years over the last decade. These substantial achievements in building the human capital and capabilities of South African cannot be lost. They are, however, threatened by the current economic and fiscal trajectory. Slow growth has impacted on government revenues leading to rising deficits and debts which is constraining government's ability to invest in society and economy.

The fiscal framework shows the rapid weakening of South Africa's fiscal situation and the threat of the costs of an increasing deficit and debt. Urgent action is indeed necessary to reduce the annual deficit and slow down debt accumulation and contingency liability management.

Climate change, population change, and migration, new technology and power shifts are creating opportunities for South Africans, but also risks.

Economic growth was making it difficult to tackle the triple challenges of high unemployment, poverty and inequality. The challenges to economic growth are, among others:

- Inefficiency in the way resources were used;
- Fiscal leakages;
- High levels of corruption and inefficiencies in government procurement;
- Intermittent electricity supplies;
- Infrastructure that was inadequately built and maintained; and
- Policy uncertainty on issues like e-tolls and state-owned enterprises (SOEs).

The skewed distribution of land has established a dual agricultural economy comprising commercial farmers and emerging farmers with the former having a monopoly over the productive assets and the value chain.

As much as comprehensive land reform is critical to food security and reduction of poverty and inequality, the complex interdependencies of the existing structure of the agricultural sector suggest risks in property value, that directly impacts on existing loan to book value of the commercial and land banks, which in turn will establish bottle necks to production. This will impact on South Africa's whole agriculture and food producing sectors, including the government's ability to address vulnerability and mitigate against increasing shocks to the economy and domestic households. The impact of COVID 19, though international modelling of the coronavirus is imperfect, coupled with low economic growth and development, South Africa faces an urgent need to fast track its precisions on climate change and create a good balance between land reform and strengthening of the agriculture sector.

5.2 INTERNAL ENVIRONMENT ANALYSIS

1.1.1 ORGANISATIONAL STRUCTURE

The diagram below provides an overview of the Commission organisational structure.

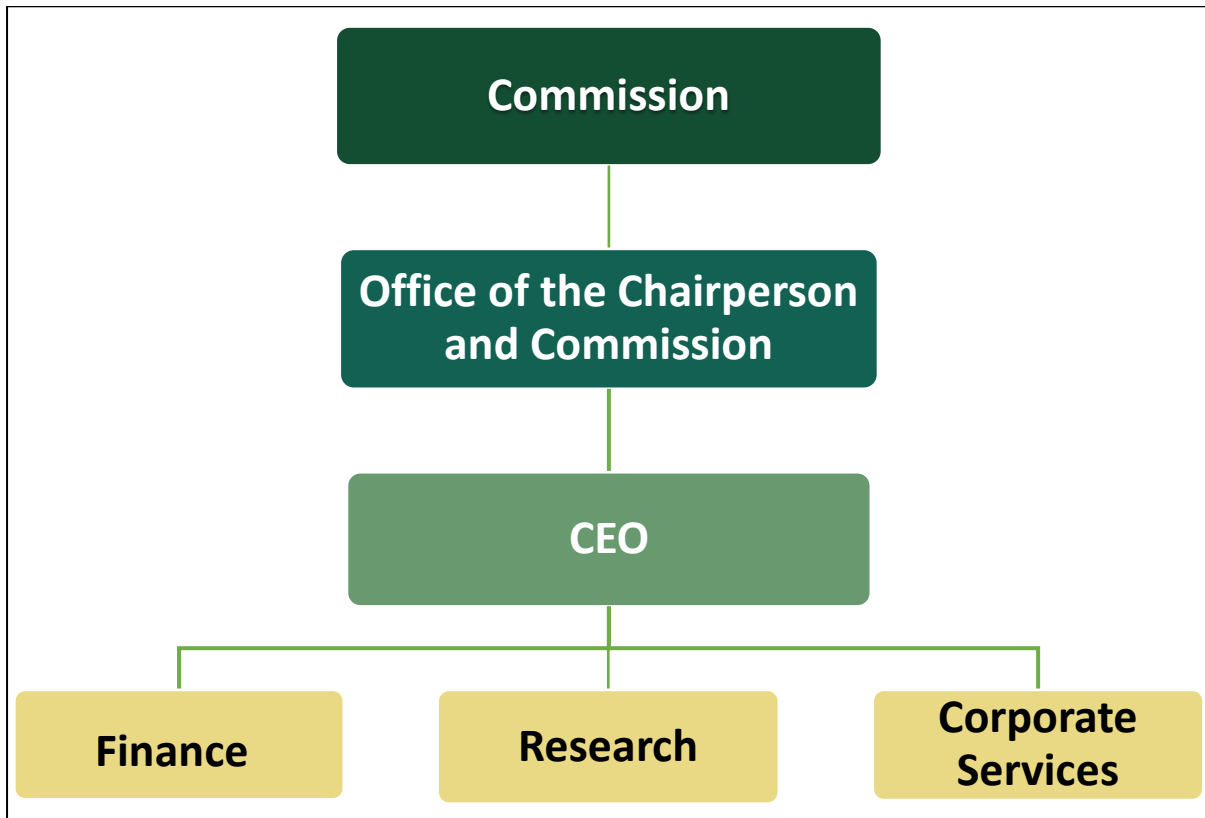


Figure 1: Organisational Structure of the Commission

The Commission, over the last few years, has experienced institutional and operational challenges that have impacted negatively on the internal environment of the organisation: Until recently, several senior positions and roles critical to governance and leadership of the commission have been vacant or occupied in an acting capacity. This situation, whilst now largely resolved, has had an impact on the organisation's core functions and created a legacy of institutional shortfalls that are now being addressed.

In particular, a Human Resources Specialist has been appointed to strengthen internal Human Resources capacity, policies and procedures and ensure that vacant positions are filled. The organisation has identified the need for change management to support staff in accepting new systems and processes, build staff morale and support the Commission in working towards achieving its vision and mission.

In proactively responding to the challenges faced by the Commission over the last MTSF period, during strategic planning the Commission has confirmed two core programmes as its focus:

Administration - This programme aims to strengthen the effectiveness of the instruments available to the Commission to effectively support the organisation.

Research Programme – This Programme focuses on conducting sound research to support credible and valued recommendations to government and public sector organisations.

6. IMPACT

The following impact statement has been formulated for the Commission:

Decision-making in government financial and fiscal systems is strengthened to improve service delivery and reduce poverty and inequality.

7. OUTCOMES

The following outcomes have been formulated to support the Impact Statement.

1. Strengthen co-operative governance through harmonising the fiscal system
2. Strengthening the effectiveness of the internal capacity available to the Commission

PART C: MEASURING OUR PERFORMANCE

8. INSTITUTIONAL PROGRAMME PERFORMANCE INFORMATION

PROGRAMME 1: ADMINISTRATION

Purpose: Strengthen the effectiveness of the instruments available to the Commission to effectively support the organisation

Table 1: Outcomes, Outputs, Performance Indicators and Targets

Outcome	Outputs	Output Indicators	Audited/Actual Performance			Estimated Performance 2020/21	MTEF Period		
			2017/18	2018/19	2019/20		2021/22	2022/23	2023/24
Strengthening the effectiveness of the internal capacity available to the Commission	A full complement of capable staff, managed to fulfil the Commission mandate	Number of staff attending professional development	Not available	Not available	2	10	15	18	20
	Compliance with key legislative requirements	Number of compliance reports	4	4	4	4	4	4	4
	Corporate Services that support the Commission staff in executing on the commission mandate	Percentage unplanned downtime for critical ICT systems	Not available	Not available	Not available	2%	1%	1%	1%
		Percentage of procurement processes completed successfully on first round of market requests	Not available	Not available	62%	75%	80%	85%	90%

***PLEASE NOTE:** for 2019/20 the Performance Information is the actual performance to date as at 31 January 2020 and has not yet been audited.

Table 2: Programme 1: Indicators, Annual and Quarterly Targets

Output Indicators	Annual Target 2020/2021	Q1	Q2	Q3	Q4
Outcome 1: Strategic leadership and effective use of internal capacity and resources					
Output: A full complement of capable staff, managed to fulfil the Commission mandate					
Number of staff attending professional development	10	2	-	3	5
Output: Compliance with key legislative requirements					
Number of compliance reports	4	1	1	1	1
Output: Corporate Services that support Commission staff in executing on the commission mandate					
Percentage unplanned downtime for ICT systems	2%	-	-	-	-
Percentage of procurement processes completed successfully on first round of market requests	75%	15%	15%	20%	25%

1.1.2 PLANNED PERFORMANCE OVER THE MEDIUM-TERM PERIOD

In alignment with the Commission’s constitutional mandate, the following impact statement has been formulated for the Commission in the current Strategic Plan: **“Decision-making in government financial and fiscal systems is strengthened to improve service delivery and reduce poverty and inequality”**. For this impact to be achieved, it is necessary for the Commission to be resourced in terms of human capital and to have effective operational systems in place. This is reflected in the Strategic Plan through the following outcome statement: “Strengthen the effectiveness of the internal capacity available to the Commission”. The Commission’s Administration Programme seeks to deliver this outcome through the following outputs:

- A full complement of capable staff managed to fulfil the Commission mandate -
 - This is measured by the output indicator that measures the extent to which staff are receiving professional development. Achieving the target for professional development in the financial year will require effective human resource management systems and policies to be in place, including policies in relation to employment equity in relation to race, gender, youth and disability.
- Compliance with key legislative requirements –

- Effective governance of the Commission depends on the monitoring of institutional compliance. The compliance of the Commission is measured by the extent of its adherence to legislative prescripts as indicated in the detail of the quarterly report to its Audit and Risk Committee.
- Supply Chain Management and ICT Infrastructure that supports the Commission staff in executing on the Commission’s mandate –
 - The successful conclusion of procurement processes and low levels of unplanned downtime for critical systems are critical output indicators that speak to effective leadership of administrative systems and corporate services. Unplanned downtime of critical IT systems severely disrupt the core research activities and reducing this would be amongst the critical success factors of the ICT Strategy which is being implemented by the Commission. Similarly, the successful and timely conclusion of procurement processes underpins the efficient provision of research and corporate services.

An operationally effective organisation will allow the Commission to focus on its mandate.

1.1.3 PROGRAMME RESOURCE CONSIDERATIONS

Table 3: Budget Allocation for Programme 1: Administration

Programme 1: ADMINISTRATION	Audited Amounts			2019/20 Budget	Medium-Term Expenditure		
	2016/17 R'000	2017/18 R'000	2018/19 R'000	2019/20 R'000	2020/21 R'000	2021/22 R'000	2022/23 R'000
Administration	27 737	30 516	31 528	36 379	40 054	41 789	42 860
Total	27 737	30 516	31 528	36 379	40 054	41 789	42 860
Economic classification							
Compensation of employees	14 693	16 226	19 447	20 943	21 512	22 893	23 828
Goods and services	12 873	14 014	11 875	15 436	18 542	18 896	19 032
Depreciation	171	220	206				
Losses from sale of fixed assets		56					
Total Expenditure	27 737	30 516	31 528	36 379	40 054	41 789	42 860

1.1.4 KEY RISKS

Table 4: Key Risks

Outcome	Key Risk	Risk Mitigation
Strengthen the effectiveness of the internal capacity available to the Commission	High turnover rate of staff in key positions	Review and realignment HR policies and HR change management project
	Key projects/programmes do not go ahead or are delayed`	Procurement services stabilised SCM policies and procedures revised/ put in place Key projects are included in the APP and given clear timelines SLA's are signed as soon as possible where required
	The development of documents is delayed thereby increasing the risk of missing deadlines	Outputs and Activities are mapped out with clear timelines in the APP to meet deadlines
	Budget allocations may be inaccurate risking certain key projects	The budget planning process will be an ongoing focus of the finance department

PROGRAMME 2: RESEARCH PROGRAMME

Purpose: Conduct sound research to support credible and valued recommendations to government and public sector organisations.

Table 5: Outcomes, Outputs, Performance Indicators and Targets

Outcome	Outputs	Output Indicators	Audited/Actual Performance			Estimated Performance 2020/21	MTEF Period		
			2017/18	2018/19	2019/20		2021/22	2022/23	2023/24
Strengthen co-operative governance through harmonising the fiscal system	Annual submissions, policy briefs, technical reports and Research Reports on financial and fiscal matters	Submission for Division of Revenue and Recommendation by end of May	1	1	1	1	1	1	1
		Submission on Medium Term Budget Policy Statement	1	1	1	1	1	1	1
		Submission on Division of Revenue Bill	1	1	1	1	1	1	1
		Submission on the Appropriation Bill	1	1	1	1	1	1	1
		Number of Policy Briefs published	11	5	-	4	4	4	4
		Number of Technical Reports published	1	1	1	1	1	1	1
		Number of Research Reports	-	-	-	1	2	3	4
		The number of Parliamentary Committees, stakeholder meetings and forums attended in response to a request with presentations and/or contributions by the FFC	-	-	17	8	10	12	14

***PLEASE NOTE:** for 2019/20 the Performance Information is the actual performance to date as at 31 January 2020 and has not yet been audited

Table 6: Programme 2: Indicators, Annual and Quarterly Targets

Output Indicators	Annual Target 2020/2021	Q1	Q2	Q3	Q4
Outcome 2.1: Relevant research and recommendations support government financial and fiscal decision-makers and empower citizens					
Output: Annual submission, policy briefs, technical briefs and Research reports on financial and fiscal matters					
Submission for Division of Revenue Recommendations by end of May	1	1	-	-	-
Submission on Medium Term Budget Policy Statement	1	-	-	1	-
Submission on Division of Revenue Bill	1	1	-	-	-
Submission on Appropriation Bill	1	1	-	-	-
Number of Policy Briefs published	4	-	-	-	4
Number of Technical Reports published	1	-	-	-	1
Number of Research reports	1	-	-	-	1
Output: Stakeholder involvement in framing and responding to the FFC's research agenda					
The number of Parliamentary Committees, stakeholder meetings and forums attended in response to a request with presentations and/or contributions by the FFC	8	-	4	4	-

1.1.5 PLANNED PERFORMANCE OVER THE MEDIUM-TERM PERIOD

In alignment with the Commission's constitutional mandate, the following impact statement has been formulated for the Commission in the current Strategic Plan: "Decision-making in government financial and fiscal systems is strengthened to improve service delivery and reduce poverty and inequality". The Research Programme and seeks to achieve this by conducting sound research to support credible and valued recommendations to government and stakeholders, which is expressed in the Strategic Plan in the outcome statement: "Strengthen co-operative governance through harmonising the fiscal system".

The core outputs from the Research Programme are

- Annual submissions to Legislatures, parliamentary committees, policy briefs, technical reports and research reports on financial and fiscal matters.
 - The output indicators include both scheduled annual submissions that are intended to inform the Division of Revenue and Budget legislative processes – the expectation here is that these are delivered in a timely manner and are accompanied by policy briefs that empower citizens to engage with these processes – as well as formal research reports that are more strategic in nature, and respond to financial and fiscal issues of concern to stakeholders. This will be underpinned by a coherent research agenda.
 - Stakeholder engagements in line with the Commission’s research agenda
 - The output indicators here involve the number of engagements with stakeholders through the formal budget process in the Budget Council and Forum, but also more ad hoc engagement with stakeholders in national and provincial portfolio committees, and other forums (such as those convened by research organisations and local government organisations.) as well as stakeholder forums convened by the Commission itself.

The outcomes from the Research Programme over the medium-term period depend on the quality and credibility of the organisations evidence-based recommendations. The specific outputs identified in the APP include the development of discussion documents, policy briefs, technical reports and recommendations, but also include stakeholder involvement to support the credibility and value. The aim is to make recommendations to Organs of State on financial and fiscal matters to assist South Africa on its path to achieving the goals in the NDP 2030, and for these to be implemented, to meet the Commission’s mandate. These engagements with stakeholders are crucial to ensuring that the Commission’s research agenda is relevant and addresses stakeholder needs.

PROGRAMME RESOURCE CONSIDERATIONS

Table 7: Budget Allocation for Programme 2

Programme 2: RESEARCH	Audited Amounts			2019/20 Budget	Medium-Term Expenditure		
	2016/17 R'000	2017/18 R'000	2018/19 R'000	2019/20 R'000	2020/21 R'000	2021/22 R'000	2022/23 R'000
Research	17 787	17 016	18 305	20 752	26 411	27 798	28 906
Total	17 787	17 016	18 305	20 752	26 411	27 798	28 906
Economic classification							
Compensation of employees	13 434	15 315	14 953	14 264	20 552	21 802	22 922
Goods and services	4 353	1 701	3 883	6 488	5 859	5 996	5 984
Depreciation							
Losses from sale of fixed assets							
TOTAL EXPENDITURE	17 787	17 016	18 305	20 752	26 411	27 798	28 906

KEY RISKS

Table 8: Key Risks

Outcome	Key Risk	Risk Mitigation
Strengthen co-operative governance through harmonising the fiscal system	Recommendations are not accepted, valued	Increase and broaden stakeholder engagements Improve the impact of stakeholder engagements
	Inadequate empirical research outputs due to lack of strategic positioning and leadership	Work with stakeholders to improve on relevant and achievable research agenda Secure support and research partnerships to extend the ambition of the research and policy development programme

PART D: TECHNICAL INDICATOR DESCRIPTIONS

9. PROGRAMME 1: ADMINISTRATION

OUTCOME: Strengthen the effectiveness of the internal capacity available to the Commission

OUTPUT: A full complement of capable staff recruited, managed to fulfil the Commission mandate.

Indicator Title	Number of staff attending professional development
Definition	Training/professional development courses attended by staff must be approved by the head Corporate Services as appropriate to the development of the relevant staff members.
Source of data	Human Resource Records, including evidence of successful completion of professional development courses in the form of certificates of attendance, diplomas, degrees, or written testimonials
Method of Calculation / Assessment	Quantitative – simple count
Assumptions	Sufficient budget exists for appropriate professional development
Disaggregation of Beneficiaries (Targets)	Training for women, youth, people with disabilities, race in alignment with Employment Equity Policy
Reporting Cycle	Quarterly accumulating towards an annual target
Desired Performance	Higher is better
Indicator Responsibility	Secretariat led by CEO

OUTPUT: Compliance with key legislative requirements.

Indicator Title	Compliance Reports
Definition	Effective governance of the Commission depends on the monitoring of institutional compliance. The compliance of the Commission is measured by the extent of its adherence to legislative prescripts as indicated in the

	detail of the quarterly compliance report to its Audit and Risk Committee.
Source of data	Finance Records against the output indicators in the Annual Performance Plan
Method of Calculation / Assessment	Quantitative – simple count
Assumptions	Finance documents are finalized on time and accurately
Reporting Cycle	Quarterly accumulating towards an annual target
Desired Performance	Yes (Complete and final report submitted by due date)
Indicator Responsibility	Secretariat led by CEO

OUTPUT: Corporate Services that support Commission staff in executing on the commission mandate

Indicator Title	Percentage unplanned downtime for ICT systems
Definition	<p>Unplanned downtime refers to periods where ICT systems are unavailable outside of scheduled downtime for maintenance and upgrades or load shedding/power failures.</p> <p>The following internal and external ICT services are considered critical 24/7 services:</p> <ul style="list-style-type: none"> • Internet Connectivity • Email • Intranet File Services • Website <p>Unavailability of any one of these services is considered downtime.</p>
Source of data	IT Support Logs and/or Service Provider Reports
Method of Calculation / Assessment	<p>Quantitative: Percentage calculation where:</p> <p>Number of hours during with one or more critical IT services is unavailable is the Numerator (not the number of employee hours downtime incurred).</p> <p>Total number of hours during the evaluation period less scheduled downtime and load shedding is the Denominator</p>

Assumptions	Backup power arrangements to the Commission operations are outside the operational control of the Commission.
Reporting Cycle	Annual
Desired Performance	Less is better
Indicator Responsibility	Secretariat led by CEO

Indicator Title	Percentage of procurement processes completed successfully on first round of market requests
Definition	Procurement processes that are concluded without having to reissue a Request for Proposals/Quotations due to unresponsiveness or failures in Supply Chain Management Process. Only includes Procurement processes that are concluded
Source of data	Supply Chain Management Records
Method of Calculation / Assessment	Percentage Calculation: Numerator = number of procurement processes concluded on the first round of market requests Denominator = total number of procurement processes concluded within reporting cycle
Assumptions	Subject to the adequacy of the Central Supplier Database in relation to the core business of the Commission
Reporting Cycle	Quarterly accumulating towards an annual target
Desired Performance	More is better
Indicator Responsibility	Secretariat led by CEO

PROGRAMME 2: RESEARCH PROGRAMME

OUTPUT: Annual submissions, policy briefs, technical reports and research reports on financial and fiscal matters

Indicator Title	Submission for Division of Revenue and Recommendation by end of May
Definition	Recommendations on the Division of Revenue, approved by the Commission, and submitted by the end of May annually
Source of data	Proof of tabling of submitted documents
Method of Calculation / Assessment	Qualitative: Assessment of whether a complete and final document was submitted by due date (Yes/No)
Assumptions	The Commission performs adequate oversight in terms of quality
Reporting Cycle	Annual (report in identified quarter)
Desired Performance	Yes (Complete and final report submitted by due date)
Indicator Responsibility	Secretariat led by CEO

Indicator Title	Submission on Medium Term Budget Policy Statement
Definition	Recommendations together with technical report on the Medium-Term Budget Policy Statement by due date, approved by the Commission, and submitted by the first week of November annually
Source of data	Document – electronic proof of submission (email)
Method of Calculation / Assessment	Qualitative: Assessment of whether a complete and final document was submitted by due date (Yes/No)
Assumptions	Commission performs adequate oversight in terms of quality
Reporting Cycle	Annual (report in identified quarter)
Desired Performance	Yes (Complete and final report submitted by due date)
Indicator Responsibility	Secretariat led by CEO

Indicator Title	Submission on the Division of Revenue Bill
Definition	Recommendations and technical report on the Division of Revenue Bill by due date, approved by the Commission, and submitted by the second week of March annually
Source of data	Document – electronic proof of submission (email)
Method of Calculation / Assessment	Qualitative: Assessment of whether a complete and final document was submitted by due date (Yes/No)
Assumptions	Commission performs adequate oversight in terms of quality
Reporting Cycle	Annual (report in identified quarter)
Desired Performance	Yes (Complete and final report submitted by due date)
Indicator Responsibility	Secretariat led by CEO

Indicator Title	Submission on the Appropriation Bill
Definition	Recommendations and technical report on the Appropriation Bill by due date, approved by the Commission, and submitted by the end of June annually
Source of data	Document – electronic proof of submission (email)
Method of Calculation / Assessment	Qualitative: Assessment of whether a complete and final document was submitted by due date (Yes/No)
Assumptions	Commission performs adequate oversight in terms of quality
Reporting Cycle	Annual (report in identified quarter)
Desired Performance	Yes (Complete and final report submitted by due date)
Indicator Responsibility	Secretariat led by CEO

Indicator Title	Number of Policy Briefs published
Definition	Number of policy briefs on financial and fiscal matters published on the Commission website in each annual cycle
Source of data	Electronic documents published on the Commission website
Method of Calculation / Assessment	Quantitative – simple count
Assumptions	Commission performs adequate oversight in terms of quality
Reporting Cycle	Annual (with quarterly targets)
Desired Performance	More is better
Indicator Responsibility	Secretariat led by CEO

Indicator Title	Number of Technical Reports published
Definition	Number of technical reports on the submission for Division of Revenue published on the Commission website in each annual cycle
Source of data	Electronic documents published on the Commission website
Method of Calculation / Assessment	Quantitative – simple count
Assumptions	Commission performs adequate oversight in terms of quality
Reporting Cycle	Annual (with quarterly targets)
Desired Performance	Yes (Complete and final report submitted by due date)
Indicator Responsibility	Secretariat led by CEO

Indicator Title	Number of Research reports
Definition	On-demand reports produced in response to stakeholder requests and as part of the Commission Research Agenda
Source of data	Electronic documents published on the Commission website
Method of Calculation / Assessment	Quantitative – simple count
Assumptions	Commission performs adequate oversight in terms of quality

Reporting Cycle	Annual
Desired Performance	More is better
Indicator Responsibility	Secretariat led by CEO

OUTPUT: Participation in stakeholder engagements

Indicator Title	The number of Parliamentary Committees, stakeholder meetings and forums attended in response to a request with presentations and/or contributions by the FFC
Definition	Only engagements for which the Commission receives the invitation and provides input in the form of presentations and/or reports, policy briefs or other knowledge products and contributions and/or leads in a panel discussion will be included in the count.
Source of data	Minutes and/or attendance record and/or electronic copies of presentations and/or reports and/or contributions
Method of Calculation / Assessment	Quantitative – simple count
Assumptions	Attendance should include one or more representatives from either the Commission or the Secretariat.
Reporting Cycle	Annual (with quarterly targets)
Desired Performance	More is better
Indicator Responsibility	Secretariat led by CEO