



Financial and Fiscal Commission

STRATEGIC PLAN

2011/2012 – 2013/2014

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Declaration

It is hereby certified that this Strategic Plan:

Was developed by the management of the Financial and Fiscal Commission under the guidance of the Commissioners;

That it takes into account all the relevant policies, legislation and other mandates for which the Financial and Fiscal Commission is responsible; and,

Accurately reflects the strategic outcome oriented goals and objectives which the Financial and Fiscal Commission will endeavour to achieve over the period 2011/2012 – 2013/2014.

Approved by:



Bongani Khumalo (Mr.)

Acting Chairperson and Accounting Officer

Financial and Fiscal Commission

Friday, 17 February 2012

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PART A

1. Introduction to the 2011/2012 – 2013/2014 Strategic Plan

1.1. Preamble

In the 2006/07 financial year, the Financial and Fiscal Commission (“the Commission”) carried out an institutional review to reposition itself in line with the changes in legislative requirements and the broader changes in the South African intergovernmental fiscal relations (IGFR) system. As a primary outcome of the review process, the following key goals underpinning the future strategic direction of the Commission were set:

- Restate past recommendations and positions.
- Proactively strengthening stakeholder relations.
- Widening the interpretation of the Commission’s research agenda and scope within its mandate.
- Actively seizing networking opportunities for the generation of further knowledge and advisories within the IGFR system.

The Commission subsequently developed a Five-Year Research Strategy which was approved in 2008 for implementation over the period 2009-2014. That document is guided by the achievement of the Commission’s primary objective of enhancing the developmental impact of public resources through the financial and fiscal system in South Africa. The Research Strategy emphasises, over and above the first generation issues related to revenue sharing formulae and revenue assignment issues, the second generation issues concerning the impact of the intergovernmental system and the allocation of public resources on service delivery outputs and community development.

This Strategic Plan For the fiscal years 2011/2012 – 2013/2014 is concerned with the overall corporate strategy of the institution.

1.2. Structure of the Plan

The first part of this Strategic Plan focuses on a strategic overview of the Commission, its mandate, legislation, the strategic planning process, environmental assessment, its vision, mission, values and the strategic outcome oriented goals it aims to achieve over the planning period. The second section sets out and discusses the strategic objectives, their resource implications and the risks involved to achieve them.

1.3. Mandate of the Commission

The Commission is established in terms of Section 220 of the Constitution of the Republic of South Africa Act No. 108 of 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.

1.4. Enabling Legislation

The mandate of the Commission is enabled by the Intergovernmental Fiscal Relations Act No. 97 of 1997 as amended, the Financial and Fiscal Commission Act No. 99 of 1997 as amended, the Municipal Systems Act No. 32 of 2000 as amended, the Provincial Tax Regulation Process Act No. 53 of 2001 as amended, the Municipal Finance Management Act No. 56 of 2003 as amended, the Intergovernmental Relations Framework Act No. 13 of 2005 as amended, the Municipal Fiscal Powers and Functions Act No. 12 of 2007 and the Money Bills Amendment Procedure and Related Matters Act No. 9 of 2009.

1.5. The Present Strategic Planning Process

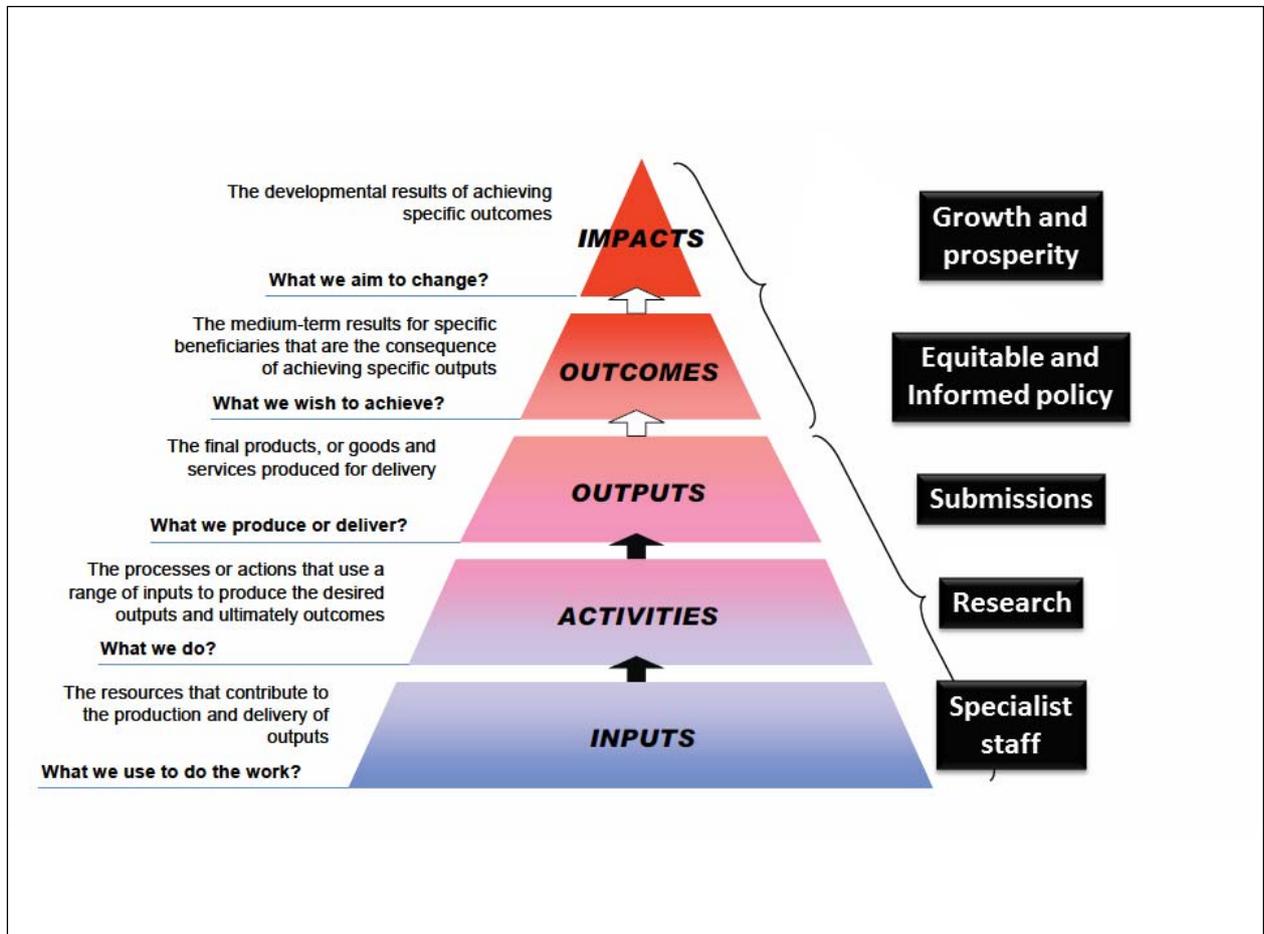
The overall approach that has been adopted for purposes of strategy formulation has as its starting point the Commission's interpretation of its mandate as defined in the Constitution and enabling legislation, and its translation to a Vision and Mission for the Commission.

The development process of the plan takes into account the *Framework for Strategic Plans and Annual Performance Plans* as recommended by the National Treasury.

This Strategic Plan sets out the Commission's priorities, programmes and project plans in terms of its Constitutional mandate within the scope of available resources. Its focus is on strategic outcomes-oriented goals for the institution as a whole. The objectives of its main service-delivery areas are aligned to the budget.

The Commission's key performance-information shown below is based on the outcomes oriented monitoring and evaluation approach led by the Presidency. The Commission has adopted and is implementing outcomes-oriented planning that seeks to align development needs and desired results.

This figure shows the Commission's strategic alignment to an outcomes oriented approach.



Adapted from NT Framework for Strategic Plans and Annual Performance Plans (August 2010)

The nature of the Commission's work and its long-term view (or strategic "lead time") mean that the Commission has to make choices about possible responses in a very uncertain future, especially as its domain impacts (and is impacted by) on political, social and economic fronts.

The Strategic Plan defines the relationship between the Commission's broader policies and programmes and the Commission's budgets over a three to five year horizon. This plan identifies strategically important outcomes-orientated goals and objectives against which the Commission's medium-term results can be measured and evaluated by its stakeholders, parliament, provincial legislatures, organised local government, organs of state and the public in general. More importantly, the plan gives effect to the Commission's statutory responsibilities.

In terms of the regulations this strategic plan's horizon outlines the planned implementation of projects, programmes and other outputs. The plan also shows some of the related indicators.

The strategic analysis examines the external macro environment in which the Commission is operating, the choices that this environment predicates, the key requirements for success for any choice that is made, as well as an assessment of the risks attendant on any of the choices made.

The analysis that follows also assesses the Commission's internal environment, considers its core competencies and the resources available to it. An attempt is made to provide for strategic interventions to address any gaps that may be found.

2 Situational Analysis

2.1 The Commission's Operational Domain

The development agenda continues to embrace a wider set of objectives than those of the past. More than ever research is increasingly issue-driven, evidenced based and policy relevant. The trend towards effective networking with research institutions, academia and other budgetary establishments in order to exploit economies of scale remains high on the agenda. Issues around the adjustment from the global economic crisis and of climate change and the green economy are still important with the Commission responding to these issues when they impact the system of intergovernmental fiscal relations.

There is also a need for the Commission to closely align with the Government's "Developmental State" agenda. Two constraints have often been raised against an expansive human oriented developmental state agenda. These are the fiscal foundation of the state, and the capacity of the public service.

In the past it was often argued that the country's fiscal foundation was weak, as reflected, for example, in the high levels of debt to gross domestic product (GDP) ratio, and as a result resources were not available for significant state-led development initiatives. The debilitating state of the country's finances in the mid-1990s has largely been overcome. The healthier fiscus has no doubt been a key contributor to the government's more recent expansive agenda. The capacity constraint to plan has eased to a degree but implementation is lagging behind in a number of areas including among others the local government sphere. The increased fiscal role has already

become evident as seen in the growth in demand for research projects by the Commission.

Government's New Growth Path aims to develop bold job-creation projects so urgently needed in South Africa. This strategy will lay out a dynamic vision for how the country can collectively achieve a more developed, democratic, cohesive and equitable economy and society over the medium term. The Commission's ultimate outputs must be aligned with these outcomes and impacts.

There will be a further role for the Commission in assisting with government regulation initiatives such as the National Health Insurance (NHI) and urban housing and transport matters such as the Bus Rapid Transit (BRT) system. Far-reaching new policy proposals (such as the NHI and ongoing social security reforms) continue to impact the intergovernmental system of planning and budgeting, requiring Commission analysis and input.

In essence, government needs all its resources to be fully utilised in its post-election initiatives. The Commission provides a critical service and needs to be fully available and ready to respond.

2.2 Commission Environment: Internal Dynamics

The Commission's knowledge of the South African Intergovernmental Fiscal Relations system and its ability to draw on the intergovernmental body of knowledge on international and local good practice remain its key competence. It also maintains strong links with Government, the legislatures, academia and other relevant stakeholders.

Further, the Commission has a nuanced understanding of relevant policy matters. As Government moves towards its developmental agenda a key concern of the Commission has been how to make recommendations that would ensure that the IGFR system evolves in a manner that supports this goal.

The Commission's delivery model, first put forward in 2009 is being reviewed and finalised in the light of ongoing severe budget constraints. It has raised the need for a "leaner and meaner" organisation. This does not imply a reduced staff complement, but a more efficient delivery vehicle. The review process is still unfolding and an Organisation Development (OD) exercise as well as a Risk Assessment is work in progress. The OD intervention and its potential change management challenges is a key priority of the Commission. In a knowledge intensive domain, the Commission remains critically

dependent on its key staff. Not only is the suitable research expertise difficult to retain, but the specialist technical skills required mean there is not a large pool from which to recruit talent. The Commission still struggles to develop a critical mass of research experience. Talent management and retention is a key priority of the Commission.

A key concern remains the unfilled Commissioner posts. This matter seriously impacts on the delivery of the Commission. This is an area that requires the intervention of the President of the Republic and the Commission will continue to engage through the Minister of Finance in order that these key challenges are addressed.

Aligned to the above, in terms of good corporate governance, the Commission has tabled a proposal for the separation of the roles of Chairperson and CE. Addressing these issues will advance progress enormously.

2.3 Performance Environment: External Dynamics

The world is slowly recovering from the global recession. Its aftermath continues to have implications for Intergovernmental Fiscal Relations. The Commission has limited resources to work with and therefore pressures on budgets can be expected to persist.

The government's performance-based management and outcomes-based systems should improve service delivery generally. The political space is even more contested with developments unfolding daily.

Implementation of some of the findings and recommendations of the *Parliamentary Ad Hoc Committee on the Review of Chapter 9 and Associated Institutions (2007)*, and Sections 4(4)(c) and 9(7) of the Money Bills Amendment Procedures and Related Matters Act, have extended the role of the Commission in the budgeting process. This constitutes a wonderful opportunity for the Commission to achieve greater impact in its pursuit to ensure that the intergovernmental fiscal system supports the achievement of developmental outcomes. It also however increases the Commission's resource requirements commensurately.

A new development which could have serious resource and budgetary implications is the role of the Commission in collective bargaining between organised local government and unions as contemplated by the recent amendment to the Local Government: Municipal Systems Act (2011).

2.4 Organisational Environment

- 2.4.1 The global recession and the lingering Eurozone crisis have introduced additional new dynamics to the intergovernmental arena. The need for reprioritization driven by imperatives for fiscal consolidation has implications for the realization of the millennium development goals and the progressive realization of socio-economic rights in general. It has become more urgent to give meaning to the concept of a “developmental state”.
- 2.4.2 There has been an exponential increase in demand for the Commission’s services by stakeholders and this has placed a great deal of pressure on the Commission’s limited resources.
- 2.4.3 New government structures have been created and the mandates of certain existing ones have been altered post the 2009 national and provincial elections. The role of these entities and their relationship with the Commission has yet to be properly defined

2.5 Critical Success Factors

There is a need to:

- 2.5.1 Maintain a world-class policy analysis and engagement capability;
- 2.5.2 Institutionalise contract and partnership management capability predicated by the proliferation of extensive research networking systems and a more efficient, more focused organisation;
- 2.5.3 Actively manage performance in order to ensure delivery of superior research outputs and policy advice outcomes with ever decreasing resources;
- 2.5.4 Develop and implement a coherent communication and stakeholder management approach to ensure that our recommendations, despite their technical nature, are understood and acted upon by policymakers.;
- 2.5.5 Play a leading role in the development of the South African System of Intergovernmental Fiscal Relations as predicated by the Constitution; and
- 2.5.6 Define the correct niche for the Commission in an increasingly complex intergovernmental fiscal relations environment.

2.6 Critical Risk Factors

- 2.6.1 A historical financial deficit which continues to impact the financial status of the Commission adversely today;
- 2.6.2 An exponential increase in the demand for the Commission's services by stakeholders precipitated not only by the Commission's aggressive and proactive stakeholder management approach but also by the implications of the Money Bills Amendment Procedures and Related Matters Act of 2009 as well as the 2011 amendment to Section 71 of the Local Government: Municipal Systems Act of 2000.
- 2.6.3 An underperforming and ageing information technology (IT) infrastructure which threatens to derail any attempts at implementing adequate Enterprise Information Management (EIM), Enterprise Content Management (ECM) and Knowledge Management (KM) Systems thereby undermining any efforts at preserving institutional memory
- 2.6.4 The high cost of compliance with among others the Constitution, the Copyright Act, the Electronic Communications and Transactions Act, the Promotion of Access to Information Act, the PFMA and the requirements and directives of the National Archives and Records Service of South Africa.
- 2.6.5 Budgets that have not been adjusted to cope with ever increasing internal and external audit fees
- 2.6.6 The lack of clarity in terms of scope of mandate, timeframes for implementation and nature of relationship between the Parliamentary Budget Office (PBO) envisaged in the Money Bills Amendment Procedure and Related Matters Act of 2009 and the Commission

3 Commission Credo

3.1 Vision statement

The Vision of the Commission provides a picture of its preferred future and is not time-bound. It serves as the foundation for all policy development and planning within the organisation.

The Vision of the Commission is:

TO ENHANCE THE DEVELOPMENTAL IMPACT OF PUBLIC RESOURCES THROUGH THE FINANCIAL AND FISCAL SYSTEM IN SOUTH AFRICA

3.2 Mission Statement

The stated mission of the Commission is:

TO PROVIDE PROACTIVE, EXPERT AND INDEPENDENT ADVICE ON PROMOTING A SUSTAINABLE AND EQUITABLE IGFR SYSTEM, THROUGH THE FORMULATION AND COLLATION OF POLICY RELEVANT ANALYSIS, IN ORDER TO REALISE THE VALUES OF THE CONSTITUTION.

3.3 Organisational Values

The Values of the Commission identify the principles of conduct for the institution in carrying out its mission. These values enshrine the principles of Batho Pele. They are:

Professionalism which implies fairness and equal treatment; the free sharing of information; striving for quality; and time management

Respect for each other as colleagues and for the diversity of the workforce

Empowerment in employing policies to increase delegation rather than to stifle it; the tolerance of different views and ideas; and making resources available when required

Trust which requires openness and transparency; humility; person of Integrity; and honesty in all undertakings

Teamwork which encourages cross functional integration; voluntary mentorship and coaching; taking responsibility; and flexibility

Innovation which allows intellectual space; provides systems to support innovation; and tolerates mistakes as opportunities for learning

PART B

4 Strategic Goals: 2011/2012 – 2013/2014

These strategic, outcomes-oriented goals identify areas of the Commission's performance that are critical to the achievement of its mission. There is no doubt that meeting them will remain an on-going challenge. The goals however are realistic and achievable.

These goals focus on the Commission's impact and its outcomes. They define priorities in planning the delivery of services.

These span the planning period, of at least five years. The goals may appear to have a general character but their aim is to encourage focused strategies and actions to achieve the Commission's mandated outcomes and impacts.

Strategic Outcome-Oriented Goals		
1	Goal 1	Stable IGFR System
	Goal statement	The system of Inter-governmental Fiscal Relations (IGFR) is sustainable and equitable
2	Goal 2	Strategic foresight
	Goal statement	"No surprises" and future-oriented
3	Goal 3	Sound and informed policy advice
	Goal statement	Effective policies that are evidence-based result from comprehensive and value-added engagement
4	Goal 4	Knowledge management
	Goal statement	Relevant knowledge that enhances developmental impact is created and mobilised through the balance of internal and external specialist talent commensurate with the needs of the Commission
5	Goal 5	"Success" culture
	Goal statement	A dynamic, productive organisational culture is created and nurtured

Strategic Outcome-Oriented Goals		
6	Goal 6	Balance
	Goal statement	The balancing of present and future demands, leading to effective performance within the constraint of available resources.

PART C

5 Strategic Objectives: Balanced Scorecard

The Commission employs the Balanced Scorecard (BSC) methodology in its strategic planning process. This is a strategic performance management tool used by Commission to keep track of the execution of activities and to monitor the consequences arising from these actions.

The BSC is used because it articulates the links between leading inputs (human and physical), processes, and lagging outcomes and focuses on the importance of managing these components to achieve the organization's strategic priorities. It consists of four perspectives namely: the Stakeholder Perspective, Financial Perspective, and the Internal Business Processes Perspective, the Learning and Innovation Perspective. The Stakeholder perspective is paramount in that it captures the Commissions research and policy advice outputs and their impact on the functioning of the intergovernmental system. These are in turn supported by the other three internally focussed perspectives.

2012/2013 Strategic Objectives

	<i>Strategic Objective 5.1 : Stakeholder Perspective</i>
5.1.1	<i>To profile the Commission with a special focus on the Commission’s Mandate, Vision, Mission and Role, the Commission’s Short- and Long-Term Strategy, the Commission’s position on specific issues, the Commission’s Challenges and Achievements</i>
5.1.2	<i>To ensure that Commission research is converted to policy advice and recommendations written in a language that is accessible to policymakers</i>
5.1.3	<i>To ensure that policy advice and recommendations respond to the needs of stakeholders</i>
5.1.4	<i>To ensure the generation of quality, innovative, pioneering research that informs key IGFR strategic debates and choices</i>
5.1.5	<i>To produce evidence-based results</i>
	<i>Strategic Objective 5.2: Internal Business Processes</i>
5.2.1	<i>To ensure the progressive and innovative management of human resources that attracts, develops and retains key talent, and leverages external expertise</i>

5.2.2	<i>To ensure the coordinated, coherent, high-quality, innovative and cost-effective approach to ICT that meets the needs of the Commission, the Commission Secretariat and stakeholders</i>
5.2.3	<i>To ensure the coordinated, cost-effective and innovative management of Commission assets in support of delivery on the Commission's mandate</i>
5.2.4	<i>To ensure compliance with legislation and adherence to relevant corporate governance best practice.</i>
5.2.5	<i>To ensure effective and responsible leadership with specific focus on integrity, transparency and accountability, as well as on the development a positive organisational culture.</i>
	<i>Strategic Objective 5.3: Learning and Innovation</i>
5.3.1	<i>To ensure the creation of new knowledge, the institutionalization of such knowledge and its transfer to other role players within the intergovernmental fiscal relations system</i>
5.3.2	<i>To ensure the coordinated, cost-effective and innovative acquisition and management of Commission data, information and knowledge resources in support of delivery on the Commission's mandate</i>

	<i>Strategic Objective 5.4: Financial Perspective</i>
	<i>5.4.1 To ensure prudent and transparent management of the financial resources of the Commission</i>
	<i>5.4.2 To ensure access to alternative sources of funding</i>

5.1 Strategic Objectives: The Stakeholder Perspective

a. Preamble

The nature of the Commission's mandate is such that its operations are linked to a complex network of stakeholders with diverse priorities and interests. Key stakeholders with functional linkages to the Commission include national, provincial and local government structures; Parliament; provincial legislatures; organised local government; and other inter-governmental budgetary institutions. In addition, there are a variety of other strategic stakeholders who are affected by, or can affect, the achievement of the Commission's strategic goals such as its own employees; commissioners; management; other organs of state; academia, and organised civil society.

One of the most the most unsettling aspects of the Commission's engagement with stakeholders has been the realisation that the majority of its legislated stakeholders are often completely oblivious of the existence of the Commission and its work; have little or no knowledge or understanding of intergovernmental relations in general let alone the South African system of intergovernmental relations; and have misperceptions about their own roles within the system as well as of the pedigree and role of the Commission.

b. Stakeholder Survey

The Commission recently commissioned an independent survey of the current levels of awareness, understanding, perceptions and attitudes about its existence, mandate and role among its varied stakeholders. The research was also to provide an independent evaluation on the impact that Commission recommendations and other outputs have had on the decisions taken by policy makers and researchers in intergovernmental fiscal relations in South Africa. The outputs of the study were to inform Commission output and the Commission's stakeholder engagement plan going forward.

Based on the findings of this survey, the Commission has come to the conclusion that our democracy can be deepened if more South Africans were to be educated about the country's IGFR system and about the mandate, role, offerings and value-add of the Commission and its work. Towards that end, the Commission plans to become more visible and accessible, undertake a more proactive stance to the education of South Africans on the country's intergovernmental fiscal relations system; as well ensure that its products and offerings are disseminated more widely than is currently the case.

This will require the Commission to focus more intensively on the “policy packaging” of its research i.e. converting research findings to credible, evidenced policy advice and providing this advice in a manner which can be easily understood and acted upon by the relevant policymakers and other IGR system stakeholders. Naturally, the technical nature of the Commission’s work and the sophistication of its modelling entail a certain level of irreducible complexity. The Commission will however seek innovative ways to overcome this challenge, including new mechanisms such as developing policy briefs, holding public hearings and using social networking sites.

Strategic Objective	<i>5.1.1 To profile the Commission with a special focus on the Commission's Mandate, Vision, Mission and Role, the Commission's Short- and Long-Term Strategy, the Commission's position on specific issues, the Commission's Challenges and Achievements</i>	
Objective clarification	<ol style="list-style-type: none"> 1. <i>Dissemination and clarification of outputs to a wider audience</i> 2. <i>Stakeholder instruction on IGFR and IGFR issues</i> 3. <i>Relationship building and consultation</i> 4. <i>Collaboration and partnership.</i> 	
Baseline	Description	Indicator
	Develop and implement a strategy for informing stakeholders about IGFR and IGFR issues, and for participating in intergovernmental fiscal relations and associated fora	<ul style="list-style-type: none"> • Diffusion of Commission-relevant information through the briefing of Parliament, provincial legislatures, national government, provincial government, local government, Media, ISDs, NGOs, CBOs, Academia, and Peers • Clear, relevant, objective, easy to understand, and useful information about the Commission, and Commission recommendations, positions, programmes, services and initiatives in Commission submissions, reports, briefs, advisories, public relations materials, and on Commission Website.
Strategic Objective	<i>5.1.2 To ensure that Commission research is converted to policy advice and recommendations written in language that policymakers can understand</i>	
Objective clarification	Translation of research findings to credible, evidenced policy advice and providing this advice in a manner which can be easily understood and acted upon by the relevant policymakers and other IGR system stakeholders	
Baseline	Description	Indicator
	Communication of policy advice and recommendations in a language appropriate to the target audience	<ul style="list-style-type: none"> • Clear language edited Submissions, Reports and Policy Briefs

Strategic Objective	5.1.3 To ensure that policy advice and recommendations respond to the needs of stakeholders	
Objective clarification	Ensuring that research, policy advice and recommendations are based on an understanding of the environment and the needs and aspirations of stakeholders	
Baseline	Description	Indicator
	Research, policy advice and recommendations that deal with IGFR issues that are relevant and topical	<ul style="list-style-type: none"> Attendance at State of the Nation Address, Budget Speech, and Budget Lekgotla, Council and Forum,
Strategic Objective	5.1.4 To ensure the generation of quality, innovative, pioneering research that informs key IGFR strategic debates and choices	
Objective clarification	The Commission is in the process of implementing a 5 year research strategy which was developed and approved in 2008. The strategy aims to consolidate the work of the Commission to date, and to identify a broader set of institutional and governance arrangements that are capable of achieving positive public expenditure outcomes. The strategy seeks to give a clear focus on what the outcomes and impact of government interventions should be. The strategy also focuses on issues of change, adaptation and accountability for results, as well on an explicit strategic approach to research adopted to tackle these rather imposing issues.	
Baseline	Description	Indicator
	<ul style="list-style-type: none"> IGFR Knowledge Advancement 	<ul style="list-style-type: none"> Peer-reviewed publications in an accredited journals Number of recognised book chapters or working papers or Technical Reports Published The number of Commission research datasets/model codes/syntax archived for future use/public hearings.
	<ul style="list-style-type: none"> Contribution to better stewardship of public funds 	<ul style="list-style-type: none"> Annual Submission for Division of Revenue Medium Term Budget Policy Statement Response Division of Revenue Bill Response

Baseline	Description	Indicator
	<ul style="list-style-type: none"> Contribution to better stewardship of public funds 	<ul style="list-style-type: none"> Fiscal Frameworks and Tax Proposals Response Appropriations Bill Response
Strategic Objective	<i>5.1.5 To produce evidence-based results</i>	
Objective statement	<i>The translation of research outputs into relevant policy advice</i>	
Baseline	Description	Indicator
	Issues driven networked research coupled with strong contract management, modelling, policy analysis, packaging and dissemination capability	<ul style="list-style-type: none"> Policy advice and recommendations responsive to emerging issues of development
		<ul style="list-style-type: none"> Researchers and practitioners with capacity in the modelling, measurement, analysis, and monitoring of the developmental impact of public resources
		<ul style="list-style-type: none"> Dissemination of research to government and research network partners
<ul style="list-style-type: none"> Joint research initiatives through effective collaboration 		

5.2 Strategic Objectives: Internal Business Processes

Strategic Objective	5.2.1 <i>To ensure the progressive and innovative management of human resources that attracts, develops and retains key talent, and leverages external expertise</i>	
Objective Clarification	<p>The Commission is a knowledge-based institution that requires unique and extremely scarce skills. The preservation of its institutional memory, the management of its knowledge holdings, as well as the attraction and retention of those sources of knowledge, are therefore pivotal to its on-going relevance and long-term sustainability. In a word, its core competence is a function of its human capital holdings.</p> <p>The Commission has in the past experienced unprecedented levels of critical skills flight and with it the severe drain of its institutional memory and a serious decline in its knowledge holdings. In an attempt to arrest the exodus of skills, the Commission has recently developed progressive talent management strategies, policies and procedures.</p>	
Baseline	Description	Indicator
	Efficient human resource management	<ul style="list-style-type: none"> • Organisational Development (OD)
		<ul style="list-style-type: none"> • Updated human resource management policies and procedures
		<ul style="list-style-type: none"> • Performance Management that is fair, equitable and consistent
		<ul style="list-style-type: none"> • Minimum level of unoccupied but budgeted posts
		<ul style="list-style-type: none"> • Reward and recognition of staff in terms of Commission Policy
		<ul style="list-style-type: none"> • Recruitment of talent that meets the standards set in terms of Commission Policy
		<ul style="list-style-type: none"> • Minimum level of absenteeism

Baseline	Description	Indicator
	Efficient human resource management	<ul style="list-style-type: none"> Maintenance of acceptable levels of misconduct and discipline Targeted training and development as per organisational training and development plan Maximised Gender balance
Strategic Objective	<i>5.2.2 To ensure the coordinated, coherent, high-quality, innovative and cost-effective approach to ICT that meets the needs of the Commission, the Commission Secretariat and stakeholders</i>	
Objective statement	Appropriate ICTs that meet the needs of the Commission	
Baseline	Description	Indicator
	Efficient ICT Management	<ul style="list-style-type: none"> ICT Strategy Revised ICT Policies and Procedures Upgraded ICT Infrastructure (Hardware and Software) per strategy and policy Streamlined ICT Network and Connectivity Proactive and efficient maintenance of ICT hardware and desktop support to users

Strategic Objective	5.2.3 <i>To ensure the coordinated, cost-effective and innovative management of Commission assets in support of delivery on the Commission's mandate</i>	
Objective statement	Commission assets need to be managed and maintained to ensure that they continue to function as efficiently and effectively as possible in supporting the delivery of a wide range of Commission services.	
Baseline	Description	Indicator
	Efficient Facilities Management	<ul style="list-style-type: none"> • Review and implement Facilities Management Policies and Procedures • Asset Management and utilization Plan (Fixed and Movable Asset Registers) • Minimum year-round maintenance requirements for assets as per Commission Maintenance Plan • Office Space commensurate with Commission resources and requirements
Strategic Objective	5.2.4 <i>To ensure compliance with legislation and adherence to relevant corporate governance best practice.</i>	
Objective statement	Compliance with the Constitution, the Financial and Fiscal Commission Act, the Public Finance Management Act, the Commission's Code of Conduct, all Commission Policies, the King Code on Corporate Governance to the extent applicable and such other pieces of legislation as the Commission is bound to comply with	
Baseline	Description	Indicator
	<ul style="list-style-type: none"> • Advise Parliament, provincial legislatures, local government and other organs of state on financial and fiscal matters 	<ul style="list-style-type: none"> • Comply with legislated advisory requirements by responding in writing to written requests for advice
<ul style="list-style-type: none"> • Regularly report to Parliament and provincial legislatures in terms of the law 	<ul style="list-style-type: none"> • Table Annual Report to Parliament, provincial legislatures and organised local government 	

Baseline	Description		Indicator	
	<ul style="list-style-type: none"> Practise good governance 		<ul style="list-style-type: none"> Conduct of Commission business in accordance with the law, the Commissions Codes of Governance, the Commission's Policies and Procedures, and best practise 	
Strategic Objective	5.2.5 <i>To ensure effective and responsible leadership with specific focus on integrity, transparency and accountability, as well as on the development a positive organisational culture.</i>			
Objective statement	A focus on the management of performance including the recognition and reward of superior exemplary conduct and performance			
Baseline	Description		Indicator	
	Effective delivery on strategic and operational goals		<ul style="list-style-type: none"> Performance Reviews and Assessments 	

5.3 Strategic Objectives: Learning and Innovation Perspective

Strategic Objective	<i>5.3.1 To ensure the creation of new knowledge, the institutionalization of such knowledge and its transfer to other role players within the intergovernmental fiscal relations system</i>	
Objective clarification	<ol style="list-style-type: none"> 1. An effective Knowledge Management strategy provides access to best/latest thinking, stimulates novel approaches and the generation of new ideas. These in turn lead to innovation and faster problem-solving. 2. It also leads to better communication and the sharing of information which in turn enables new incumbents to become productive quicker. 3. Knowledge Management minimises duplication and re-invention. This results in higher levels of productivity and performance gains 4. Knowledge Management minimises the extent of knowledge loss or leakage in that it institutionalises it. 	
Baseline	Description	Indicator
	1. A customised File Plan	<ul style="list-style-type: none"> • File Plan for electronic and paper-based documents
	2. A custom Electronic Document Management System (EDMS)	<ul style="list-style-type: none"> • Active documentation of experiences.
3. A custom information infrastructure	<ul style="list-style-type: none"> • Capture, storage and sharing of knowledge presented in the form of documents. 	
Strategic Objective	<i>5.3.2 To ensure the coordinated, cost-effective and innovative acquisition and management of Commission data, information and knowledge resources in support of delivery on the Commission's mandate</i>	
Objective statement	The credibility of the Commission's research and hence its policy advice rests on accurate, up to date and timely data, information and knowledge resources	

Baseline	Description	Indicator
	1. Create a hybrid library	<ul style="list-style-type: none"> • Collection Development Manual
		<ul style="list-style-type: none"> • Access to virtual resources
	2. Acquisition of materials representing a diversity of points of view	<ul style="list-style-type: none"> • Library Materials Exchanges
		<ul style="list-style-type: none"> • Memoranda of Understanding (MoUs¹)
		<ul style="list-style-type: none"> • Reference Books (Baseline: 2)

¹ Memorandum of Understanding

5.4 Strategic Objectives: Financial Perspective

The Commission's funding allocation has failed to keep track with its growing needs particularly in the area of talent management, stakeholder management, and ICT compliance. In fact, the grant allocation growth dropped to an average of 10%, while costs associated with operational activities continued to grow at a higher level. This has resulted in inability to fulfil financial obligations.

Though the baseline allocation increased by 19% in 2009/10, the increase was eroded by the effects brought forward by the initial deficit. The general increase associated with business growth makes it impossible to come out of current potential insolvency state.

In attempt to mitigate the above, the Commission has established the following objectives:

Strategic Objective	5.4.1 To ensure prudent and transparent management of the financial resources of the Commission	
Objective statement	Sound and accountable management of the revenue, expenditure, assets and liabilities of the Commission	
Baseline	Description	Indicator
	Develop and maintain a sound financial management strategy	<ul style="list-style-type: none"> • A clean audit
	Develop and implement a sound strategy for the eradication of a legacy deficit	<ul style="list-style-type: none"> • MTEF, Budget Adjustments and Austerity
Strategic Objective	5.4.2 To ensure access to alternative sources of funding	
Objective clarification	<i>Given binding budget constraints, the only way the Commission can maintain and extend its research and policy advice is by leveraging other sources of finance for its activities.</i>	
Baseline	Description	Indicator
	Funding of some activities through savings, collaboration, partnerships, donations and sponsorships	<ul style="list-style-type: none"> • Partnerships and collaboration agreements