



# Financial and Fiscal Commission

## STRATEGIC PLAN

2011/2012 – 2013/2014

Financial and Fiscal Commission  
Montrose Place (2<sup>nd</sup> Floor), Bekker Street,  
Waterfall Park, Vorna Valley, Midrand,  
Private Bag X69, Halfway House 1685  
[www.Commission.co.za](http://www.Commission.co.za)  
Tel: +27 11 207 2300/+27 (0)86 1315 710  
Fax: +27 86 589 1038/+27 (0)11 207 2344  
Website: [www.ffc.co.za](http://www.ffc.co.za)

## 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

Date: 5 February 2013

## Table of Contents

<b>PART A</b> .....	4
1. Introduction to the 2012/2013 – 2013/2014 strategic plan.....	4
1.1. Preamble.....	4
1.2. Structure of the plan .....	4
1.3. Mandate of the Commission.....	4
1.4. Enabling Legislation .....	5
1.5. The Present Strategic Planning process.....	5
2. Situational analysis.....	7
2.1. The Commission’s Operational Domain.....	7
2.2. Commission Environment: Internal Dynamics.....	8
2.3. Performance Environment: External Dynamics.....	9
2.4. Organisational environment.....	9
2.5. Critical Success Factors.....	10
2.6. Critical Risk Factors .....	11
3. Commission Credo.....	12
3.1. Vision statement.....	12
3.2. Mission statement .....	12
3.3. Organisational values.....	12
<b>PART B</b> .....	14
4. Strategic Goals: 2012/13 – 2013/14.....	14
<b>PART C</b> .....	17
5. Strategic Objectives: Balanced Scorecard .....	17
5. a. Summary: 2012/13 - 2013/14 Strategic Objectives	
5. b. Relationship: Strategic Outcome-Oriented Goals and Strategic Objectives	
5.1. Strategic Objectives: The Stakeholder Perspective.....	24
5.2.1. Preamble .....	24
5.2.2. Stakeholder Survey.....	24
5.2. Strategic Objectives: Internal Business Processes.....	29
5.3. Strategic Objectives: Learning and Innovation Perspective.....	35
5.4. Strategic Objectives: Financial Perspective .....	37

## **PART A**

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

#### **1.1. Preamble**

With one year of the Commission's 5 Year Strategy remaining, the focus of the Commission remains substantially unchanged. There are no radical changes but there are certain areas where the Commission will place greater emphasis going forward. These include:

- Integrating past and present recommendations with ongoing research to provide systematic advice to stakeholders
- Continuously and innovatively evaluating the research agenda, scope of recommendations and other advisory activities relative to the changing stakeholder needs to give full expression to the mandate of the Commission
- Consolidation of research and a research quality management program to reduce the variability of research quality outcomes
- Re-positioning support services into dissemination and engagement teams
- Proactively strengthening stakeholder relations and seizing networking opportunities.

#### **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

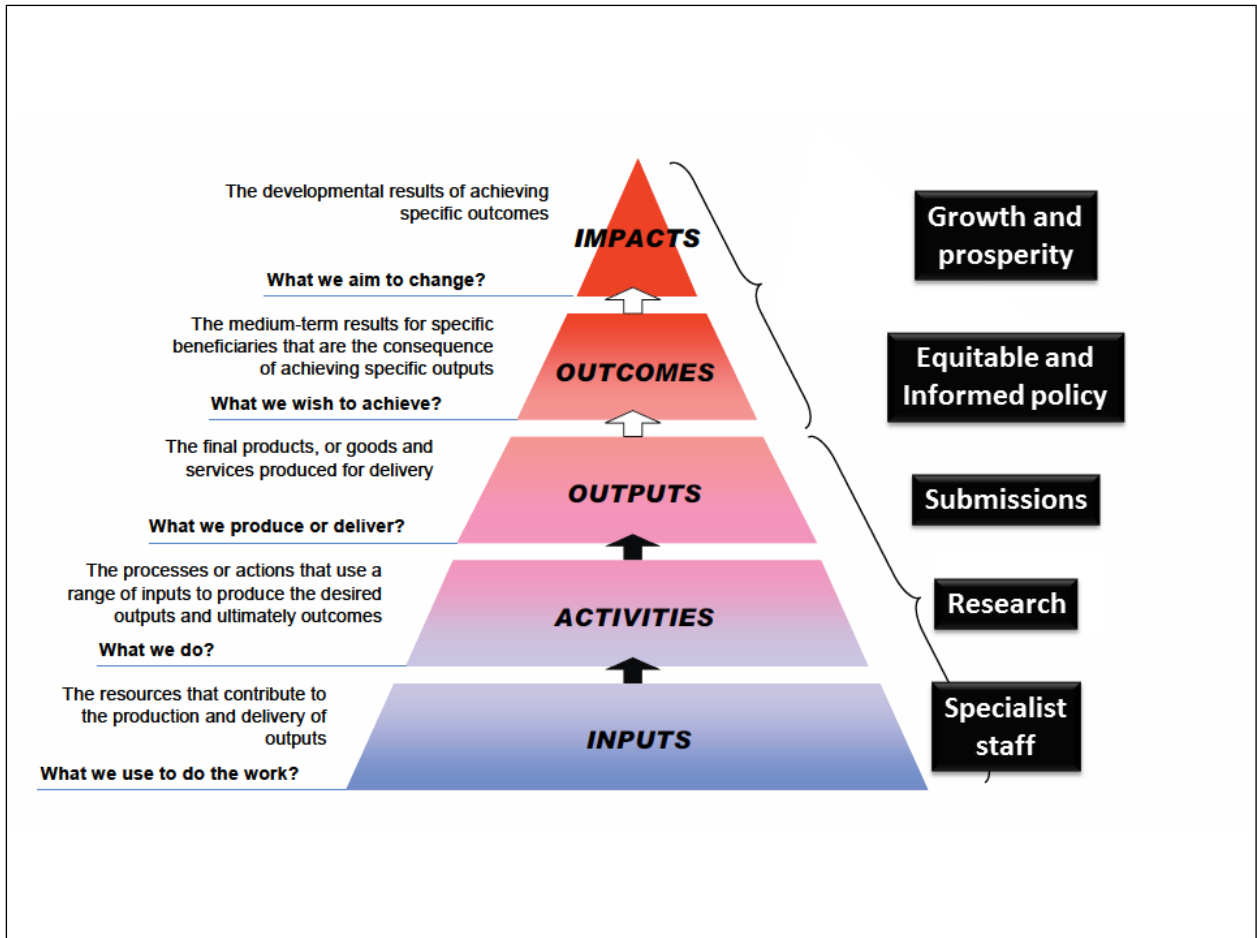
The overall approach that has been adopted for purposes of strategy formulation has as its starting point the Commission's interpretation of its mandate as defined in the Constitution and enabling legislation, and its translation to a Vision and Mission for the Commission.

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.

For purposes of demonstrating relevance, and seeking to align development needs and desired results, the Commission's key performance-information shown below is based on the outcomes oriented monitoring and evaluation approach not dissimilar to that led by the Presidency.

This figure shows the Commissions 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”)<sup>1</sup> 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.

<sup>1</sup> The time it takes from when the Commission conceptualises a research idea pertaining to a particular issue to the point where recommendations made or advice given by the Commission based on the ensuing research is intended to have an impact

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 key policy pressures that are currently confronting the State are, among others, the following:

- A development agenda that continues to embrace a wider set of objectives than those of the past.
- Issues around the adjustment from the global economic crisis, and of climate change and the green economy.
- Government's "Developmental State" agenda.
- Government's New Growth Path and National Development Vision and Plan which aim to develop bold job-creation projects so urgently needed to enhance developmental outcomes in South Africa
- Ongoing social security reforms
- Government's regulation initiatives such as the National Health Insurance (NHI) and the amended (Section 71(1)) of the Municipal Systems Act
- Housing and transport matters such as the accreditation of municipalities and the Bus Rapid Transit (BRT) system respectively.
- Challenges with the adequacy and utility of Local Government Fiscal Framework that continue to remain unresolved
- Non-compliance or enforcement of the prescripts of division of revenue legislation

- Problems with the implementation of the Public Finance Management Act as recently evidenced by the December 2011 Section 100(1) of the Constitution National Government intervention in the administration of three provincial governments.
- National elections and a new government in the next two years which bring with them transition issues particularly those relating to intergovernmental relations policy and practice.

## 2.2 Commission Environment: Internal Dynamics

The Commission's knowledge of the South African Intergovernmental Fiscal Relations system, its position as one of the premier intergovernmental fiscal relations research institutions in the world 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 the Executive, 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 constitutional and developmental goals.

There is ongoing evaluation of the value for money and impact of the Commissions work, and the Commission's delivery model, first put forward in 2009 continues to be reviewed 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, hampered by the non-availability of funds in order to secure the services of a specialist service provider to assist 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. The attraction of talent, and its management and retention remains 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 and the ongoing Eurozone crisis continues to threaten global economic stability. The aftermath of these 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.

It is anticipated that the government's performance-based management and outcomes-based systems should improve service delivery generally.

The political space is even more contested with new 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 an important 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 already oversubscribed Commissioner time, and limited Commission financial and human 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 Ensure that Management urgently, holistically and actively pursues the direction and outcomes determined by the Commission in the Commission’s Corporate and Research Strategies and Plans
- 2.5.2 Maintain a world-class research translation, policy formulation and analysis, and engagement capability within the Commission;
- 2.5.3 Develop effective networking with research institutions, academia and other budgetary establishments in order to exploit economies of scale in tackling the wide and diverse emerging research agenda<sup>2</sup>.
- 2.5.4 Institutionalise contract and partnership management capability predicated by the proliferation of extensive research networking systems and a more efficient, more focused organisation;
- 2.5.5 Ensure the mobility of research talent across the diverse facets of the Commission’s Research Agenda in support of a comprehensive approach to Commission Research
- 2.5.6 Actively manage performance in order to ensure the conduct of superior analysis, the delivery of quality research outputs and policy advice outcomes, the creation of value, and the guarantee of a positive impact on the lives of those that the Commission seeks to benefit;

---

<sup>2</sup> Details on the decision making criteria for effective outsourcing research opportunities and collaboration are contained in the document ‘Research Program Decision Making Criteria for Outsourcing Research Opportunities’ available from the Commission.

- 2.5.7 Develop and implement a coherent communication and stakeholder management approach that focuses on strategic and proactive engagement with stakeholders by all Commission personnel; the targeted dissemination of Commission profferings; and the monitoring and evaluation of the impact (or lack thereof) of Commission profferings
- 2.5.8 Ensure that Commission recommendations, advice and guidance, though often technical in nature, are understood and acted upon by policymakers;
- 2.5.9 Play a leading role in the development of the South African System of Intergovernmental Fiscal Relations as predicated by the Constitution; and
- 2.5.10 Anticipate and proactively define a 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 National Treasury has gone some way in addressing through revision of the Commission's MTEF Baseline Allocation and ever decreasing resources.
- 2.6.2 An exponential increase in the demand for the Commission's services by stakeholders precipitated not only by the Commission's 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 Budget constraints in implementing adequate information technology systems. In a research driven environment like the Commission, access to up to date data and information systems is mission critical. In the light of past and continuing financial pressures, appropriate investment has often been deferred.
- 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 The ever increasing internal and external audit fees which a revision to the MTEF Baseline allocation of the Commission and the decision by the Auditor-General to conduct the external audit itself has gone some way in addressing.

- 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
- 2.6.7 The difficulty in retaining suitable research expertise and obtaining specialist technical skills required as there is not a large pool from which to recruit talent for permanent positions and/or technical advisors.

### **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: 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

Strategic Outcome-Oriented Goals		
1	Goal 1	A Stable and Innovative IGFR System
	Goal statement	The system of Inter-governmental Fiscal Relations (IGFR) is progressive, sustainable and equitable
2	Goal 2	Strategic foresight
	Goal statement	"No surprises" and future-oriented
3	Goal 3	Influential 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 constraints of available resources.



## PART C

### 5 2013/2014 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.

5.a 2013/2014 Strategic Objectives

<b>Strategic Objective 5.1 : Stakeholder Perspective</b>	
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 timeously and proactively to the environment and to the dynamic 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>
<b>Strategic Objective 5.2: Internal Business Processes</b>	
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>
	<b>Strategic Objective 5.3: Learning and Innovation</b>
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>
5.4.1	<i>To ensure prudent and transparent management of the financial resources of the Commission</i>
5.4.2	<i>To ensure access to alternative sources of funding</i>

5.b Matrix: Strategic Outcome-Oriented Goals and Strategic Objectives

	Goal					
	Sound and informed policy advice	Strategic foresight	A Stable and Innovative IGFR System	Knowledge management	"Success" culture	Balance
Objective	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	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	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	5.1.2 To ensure that Commission research is converted to policy advice and recommendations written in a language that is accessible to policymakers	5.2.1 To ensure the progressive and innovative management of human resources that attracts, develops and retains key talent, and leverages external expertise	5.2.1 To ensure the progressive and innovative management of human resources that attracts, develops and retains key talent, and leverages external expertise
	5.1.2 To ensure that Commission research is converted to policy advice and recommendations written in a language that is accessible to policymakers	5.1.3 To ensure that policy advice and recommendations respond to the needs of stakeholders	5.1.3 To ensure that policy advice and recommendations respond to the needs of stakeholders	5.1.4 To ensure the generation of quality, innovative, pioneering research that informs key IGFR strategic debates and choices	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	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
	5.1.3 To ensure that policy advice and recommendations respond to the needs of stakeholders	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	5.1.5 To produce evidence-based results	5.1.5 To produce evidence-based results	5.2.3 To ensure the coordinated, cost-effective and innovative management of Commission assets in support of delivery on the Commission's mandate	5.2.3 To ensure the coordinated, cost-effective and innovative management of Commission assets in support of delivery on the Commission's mandate

		Goal					
		Sound and informed policy advice	Strategic foresight	A Stable and Innovative IGFR System	Knowledge management	“Success” culture	Balance
Objective	5.1.4 To ensure the generation of quality, innovative, pioneering research that informs key IGFR strategic debates and choices	5.4.1 To ensure prudent and transparent management of the financial resources of the Commission	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	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	5.2.4 To ensure compliance with legislation and adherence to relevant corporate governance best practice.	5.2.5 To ensure compliance with legislation and adherence to relevant corporate governance best practice.	
	5.1.5 To produce evidence-based results	5.4.2 To ensure access to alternative sources of funding	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	5.2.3 To ensure the coordinated, cost-effective and innovative management of Commission assets in support of delivery on the Commission’s mandate	5.2.5 To ensure effective and responsible leadership with specific focus on integrity, transparency and accountability, as well as on the development a positive organisational culture	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	
	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				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	5.4.1 To ensure prudent and transparent management of the financial resources of the Commission	5.4.1 To ensure prudent and transparent management of the financial resources of the Commission

Goal						
	Sound and informed policy advice	Strategic foresight	A Stable and Innovative IGFR System	Knowledge management	"Success" culture	Balance
	6.1.1 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				5.4.2 To ensure access to alternative sources of funding	5.4.2 To ensure access to alternative sources of funding

## **5.1 2013/2014 Strategic Objectives: The Stakeholder Perspective**

### **5.2.1 Preamble**

The nature of the Commission's mandate is such that its operations are linked to a complex network of stakeholders across the three spheres of government 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 unsettling aspects of the Commission's engagement with stakeholders has been the realisation that the majority of its legislated stakeholders have limited or no knowledge or understanding of the Commission, 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 derivation and role of the Commission.

### **5.2.2 Stakeholder Survey**

In 2010, the Commission 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



it 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	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>	
Objective clarification	<ol style="list-style-type: none"> <li>1. <i>Dissemination and clarification of outputs to a wider audience</i></li> <li>2. <i>Stakeholder instruction on IGFR and IGFR issues</i></li> <li>3. <i>Relationship building and consultation</i></li> <li>4. <i>Collaboration and partnership.</i></li> </ol>	
Baseline	<b>Description</b>	<b>Indicator</b>
	Inform stakeholders about IGFR and IGFR issues, and for participating in intergovernmental fiscal relations and associated fora	<ul style="list-style-type: none"> <li>• Number of Q2 to Q3 briefings on Recommendations for the Division of Revenue by year end</li> <li>• Number of Q3 briefings on Medium Term Budget Policy Statement</li> <li>• Number of Q4 briefings on Commission Submission to Division of Revenue Bill</li> <li>• Number of Q4 briefings on Commission Submission on Fiscal Frameworks and Revenue Proposals</li> <li>• Number of Q3 briefings on Commission Annual Report</li> <li>• Number of Q4 briefings on Commission Submission on Appropriations Bill</li> <li>• Number of other stakeholder engagements by year end</li> <li>• Number of media briefings by year end</li> <li>• Number of Website updates by year end</li> </ul>

<b>Strategic Objective</b>	<b>5.1.2 To ensure that Commission research is converted to policy advice and recommendations written in language that policymakers can understand</b>	
<b>Objective clarification</b>	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	
<b>Baseline</b>	<b>Description</b>	<b>Indicator</b>
	Communication of policy advice and recommendations in a language appropriate to the target audience	<ul style="list-style-type: none"> <li>• Clear language edited Submissions, Reports and Policy Briefs</li> </ul>
<b>Strategic Objective</b>	<b>5.1.3 To ensure that policy advice and recommendations respond to the needs of stakeholders</b>	
<b>Objective clarification</b>	Ensuring that research, policy advice and recommendations are based on an understanding of the environment and the needs and aspirations of stakeholders	
<b>Baseline</b>	<b>Description</b>	<b>Indicator</b>
	Research, policy advice and recommendations that deal with IGFR issues that are relevant and topical	<ul style="list-style-type: none"> <li>• Attendance at State of the Nation and Province Addresses and National and Provincial Budget Speeches, to identify Government's areas of focus and priorities</li> </ul>
<b>Strategic Objective</b>	<b>5.1.4 To ensure the generation of quality, innovative, pioneering research that informs key IGFR strategic debates and choices</b>	
<b>Objective clarification</b>	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"> <li>• IGFR Knowledge Advancement</li> <li>• Contribution to better stewardship of public funds</li> </ul>	<ul style="list-style-type: none"> <li>• Peer-reviewed publications in an accredited journals every year according to numbers stipulated in Research Policy</li> <li>• Number of recognised book chapters or working papers or Technical Reports Published each year according to numbers stipulated in Research Policy</li> <li>• The number of Commission research datasets/model codes/syntax archived for future use each year according to numbers stipulated in Research policy..</li> <li>• Annual Submission for Division of Revenue each year</li> <li>• Submission on the Medium Term Budget Policy Statement Response each year</li> <li>• Submission on the Division of Revenue Bill each year</li> <li>• Submission on the Fiscal Frameworks and Tax Proposals each year</li> <li>• Submission on the Appropriations Bill each year</li> </ul>
<b>Strategic Objective</b>	<b>5.1.5 To produce evidence-based results</b>	
<b>Objective statement</b>	<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"> <li>• Number of datasets/model codes/syntax archived for future use</li> <li>• Number of technical reports published</li> </ul>

### 5.3 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	<b>Description</b>	<b>Indicator</b>
	Efficient human resource management	<ul style="list-style-type: none"> <li>• Number of Organisational Development (OD) components completed by March 2014</li> </ul>
		<ul style="list-style-type: none"> <li>• Revised Human Resource Strategy by March 2014</li> </ul>
		<ul style="list-style-type: none"> <li>• Number of revised Human Resources Management Policies and Procedures by March 2014</li> </ul>
		<ul style="list-style-type: none"> <li>• Proportion of staff (normal distribution curve) rewarded and recognised for superior performance by March 2014</li> </ul>
		<ul style="list-style-type: none"> <li>• Remuneration of staff at rates not below levels prescribed by DPSA by March 2014</li> </ul>
		<ul style="list-style-type: none"> <li>• Number of employees that meet the standards set in Commission Policy by March 2014</li> </ul>

Baseline	Description	Indicator
	Efficient human resource management	<ul style="list-style-type: none"> <li>• Number of unoccupied but budgeted posts by March 2014</li> </ul>
		<ul style="list-style-type: none"> <li>• Rate of absenteeism by March 2014</li> </ul>
		<ul style="list-style-type: none"> <li>• Number of employees disciplined for misconduct<sup>3</sup> by March 2014</li> </ul>
		<ul style="list-style-type: none"> <li>• Number of days in training per organisational training and development plan per employee by the end of the year</li> </ul>
		<ul style="list-style-type: none"> <li>• Rate of male to female staff ratio by the end of the year</li> </ul>

---

<sup>3</sup> Incidents/Total Staff Compliment%

Strategic Objective	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>	
Objective statement	Appropriate ICTs that meet the needs of the Commission	
Baseline	Description	Indicator
	Efficient ICT Management	<ul style="list-style-type: none"> <li>• Revised ICT Strategy by the end of the year</li> <li>• Revised ICT Policies and Procedures by the end of the year</li> <li>• Revised Disaster Recovery Plan by the end of the year</li> <li>• Revised Business Continuity Plan by the end of the year</li> <li>• Number of new and/or upgraded hardware and software units by the end of the year</li> <li>• Revised Disaster Recovery and Business Continuity Plans by the end of the year</li> <li>• Video conferencing infrastructure by the end of the year</li> <li>• Number of incidents reported by users by the end of the year</li> <li>• Duration of downtime per incident by the end of the year</li> </ul>

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	<b>Description</b>	<b>Indicator</b>
	Efficient Facilities Management	<ul style="list-style-type: none"> <li>• Number of Facilities Management Policies and Procedures revised by year end</li> <li>• Office accommodation for Head Office operations by year end</li> </ul>



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	<b>Description</b>	<b>Indicator</b>
	<ul style="list-style-type: none"> <li>• Advise Parliament, provincial legislatures, local government and other organs of state on financial and fiscal matters</li> <li>• Regularly report to Parliament and provincial legislatures in terms of the law</li> <li>• Regularly comply with requirements imposed by the law (including regulation) and good governance practise</li> </ul>	<ul style="list-style-type: none"> <li>• First Draft Strategic Plan to NT by due date</li> </ul>
		<ul style="list-style-type: none"> <li>• Second Draft Strategic Plan to NT by due date</li> </ul>
		<ul style="list-style-type: none"> <li>• Final Strategic Plan to Parliament and NT by due date</li> </ul>
		<ul style="list-style-type: none"> <li>• Tabling of Submission for the Division of Revenue per IGFR Act</li> </ul>
		<ul style="list-style-type: none"> <li>• Submission of monthly Financial Performance Information to NT by due date</li> </ul>
		<ul style="list-style-type: none"> <li>• Submission of 2012/2013 Financial and Non-Financial Performance Information to AG by due date</li> </ul>
		<ul style="list-style-type: none"> <li>• Submission of 2012/2013 and 2013/2014 Quarterly Financial and Non-Financial Performance Information to NT by due date</li> </ul>
		<ul style="list-style-type: none"> <li>• 2014/2015 MTEF Submission to NT by due date</li> </ul>
		<ul style="list-style-type: none"> <li>• Submission and tabling of 2012/2013 Annual Report before Parliament, Provincial Legislatures, Organised Local Government, NT and AG by due date</li> </ul>
<ul style="list-style-type: none"> <li>• 2013/2014 Budget Adjustment Estimates Submission to NT by due date</li> </ul>		

Baseline	Description	Indicator
	<ul style="list-style-type: none"> <li>• Advise Parliament, provincial legislatures, local government and other organs of state on financial and fiscal matters</li> <li>• Regularly report to Parliament and provincial legislatures in terms of the law</li> <li>• Regularly comply with requirements imposed by the law (including regulation) and good governance practise</li> </ul>	<ul style="list-style-type: none"> <li>• Enterprise Risk Assessment by March 2014</li> <li>• Estimates of National Expenditure (ENE) Submission to NT by due date</li> <li>• Commission Governance as prescribed by the Financial and Fiscal Commission Act and approved Committee Terms of Reference by March 2014</li> <li>• Commission Governance as prescribed by the Financial and Fiscal Commission Act and approved Committee Terms of Reference by March 2014</li> <li>• Stakeholder advisories in terms of Section 3 of the Financial and Fiscal Commission Act and other applicable legislation by March 2014</li> </ul>
<b>Strategic Objective</b>	<b>5.2.5 To ensure effective and responsible leadership with specific focus on integrity, transparency and accountability, as well as on the development a positive organisational culture.</b>	
<b>Objective statement</b>	A focus on the management of performance including the recognition and reward of superior exemplary conduct and performance	
<b>Baseline</b>	<b>Description</b>	<b>Indicator</b>
	Effective delivery on strategic and operational goals	<ul style="list-style-type: none"> <li>• Number of Performance Reviews in terms of Commission Policy by March 2014</li> </ul>

### 5.3 Strategic Objectives: Learning and Innovation Perspective

Strategic Objective	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>	
Objective clarification	<ol style="list-style-type: none"> <li>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.</li> <li>2. It also leads to better communication and the sharing of information which in turn enables new incumbents to become productive quicker.</li> <li>3. Knowledge Management minimises duplication and re-invention. This results in higher levels of productivity and performance gains</li> <li>4. Knowledge Management minimises the extent of knowledge loss or leakage in that it institutionalises it.</li> </ol>	
Baseline	<b>Description</b>	<b>Indicator</b>
	A custom information infrastructure	<ul style="list-style-type: none"> <li>• Digitisation of paper documents by March 2014</li> </ul>

<b>Strategic Objective</b>	<b>5.3.2</b> <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>	
<b>Objective statement</b>	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	
<b>Baseline</b>	<b>Description</b>	<b>Indicator</b>
	Acquisition of materials representing a diversity of points of view	<ul style="list-style-type: none"> <li>• Number of successful Library transactions by March 2014</li> </ul>
		<ul style="list-style-type: none"> <li>• Number of reference works acquired by March 2014</li> </ul>

#### 5.4 Strategic Objectives: Financial Perspective

The Commission receives its funding from National Treasury. Over the MTEF period ending 2014/15, the allocation of the Commission is R37.2m, R39.2m, and R40.3m. This represents a baseline allocation increase of 7% over the MTEF.

This funding is not commensurate with the ever growing demands imposed on the resources of the Commission. The current baseline allocation increase of 7%, this will only serve to assist the Commission deal with ever escalating audit fees and reducing the legacy of deficit, but not cater for the general increase associated with business growth. Further, Cabinet's call for a cut in overall expenditure throughout Government and in other entities funded by the State has exacerbated the matter.

All of the above notwithstanding, the Commission has resolved to respond positively to the call for austerity and has not only reprioritised its work but also imposing cost saving measures in the procurement of goods and services (travel, accommodation, consultants). In past years, the grant allocation has dropped to an average of 10%, while costs associated with operational activities continued to grow at a higher level.

The following are the strategic objectives that the Commission will be pursuing in order to respond to some of the financial challenges that it is facing:

<b>Strategic Objective</b>	<b>5.4.1 To ensure prudent and transparent management of the financial resources of the Commission</b>	
<b>Objective statement</b>	Sound and accountable management of the revenue, expenditure, assets and liabilities of the Commission	
<b>Baseline</b>	<b>Description</b>	<b>Indicator</b>
	Develop and maintain a sound financial management strategy	<ul style="list-style-type: none"> <li>AG Audit Report with no matters of emphasis by March 2014</li> <li>Percentage deviation from budget allocation by March 2014</li> </ul>
	Develop and implement an appropriate procurement system	
	Develop and implement a sound strategy for the eradication of a legacy deficit	<ul style="list-style-type: none"> <li>% reduction of legacy deficit through bidding for allocations, budget adjustments and implementation of financial discipline by March 2014</li> </ul>
<b>Strategic Objective</b>	<b>5.4.2 To ensure access to alternative sources of funding</b>	
<b>Objective clarification</b>	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.	
<b>Baseline</b>	<b>Description</b>	<b>Indicator</b>
	Funding of some activities through savings, collaboration, partnerships, donations and sponsorships	<ul style="list-style-type: none"> <li>Number of partnerships, sponsorships and collaboration agreements by March 2014</li> </ul>