



2022 STRATEGIC PLANNING SESSION

MTEF PLANS

**OUTCOME 6: OUTCOME 6:
HIGH PERFORMING
ETHICAL ORGANISATION**

FMA INPUTS

DATE: 08 DECEMBER 2022

Presentation outline

01

Situational / diagnostic analysis

Contextual issues (internal and external).

02

Delivery priorities

Contribution to delivery priorities of Government for the MTEF

03

MTEF Plans

SP, APP and AOP.

04

Strategic Risks

Progress on the implementation of the Strategic Risk Register.

05

Critical success factors

Issues that are vital for the plans to succeed.

The background of the slide features a faded, grayscale image of two tractors in a field. One tractor is in the foreground on the left, and another is slightly behind it to the right. In the far background, there are trees and a small building. The entire image is overlaid with a light green tint.

Situational / diagnostic analysis

INTERNAL AND EXTERNAL ANALYSIS

INTERNAL

Item 1. Inadequate Finance organisational structure to support delivery of financial planning, accounting and reporting services

Item 2. Inadequate compliance culture at an organisational level

Item 3. Gap in cost conscious internal and governance structures

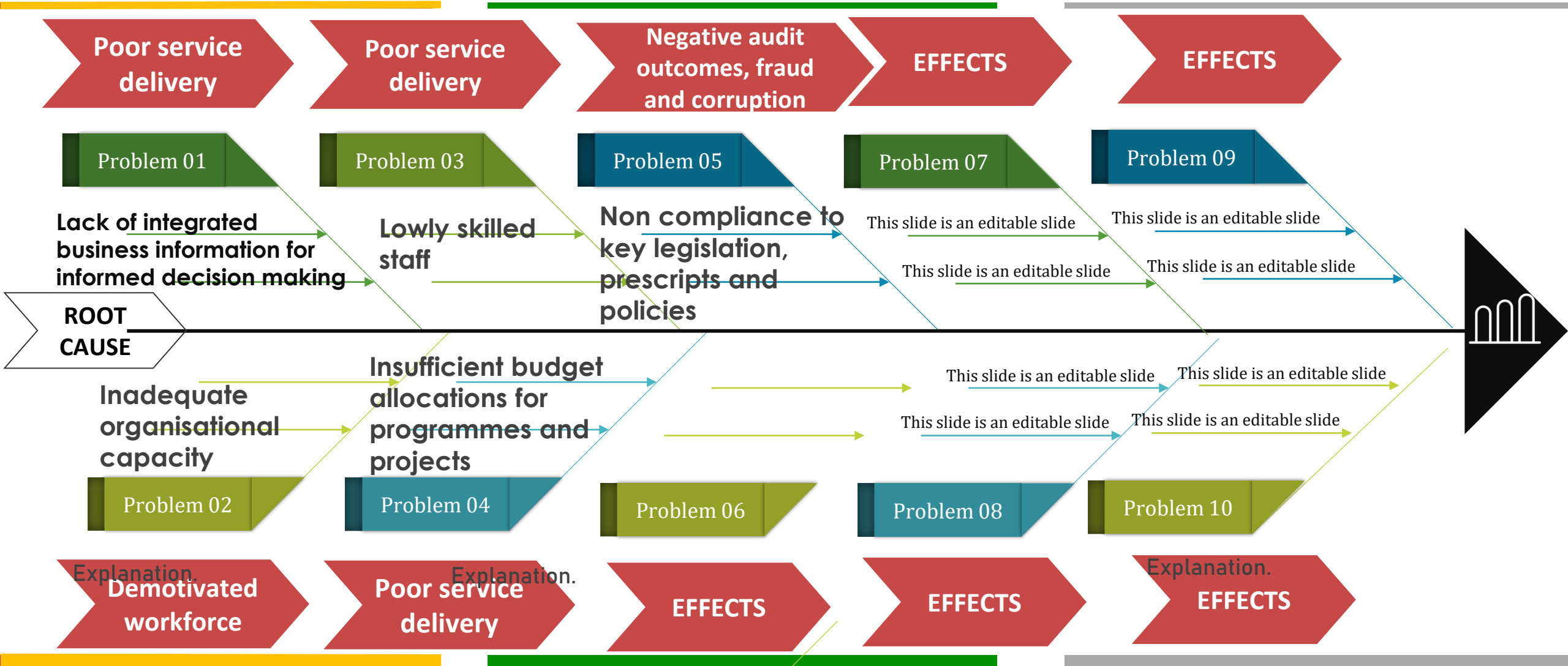
EXTERNAL

Item 1. Constrained fiscus resulting in insufficient budget allocations for programmes and projects

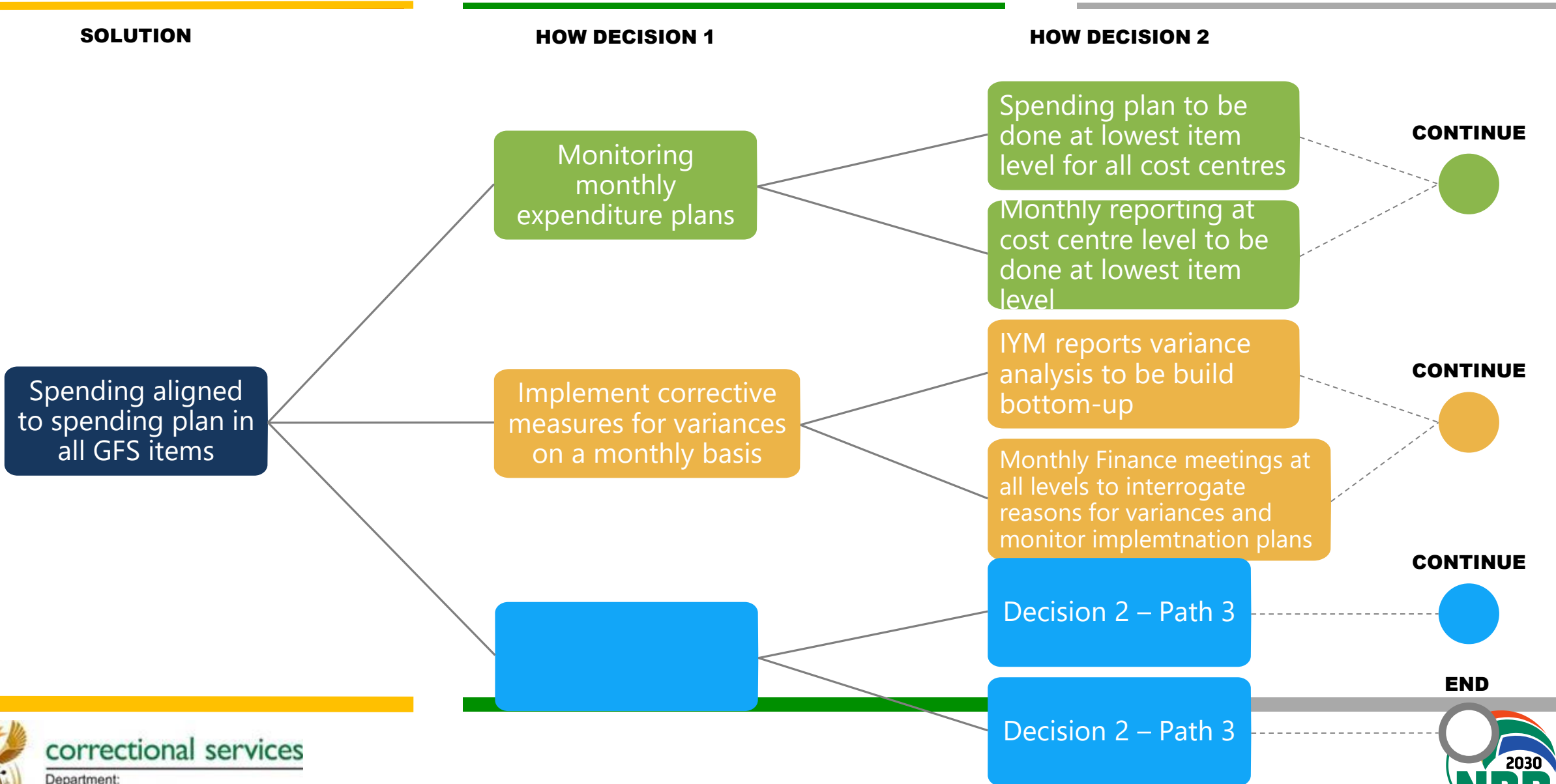
Item 2. Medium- to long-term negative economic impact of COVID-19

Item 3. High cost of living and above MTEF inflation forecasts coupled with lower than provided MTEF macro projections (foreign exchange rates)

CAUSES AND EFFECTS



SOLUTION TREE

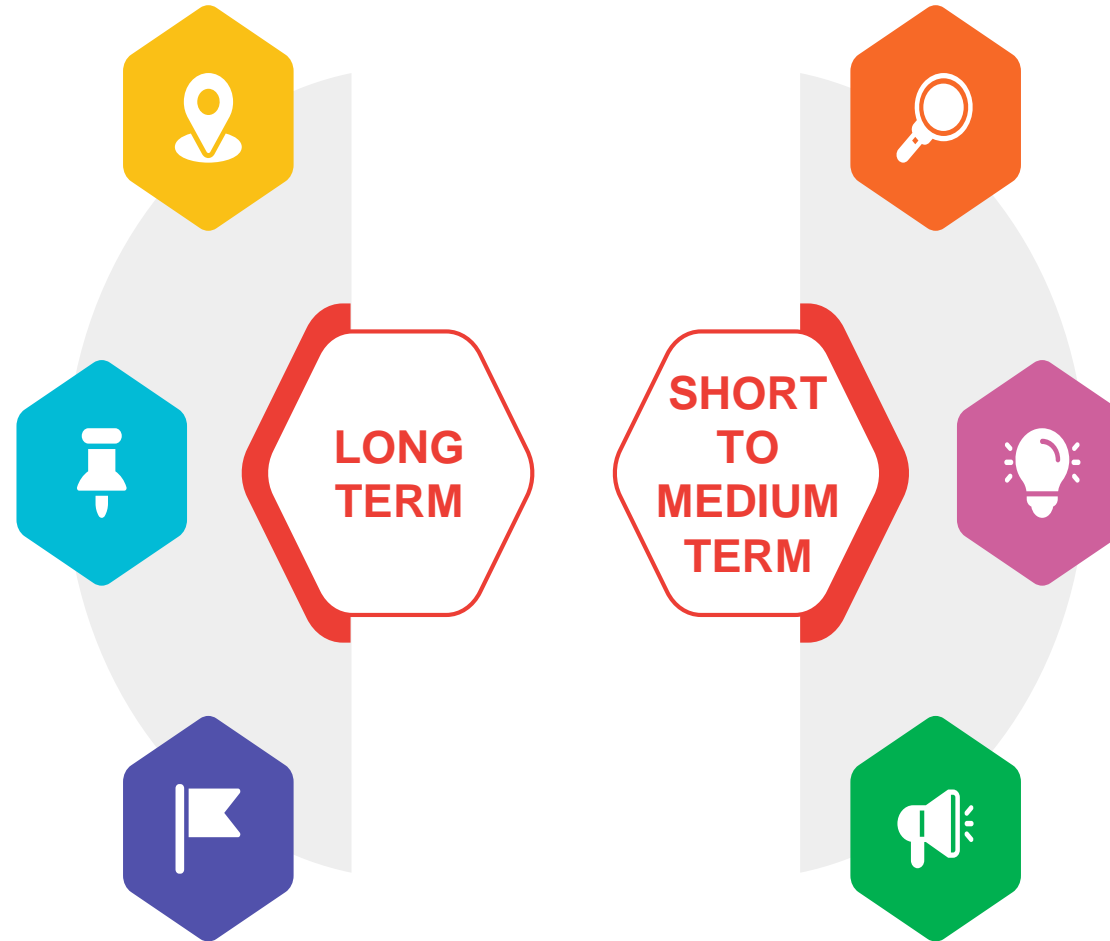




**Growing an Inclusive Economy
Safe communities
Capable State**



SHORT AND LONG TERM STRATEGIES



Improve spending levels at both programme and sub programme levels

Alignment of Finance Organisation Structure with service delivery requirements

Alignment of Finance Organisation Structure with service delivery operational requirements

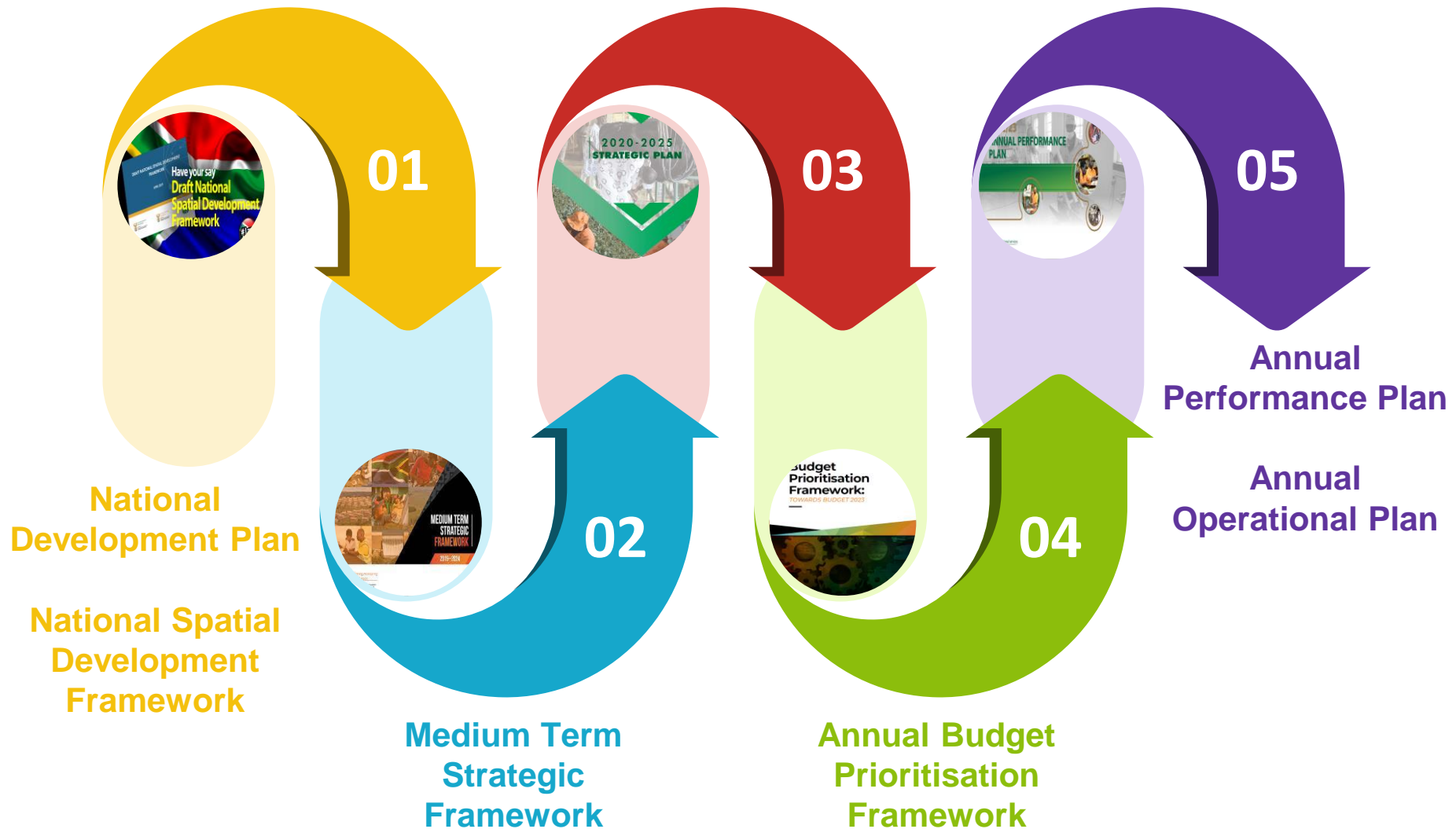
PATHWAYS FOR IMPLEMENTATION OF VISION 2068

Strategic intent of the pathways				
Pathway	Pathway	Pathway	Pathway	Pathway
Name the intervention	Name the intervention	Name the intervention	Name the intervention	Name the intervention
<ul style="list-style-type: none"> Improved compliance levels with laws and regulations Sound financial management practices Improved financial reporting 	What is required	What is required	What is required	What is required

Delivery Priorities

National Planning System

Five Year
Strategic Plan



DELIVERY PRIORITIES

SoNA

Within the next 10 years we will have made progress in:

- Tackling poverty, inequality and unemployment
- No person in South Africa will go hungry
- Our economy will grow at a much faster rate than our population
- Two million more young people will be in employment
- Our schools will have better educational outcomes and every 10 year old will be able to read for meaning
- Violent crimes will be halved

Election Manifesto

- Transform the Economy to serve the people
- Advance Social Transformation
- Build Safer Communities
- Fight Corruption and Promote Integrity
- Strengthen Governance and Public Institutions
- Build National Unity and Embrace Diversity
- Promote a Better SA, Africa and World.

DELIVERY PRIORITIES

MTSF

- Priority 1: A Capable, Ethical and Developmental State
- Priority 2: Economic Transformation and Job Creation
- Priority 3: Education, Skills and Health
- Priority 4: Consolidating the Social Wage through Reliable and Quality Basic Services
- Priority 5: Spatial Integration, Human Settlements and Local Government
- Priority 6: Social Cohesion and Safe Communities
- Priority 7: A better Africa and World
- Cross Cutting Focus: Women, Youth & Persons with Disabilities

National Annual Strategic Plan

- Massify job creation & Infrastructure
- Structural reforms & ease of doing business
- Better leveraging public procurement
- Digitalisation and modernisation
- Food security & household income
- Basic services, electricity & water and sanitation
- Eradicate title deeds backlogs
- Vaccinations
- Corruption prosecutions
- Reduce violent crime incl. GBVF.

DELIVERY PRIORITIES

Budget Prioritisation Framework

- Public and private employment
- Inclusive economic growth
- Social security & support
- Capable state to deliver .

Economic Reconstruction and Recovery Plan

The Economic Reconstruction and Recovery Plan aims to build a new economy and unleash South Africa's true potential. The overarching goal of the plan is to create sustainable, resilient and inclusive economy. It will focus on the following priority areas:

- Energy security.
- Industrial base to create jobs.
- Mass public employment programme.
- Infrastructure development.
- Macro-economic interventions.
- Green economy.
- Food security.
- Reviving the tourism sector.

District Delivery Model

Integrated District based delivery approach.

CONTRIBUTIONS TO DELIVERY PRIORITIES

- MTEF/ENE processes aligned to the MTEF/ENE Guidelines and BPF
- Reprioritisation of financial resources aligned to pillars 1, 2, and 4 of the BPF

MTEF Plans

ANNUAL OPERATIONAL PLAN 2023/24

Operational Outputs	Indicator	Baseline 2022/23	Target 2023/24	Assumption/Enablers
Expenditure in line with approved spending plans	Percentage of allocated budget spent per year	99,75%	99,75%	<ul style="list-style-type: none"> Expenditure and revenue classified in line with the Standard Chart of Accounts Employees captured correctly on PERSAL per responsibility and activity Code tables on PERSAL are accurately linked to BAS Procurement plans aligned to spending plans All managers monitor performance against respective spending plans

ANNUAL OPERATIONAL PLAN 2023/24

Operational Outputs	Indicator	Baseline 2022/23	Target 2023/24	Assumption/Enablers
Improved financial reporting	Number of Financial Statements submitted	<ul style="list-style-type: none"> Submission of monthly financial statements for 2022/23 to CFO by 25th of each month Quarterly and Annual Financial Statements compiled and submitted to National Treasury 30 days after reporting period and by 31 May, respectively 	<ul style="list-style-type: none"> Submission of monthly financial statements for 2022/23 to CFO by 25th of each month Quarterly and Annual Financial Statements compiled and submitted to National Treasury 30 days after reporting period and by 31 May, respectively 	All inputs for financial statements are quality assured by all relevant Directors, DCs and CDCs
All invoices due and payable are honoured within 30 days of receipt	Percentage of invoices not paid within 30 days	Monitor and report to National Treasury on non-compliance with payments made within 30 days of receipt of invoice by 7th of each month	Monitor and report to National Treasury on non-compliance with payments made within 30 days of receipt of invoice by 7th of each month	<ul style="list-style-type: none"> BAS functionality Stable network All invoices paid are valid, due and payable All managers monitor and certify the delivery of goods and services All invoices are certified correct by relevant managers before payments are effected



ANNUAL OPERATIONAL PLAN 2023/24

Operational Outputs	Indicator	Baseline 2022/23	Target 2023/24	Assumption/Enablers
MTEF processes aligned to other departmental plans	MTEF/ENE/AENE Submissions	<ul style="list-style-type: none"> • MTEF submission • MTEC presentation(s) • ENE submissions • Spending Plan 	<ul style="list-style-type: none"> • MTEF submission • MTEC presentation(s) • ENE submissions • Spending Plan 	<ul style="list-style-type: none"> • Managers reprioritised budget in line with departmental priorities • Managers reviewed allocations and reprioritisation • Scheduling of financial resources over the MTEF aligned to HR plan • Spending plans aligned to operational and procurement plans

ANNUAL OPERATIONAL PLAN 2023/24

Operational Outputs	Indicator	Baseline 2022/23	Target 2023/24	Assumption/Enablers
Accurate identification, recording, recovery and reporting of all categories of debts	Percentage reduction of debts owed to the Department	<ul style="list-style-type: none"> • Monitor the identification and taking on of debts • Monitor recovery of debts • Monitor the monthly write-offs of irrecoverable debts/losses and update database of debts/losses earmarked for write-off 	<ul style="list-style-type: none"> • Monitor the identification and taking on of debts • Monitor recovery of debts • Monitor the monthly write-offs of irrecoverable debts/losses and update database of debts/losses earmarked for write-off 	<ul style="list-style-type: none"> • All debts owed to the department are accurately reported • All managers monitor debts in their respective areas of responsibility
No bank overdraft at the end of accounting month, any incurred bank overdraft limited to R110 million	Sound cash management	Reduction of bank overdraft by end of each month to maximum of R110 million	Reduction of bank overdraft by end of each month to maximum of R110 million	Finalisation of the BCC legal matter and recovery of the R110 million so as to ensure that DCS does not have any bank overdraft

Strategic Risks

SUMMARY OF STRATEGIC RISKS

Strategic Risk No.	Outcome	Output	Purpose	Risk description	Root cause	Consequence	Treatment Plan
SR 9	Outcome 6: High performing ethical organisation.	Strategic HR, accountable financial management and modern, secure and integrated ICT	To provide effective and efficient financial and supply chain management (SCM) services	MTEF budget cuts on vote allocations to DCS	1. Insufficient tax revenues to fund government spending, as a result of slow economic growth 2. Increase in country's borrowing costs 3. Negative impact of COVID-19 on already ailing economy 4. Poor internal controls within the supply chain processes 5. Poor spending capacity	1. Inability to meet financial obligations 2. Insufficient budget allocations for programmes and projects 3. Budget cuts on Compensation of Employees resulting in reduced post establishment 4. Low spending which will result in further budget cuts 5. Low spending which will result in funding outside voted funds becoming inaccessible	1. Monthly monitoring of revenue collection, recording, reconciliation and centralisation to the National Revenue Fund 2. Stringent budget management and approved reprioritisation 3. Monthly and quarterly budget and expenditure monitoring reports and meetings 4. Monthly monitoring of CoE at lowest item level. Monitoring progress of alignment of funded establishment on PERSAL vs ENE as per HRBP tool 5. Enhance utilisation of services from partners rendering some programmes 6. Alternative sources of funds from SETAs, NSF



Critical Success Factors

Critical success factors

- Funding requests to be aligned to budgetary processes
- Spending in line with the allocated budget and the approved spending plans
- Timeous and quality financial reporting inputs
- Cut fruitless and wasteful expenditure
- Reduce irregular expenditure
- Management commitment to improvement of internal controls



correctional services

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