



# Ministry of Finance

## Presentation to Portfolio Committee on Finance

Minister Trevor A Manuel, MP  
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## The Finance Family

- **National Treasury** is responsible for macroeconomic and fiscal policy and norms and standards of public sector financial management. In keeping with its constitutional and statutory mandate, the Treasury coordinates intergovernmental financial relations, manages the budget preparation process, is responsible for tax policy, exercises oversight of the financial sector and oversees public expenditure, debt, financial systems and financial reporting.
- **The South African Revenue Service** collects tax revenues that are due, provide a customs service, contributes to protection of national borders and facilitates trade.
- **Statistics SA** is mandated to produce timely, accurate and accessible official statistics. Stats SA is responsible for the official demographic, economic and social censuses and surveys.

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## The Finance family continued...

- **Government Pensions Administration** has responsibility for managing the GEPF and other official pension and benefit arrangements. The GEPF is self-funded, with a membership of about 1,2 million and 225 000 pensioners, and is South Africa's largest pension fund.
- The **Public Investment Corporation** is a government-owned investment management company, that invests funds on behalf of public sector entities. Its largest client is the GEPF. The Deputy Minister chairs the PIC Board.
- The **Development Bank of Southern Africa** is a government-owned development finance institution mandated to accelerate sustainable socio-economic development by funding physical, social and economic infrastructure. The Minister of Finance is the Governor of the DBSA.
- The **Financial Intelligence Centre** has a mandate to identify the proceeds of unlawful activities and to combat money-laundering. The information collected is made available to law enforcement, prosecution, revenue and state investigating authorities.

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## National Treasury

Key focus areas for 2007/08 – 2008/09



national treasury

DEPARTMENT OF  
NATIONAL TREASURY  
REPUBLIC OF SOUTH AFRICA

- Expanding fiscal space in support of accelerated and sustained growth and development
- Social security and retirement reform
- Financial governance, responsibility and accountability
  - Financial Sector Charter goals
  - Trusteeship and fiduciary duties
  - Regulation and oversight of service providers
  - Public sector auditing, accounting
  - Oversight of SOEs and DFIs
- Improving public sector financial management – with special focus on infrastructure and local government

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## National Treasury: Sectoral and institutional priorities for 2007-2010



national treasury

DEPARTMENT OF  
NATIONAL TREASURY  
REPUBLIC OF SOUTH AFRICA

- Oversight over the 2010 FIFA World Cup funding, including effective contract management and containing costs
- Financing investment in road and rail transport infrastructure
- Rollout of Infrastructure Delivery Improvement Programme (IDIP) in the Health Sector
- Ensuring consistency of PPP's and the Financial Sector Charter framework
- The mandate and financial sustainability of the Development Finance Institutions (DFI's)
- Hosting the G20 in 2007

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## South African Revenue Service



Key focus areas for 2007/08 – 2008/09

- Introduction of a new operating model targeted at medium revenue generating taxpayers and improve the targeting of high revenue generating tax payer and traders
- Increasing outreach and awareness and compliance amongst SMMEs and the informal sector
- Development of a social security system and wage subsidy. The foundation for the social security system will be an efficient administrative system

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## SARS: Major projects for 2007 – 2010



- Launch of the new imaging and scanning technology for the 2007/2008 Filing Season
- Call centres have been converted into contact centres to facilitate first time resolution of customer queries
- SARS is now the lead agent at ports of entry to co-ordinate this 'first line of defence'; and will co-ordinate border and trade related law enforcement activities

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## Statistics South Africa

### Key focus areas for 2007/08 – 2008/09



- Community Survey of 284 000 households conducted in February 2007: results to be released in November 2007
- Pilot survey on poverty in 2007/08 and finalisation of standard poverty measures in consultation with relevant departments and organisations
- Data of the September 2005 Household Income and Expenditure Survey will be published in November 2007
- A new PPI basket is being developed and the reweighted PPI will be published from January 2008
- Consultation on a revised CPI basket is under way

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## Stats SA: Key focus areas (cont.)



- The new Labour Force Survey to be launched in January 2008 and first data will be available in August 2008. The questionnaire design and fieldwork procedures have been finalised
- Continued active role in the harmonisation of statistical indicators on the African continent, including coordination of statistical development activities of the Economic Commission for Africa, African Development Bank and African Union Commission
- Stats SA will chair the UN Statistics Commission in 2008 and will host the International Statistics Institute in 2009

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## Financial Intelligence Centre

Key focus areas for 2007/08 – 2008/09

- Financial Intelligence Centre Amendment Bill to go to Parliament in 2007 for implementation in 2008
  - Strengthened mandate for supervisory bodies
  - Powers to intervene when compliance failures occur
  - Administrative penalties for non-compliance with the Act
  - Appeal procedures relating to sanctions imposed
- Establishment of a FIC Inspectorate in 2008
- Assist neighbouring countries to implement anti money laundering (AML) and counter financial terrorism (CFT) systems and support international cooperation agreements
- SA mutual evaluation in 2008 to identify AML/CFT deficiencies and corrective action
- Audits and inspections of selected accountable institutions
- Risk-based compliance framework implemented through supervisory bodies

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*A functional and effective Finance family –  
depends on oversight, monitoring and guidance  
of the Portfolio Committee*

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