



provincial treasury

Department:
Provincial Treasury
North West Provincial Government
REPUBLIC OF SOUTH AFRICA

VOTE 7

2nd
QUARTERLY PERFORMANCE
REPORT 2022-2023



Mr. NDLELA ISRAEL KUNENE

ACCOUNTING OFFICER

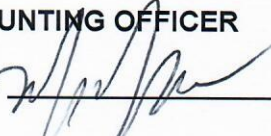
DATE: 

Table of contents

No	Description	Page
1	Introduction and Background	3
2	Situational analysis/ Highlights on other achievements	3
3	Key challenges and responses	4 – 6
4	Actual performance against 2022-2023 second quarterly targets	7 – 15

1. INTRODUCTION AND BACKGROUND

Provincial Treasury responds to the following MTSF Priority:

- **MTSF Priority 1: A Capable, Ethical and Developmental State**

2. SITUATIONAL ANALYSIS / HIGHLIGHTS ON OTHER ACHIEVEMENTS

PROGRAMME 2: SUSTAINABLE RESOURCE MANAGEMENT

2.2. SUB-PROGRAMME: ECONOMIC ANALYSIS AND FISCAL POLICY

The Department has successfully held the second quarter Provincial Revenue Forum where all departments are represented. The forum focuses on sharing best practices to assist departments that are struggling to meet revenue collection target with innovative means of collection. The departments are encouraged to explore innovative means of enhancing revenue collection.

2.3. SUB-PROGRAMME: MUNICIPAL FINANCE MANAGEMENT

The department held 2021 financial statement handover ceremony where in 20 municipalities submitted their financial statement to the office of Auditor General.

PROGRAMME 4: FINANCIAL GOVERNANCE

4.1. SUB-PROGRAMME: ACCOUNTANT GENERAL, PROVINCIAL ACCOUNTING SERVICES, FINANCIAL SYSTEMS AND PROVINCIAL RISK MANAGEMENT

The Department managed to achieve its targets albeit the additional responsibilities to support Public Entities. Amongst others, the added responsibilities are:

- To review risk management literatures and documents.
- To build risk management capacity and to assist in facilitation of risk assessments.

4.2. SUB-PROGRAMME: PROVINCIAL INTERNAL AUDIT

Annual Internal Audit Plans approved and rolled out.

3. KEY CHALLENGES AND RESPONSES (*per sub programmes*)

PROGRAMME 1: ADMINISTRATION

1.2. SUB-PROGRAMME: CORPORATE SERVICES

Challenge 1:

Network challenges for online training.

Response to challenge 1:

Province needs to work on upgrading and solving general network issues and/or Department to provide routers for online training.

Challenge 2:

Reluctance by officials to do online training.

Response to challenge 2:

- Prepared training rooms to enable usage of virtual platforms for training
- More in-house training coordinated.

1.3. SUB-PROGRAMME: FINANCIAL MANAGEMENT (CFO)

Challenge 1:

System downtime.

Response to challenge 1:

- The network outage was escalated to Provincial Systems
- Staff worked overtime to catch up on the processing of information.

Challenge 2:

Load shedding impacted on the ability to source quotations and process payments.

Response to challenge 2:

Back-up power for key SCM officials to ensure that work is able to continue.

PROGRAMME 2: SUSTAINABLE RESOURCE MANAGEMENT

2.2. SUB-PROGRAMME: ECONOMIC ANALYSIS AND FISCAL POLICY

Challenge 1:

Departments delay reviewing/developing their respective revenue enhancement strategies which impacts negatively on the review and finalization of the provincial revenue enhancement strategy.

Response to challenge 1:

Meetings were held with departments and follow up requests were made; the strategies were subsequently received with about five departments still outstanding. The revised revenue enhancements strategy is expected to be finalized during the 4th quarter.

2.3. SUB-PROGRAMME: MUNICIPAL FINANCE MANAGEMENT

Challenge 1:

Lack of commitment and cooperation by some municipalities in terms of compliance with MFMA requirement.

Response to challenge 1:

Non-compliance letters were sent to municipalities that did not comply with MFMA.

PROGRAMME 3: ASSETS AND LIABILITY MANAGEMENT

3.1. SUB-PROGRAMME: ASSET MANAGEMENT AND PROVINCIAL SUPPLY CHAIN MANAGEMENT

Challenge 1:

There is no satisfactory appetite in the real inventory departments to improve their financial reporting on inventory, which also has a direct relation with the management of inventory.

Response to challenge 1:

To resuscitate the inventory reform focus on policy and procedure development, reconciliations and financial reporting.

PROGRAMME 4: FINANCIAL GOVERNANCE

4.1. SUB-PROGRAMME: ACCOUNTANT GENERAL, PROVINCIAL ACCOUNTING SERVICES, FINANCIAL SYSTEMS AND PROVINCIAL RISK MANAGEMENT

Challenge 1:

Public Entities not timeously submitting their quarterly progress reports.

Response to challenge 1:

Timeous submission of risk management progress reports are highlighted in the CEO letters.

4.2. SUB-PROGRAMME: PROVINCIAL INTERNAL AUDIT

Challenge 1:

Various vacant funded positions not filled on time.

Response to challenge 1:

Prioritised submission made for the filling of vacant funded posts.

4. ACTUAL PERFORMANCE AGAINST 2022-2023 2nd QUARTERLY TARGETS

PROGRAMME 1: ADMINISTRATION QUARTERLY TARGETS

Sub-Programme 1.1: Risk Management

No	Output Indicators	Annual target 2022-2023	Validated 1 st quarter actual outputs	2 nd quarter planned targets	2 nd quarter actual outputs	Reasons underperformance or overachievement	Measures to address under achievements
1	% submission of disclosures of financial interest for SMS	100%	100%	N/A	N/A	N/A	N/A

Sub-Programme 1.2: Corporate Services

No	Output Indicators	Annual target 2022-2023	Validated 1 st quarter actual outputs	2 nd quarter planned targets	2 nd quarter actual outputs	Reasons underperformance or overachievement	Measures to address under achievements
1	Number of officials trained in line with Work Skills Plan	70	14	20	110	The overachievement was informed by: <ul style="list-style-type: none"> The need to cover the underperformance of the 1st quarter and More in-house/group trainings were coordinated during the 2nd quarter. 	N/A

Sub-Programme 1.3: Financial Management (CFO)

No	Output Indicators	Annual target 2022-2023	Validated 1 st quarter actual outputs	2 nd quarter planned targets	2 nd quarter actual outputs	Reasons underperformance or overachievement	Measures to address under achievements
1	Number of Annual financial statements without material misstatements	1	N/A	1	1	N/A	N/A
2	% of valid invoices paid within 30 days	100%	100%	100%	100%	N/A	N/A
3	Number of reports on procurement spend to Women-owned businesses produced	4	1	1	1	N/A	N/A
4	Number of reports on procurement spend to youth owned businesses produced	4	1	1	1	N/A	N/A
5	Number of reports on procurement spend to persons with disabilities owned businesses produced	4	1	1	1	N/A	N/A

PROGRAMME 2: SUSTAINABLE RESOURCE MANAGEMENT QUARTERLY TARGETS

Sub-Programme 2.1: Budget Management, Public Finance Management and Infrastructure Coordination

No	Output Indicators	Annual target 2022-2023	Validated 1 st quarter actual outputs	2 nd quarter planned targets	2 nd quarter actual outputs	Reasons underperformance or overachievement	Measures to address under achievements
1	Estimates of Provincial Revenue and Expenditure (EPRE)	1	N/A	N/A	N/A	N/A	N/A
2	Quarterly Financial assessments on provincial spending	4	1	1	1	N/A	N/A

Sub-Programme 2.2: Economic Analysis and Fiscal Policy

No	Output Indicators	Annual target 2022-2023	Validated 1 st quarter actual outputs	2 nd quarter planned targets	2 nd quarter actual outputs	Reasons underperformance or overachievement	Measures to address under achievements
1	Provincial own revenue collected	R1.1 billion	N/A	N/A	N/A	N/A	N/A

Sub-Programme 2.3: Municipal Financial Management

No	Output Indicators	Annual target 2022-2023	Validated 1 st quarter actual outputs	2 nd quarter planned targets	2 nd quarter actual outputs	Reasons underperformance or overachievement	Measures to address under achievements
1	Number of budget assessments conducted on adopted municipal budgets	20	N/A	20	20	N/A	N/A
2	Number of municipal capacity building interventions conducted	4	1	1	1	N/A	N/A
3	Number of assessment conducted on status of municipal internal control environment	7	3	4	4	N/A	N/A
4	Number of reports on technical support provided to municipalities in-line with Section 154 of the Constitution	4	1	1	1	N/A	N/A

No	Output Indicators	Annual target 2022-2023	Validated 1 st quarter actual outputs	2 nd quarter planned targets	2 nd quarter actual outputs	Reasons underperformance or overachievement	Measures to address under achievements
5	Number of assessments done on municipalities in financial crisis	8	0	2	3	To address first quarter backlog.	

PROGRAMME 3: ASSET AND LIABILITIES QUARTERLY TARGETS

Sub-Programme 3.1: Asset Management and Provincial Supply Chain Management

No	Output Indicators	Annual target 2022-2023	Validated 1 st quarter actual outputs	2 nd quarter planned targets	2 nd quarter actual outputs	Reasons for underperformance or overachievement	Measures to address under achievements
1	Number of supply chain management (SCM) capacity building interventions provided to Departments and Public Entities	4	7	1	19	The reason for overachievement is high demand of trainings from Departments and Public Entities.	N/A
2	Number of Departments and Public Entities supported to improve outcomes on SCM	6	N/A	N/A	N/A	N/A	N/A
3	Number of assessments done on departments and public entities on COVID-19 expenditure provided to	4	1	1	N/A	N/A	N/A

No	Output Indicators	Annual target 2022-2023	Validated 1 st quarter actual outputs	2 nd quarter planned targets	2 nd quarter actual outputs	Reasons for underperformance or overachievement	Measures to address under achievements
	departments and Public Entities						
4	Number of asset management capacity building interventions provided to departments and Public Entities	4	N/A	N/A	1	The department was requested by the department of Education to provide asset management training to their district asset managers.	N/A
5	Number of Departments and Public Entities supported to improve outcomes on asset management	6	N/A	N/A	6	Audit reports get issued end of July as a result the supporting evidence is readily available.	N/A
6	Number of assessments done on non-compliance by Departments and Public Entities on SCM regulation	4	1	1	1	N/A	N/A

PROGRAMME 4: FINANCIAL GOVERNANCE QUARTERLY TARGETS

Sub-Programme 4.1: Programme Support – Accountant General, Provincial Accounting Services, Financial Systems and Provincial Risk Management

No	Output Indicators	Annual target 2022-2023	Validated 1 st quarter actual outputs	2 nd quarter planned targets	2 nd quarter actual outputs	Reasons underperformance or overachievement	Measures to address under achievements
1	Number of capacity Building Interventions for Departments and Public Entities	9	2	3	3	N/A	N/A
2	Number of monitoring reports on implementation of AGSA findings on the preceding financial year on departments and public entities	2	N/A	N/A	N/A	N/A	N/A
3	Number of Identified departments and public entities for focused interventions on clean audits	6	N/A	N/A	N/A	N/A	N/A
4	Number of interventions provided to	2	N/A	N/A	N/A	N/A	N/A

No	Output Indicators	Annual target 2022-2023	Validated 1 st quarter actual outputs	2 nd quarter planned targets	2 nd quarter actual outputs	Reasons underperformance or overachievement	Measures to address under achievements
	governance structures in Public Entities						
5	Number of Identified public entities focused interventions on risk management	2	6	N/A	N/A	N/A	N/A

Sub-Programme 4.2: Provincial Internal Audit

No	Output Indicators	Annual target 2022-2023	Validated 1 st quarter actual outputs	2 nd quarter planned targets	2 nd quarter actual outputs	Reasons underperformance or overachievement	Measures to address under achievements
1	Number of departmental post audit action plans assessed	11	N/A	N/A	N/A	N/A	N/A
2	Number of departmental risk management systems assessed	11	N/A	N/A	N/A	N/A	N/A