



## **provincial treasury**

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

### VOTE 7

**3<sup>rd</sup>**  
**QUARTERLY PERFORMANCE**  
**REPORT 2022-2023**



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## **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: FISCAL POLICY**

The department has successfully held the third quarter Provincial Revenue Forum where all departments were presented with Education being the only department which tendered an apology. The forum focuses on sharing best practices to assist department 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.

### **PROGRAMME 3: ASSETS AND LIABILITY MANAGEMENT**

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

Continued with the roll out of the BAUD support and there are departments conducting their verification now using the BAUD software.

### **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 being performed.

### 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 2:**

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

###### **Challenge 2:**

- Reluctance by officials to do online training

###### **Response to challenge 2:**

- Continuously encouraging staff to register for on-line training.
- 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:**

Constant electricity load shedding resulting in officials not being able to continue working on the financial systems.

###### **Response to challenge 1:**

Access to back up power supply for key personnel within SCM so that payments can be processed.

###### **Challenge 2:**

Non/ late submission of monthly expenditure reports with reasons for deviations and scrutiny of reports by Managers

###### **Response to challenge 2:**

- On-going bilateral and engagement at DMC/EMC and Departmental Budget Committee
- Programme/Sub Programme Managers to ensure compliance with the required percentage spend

## **PROGRAMME 2: SUSTAINABLE RESOURCE MANAGEMENT**

### **2.2. SUB-PROGRAMME: ECONOMIC ANALYSIS AND FISCAL POLICY**

#### **Challenge 1:**

Departments delay reviewing/developing the tariff structures impacts negatively on the preparation and finalisation of the provincial revenue budget target for 2023/2024.

#### **Response to challenge 1:**

Follow up and reminders are communicated with the departments; the tariffs were subsequently received with about four departments still outstanding.

## **PROGRAMME 3: ASSETS AND LIABILITY MANAGEMENT**

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

#### **Challenge 1:**

There is unsatisfactory progress in the transfer of completed infrastructure projects or assets by user departments to the custodian due to inadequate substantiating records from the user departments and the custodian as an implementing agent for some projects, resulting into user departments having asset registers for immovable assets, without related immovable asset management policies and procedures.

#### **Response to challenge 1:**

Provincial Treasury is going to establish a dedicated forum for the transfer of completed projects or immovable assets to induce the transfer of assets from user departments to the custodian

## **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

#### **Response to challenge 1:**

Prioritised submission for vacant funded positions approved and first batch (priority) advertised.

#### 4. ACTUAL PERFORMANCE AGAINST 2022-2023 3<sup>rd</sup> QUARTERLY TARGETS

##### PROGRAMME 1: ADMINISTRATION QUARTERLY TARGETS

###### Sub-Programme 1.1: Risk Management

No	Output Indicators	Annual target 2022-2023	Validated 2 <sup>nd</sup> quarter actual outputs	3 <sup>rd</sup> quarter planned targets	3 <sup>rd</sup> quarter actual outputs	Reasons underperformance or overachievement	Measures to address under achievements
1	% submission of disclosures of financial interest for SMS	100%	N/A	N/A	N/A	N/A	N/A

###### Sub-Programme1.2: Corporate Services

No	Output Indicators	Annual target 2022-2023	Validated 2 <sup>nd</sup> quarter actual outputs	3 <sup>rd</sup> quarter planned targets	3 <sup>rd</sup> quarter actual outputs	Reasons underperformance or overachievement	Measures to address under achievements
1	Number of officials trained in line with Work Skills Plan	70	110	20	36	Overachievement informed by co-ordination of in-house/group trainings.	N/A

Sub-Programme 1.3: Financial Management (CFO)

No	Output Indicators	Annual target 2022-2023	Validated 2 <sup>nd</sup> quarter actual outputs	3 <sup>rd</sup> quarter planned targets	3 <sup>rd</sup> quarter actual outputs	Reasons for underperformance or overachievement	Measures to address under achievements
1	Number of Annual financial statements without material misstatements	1	1	N/A	N/A	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 2 <sup>nd</sup> quarter actual outputs	3 <sup>rd</sup> quarter planned targets	3 <sup>rd</sup> 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 2 <sup>nd</sup> quarter actual outputs	3 <sup>rd</sup> quarter planned targets	3 <sup>rd</sup> 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 2 <sup>nd</sup> quarter actual outputs	3 <sup>rd</sup> quarter planned targets	3 <sup>rd</sup> quarter actual outputs	Reasons for underperformance or overachievement	Measures to address under achievements
1	Number of budget assessments conducted on adopted municipal budgets	20	20	N/A	N/A	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	4	N/A	N/A	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	0	Delayed submission of information from municipalities.	Frequent follow ups to be made with municipalities.
5	Number of assessments done on municipalities in financial crisis	8	3	2	2	N/A	N/A

**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 2 <sup>nd</sup> quarter actual outputs	3 <sup>rd</sup> quarter planned targets	3 <sup>rd</sup> 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	19	1	4	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 audit outcomes on SCM	6	N/A	3	3	N/A	N/A
3	Number of assessments done on departments and public entities on COVID-19 expenditure provided to departments and Public Entities	4	1	1	1	N/A	N/A
4	Number of asset management capacity building interventions	4	1	2	2	N/A	N/A

No	Output Indicators	Annual target 2022-2023	Validated 2 <sup>nd</sup> quarter actual outputs	3 <sup>rd</sup> quarter planned targets	3 <sup>rd</sup> quarter actual outputs	Reasons underperformance or overachievement	Measures to address under achievements
	provided to departments and Public Entities						
5	Number of Departments and Public Entities supported to improve outcomes on asset management	6	6	3	0	The target was achieved in the second quarter.	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 2 <sup>nd</sup> quarter actual outputs	3 <sup>rd</sup> quarter planned targets	3 <sup>rd</sup> quarter actual outputs	Reasons underperformance or overachievement	Measures to address under achievements
1	Number of capacity Building Interventions for Departments and Public Entities	9	3	2	2	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	1	1	N/A	N/A
3	Number of Identified departments and public entities for focused interventions on clean audits	6	N/A	6	7	There's an additional clean audit department to the previously identified 6 being the Department of Cooperative Governance and Traditional Affairs	N/A
4	Number of interventions provided to governance structures in Public Entities	2	N/A	2	2	N/A	N/A

No	Output Indicators	Annual target 2022-2023	Validated 2 <sup>nd</sup> quarter actual outputs	3 <sup>rd</sup> quarter planned targets	3 <sup>rd</sup> quarter actual outputs	Reasons underperformance or overachievement	Measures to address under achievements
5	Number of identified public entities for focused interventions on risk management	2	N/A	N/A	N/A	N/A	N/A

**Sub-Programme 4.2: Provincial Internal Audit**

No	Output Indicators	Annual target 2022-2023	Validated 2 <sup>nd</sup> quarter actual outputs	3 <sup>rd</sup> quarter planned targets	3 <sup>rd</sup> 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	11	11	N/A	N/A