



provincial treasury

**Department:
Provincial Treasury
North West Provincial Government
Republic of South Africa**



ANNUAL PERFORMANCE PLAN

2023/2024



TABLE OF CONTENTS

ITEM	PAGE
Executive Authority Statement	1
Accounting Officer Statement	2
Official Sign-Off	3
PART A: OUR MANDATE	5
1. Updates to the relevant legislative and policy mandates	4
2. Updates to Institutional Policies and Strategies	4-6
3. Updates to the Relevant Court Rulings	6
PART B: OUR STRATEGIC FOCUS	8
4. Updated Situation Analysis	7
4.1 External Environment Analysis	7-14
Linkage to 2023 SONA, SOPA & Lekgotla Resolutions	15
Continuous support programmes to be implemented in the 2023/24 financial year	16
4.2 Internal Environment Analysis	17-20
Departmental Expenditure Estimates	21
PART C: MEASURING OUR PERFORMANCE	22
5. Institutional Programme Performance Information	22-44
6. Explanation of Planned Performance over the medium term period	
7. Programme Resource Considerations	
8. Updated Key Risks	
9. Public Entities	45
10. Infrastructure Projects	45
11. Public Private Partnerships	45
PART D: Technical Indicator Description (TID)	46-64
Annexures to the Annual Performance Plan	65

EXECUTIVE AUTHORITY STATEMENT

During the departmental strategic planning session held in February 2023, we took stock of progress against the implementation of the strategic plan of the 6th administration. We have sustained performance of the department, however we must answer one question as a department whether our service standards have changed any environment in the public service. We have surely complied with the required standards and PT remain a reference point.

The department is contributing towards the implementation of the MTSF which was developed in 2019, approved by Cabinet at the end of October 2019 and officially launched with the SONA 2020 for implementation. Subsequently, a decision was taken to revise the MTSF based on critical new developments including the COVID-19 pandemic. Among the impacts of the pandemic was significant budget reprioritization, which affected departmental baselines and the MTSF targets.

Major contextual factors taken into consideration included the following:

- Public health context, including reallocation of funds for socio-economic relief, higher public health expenditure and the vaccine rollout
- Economic context, with economic contraction, high unemployment and lower revenue projections
- Fiscal outlook heavily constrained with high debt to GDP ratio.

It is also important to note that our province should attend to the following challenges affecting most of our communities:-

- Unemployment
- Water and Sanitation
- Rural roads
- Housing
- Health
- Crime and Corruption
- Education

Provincial Treasury plays a pivotal role in monitoring and safeguarding the budget of the province in ensuring that all state organs in the Province efficiently use our limited budget against ever-increasing citizens' basic needs. In spite of our excellent performance, the department will not rest until we see Municipalities and state owned entities turned around or re- engineered.

I am certain we will manage because of the kind of workforce we have in this Department.



Ms Motlalepula Rosho
MEC for Finance

ACCOUNTING OFFICER STATEMENT

The department has an overarching responsibility to provide leadership in the management of public resources for efficient, effective and economic service delivery through well-coordinated support to provincial departments, public entities and municipalities.

In its commitment towards the realization of the National and Provincial priorities, Provincial Treasury will implement the following measures:

- Direct public procurement to designated groups (women-owned businesses, youth-owned businesses and businesses owned by persons with disabilities);
- Continue with the pre-audit of bids in excess of R10 million before the award as part of the provincial government efforts to prevent irregular expenditure;
- Continue to report quarterly on departments compliance to 30 days payment;

The department will continue with the intensified implementation of the following key programmes to support the departments and public entities:

- Provision of Technical financial management support to departments and public entities to ensure compliance to the PFMA and related prescripts;
- Provision of capacity building through training, hosting of CFO's forums and workshops for departments and public entities to ensure improved audit outcomes;
- Provision of Transversal Internal Audit Services to all departments in the province with exception of Department of Education and Provincial Legislature.

In order to improve audit outcomes of municipalities, Provincial Treasury is committed to provide the following support programmes:

- To provide dedicated support to all North West Province municipalities to improve financial management;
- Conduct municipal capacity building interventions (i.e contract management, mSCOA and GRAP) aimed at improving financial accounting and reporting competency of municipal BTO's officials who prepare AFS's as well as those that review them;
- Monitoring, assessing and guiding municipalities to comply with legislative requirements relating to municipal revenue financial management and sustainability; and

It is our submission if all departments, public entities and municipalities fully implement Provincial Treasury's intervention measures the province will begin to see positive change in relation to good governance and financial management in our province.



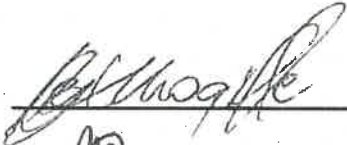
Mr. N. I. Kunene
Accounting Officer

OFFICIAL SIGN-OFF

It is hereby certified that this Annual Performance Plan:

- Was developed by the management of the Provincial Treasury under the guidance of the Honourable MEC Motlalepula Rosho
- Takes into account all the relevant policies, legislation and other mandate for which the Provincial Treasury is responsible;
- Accurately reflects the outcomes and outputs which the Provincial Treasury will endeavour to achieve over the period of 2023/24.

Mr Gordon Letlhogile
Director: Strategic Management

Signature: 

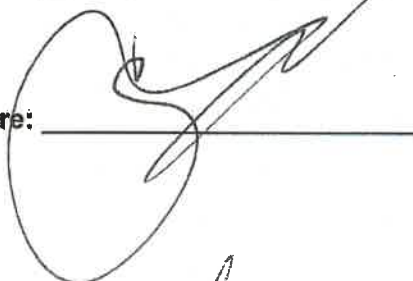
Ms Matshidiso Jansen - Mwase
Chief Director: Corporate Services

Signature: 

Ms Ayesha Hassim
Acting Chief Financial Officer


Signature: 

Mr Ndiela Kunene
Accounting Officer

Signature: 

Approved by:

Honourable Motlalepula Rosho
MEC for Finance

Signature: 

PART A: MANDATE

1. Updates to the relevant legislative and policy mandates

Legislative mandate

The department is governed by the following pieces of legislation and policy directives:

- Public Finance Management Act, 1999 (Act No. 29 as amended)
- Municipal Financial Management Act 56 of 2003
- Treasury Regulations
- Division of Revenue Act
- Supply Chain Management Regulations (Post -Tender Board environment)
- The Constitution of South Africa, 1996
- The Public Service Act of 1994
- The Public Service Regulations of 2001
- The White Paper on the Transformation of the Public Service Delivery, (Batho Pele) 1997
- The E-Government: A Public Service IT Policy Framework
- The Promotion of Access to Information Act 2 of 2000
- The National Minimum Information Security Standard Policy of 1996
- The Skills Development Act of 1999
- The Basic Condition Of Employment of 1997
- The Labour Relations Act of 1995; and
- The Health and Safety Act of 1993

2. Updates to Institutional Policies and Strategies

List of current policies

- Recruitment and Selection Policy: date of approval July 2015
- Performance Management and Development System (PMDS) Policy: date of approval March 2015
- Sexual Harassment Policy: date of approval February 2006
- Sports and Recreation Policy: date of approval April 2014
- Occupational Health and Safety Policy: date of approval December 2015
- Wellness Management Policy: date of approval October 2019
- HIV/ AIDS Workplace Policy: date of approval October 2019
- Injury on duty Policy: date of approval July 2013
- Training and development Policy: date of approval October 2019

- Learnerships Policy: date of approval October 2019
- Internships Policy: date of approval October 2019
- Internal Grievance Policy: date of approval April 2014
- Overtime Policy: date of approval March 2007
- Resettlement Policy: date of approval March 2007
- Special Leave Policy: date of approval May 2017
- Telephone Policy: date of approval July 2015
- Information, Communication and Technology Security Policy: date of approval March 2019
- Corporate Governance of Information, Communication Technology Policy: date of approval September 2017
- Risk Management Policy: date of approval April 2019
- Whistle Blowing Policy: date of approval April 2019
- Fraud Prevention Policy: date of approval April 2019
- Financial Disclosure Policy: date of approval September 2018
- Termination of Employment Policy: date of approval October 2018
- Debt Management Policy: date of approval April 2018
- Petty Cash Policy: date of approval August 2017
- Travel Card Policy : date of approval November 2015
- Tangible Asset Management Policy: date of approval March 2015
- Asset Disposal Policy: date of approval March 2015
- Loss Control Policy: date of approval September 2016
- Departmental Policy on Subsistence and Travel: August 2019
- Departmental Policy on Transport: date of approval September 2019
- Policy on Conducting Business with an organ state and remunerative work outside public service: date of approval April 2019
- Provincial Preferential Procurement Policy Framework: date of approval March 2018
- Fraud Prevention Strategy: date of approval April 2019
- Risk Management Strategy: date of approval April 2019
- Ethics Management Strategy: date of approval August 2019
- North West Provincial Revenue Enhancement Strategy: date of approval November 2018
- Procurement and Commodity Sourcing Strategy: date of approval June 2018
- Asset Management Strategy: date of approval September 2018
- Guide on Compilation of Programme/Sub-programme Quarterly Performance Reports: date of approval July 2015

- Guideline on Referral to Rehabilitation/Treatment Centre for Alcohol/Substance Abuse: date of approval February 2007
- Asset Management Procedural Manual: date of approval July 2015
- Procedure Manual: Transfers: date of approval June 2013
- Provincial Government Blueprint SCM System: date of approval November 2016
- Promotion of Access to Information Act Manual: date of approval August 2016
- Corporate Governance of Information Communication and Technology Policy Framework: date of approval March 2014
- Corporate Governance of Information Communication and Technology Service Charter: date of approval March 2014

3. Updates to Relevant Court Rulings

On 16 February 2022, the Constitutional Court handed down a judgment in the case Minister of Finance v Afribusines NCP CCT279/20, which was an application by the Minister of Finance (Minister) for leave to appeal against a judgment and order of the Supreme Court of Appeal. The mute point was that does the Minister has power to prescribe preferential procurement for each organ of state? The majority judgment argued that since section 2(1) of the PPPFA states that an organ of state must determine its preferential procurement policy it cannot be in the power of the Minister to make regulations on the same matter.

Subsequent to this judgment the new regulations were gazetted by parliament giving powers to each organ of state to develop their own policy in line with Preferential Procurement Policy Framework section 2 (d) the specific goals (empowerment goals) may include: -

(i) contracting with persons, or categories of persons, historically disadvantaged by unfair discrimination on the basis of race, gender or disability;

(ii) implementing the programmes of the Reconstruction and Development Programme as published in Government Gazette No. 16085 dated 23 November 1994. (One of those goals include Locality)

Consequentially, there will be fragmented approach to preferential procurement advancing equity by different departments and entities, which situation is not ideal in maintaining norm and standards across the sector.

PART B: OUR STRATEGIC FOCUS

4. Updated Situation Analysis

The intergovernmental framework enjoins the North West Provincial government to adopt policies that will contribute towards the attainment of national objectives including prioritizing health and education services while also paying particular attention on poverty eradication through increased economic opportunities for the poor. In the recent past, the province has experienced declining underperforming economy, which is manifested by provincial population growing at annual rate of 1.6 per cent which is faster than the provincial economic rate of about one per cent. The provincial population has increased from 3.8 million people to 4.4 million in a period of about four years. During the same period, unemployment rate increased from 27.2 per cent to 39 per cent of the economically active people. The latest economic forecasts indicate that the provincial economy will grow by about 2 per cent a year each in the next three years. This will hardly address the current unemployment rate which affects the unskilled workers and 64 per cent of the youth. The universal definition of the youth is limited to persons between the ages of 16 and 24. Their prospect of securing employment at the going wage is further diminished by the fact that most of the economically active population aged 20 and above have not completed tertiary education. About 800 thousand of the cohort has only completed matric qualification while a further 200 thousand have not completed high school education.

The structure of the provincial economy still reflects that mining is the dominant industry which contributes about 36 per cent to the provincial economy. The mining industry is highly capital intensive. Mining, agriculture, and manufacturing which usually expected to create jobs for unskilled and semi-skilled workers are unable to absorb the extra-ordinary high number unemployed persons in the province whose labour mobility is significantly restrained by their inadequate education to meet the skills requirements of industries. Ideally, agriculture and manufacturing should be competing with mining for unskilled labour. This could reduce the unemployment rate of this category of labour but currently these two industries contribute paltry amounts of 3.1 per cent and 5 per cent respectively to the provincial economy.

4.1 External Environment Analysis

The North West province is mainly reliant on equitable share revenue from the national government to supply public goods and services. Analysis of the national economic performance over the last ten years indicates that the national economy has declined over the years while the country was experiencing rapid population growth rate mainly because of migration from other countries thereby has exacerbated a myriad of socio-economic problems around mining towns which attract migrants. It is manifested by declining income per capita over the years despite government expenditure having increased from 22 per cent to 29 per cent of GDP in the recent past years. This explains the ineffectiveness of the increased government spending on both the provincial and national economies.

It is important to appreciate that the current economic environment has also created several positive externalities including the rapid decline of budget deficit and public debt which have declined from 6.5 per cent to 4.9 per cent and 87 per cent to 68 per cent mainly because of the economic rebase and exporting of South African minerals. The Province is significant mineral extraction and exporting role player. The commodity boom has contributed to the positive current account reported in 2022 which is likely to be sustained over the three years forecast period. It is however important to indicate that these positive factors are affected by the current negative 2.9 per cent of financial account in 2022 which is projected to continue through the next three years. This is indicative that capital especially portfolio investment is leaving the South African economy and that interest rates must increase to maintain the current economic position.

Key challenges to be addressed and interventions.

Identified challenges	Remedial Actions
Lack of capacity on Impact/Outcome assessment in the province	Technical intervention in a form of formal training (qualification) be introduced
Unstable & unreliable networks infrastructure and lack of backup facilities	Constant engagements with OTP Executive Management including written submissions
Non-adherence to the IT (Information Technology) – SLA (Service Level Agreement) by OTP	Strengthened SLA Reviews between OTP and PT
Increasing (perpetual) provincial underspending, March Spikes and stopping of conditional grants allocations which impact on service delivery.	<ul style="list-style-type: none"> • Presentation of in-depth report on monthly performance of core items • Strengthened relationship among oversight stakeholders (MEC (Member of Executive Council), AO (Accounting Officer) , EXCO (Executive Council), Legislature) to decisively enforce compliance of PFMA • Capacitate officials on skills relevant to execute unit's responsibilities in line with its purpose • Intensify visits to departments in respect of programmes and projects implemented
Late submission and non-responsiveness of departments and Public Entities on compliance reports	<ul style="list-style-type: none"> • The department has adopted no plan no budget approach • Intensifying communication of non-compliance to departments and Public entities
Spending of budget on non-prioritised services	<ul style="list-style-type: none"> • Consequence management – withholding of funds.
Weak governance and oversight structures	<ul style="list-style-type: none"> • Operationalize the MoU (Memorandum of Understanding) with COGTA (Cooperative Governance and Traditional Affairs) • Joint approach to implement municipal intervention.
Constant requests for deviations from competitive bidding process.	<ul style="list-style-type: none"> • Provincial Treasury assesses requests for deviations and disapproves when circumstances are not justifiable i.e changing of prices by suppliers after awarding of bids.
Poor contract management practices	<ul style="list-style-type: none"> • Roll out recently launched Provincial Contract Management Framework Policy
Inadequate capacity in CFO (Chief Financial Officer) sections of Public Entities	<ul style="list-style-type: none"> • Utilisation of contract workers to create employment for unemployed graduates

Demographic information

The North West Provincial Government budget is responsible to cater for a population of 4.23 million which is 6.9 percent share of the total population of South African resulting to be the third smallest population in the country. Consumer price index (CPI) for South Africa was 7.2 per cent in January 2023. The North West Province CPI was also 7.3 percent which was the second least CPI compared to other province.

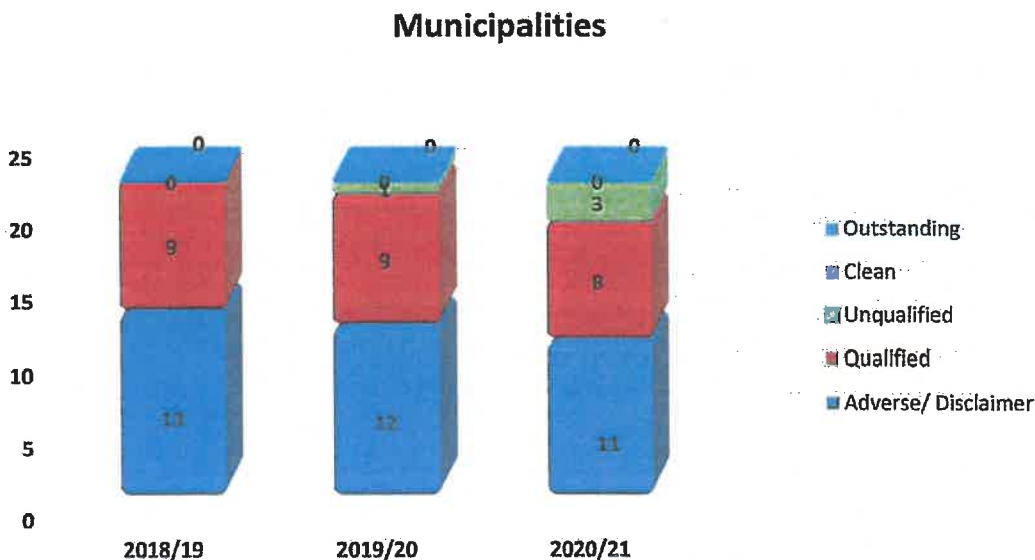
Number of employed people in the North West Province increased from 858 thousand in quarter 3 of 2022 to 881 thousand in quarter 4 of 2022, which translates to 23 thousand increase in employment. Subsequent to the decline, employed people increased to 924 thousand in quarter 2 of 2022. The changing face of North West Province population and other provinces had an impact on employment patterns. The population for North West Province was at 2.9 million in 1996 and it has grown to 4.23 million in 2021. North West Province recorded an increase of 23 thousand in employments

The state of the North West Provincial Government (NWPG) Institutions' performance relating to financial and non-financial management

- The present demand for services and challenges that need to be addressed are that most municipalities and public entities in the Province are still experiencing unfavourable or negative audit opinions. Provincial Treasury will continue to provide support to these municipalities and public entities with reducing audit queries and ultimately achieving improved audit outcomes in these municipalities and public entities.
- Below is a summary of the audit outcomes for municipalities, provincial departments and public entities for 2018/2019, 2019/20 & 2020/21 financial years. Source – AGSA Report

Municipalities (without entities)

Graph 1



Municipal failures that contribute to bad audit outcomes and financial crisis are rooted in several factors, the most prevalent are:

- Governance and leadership challenges
- poor implementation of budget and financial management by the BTO (Budget and Treasury Office)

- Lack of consequence Management – municipal official getting away with gross financial misconduct
- Blatant disregard of the law – noncompliance with MFMA
- Culture of Non-payment for services
- Deficiencies in institutional arrangements

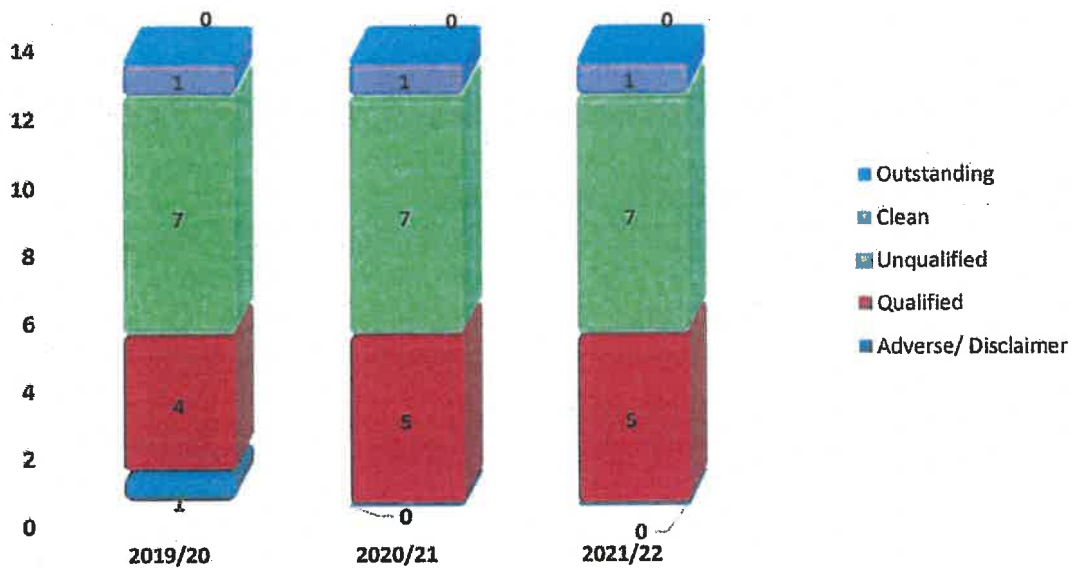
Provincial Departments

The material reasons for qualification in the provincial departments are as follows:

- Irregular expenditure, Material misstatements, Non-compliance with laws and regulation
- The other areas were Prepayments and Immovable properties
- Poor contract management

Graph 2

Provincial Departments



Summary of Provincial Expenditure						
Historical Analysis	Main Appropriation	Adjusted Budget	Final Budget	Audited AFS Expenditure	% Spent of Budget	Audited AFS (over)/under expenditure
2014/15	29 887 842	30 131 216	32 413 773	31 839 978	98.23%	573 795
2015/16	34 224 420	34 882 645	34 982 645	34 161 582	97.65%	821 063
2016/17	36 228 772	36 589 200	36 589 201	35 972 427	98.31%	616 774
2017/18	39 081 302	39 594 294	39 594 294	38 654 375	97.63%	939 919
2018/19	41 072 114	41 902 743	41 902 743	40 869 132	97.53%	1 033 611
2019/20	44 028 547	44 696 257	44 470 636	42 864 262	96.39%	1 606 374
2020/21	46 513 494	45 117 774	45 117 774	43 951 334	97.41%	1 166 440
2021/22	46 240 425	48 788 244	48 788 244	47 219 569	96.78%	1 568 675
Total	317 276 916	321 702 373	323 859 310	315 532 659	97.43%	8 326 650

The total accumulated provincial main appropriations for the past eight years amounted to R317.277 billion with cumulated underspending of R8.327 billion for the same period. A relative increase in underspending is noted in the last four financial years (2018/19, 2019/20, 2020/21 and 2021/22).

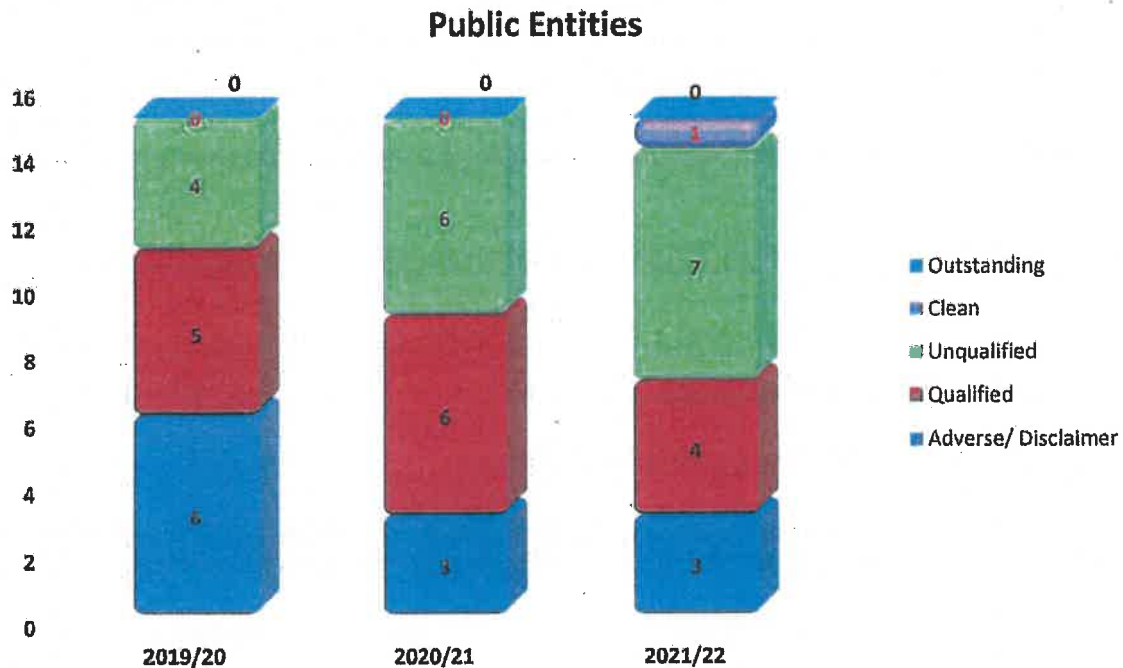
The impact of perpetual underspending on service delivery cannot be overemphasized. Poor spending performance denies the communities the right to receive the planned government services. Furthermore, the underspending of the allocated budget delays eradication of backlogs whilst compounding the cost of service delivery.

Public entities

The critical areas that caused negative audit outcome in the Public Entities are the following:

- Capacity challenges to improve the internal control
- Lack of governance structure such as – Risk, Internal audit, Appointed Board management
- Lack of proper accounting systems
- Irregular expenditure
- Non-compliance with laws and regulation,
- Poor contract management

Graph 3



During the 2019/20 financial year, the actual revenue collected by all provincial entities amounted to R1.757 billion or 84 per cent from the adjusted appropriation of R2.098 billion. As at 31 March 2020, the total actual expenditure for public entities amounted to R1.7 billion or 81 per cent from the adjusted budget of R2.127 billion, under spent by R212 million.

In 2020/21 financial year, the actual revenue collected by all provincial entities amounted to R1.404 billion or 72 per cent from the adjusted appropriation of R1.942 billion, inclusive of R537 million transferred to Public entities from provincial government. As at 31 March 2021, the total actual expenditure for public entities amounted to R1.433 billion or 77 per cent from the adjusted budget of R1.854 billion, resulting in an underspending of R447 million.

In 2021/22 financial year, the actual revenue collected by all provincial entities amounted to R1.504 billion or 83.2 per cent from the adjusted appropriation of R1.807 billion inclusive of R589.1million transferred to Public Entities from provincial government. As at 31 March 2022 the total actual expenditure for public entities amounted to R1.415 billion or 83.4 per cent from the adjusted budget of R1.697 billion, resulting in an underspending of R282 million.

Support programmes for departments and public entities

- Conduct quarterly accounting updates on Modified Cash Standard (MCS) for Departments and GRAP updates for Public Entities;
- Improve asset management by intensifying training on Asset management for Departments and Public Entities implementing the immovable asset guide in both Departments and Public Entities;
- All CFO's will continue to submit completed audit action plans to Office of the Provincial Accountant General and Provincial Internal Audit for review of the adequacy thereof;

- Regular meetings with Chief Financial Officers to check progress per Department and Public Entity with respect to the Audit Action Plan;
- Offer support to Departments and Public Entities to improve the quality of reporting on Performance Information with emphasis on accuracy, reliability and usefulness of the information reported in the Portfolio of Evidence.
- Integrated support plan for all transversal functions to be monitored from the office of the accountant general;
- Enforce compliance responses by escalating unresolved matters to Accounting Officers and Executive Authorities;

Support programmes for municipalities

- Roll out of contract management at municipalities
- Conduct an AAP Workshop aimed at providing guidance to municipalities on the preparation of the Audit Action Plan (AAP) in line with section 131 of the MFMA.
- Review the credibility and provide technical guidance on the Audit Action Plan prepared by the municipalities.
- Monitor the implementation of the Action Plans through Web-enabled system.
- Provide technical guidance on the preparation and submission of the interim and annual financial statements.
- Provide support to municipalities to compile, implement and monitor Asset management plan.
- Training municipal employees in the following areas:
 - GRAP 2: Cashflow
 - Asset Management
 - Revenue Management
 - SCM Regulations
 - New GRAP standards
- Monitor and support the implementation of mSCOA reforms. Support municipalities to improve the credibility of financial data

Opportunities and Threat Analysis

Opportunities	Threats
<ul style="list-style-type: none"> • Support from National Treasury • Strategic partnerships (ie. StatsSA, Reserve Bank, FFC (Financial and Fiscal Commission) etc). • The implementation of the District Model for MFMA may focus assistance more specifically and to the benefit of municipalities • MOU between PT and COGTA to enhance oversight over municipalities • Implementation of Budget reforms • Cascade the financial disclosure framework to other officials in the Department 	<ul style="list-style-type: none"> • Unwillingness of departments, municipalities, entities to take part in interventions and ensure the success thereof • Governance instabilities within municipalities and Public Entities • Lack of consequence management in the municipalities and Public Entities • Inadequate capacity (minimum competency requirements) in municipalities and Public Entities • Late approval of allocations impacting on quality and timeous consolidation of budget • Sub-standard submissions from departments • Unreliable servers/network • Continued inefficiencies, waste, corruption and mismanagement directly weaken service delivery • Loss of key personnel due to the pandemic • Delayed service delivery due to some official not having mobile tools of trade, e.g. laptops and cellphones; • Loss of key personnel through poaching and normal attrition.

Stakeholder Engagement

The following are Provincial Treasury's common or usual Stakeholders whenever the departmental formulates annual performance plan and strategic plan:-

Department of Cooperative Governance, Human Settlement and Traditional Affairs (COGTA)
 South African Local Government Association (SALGA)
 North West University (NWU)
 National Treasury (NT)
 Office of the Premier (OTP)
 Department of Public Works and Roads (DPWR)
 Department of Arts, Culture, Sports and Recreation (DACSR)
 Department of Economic Development, Environment and Tourism (DEDET)
 Banking Institutions,
 Financial and Fiscal Commission,
 Human Sciences Research Council (HSRC),
 South African Revenue Services (SARS),
 Department of Planning, Monitoring and Evaluation (DPME),
 Provincial Legislature, *inter alia*.

The following table shows the linkage between SONA, SOPA, Lekgotla and Provincial Treasury's action plans:

No	2023 SONA Pronouncements	2023 SOPA Pronouncements	Departmental Action Plans
1.	We have set a target for 2023 of 20,000 TVET to be placed in employment (pg. 13)	-	Provision of work experience/ opportunities for unemployed graduates and learners
2.	Since announcing our determination to direct at least 40 per of public procurement to women-owned businesses, we have sought to establish an enabling environment to support women entrepreneurs (pg. 17)	-	The pronouncement is linked to the departmental output indicator on "Number of reports on procurement spend to Women-owned businesses produced" under Financial Management
3.	Government is implementing a number of interventions to address failures at local government level and improve basic service delivery (pg. 19)	-	The pronouncement is linked to the departmental output indicator on "Number of municipal capacity building interventions conducted" under Municipal Financial Management
4.	-	The Executive Council instructed Provincial Treasury to work with the Department of Community Safety and Transport to finalize the process for the new scholar transport tender (pg. 19)	The finalization of the tender will be expedited
5.	-	The Provincial government will conduct pre-bid award audits for bids above R10 million (pg. 22)	The Provincial Internal Audit (PIA) will continue with the pre-audit of bids in excess of R10 million before the award as part of the provincial government efforts to prevent irregular expenditure
6.	-	Treasury will continue to report quarterly on departments compliance to 30 days payment (pg. 22)	The pronouncement is linked to the departmental output indicator on % of valid invoices paid within 30 days" under Financial Management
2023 Lekgotla Resolutions			
7.	Appointment of independent Audit committee members to oversee municipalities	-	Departmental Action Plans Appointment of independent Audit committee members
8.	Procurement spending must be targeted towards designated groups.	-	Procurement spend on designated groups
9.	All SMS and officials in SCM should be vetted and subjected to lifestyle audit including all public representatives	-	Vetting of all SMS and officials in SCM
10.	Allocate budget for enterprise development focusing on women and youth	-	Procurement spend on designated groups
11.	Contractor Development for SMMEs	-	Provision of capacity building on supply chain management matters
12.	Intensify and avail internships and learnerships for young people.	-	Implementation of Internship and Learnership programme
13.	Provide accredited skills development programme to contribute towards employability and self-sustenance of young people profiled in deprived wards.	-	Implementation of Internship and Learnership programme
14.	Provision of funding support to Women led cooperatives	-	Procurement spend on designated groups
15.	Focus on job creation Programs that target women for empowerment.	-	Procurement spend on designated groups
16.	Intensify Men's Forum campaigns	-	Convene men's forum
17.	Strengthen the raising of the boy-child campaign	-	Conduct boy and girl child campaign

CONTINUOUS SUPPORT PROGRAMMES TO BE IMPLEMENTED IN THE 2023/24 FINANCIAL YEAR

SUPPORT TO MUNICIPALITIES

The following projects will be implemented to support municipalities:

- Municipal Standard Chart of Accounting (MSCOA),
- Funded Budgets,
- Contract Management,
- Improved Audit Outcome, Training/ Workshops.

THE CLEAN AUDIT INITIATIVE

- In supporting our efforts for clean government, we have launched the “Clean Audit” initiative coordinated by Provincial Treasury to improve audit outcomes.
- The clean audit strategy has identified six departments and one public entity (Arts, Culture, Sports and Recreation; Economic Development, Environment, Conservation and Tourism; Social Development; North West Provincial Legislature; Cooperative Governance and Traditional Affairs and (Donkervliet public entity) including sustenance of a clean audit for Provincial Treasury) which we believe have the most potential to achieve clean audits in the next auditing cycle.
- PAAP monitoring.
- Capacity building interventions

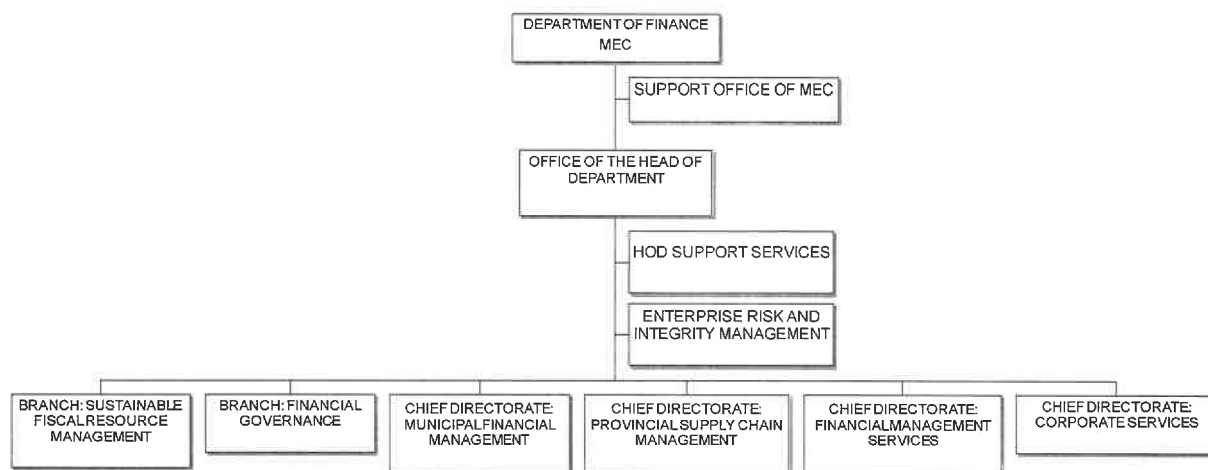
IRREGULAR EXPENDITURE

Assessing chances of incurring irregular expenditure by departments

Facilitate the roll out of the new National Treasury Instruction Note on irregular expenditure in Departments and Public Entities;

4.2 Internal Environment Analysis

(a) Macro organogram



(b) Organizational Environment

The Provincial Treasury operates under 4 programmes as stated in the National Treasury Budget and Programme Structure as follows: -

- Programme 1: Administration
- Programme 2: Sustainable Resource Management
- Programme 3: Assets and Liabilities
- Programme 4: Financial Governance

The implementation of the organisational structure which was approved in June 2018 commenced with effect from the 1st August 2018. Subsequent to that, the Inter-Ministerial Task Team (IMTT) through implementation of Section 100 of the constitution in the North West Province, recommended the strengthening of capacity within Municipalities and Provincial Supply Chain Management.

The above triggered the review of the structure for both Chief Directorate: Municipal Financial Management and Chief Directorate: Provincial Supply Chain Management (PSCM). The organizational structure approved in June 2018, made provision for only two districts whereby one district comprised of two districts (i.e. Ngaka Modiri Molema & Dr Ruth Segomotsi Mompati and Bojanala & Dr Kenneth Kaunda) at the Chief Directorate: MFM and IMTT recommended the creation of four stand-alone districts to enhance service delivery at the municipalities.

The Chief Directorate: PSCM Structure did not cater for Supply Chain Management Information Communication Technology (ICT) systems, the functions were performed on ad-hoc basis therefore the newly created sub-directorate: Information and Communication Technology will ensure compliance with new reforms developed by National Treasury.

The aforementioned confirms that the changes affected only these two chief Directorates and not the whole organisational structure. The organisational structure which incorporates the changes as recommended by IMTT was approved on the 23 November 2019 by the MEC and the Department is currently in the implementation process. The new structure makes provision for 651 Posts.

(c) The status of the institution regarding compliance with the BBBEE Act

The following table has been completed in accordance with the compliance to the BBBEE requirements of the BBBEE Act of 2013 and as determined by the Department of Trade and Industry.

Has the Department / Public Entity applied any relevant Code of Good Practice (B-BBEE Certificate Levels 1 – 8) with regards to the following:		
Criteria	Response Yes / No	Discussion <i>(include a discussion on your response and indicate what measures have been taken to comply)</i>
Determining qualification criteria for the issuing of licences, concessions or other authorisations in respect of economic activity in terms of any law?	N/A	This criteria does not apply to Provincial Treasury as our mandate is to provide leadership in the management of public resources for efficient, effective and economic service delivery through well-coordinated support to Provincial Departments, Public Entities and Municipalities.
Developing and implementing a preferential procurement policy?	Yes	The Department has an approved commodity sourcing strategy and also utilizes the Preferential Procurement Regulations 2017.
Determining qualification criteria for the sale of state-owned enterprises?	N/A	This criteria does not apply to Provincial Treasury as our mandate is to provide leadership in the management of public resources for efficient, effective and economic service delivery through well-coordinated support to Provincial Departments, Public Entities and Municipalities.
Developing criteria for entering into partnerships with the private sector?	N/A	The Department does not have any current partnerships with the private sector.
Determining criteria for the awarding of incentives, grants and investment schemes in support of Broad Based Black Economic Empowerment?	N/A	This criteria does not apply to Provincial Treasury as our mandate is to provide leadership in the management of public resources for efficient, effective and economic service delivery through well-coordinated support to Provincial Departments, Public Entities and Municipalities.

(d) The status of the institution regarding women, youth and people with disabilities

Department equity and the mainstreaming of gender, youth and disability consideration across all sector policies, programmes services and human resource practices is being integrated into performance agreements of Head of Department. The Departmental commitment towards social and transformation issues is attended to by the specialized unit dedicating efforts to gender, youth and people with disabilities by ensuring compliance with legislative prescripts through policy development, training, awareness raising and monitoring and evaluation.

Senior management (SMS) remain at 44% females and 56% males. Middle management (level 10 – 12) women represent 50.0%.

Employment of youth is at 29% i.e. 167 in the staff compliment of 564 including those on internship and learnership and people with disabilities dropped to 2.2% i.e. 12 persons with disabilities in the staff complement of 564 as at end February 2023.

•Appointment of female SMS, youth and people with disabilities remains a priority and will be targeted in the next round of recruitment of posts.

(e) Internal challenges and remedial actions

Identified challenges	Remedial Actions
Increased security breaches	<ul style="list-style-type: none"> Intensified security measures: Biometric and physical security Cleaning of offices in presence of office occupants
Capacity within MFM (Specialized Skills)	<ul style="list-style-type: none"> Implementation of the new approved structure
Inadequate/Congested office Space	<ul style="list-style-type: none"> Implement work-from-home arrangements Implement flexi-working hours Staff rotation DPWR to find alternative office accommodation as a matter of urgency
Non-compliance with asset management policies and procedures	<ul style="list-style-type: none"> Asset management circulars and presentations Internal workshops with limited capacity
Inadequate network infrastructure	<ul style="list-style-type: none"> Improvement of the network infrastructure

(e) Capacity in terms of audit and financial management

The North West provincial Government has adopted Provincial Internal Audit as a shared service/model which is allocated at different departments/ cluster with exception of North West Provincial Legislature and Department of Education.

Provincial Treasury has got requisite skills within its workforce to support departments, public entities and municipalities.

Strengths and Weaknesses analysis

Strengths	Weaknesses
<ul style="list-style-type: none"> Professional skilled staff Good corporate image and culture Experienced staff and well established work processes Approved departmental organizational structure to strengthen the capacity Staff compliment with requisite skills and experience in the field of work Working relations with external and internal clients 	<ul style="list-style-type: none"> IT systems instability resulting in ISS, Walker and internet downtime Limited office space resulting in overcrowding Unconducive working environment Non-implementation of MOU between PT and COGTA to enhance oversight over municipalities

Departmental Expenditure Estimates

Summary of payments and estimates: Provincial Treasury

Table 7.3 : Summary of payments and estimates by programme: Provincial Treasury

R thousand	Outcome			Main appropriation	Adjusted appropriation 2022/23	Revised estimate	Medium-term estimates		
	2019/20	2020/21	2021/22				2023/24	2024/25	2025/26
1. Administration	149 341	128 886	153 158	148 975	158 125	158 125	174 700	178 545	186 750
2. Sustainable Resource Management	141 044	108 342	130 919	133 247	128 437	128 437	136 887	140 352	146 828
3. Asset And Liabilities Management	47 139	40 778	42 580	57 913	50 613	50 613	64 621	67 292	70 328
4. Financial Governance	155 643	131 521	155 692	191 619	150 921	150 921	189 700	199 402	208 564
Total payments and estimates	493 167	409 527	491 349	531 754	488 096	488 096	565 908	585 591	612 470

Table 7.4 : Summary of departmental payments and estimates by economic classification: Provincial Treasury

R thousand	Outcome			Main appropriation	Adjusted appropriation 2022/23	Revised estimate	Medium-term estimates		
	2019/20	2020/21	2021/22				2023/24	2024/25	2025/26
Current payments	488 458	402 629	449 900	523 655	477 243	477 243	554 233	575 532	601 944
Compensation of employees	311 711	304 531	317 748	340 274	317 232	317 232	364 543	386 332	404 010
Goods and services	176 747	97 967	132 152	183 381	160 011	160 011	189 690	189 200	187 534
Interest and rent on land	-	131	-	-	-	-	-	-	-
Transfers and subsidies to:	1 420	1 918	2 803	769	2 273	2 273	802	838	877
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Non-profit institutions	170	10	30	-	-	-	-	-	-
Households	1 250	1 908	2 773	769	2 273	2 273	802	838	877
Payments for capital assets	3 277	4 980	7 353	7 330	8 580	8 580	10 873	9 221	9 649
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	3 277	4 980	7 353	7 330	8 580	8 580	10 873	9 221	9 649
Heritage Assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	12	-	31 293	-	-	-	-	-	-
Total economic classification	493 167	409 527	491 349	531 754	488 096	488 096	565 908	585 591	612 470

The departmental spending over the past financial years was R493.2 million in 2019/20, R409.5 million in 2020/21 and R491.3 in 2021/22. The Departmental baseline was decreased by R3 million in 2022/23 and will be increased by R77.8 million in 2023/24, R19.8 million in 2024/25 and R26.9 million in the final year. Inclusive in the baseline is the departmental bursary to officials, learnership programme, legal fees, fleet services, security services, procurement of air conditioners, external audit fees, property payments and training and development.

Also included are funds for Municipal Financial Management Support Programme and Municipal Interventions, PFMA Interventions, advertising, traveling and subsistence for outreach programmes to speed up registration process of suppliers on the CSD system, training and development for the provincial officials, maintenance of Provincial Asset Management System (BAUD), Provincial Telephone Account, audit committee fees, and building leases.

Part C: Measuring Our Performance

4. Institutional Programme Performance Information

Programme 1: Administration

Purpose: This programme provides human resource support, strategic management, communication and departmental financial management services.

This programme consists of the following sub-programmes:

- Office of the MEC
- Management Services (HOD)
- Enterprise Risk and Integrity Management
- Corporate Services
- Financial Management (Office of the CFO)

Sub-Programme: Office of the MEC

Outcome, Outputs, Output Indicators and Targets: Office of the MEC

			Annual Targets						
Outcome	Outputs	Output Indicators	Audited/Actual performance			Estimated performance 2022/23	MTEF Period		
			2019/20	2020/21	2021/22		2023/24	2024/25	2025/26
Skilled, capable and ethical workforce	Annual reports produced	Number of Annual Reports submitted to the North West Provincial Legislature for tabling	1	1	1	1	1	1	1

Indicators, Annual and Quarterly Targets: Office of the MEC

Output Indicators	Annual Target 2023/24	Q1	Q2	Q3	Q4
Number of Annual Reports submitted to the North West Provincial Legislature for tabling	1	N/A	1	N/A	N/A

Outcome, Outputs, Output Indicators and Targets: Sub-Programme: Risk Management

			Annual Targets						
Outcome	Outputs	Output Indicators	Audited/Actual performance			Estimated performance 2022/23	MTEF Period		
			2019/20	2020/21	2021/22		2023/24	2024/25	2025/26
Skilled, capable and ethical workforce	Financial Disclosure compliance reports produced	% submission of disclosures of financial interest for SMS	New	100%	100%	100%	100%	100%	100%
		% of compliance to Financial Disclosure on designated groups	New	100%	100%	N/A	100%	100%	100%
	Strategic Risk Assessment	Number of Strategic Risk Assessment Performed	N/A	N/A	N/A	N/A	1	1	1
	Management of disaster	Formulation of Departmental disaster management plan	New	New	New	New	1	1	1

Indicators, Annual and Quarterly Targets: Risk Management

Output Indicators	Annual Target 2023/24	Q1	Q2	Q3	Q4
% submission of disclosures of financial interest for SMS	100%	100%	N/A	N/A	N/A
% of compliance to Financial Disclosure on designated groups	100%	N/A	100%	N/A	N/A
Number of Strategic Risk Assessment Performed	1	N/A	N/A	N/A	1
Formulation of Departmental disaster management plan	1	N/A	N/A	N/A	1

6.1 Explanation of planned performance over the medium-term period

The above mentioned output and output indicator contribute to MTSF Priority 1: A Capable, Ethical and Developmental State. The department has enough enablers to achieve the set five-year targets. Financial Disclosure – the importance of this output/indicator is to monitor compliance and to ensure that employees are not involved in an unethical conduct. Identification of both strategic and operational risk of the department enables management and staff to mitigate the impact of such risks in the event they take place. If risk controls are not managed they have a potential of adversely affecting realization of achievement of set outcomes and output indicators.

Sub-Programme: Corporate Services

Outcome, Outputs, Output Indicators and Targets: Corporate Services

			Annual Targets						
Outcome	Outputs	Output Indicators	Audited/Actual performance			Estimated performance 2022/23	MTEF Period		
			2019/20	2020/21	2021/22		2023/24	2024/25	2025/26
Skilled, capable and ethical workforce	Training to departmental officials conducted	Number of officials trained in line with Work Skills Plan	New	75	174	70	100	120	150

Indicators, Annual and Quarterly Targets: Corporate Services

Output Indicators	Annual Target 2023/24	Q1	Q2	Q3	Q4
Number of officials trained in line with Work Skills Plan	100	15	40	30	15

Explanation of planned performance over the medium-term period

The above mentioned output and output indicator contribute to MTSF Priority 1: A Capable, Ethical and Developmental State. The department has enough enablers to achieve the set five-year targets. The agreed upon outcomes will contribute to the achievement of the departmental set impact. Work Skills Plan: the importance of the output and output indicator contributes to the departmental outcome by way of capacitating and upskilling employees in order to carry out their duties in a diligent manner.

Sub-Programme: Financial Management (CFO)

Outcome, Outputs, Output Indicators and Targets: Financial Management (CFO)

			Annual Targets						
Outcome	Outputs	Output Indicators	Audited/Actual performance			Estimated performance 2022/23	MTEF Period		
			2019/20	2020/21	2021/22		2023/24	2024/25	2025/26
Skilled, capable and ethical workforce	Annual financial statements produced	Number of Annual financial statements without material misstatements	1	1	1	1	1	1	1
	Suppliers paid within 30 days after receipt of valid invoices	% of valid invoices paid within 30 days	12 reports	100%	100%	100%	100%	100%	100%
	Procurement spend on women, youth and persons with disabilities	Number of reports on procurement spend to Women-owned businesses produced	New	New	New	4	4	4	4
		Number of reports on procurement spend to youth owned businesses produced	New	New	New	4	4	4	4
		Number of reports on procurement spend to persons	New	New	New	4	4	4	4

			Annual Targets						
Outcome	Outputs	Output Indicators	Audited/Actual performance			Estimated performance 2022/23	MTEF Period		
			2019/20	2020/21	2021/22		2023/24	2024/25	2025/26
		with disabilities owned businesses produced							

Indicators, Annual and Quarterly Targets: Financial Management (CFO)

Output Indicators	Annual Target 2023/24	Q1	Q2	Q3	Q4
Number of Annual financial statements without material misstatements	1	N/A	1	N/A	N/A
% of valid invoices paid within 30 days	100%	100%	100%	100%	100%
Number of reports on procurement spend to Women-owned businesses produced	4	1	1	1	1
Number of reports on procurement spend to youth owned businesses produced	4	1	1	1	1
Number of reports on procurement spend to persons with disabilities owned businesses produced	4	1	1	1	1

Explanation of planned performance over the medium-term period

The contribution of departmental outputs to achieving the intended outcome (**Skilled, capable and ethical workforce**) and impact statement (**Sound financial management in Provincial Administration for quality service delivery**) in the Strategic Plan and the institution's mandate. The outcome contributes towards clean administration and to the Department's plans to enhance the audit outcomes of the Province. The key enablers are competent human resources and continuous training and development on the financial statement standards and compliance with laws and regulations. Training of employees will contribute to achieving skilled, capable and ethical workforce. The department has enough enablers to achieve the set five-year targets. Annual financial statements without material misstatements contributes towards unqualified audit opinion.

7. Programme Resource Consideration

Summary of payments and estimates

Programme 1 - Administration

Table 7.5 : Summary of payments and estimates by sub-programme: Programme 1: Administration

R thousand	Outcome			Main appropriation	Adjusted appropriation 2022/23	Revised estimate	Medium-term estimates		
	2019/20	2020/21	2021/22				2023/24	2024/25	2025/26
1. Office Of The Mec	9 025	7 945	8 292	10 880	11 330	11 330	11 701	11 547	12 068
2. Management Services	8 303	8 056	20 796	9 119	10 030	10 030	11 926	11 981	12 332
3. Corporate Services	80 081	68 084	77 446	74 213	82 323	82 323	88 976	90 664	94 837
4. Financial Management (Office Of The Cfb)	51 932	44 801	46 624	54 763	54 433	54 433	62 097	64 353	67 313
Total payments and estimates	149 341	128 886	153 158	148 975	158 125	158 125	174 700	178 545	186 750

Table 7.6 : Summary of payments and estimates by economic classification: Programme 1: Administration

R thousand	Outcome			Main appropriation	Adjusted appropriation 2022/23	Revised estimate	Medium-term estimates		
	2019/20	2020/21	2021/22				2023/24	2024/25	2025/26
Current payments	147 636	124 748	137 393	146 788	155 287	155 287	168 393	174 132	182 135
Compensation of employees	105 222	102 097	109 974	102 836	105 085	105 085	114 878	120 787	126 334
Goods and services	42 414	22 520	27 419	44 752	50 202	50 202	53 515	53 345	55 801
Interest and rent on land	-	131	-	-	-	-	-	-	-
Transfers and subsidies to:	697	1 185	608	215	516	516	224	224	245
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Non-profit institutions	128	10	30	-	-	-	-	-	-
Households	577	1 175	578	215	516	516	224	224	245
Payments for capital assets	1 008	2 953	2 937	1 972	2 322	2 322	6 083	4 179	4 370
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	1 008	2 953	2 937	1 972	2 322	2 322	6 083	4 179	4 370
Heritage Assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	-	-	12 220	-	-	-	-	-	-
Total economic classification	149 341	128 886	153 158	148 975	158 125	158 125	174 700	178 545	186 750

The budget for the programme increased from R128.9 million in 2020/21 to R153.2 million in 2021/2022 for the implementation of a new Forensic and Investigation Unit and Lifestyle Audit and by R5 million in 2022/23. The increase of R26.6 million throughout the MTEF period includes the departmental bursary to officials, legal fees, fleet services, Risk Management awareness workshops and forums, recruitment, budget speech, external audit fees, property payments and training and development.

8.1 Updated Key Risks

Outcome	Key Risk	Risk Mitigation
Skilled, capable and ethical workforce	Poorly managed conflict of interests.	<ol style="list-style-type: none"> 1. Identification of conflict of interest through Financial Disclosures for designated groups 2. Verification and management of disclosures submitted 3. Consequence management on incorrect or incomplete disclosures 4. Declaration of interest across various decision-making structures (e.g. bid committees, recruitment panels etc.)
	Unethical procurement practises.	<ol style="list-style-type: none"> 1. Implementation of policy of conducting business with an organ of state. 2. Annual fraud risk assessment on the procurement system 3. Independent review of SCM system by external and internal assurance providers and implementation of post audit action plans. 4. Periodic communication of audit findings by the AGSA on employees conducting business with an organ of state (6, 9, 12 months intervals).
	Non-dedication of employees on training interventions	Non-attendance will result into funds recovered from liable employees
	Non - compliance to stipulated timeframes for dealing with misconduct/disciplinary cases	Training of managers and other officials on the management of grievances and disciplinary cases
	Delayed decision making regarding implementation of outcomes of recommendations for disciplinary actions and or implementation of the outcomes of the disciplinary process	
	Failure by management/supervisors to acknowledge labour relations activities as their responsibilities	
Leakage of information	Consequence management	

Programme 2: Sustainable Resource Management

Purpose: The programme's aim is to provide professional advice and support on provincial economic analysis, fiscal policy and the management of annual budget process. Implementation of the provincial budgets as well as monitoring and control the North West provincial expenditures (inclusive of support to municipalities)

The Programme consists of the following sub-programmes:

- Programme support
- Economic Analysis
- Fiscal Policy
- Budget Management
- Public Finance
- Infrastructure Coordination
- Municipal Finance Management (MFM)

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

Outcome, Outputs, Output Indicators and Targets: Budget Management, Public Finance Management and Infrastructure Coordination

			Annual Targets						
Outcome	Outputs	Output Indicators	Audited/Actual performance			Estimated performance 2022/23	MTEF Period		
			2019/20	2020/21	2021/22		2023/24	2024/25	2025/26
Improved integrated planning, budgeting and monitoring.	Appropriation Bill Tabled	Estimates of Provincial Revenue and Expenditure (EPRE)	1	1	1	1	1	1	1
	Financial performance of provincial departments and public entities monitored	Quarterly Financial assessments on provincial spending	4	3	4	4	4	4	4

Indicators, Annual and Quarterly Targets: Budget Management, Public Finance Management and Infrastructure Coordination

Output Indicators	Annual Target 2023/24	Q1	Q2	Q3	Q4
Estimates of Provincial Revenue and Expenditure (EPRE)	1	N/A	N/A	N/A	1
Quarterly Financial assessments on provincial spending	4	1	1	1	1

6.2 Explanation of planned performance over the medium-term period

The contribution of departmental outputs to achieving the intended outcome (*Improved integrated planning, budgeting and monitoring*) and impact statement (*Sound financial management in Provincial Administration for quality service delivery*) in the Strategic Plan and the institution's mandate. The rationale for the choice of the output is about improved budget planning and monitoring in the province. The department has enough enablers to achieve the set five-year targets. Provincial Department and Public Entities are expected to spend budget allocated to them efficiently.

Sub-Programme: Economic Analysis and Fiscal Policy

Outcome, Outputs, Output Indicators and Targets: Economic Analysis and Fiscal Policy

			Annual Targets						
Outcome	Outputs	Output Indicators	Audited/Actual performance			Estimated performance 2022/23	MTEF Period		
			2019/20	2020/21	2021/22		2023/24	2024/25	2025/26
Improved integrated planning, budgeting and monitoring.	Provincial own revenue target met	Provincial own revenue collected	4	1.1 billion	R1.3 billion	R1.1 billion	R1.2 billion	R1.2 billion	R1.2 billion

Indicators, Annual and Quarterly Targets: Economic Analysis and Fiscal Policy

Output Indicators	Annual Target 2023/24	Q1	Q2	Q3	Q4
Provincial own revenue collected	R1.2 billion	N/A	N/A	N/A	R1.2 billion

Explanation of planned performance over the medium-term period

The contribution of departmental outputs to achieving the intended outcome (*Improved integrated planning, budgeting and monitoring*) and impact statement (*Sound financial management in Provincial Administration for quality service delivery*) in the Strategic Plan and the institution's mandate. The rationale for the choice of the output is about improved budget planning and monitoring. The department has enough enablers to achieve the set five-year targets. In an endeavor to augment the national equitable share to the province, department and public entities must collect enough own revenue in line with estimated target.

Sub-Programme: Municipal Financial Management

Outcome, Outputs, Output Indicators and Targets: Municipal Financial Management

			Annual Targets						
Outcome	Outputs	Output Indicators	Audited/Actual performance			Estimated performance 2022/23	MTEF Period		
			2019/20	2020/21	2021/22		2023/24	2024/25	2025/26
Improved financial management in Departments, Public Entities and Municipalities	Municipal budget assessed	Number of budget assessments conducted on adopted municipal budgets	New	20	20	20	20	20	20
	Roll out of Budget and Treasury programme on MFMA Reforms	Number of municipal capacity building interventions conducted	New	3	4	4	4	4	4
	Municipal financial management environment assessed	Number of assessment conducted on status of municipal internal control environment	New	New	New	7	7	7	7
	Support provided on financial management at municipalities	Number of reports on technical support provided to municipalities in-line with Section 154 of the Constitution	New	New	New	4	4	4	4

			Annual Targets						
Outcome	Outputs	Output Indicators	Audited/Actual performance			Estimated performance 2022/23	MTEF Period		
			2019/20	2020/21	2021/22		2023/24	2024/25	2025/26
		Number of assessment reports done on municipalities in financial crisis	New	New	New	8	4	N/A	N/A

Indicators, Annual and Quarterly Targets: Municipal Financial Management

Output Indicators	Annual Target 2023/24	Q1	Q2	Q3	Q4
Number of budget assessments conducted on adopted municipal budgets	20	N/A	20	N/A	N/A
Number of municipal capacity building interventions conducted	4	1	1	1	1
Number of assessment conducted on status of municipal internal control environment	7	3	4	N/A	N/A
Number of reports on technical support provided to municipalities in-line with Section 154 of the Constitution	4	1	1	1	1
Number of assessment reports done on municipalities in financial crisis	4	1	1	1	1

Explanation of planned performance over the medium-term period

The contribution of departmental outputs to achieving the intended outcome (***Improved financial management in Departments, Public Entities and Municipalities***) and impact statement (***Sound financial management in Provincial Administration for quality service delivery***) in the Strategic Plan and the institution's mandate. The above mentioned outputs contribute to MTSF Priority 1: A Capable, Ethical and Developmental State. The department has enough enablers to achieve the set five-year targets. The situation in municipalities is dire, therefore, integrated and intensified interventions are needed in order to improve financial management and service delivery.

The following will be rolled out:

- Contract Management
- mSCOA GRAP Aligned Financial Management and Reporting
- Resolution of Financial Problems at Municipalities (MFRS)
- BTO Capacity - Support
- Capacity Building initiatives

7.2 Programme Resource Consideration

Summary of payments and estimates

Programme 2 - Sustainable Resource Management

Table 7.8 : Summary of payments and estimates by sub-programme: Programme 2: Sustainable Resource Management

R thousand	Outcome			Main appropriation	Adjusted appropriation 2022/23	Revised estimate	Medium-term estimates		
	2019/20	2020/21	2021/22				2023/24	2024/25	2025/26
1. Programme Support	325	1 179	44	2 988	-	-	3 037	3 175	3 321
2. Economic Analysis	6 373	5 738	6 105	8 426	6 576	6 576	8 048	8 424	8 802
3. Fiscal Policy	8 285	7 930	8 057	8 766	8 916	8 916	8 830	9 226	9 650
4. Budget Management	22 133	19 686	21 816	25 464	22 534	22 534	23 902	25 058	26 210
5. Public Finance	18 173	17 917	17 762	23 239	17 182	17 182	26 395	27 911	29 495
6. Municipal Finance	85 755	55 892	65 134	64 364	73 229	73 229	66 683	66 658	69 660
Total payments and estimates	141 044	108 342	139 919	133 247	128 437	128 437	136 887	140 352	146 828

Table 7.9 : Summary of payments and estimates by economic classification: Programme 2: Sustainable Resource Management

R thousand	Outcome			Main appropriation	Adjusted appropriation 2022/23	Revised estimate	Medium-term estimates		
	2019/20	2020/21	2021/22				2023/24	2024/25	2025/26
Current payments	139 839	107 261	138 307	131 711	125 624	125 624	135 289	138 673	145 070
Compensation of employees	68 949	68 325	74 256	88 206	79 229	79 229	92 312	95 781	101 222
Goods and services	70 880	38 936	64 011	43 505	46 395	46 395	42 968	41 892	43 848
Interest and rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies to:	289	48	256	-	677	677	-	-	-
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Non-profit institutions	50	-	-	-	-	-	-	-	-
Households	239	48	256	-	677	677	-	-	-
Payments for capital assets	916	1 033	1 316	1 536	2 136	2 136	1 607	1 679	1 758
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	916	1 033	1 316	1 536	2 136	2 136	1 607	1 679	1 758
Heritage Assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	-	-	-	-	-	-	-	-	-
Total economic classification	141 044	108 342	139 919	133 247	128 437	128 437	136 887	140 352	146 828

The projection for the programme shows a decline of R32.7 million in 2020/21. An increase by R31.6 million is realized in 2021/22 due to a once-off allocation of R15 million during 2021/22 Adjustment Budget and then decreases by R11.5 million in 2022/23 financial year due to non-appointment of Technical Assistants for Infrastructure Development Programme Shift (IDIP). The Programme shows an increase of R8.5 million in 2023/24 and R10 million for the two outer years for printing of budget books, IDIP and MFMA Interventions.

8.2 Updated Key Risks

Outcome	Key Risk	Risk Mitigation
Improved integrated planning, budgeting, implementation and monitoring	Spending not in accordance with approved budget allocation.	<ul style="list-style-type: none"> Monitoring and evaluation of departmental budget performance towards achieving the desired outcomes Intensifying communication of non-compliance to departments and Public entities Consequence management – withholding of funds
	Non-Compliance to Legislation and policy	Enforce compliance and implement consequence management
	Possible lack of effective support by departments and municipalities	Development and implementation of effective communication strategy
Improved financial management in Departments, Public Entities and Municipalities	Ineffective systems of budget, financial management and reporting at municipalities	Implementation financial recovery plan in line with sec 139 on the MFMA
	Weak governance and institutional arrangements at municipalities.	Join implementation of municipal intervention programmes by Provincial Treasury and CoGTA
	Limited capacity to achieve planned targets and activities.	<ul style="list-style-type: none"> -Cancellation and suspension of some planned activities (recruitment, training etc.) -Virtual meetings priority for necessary engagements.
	<ul style="list-style-type: none"> -Municipal services demand from citizen has risen – level of dependency on municipal services has risen due to loss of income. -Pressure on provision of water and electricity - Default on municipal tariffs payment/ - Decline in revenue - Increase in indigent residence 	-Encourage citizens who can afford to pay for rates and taxes to do so as their income is not affected.

Programme 3: Asset and Liabilities

Purpose: This programme's aim is to provide policy direction on the following:

- Effective asset management in the province;
- Implementation and monitoring of Supply Chain Management (SCM) in the Province;
- Implementation and management of the Electronic Tendering System (ETS) in the Province.

Assets and Liabilities Management Programme consists of the following sub-programmes:

- Programme Support
- Asset management
- Provincial Supply Chain Management

Outcome, Outputs, Output Indicators and Targets: Asset Management and Provincial Supply Chain Management

Outcome	Outputs	Output Indicators	Annual Targets						
			Audited/Actual Performance			Estimated performance 2022/23	MTEF Period		
			2019/20	2020/21	2021/22		2023/24	2024/25	2025/26
Fair, equitable, transparent, competitive and cost effective supply chain management system.	SCM capacity building interventions provided	Number of supply chain management (SCM) capacity building interventions provided to Departments and Public Entities	New	2	4	4	4	4	4
	SCM interventions on audit outcomes provided	Number of Departments and Public Entities supported to improve audit outcomes on SCM	New	6	6	6	7	7	7
	Assessment of SCM compliance practices conducted on Departments and Public Entities	Number of assessments done on non-compliance by Departments and Public Entities on SCM regulation	New	3	4	4	4	4	4
	Asset management capacity building	Number of asset management capacity	5	4	4	4	4	4	4

Outcome	Outputs	Output Indicators	Annual Targets						
			Audited/Actual Performance			Estimated performance 2022/23	MTEF Period		
			2019/20	2020/21	2021/22		2023/24	2024/25	2025/26
	interventions provided	building interventions provided to departments and Public Entities							
	Asset management interventions on audit outcomes provided	Number of Departments and Public Entities supported to improve audit outcomes on asset management	New	5	6	6	7	7	7

Indicators, Annual and Quarterly Targets: Asset Management and Provincial Supply Chain Management

Output Indicators	Annual Target 2023/24	Q1	Q2	Q3	Q4
Number of supply chain management (SCM) capacity building interventions provided to Departments and Public Entities	4	1	1	1	1
Number of Departments and Public Entities supported to improve audit outcomes on SCM	7	N/A	N/A	3	4
Number of assessments done on non-compliance by Departments and Public Entities on SCM regulation	4	1	1	1	1
Number of asset management capacity building interventions provided to departments and Public Entities	4	N/A	N/A	2	2
Number of Departments and Public Entities supported to improve audit outcomes on asset management	7	N/A	N/A	3	4

6.3 Explanation of planned performance over the medium term period

The contribution of departmental outputs to achieving the intended outcome (*Fair, equitable, transparent, competitive and cost effective supply chain management system*) and impact statement (*Sound financial management in Provincial Administration for quality service delivery*) in the Strategic Plan and the institution's mandate. The above mentioned outputs contribute to MTSF Priority 1: A Capable, Ethical and Developmental State. The department has enough enablers to achieve the set five-year targets. The state of assets including asset register in departments and public entities are not in good order due to lack of capacity which will result in qualification on assets.

7.3 Programme resource considerations

Summary of payments and estimates

Programme 3 – Asset and Liabilities Management

Table 7.11 : Summary of payments and estimates by sub-programme: Programme 3: Asset And Liabilities Management

R thousand	Outcome			Main appropriation	Adjusted appropriation 2022/23	Revised estimate	Medium-term estimates		
	2019/20	2020/21	2021/22				2023/24	2024/25	2025/26
1. Programme Support	13 570	7 193	7 392	19 524	14 804	14 804	22 980	23 915	24 955
2. Asset Management	10 243	9 054	9 658	11 734	10 414	10 414	13 893	14 427	15 091
3. Support And Interlinked Financial System	23 326	24 531	25 530	26 655	25 395	25 395	27 748	28 950	30 282
Total payments and estimates	47 139	40 778	42 580	57 913	50 613	50 613	64 621	67 292	70 328

Table 7.12 : Summary of payments and estimates by economic classification: Programme 3: Asset And Liabilities Management

R thousand	Outcome			Main appropriation	Adjusted appropriation 2022/23	Revised estimate	Medium-term estimates		
	2019/20	2020/21	2021/22				2023/24	2024/25	2025/26
Current payments	46 495	39 977	41 230	56 273	48 764	48 764	62 908	65 902	68 454
Compensation of employees	34 102	34 831	36 137	35 933	34 624	34 624	38 973	44 927	46 933
Goods and services	12 393	5 146	5 093	20 340	14 140	14 140	23 935	20 975	21 521
Interest and rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies to:	84	60	147	212	121	121	221	231	242
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	84	60	147	212	121	121	221	231	242
Payments for capital assets	548	741	1 203	1 428	1 728	1 728	1 492	1 559	1 632
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	548	741	1 203	1 428	1 728	1 728	1 492	1 559	1 632
Heritage Assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	12	-	-	-	-	-	-	-	-
Total economic classification	47 139	40 778	42 580	57 913	50 613	50 613	64 621	67 292	70 328

The programme realised a decline of R6.4 million in 2020/21 due to Covid-19 pandemic and then increased by R1.8 million 2021/22 and R8 million in 2022/23 for outreach programmes conducted in communities with a view to capacitating the supplier(s) with the government procurement processes as well as training and development for the supply chain officials within Provincial Departments as embedded within the departmental procurement strategies. The allocation grows to R64.6 million in 2023/24 and R137.6 million in the two outer years cumulatively.

8.3 Updated Key Risks

Outcome	Key Risk	Risk Mitigation
Fair, equitable, transparent, competitive and cost effective Supply Chain Management System.	Non-compliance by stakeholders on implementation of sourcing strategy	Implementation of consequence management measures
	Poor implementation of Contract Management by Stakeholder	Implementation of consequence management measures
	Material misstatements in the asset notes in the financial statements	<ul style="list-style-type: none"> • Review of submitted monthly reconciliations (AR, GL, TB) • Review of submitted asset notes for interim and annual financial statements • Conduct training on the preparation of asset notes in the financial statements
	Limited capacity to achieve planned targets and activities.	<ul style="list-style-type: none"> • Cancellation and suspension of some planned activities (recruitment, training etc.)

Programme 4: Financial Governance

Purpose: The aim of this programme is to facilitate the implementation of financial management in Provincial Departments and Public Entities to ensure improved audit outcomes and manage the transition from modified cash to GRAP accounting in line with PFMA. It operates under 5 sub-programmes.

The Programme consists of the following sub-programmes:

- Programme support - Accountant General
- Accounting Services
- Financial Systems
- Provincial Risk Management
- Provincial Internal Audit

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

Outcome, Outputs, Output Indicators and Targets: Support – Accountant General, Provincial Accounting Services, Financial Systems and Provincial Risk Management

Outcome	Outputs	Output Indicators	Annual Targets						
			Audited/ Actual Performance			Estimated performance 2022/23	MTEF Period		
			2019/20	2020/21	2021/22		2023/24	2024/25	2025/26
Improved financial management in Departments, Public Entities and Municipalities	Support programmes provided to Departments and Entities	Number of capacity Building Interventions for Departments and Public Entities	4	9	12	9	9	10	10
		Number of monitoring reports on implementation of AGSA findings on the preceding financial year on departments and public entities	New	New	2	2	3	3	3
		Number of key control assessments performed on departments and public entities	New	New	New	New	7 (6D;1 PE)	7 (6D;1 PE)	7 (6D;1 PE)

Outcome	Outputs	Output Indicators	Annual Targets						
			Audited/ Actual Performance			Estimated performance 2022/23	MTEF Period		
			2019/20	2020/21	2021/22		2023/24	2024/25	2025/26
		Number of interventions provided to governance structures in Public Entities	New	1	2	2	2	2	2
		Number of departments and public entities achieving improved risk management maturity level	New	New	New	New	9 (6D; 3PE)	9 (6D; 3PE)	9 (6D; 3PE)

Indicators, Annual and Quarterly Targets: Programme Support – Accountant General, Provincial Accounting Services, Financial Systems and Provincial Risk Management

Output Indicators	Annual Target 2023/24	Q1	Q2	Q3	Q4
Number of capacity Building Interventions for Departments and Public Entities	9	2	3	2	2
Number of monitoring reports on implementation of AGSA findings on the preceding financial year on departments and public entities	3	N/A	N/A	1	2
Number of key control assessments performed on departments and public entities	7 (6 D; 1 PE)	N/A	N/A	7 (6 D; 1 PE)	N/A
Number of interventions provided to governance structures in Public Entities	2	N/A	N/A	2	N/A
Number of departments and public entities achieving improved risk management maturity level	9 (6D; 3PE)	N/A	N/A	N/A	9 (6D; 3PE)

6.4 Explanation of planned performance over the medium-term period

The contribution of departmental outputs to achieving the intended outcome (*Improved financial management in Departments, Public Entities and Municipalities*) and impact statement (*Sound financial management in Provincial Administration for quality service delivery*) in the Strategic Plan and the institution's mandate. The rationale for the choice of the output is about improving financial management accounting in the province. The department has enough enablers to achieve the set five-year targets. Audit outcomes for departments and public entities are not at an ideal stage and therefore stringent measures must be implemented to bring improvement.

Sub-Programme: Provincial Internal Audit

Purpose: To manage the co-ordination of internal audit activities

Outcome, Outputs, Output Indicators and Targets: Provincial Internal Audit

			Annual Targets						
Outcome	Outputs	Output Indicators	Audited/Actual performance			Estimated performance 2022/23	MTEF Period		
			2019/20	2020/21	2021/22		2023/24	2024/25	2025/26
Improved financial management in Departments, Public Entities and Municipalities	Post audit action plans audited	Number of departmental post audit action plans implementation assessed	11	11	11	11	11	11	11
	Risk management strategies audited	Number of departmental risk management systems assessed	11	11	11	11	11	11	11
	Ethics systems audited	Number of departmental ethics systems assessed	New	New	New	New	11	11	11

Indicators, Annual and Quarterly Targets: Provincial Internal Audit

Output Indicators	Annual Target 2023/24	Q1	Q2	Q3	Q4
Number of departmental post audit action plans implementation assessed.	11	N/A	N/A	N/A	11
Number of departmental risk management systems assessed	11	N/A	N/A	11	N/A
Number of departmental ethics systems assessed	11	N/A	11	N/A	N/A

Explanation of planned performance over the medium-term period

The contribution of departmental outputs to achieving the intended outcome (*Improved financial management in Departments, Public Entities and Municipalities*) and impact statement (*Sound financial management in Provincial Administration for quality service delivery*) in the Strategic Plan and the institution’s mandate. The above mentioned output

contribute to MTSF Priority 1: A Capable, Ethical and Developmental State. The department has enough enablers to achieve the set five-year targets. There's reluctance from Departments to implement AGSA (Auditor General South Africa) and Provincial Internal Audit recommendations as a result audit outcomes do not improve, it is on this basis that post audit action plans need to be enforced.

In order to improve audit outcomes the following actions that will be rolled out in the financial year:

- Conduct quarterly accounting updates on Modified Cash Standard (MCS) for Departments and GRAP updates for Public Entities;
- Facilitate the roll out of the new National Treasury Instruction Note on irregular expenditure in Departments and Public Entities;
- Offer support to Departments and Public Entities to improve the quality of reporting on Performance Information with emphasis on accuracy, reliability and usefulness of the information reported in the Portfolio of Evidence; (POE's)
- Regular meetings with Chief Financial Officers to check progress per Department and Public Entity with respect to the Audit Action Plan;
- All CFO's to submit completed audit action plans to Office of the Provincial Accountant General and Provincial Internal Audit for review of the adequacy thereof.

7.4 Programme resource considerations (Will be updated once allocation from national treasury are finalized)

Summary of payments and estimates

Programme 4 – Financial Governance

Table 7.14: Summary of payments and estimates by sub-programme: Programme 4: Financial Governance

R thousand	Outcome			Main appropriation	Adjusted appropriation 2022/23	Revised estimate	Medium-term estimates		
	2019/20	2020/21	2021/22				2023/24	2024/25	2025/26
1. Programme Support	6 374	3 328	23 420	8 653	7 353	7 353	9 092	9 493	9 930
2. Accounting Services	72 551	53 723	52 038	71 882	57 002	57 002	74 773	78 494	82 104
3. Norms And Standards	2 306	4 144	7 873	9 735	9 157	9 157	10 597	11 043	11 551
4. Risk Management	4 608	4 256	4 314	5 273	5 143	5 143	5 741	5 979	6 254
5. Provincial Internal Audit	69 804	66 032	68 047	95 866	72 265	72 265	89 497	94 393	98 725
Total payments and estimates	155 643	131 521	155 692	191 619	150 921	150 921	189 700	199 402	208 564

Table 7.15: Summary of payments and estimates by economic classification: Programme 4: Financial Governance

R thousand	Outcome			Main appropriation	Adjusted appropriation 2022/23	Revised estimate	Medium-term estimates		
	2019/20	2020/21	2021/22				2023/24	2024/25	2025/26
Current payments	154 468	130 643	132 970	188 883	147 568	147 568	187 652	197 225	206 285
Compensation of employees	103 438	99 278	97 341	114 069	98 294	98 294	118 350	123 837	129 521
Goods and services	51 050	31 365	35 629	74 784	49 274	49 274	69 272	73 388	75 764
Interest and rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies to:	350	625	1 752	342	959	959	357	373	390
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	350	625	1 752	342	959	959	357	373	390
Payments for capital assets	865	253	1 897	2 394	2 394	2 394	1 691	1 804	1 889
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	865	253	1 897	2 394	2 394	2 394	1 691	1 804	1 889
Heritage Assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	-	-	19 073	-	-	-	-	-	-
Total economic classification	155 643	131 521	155 692	191 619	150 921	150 921	189 700	199 402	208 564

The 2020/21 budget allocation decreased from R155.6 million to R131.5 million. The allocation decreased from R155.7 million in 2021/22 to R150.9 million in 2022/23. The programme shows a sharp increase of R38.8 thousand in 2023/24, R18.9 million for the two outer years. The 2023/24 allocation is also inclusive of R3.3 million for Audit Committee, R21.2 million for Provincial Telephone, R3.4 million for training and development, R5.8 million for lease of building, R4.6 million for audit fees, R3.5 million for administrative fees for bank charges, R2.3 million for computer services and R4.3 million for forensic investigations.

8. Updated Key Risks

Outcome	Key Risk	Risk Mitigation
Improved financial management in Departments, Public Entities and Municipalities	Inadequate capacity in CFO sections of Public Entities	Augment with contract workers
	Unsupported ICT infrastructure leading to instability of the ICT Environment	Escalated the matter to the Office of the Premier to resolve as systems are hosted there
	Lack of co-operation by departments leading to continued incurrence of Irregular expenditure	<ul style="list-style-type: none"> • Serious commitment to Implementing consequence management • Withhold budget for those Departments identified
Improved financial management in Departments, Public Entities and Municipalities	Inadequate implementation of Internal Audit & post audit action plans.	<ol style="list-style-type: none"> 1. Assess departmental action plan systems in order to determine whether the system is adequate. 2. Review the adequacy of action plans and provide advice on whether planned actions will address internal control deficiencies and prevent re-occurrence. 3. Perform follow-up audits on the status of implementation of both internal audit and external audit action plans. 4. Advocate the importance and impact of action plans.
	Inadequate risk management processes to provide the required basis for risk based internal audit.	<ol style="list-style-type: none"> 1. Perform self-assessment of risk for audit planning purposes. 2. Interaction with Provincial Risk Management 2. Advice Departments through risk management audits. 3. Agreed-upon operational audit plans.
	Inadequate hygienic practices in the workplace (Public Works)	<ol style="list-style-type: none"> 1. Capacity of Public Works to clean shared spaced supplemented by Provincial Treasury staff. 2. Minor repairs and maintenance carried directly by Provincial Treasury. 3. Memos and reminder memos written to Public Works on challenges facing the Department.

9 Public Entities
None.

10 Infrastructure Projects
None.

11 Public Private Partnerships
None.

Part D: Technical Indicator Description (TID)

PROGRAMME 1: ADMINISTRATION

Office of the MEC

1. Indicator title	Number of Annual Reports submitted to the North West Provincial Legislature for tabling
Definition	This is a comprehensive report on the department's activities throughout the preceding year intended to give the public other interested people information on audited non-financial and financial data. This is the report that will be submitted to Provincial Legislature for tabling.
Source of data	Annual Financial Statement, Annual performance reports & Auditor's report.
Method of calculation/ Assessment	Simple count
Means of verification	Annual report
Assumptions	Deadline for submission of annual report will be met
Disaggregation of Beneficiaries (where applicable)	N/A
Spatial Transformation (where applicable)	N/A
Calculation type	Non-cumulative
Reporting cycle	Annually
Desired performance	To table the annual report within the prescribed period
Indicator responsibility	MEC for Finance

Risk Management

1. Indicator title	% submission of disclosures of financial interest for SMS
Definition	100% of financial disclosure forms submitted across designated groups as required by applicable prescripts. Designated Groups (SMS, MMS 12, MMS 11, Assistant Directors, All Finance Section Officials, All Supply Chain Management Officials, Ethics Officers)
Source of data	DPSA eDisclosure system generated status reports per designated group
Method of calculation/ Assessment	Qualitative
Means of verification	DPSA eDisclosure system generated reports.
Assumptions	1. eDisclosure system shall be available to submit disclosures of financial interest at required intervals. 2. Departmental ICT environment shall be adequate to accommodate the eDisclosure system.
Disaggregation of Beneficiaries (where applicable)	N/A

Spatial Transformation (where applicable)	N/A
Calculation type	Non-Cumulative
Reporting cycle	Annual
Desired performance	Identification and management of possible conflict of interest.
Indicator responsibility	Deputy Director: Risk & Integrity Management.
2. Indicator title	% of compliance to Financial Disclosure on designated groups
Definition	100% of financial disclosure forms submitted across designated groups as required by applicable prescripts. Designated Groups (SMS, MMS 12, MMS 11; Assistant Directors, All Finance Section Officials All Supply Chain Management Officials, Ethics Officers)
Source of data	DPSA eDisclosure system generated status reports per designated group
Method of calculation/ Assessment	Qualitative
Means of verification	DPSA eDisclosure system generated reports.
Assumptions	1. eDisclosure system shall be available to submit disclosures of financial interest at required intervals. 2. Departmental ICT environment shall be adequate to accommodate the eDisclosure system.
Disaggregation of Beneficiaries (where applicable)	N/A
Spatial Transformation (where applicable)	N/A
Calculation type	Non-Cumulative
Reporting cycle	Annual
Desired performance	Identification and management of possible conflict of interest.
Indicator responsibility	Deputy Director: Risk & Integrity Management.
3. Indicator title	Number of Strategic Risk Assessment Performed
Definition	Number of instances the Departments identifies and assess risks against its strategic objectives
Source of data	Risk assessment report will be available from the Chief Risk Officer after approval by the HOD
Method of calculation/ Assessment	Simple count
Means of verification	Assessment report
Assumptions	Finalisation of departmental risk register within the prescribed period
Disaggregation of Beneficiaries (where applicable)	N/A

Spatial Transformation (where applicable)	N/A
Calculation type	Non-Cumulative
Reporting cycle	Annual
Desired performance	Achievement of the Department's objectives as appearing on the Annual Performance Plan
Indicator responsibility	Chief Risk Officer
4. Indicator title	Formulation of Departmental disaster management plan
Definition	Development of a disaster management plan for the Department meant to respond to any disaster in case of disasters
Source of data	Provincial Disaster Management Plan
Method of calculation/ Assessment	Simple count
Means of verification	Approved disaster management plan
Assumptions	The plan may assist to deal with disasters when they occur
Disaggregation of Beneficiaries (where applicable)	N/A
Spatial Transformation (where applicable)	N/A
Calculation type	Non-Cumulative
Reporting cycle	Annual
Desired performance	An approved departmental disaster management plan in place
Indicator responsibility	Chief Risk Officer

Corporate Services

1. Indicator title	Number of officials trained in line with Work Skills Plan
Definition	On-line/physical training and development of staff.
Source of data	Work Skills Plan WSP database
Method of calculation /assessment	Simple count
Means of verification	Attendance registers or recorded data from Virtual Meeting / online registration
Assumptions	Employees are expected to attend trainings as per the plans in the WSP database
Disaggregation of Beneficiaries (where applicable)	N/A
Spatial Transformation (where applicable)	N/A
Calculation Type	Cumulative (year-end)
Reporting cycle	Quarterly

Desired performance	To close the performance gaps and develop staff
Indicator responsibility	Chief Director: Corporate Services

Financial Management (CFO)

1. Indicator title	Number of Annual financial statements without material misstatements
Definition	The financial statements that are free from material misstatements.
Source of data	AGSA management report on audit
Method of calculation /assessment	Simple count
Means of verification	AGSA management report on audit
Assumptions	Department has skilled, capable and ethical workforce that can achieve clean audit
Disaggregation of Beneficiaries (where applicable)	Not Applicable
Spatial Transformation (where applicable)	Not Applicable
Calculation Type	Non-cumulative
Reporting cycle	Annual
Desired performance	Fair presentation of AFS without material statements
Indicator responsibility	Chief Financial Officer
2. Indicator title	% of valid invoices paid within 30 days
Definition	The indicator provides an account of number of invoices paid within 30 days after receipt of valid invoices from suppliers.
Source of data	30-day invoice payment report
Method of calculation /assessment	Qualitative
Means of verification	30-day invoice payment report
Assumptions	All invoices to be paid within days provided Service providers give correct documents such as banking details and other required documents.
Disaggregation of Beneficiaries (where applicable)	Not Applicable
Spatial Transformation (where applicable)	Not Applicable
Calculation Type	Cumulative
Reporting cycle	Quarterly

Desired performance	No late payments to suppliers i.e. all payments are effected within 30 days and all 30 day compliance reports are submitted to Provincial treasury.
Indicator responsibility	Director: Supply Chain Management
3. Indicator Title	Number of reports on procurement spend to women owned businesses produced
Definition	The reports shows number of Women-owned enterprises benefited from procurement. Women-owned means full ownership (100%) or majority ownership (>51%) in line with legislative definitions
Source of data	North West Provincial Treasury data on payments made to suppliers on a monthly basis
Method of calculation/ Assessment	Quantitative - Calculation: <ul style="list-style-type: none"> • Numerator: Total amount paid to Women-owned enterprises • Denominator: Total preferential procurement spend (total amount paid to suppliers, excluding property and utilities payments, payments through sole/single sourced suppliers, procurement through transversal contracts, contracts secured by other organs of the State, and commodities/services not available from township-based suppliers) • Expressed as a percentage (x100)
Means of verification	Approved quarterly reports on preferential procurement targets
Assumptions	Classification and ownership details of enterprises are registered and captured correctly on Central Supplier Database and BAS systems
Disaggregation of Beneficiaries (where applicable)	Women-owned enterprises
Spatial Transformation (where applicable)	All the Districts of the Province
Calculation Type	Cumulative (Year-to-date)
Reporting Cycle	Quarterly
Desired Performance	Meeting the target of preferential procurement spend on enterprises that are: Women-owned
Indicator Responsibility	CFO
4. Indicator Title	Number of reports on procurement spend to youth owned businesses produced
Definition	The reports shows number of Youth-owned enterprises benefited from procurement. Youth-owned means full ownership (100%) or majority ownership (>51%) by persons from the ages 14-35 years, in line with legislative definitions
Source of data	North West Provincial Treasury data on payments made to suppliers on a monthly basis
Method of calculation/ Assessment	Quantitative - Calculation: <ul style="list-style-type: none"> • Numerator: Total amount paid to Youth-owned enterprises

	<ul style="list-style-type: none"> Denominator: Total preferential procurement spend (Total amount paid to suppliers, excluding property and utilities payments, payments through sole/single sourced suppliers, procurement through transversal contracts, contracts secured by other organs of the State, and commodities/services not available from township-based suppliers) Expressed as a percentage (x100)
Means of verification	Approved quarterly reports on preferential procurement targets
Assumptions	Classification and ownership details of enterprises are registered and captured correctly on Central Supplier Database and BAS systems
Disaggregation of Beneficiaries (where applicable)	Youth-owned enterprises
Spatial Transformation (where applicable)	All the five corridors (North, Central, South, East and West)
Calculation Type	Cumulative (Year-to-date)
Reporting Cycle	Quarterly
Desired Performance	Meeting the target of preferential procurement spend on enterprises that are Youth-owned
Indicator Responsibility	CFO
5. Indicator Title	Number of reports on procurement spend to persons with disabilities owned businesses produced
Definition	<p>The reports shows number of Persons with disabilities-owned enterprises benefited from procurement.</p> <p>Disability means a long-term or recurring physical, including sensory, or mental impairment which substantially limits prospects of entry into or advancement in employment</p> <p>PWD-owned means full ownership (100%) or majority ownership (>51%) in line with legislative definitions</p>
Source of data	North West Provincial Treasury data on payments made to suppliers on a monthly basis
Method of calculation/ Assessment	<p>Quantitative - Calculation:</p> <ul style="list-style-type: none"> Numerator: Total amount paid to PWD-owned enterprises, Denominator: Total preferential procurement spend (total amount paid to suppliers, excluding property and utilities payments, payments through sole/single sourced suppliers, procurement through transversal contracts, contracts secured by other organs of the State, and commodities/services not available from township-based suppliers) Expressed as a percentage (x100)
Means of verification	Approved quarterly reports on preferential procurement targets
Assumptions	Classification and ownership details of enterprises are registered and captured correctly on Central Supplier Database and BAS systems

Disaggregation of Beneficiaries (where applicable)	PWD-owned enterprises
Spatial Transformation (where applicable)	All the Districts of the Province)
Calculation Type	Cumulative (Year-to-date)
Reporting Cycle	Quarterly
Desired Performance	Meeting the target of preferential procurement spend on enterprises that are: PWD-owned
Indicator Responsibility	CFO

PROGRAMME 2: SUSTAINABLE RESOURCE MANAGEMENT
Budget Management, Public Finance Management and Infrastructure Coordination

1. Indicator title	Estimates of Provincial Revenue and Expenditure (EPRE)
Definition	Allocation of funds to provincial departments, Provincial Legislature and Public Entities in line with the priorities of the government of the day and the needs of the people.
Source of data	Provincial Budget Book
Method of calculation /assessment	Simple Count
Means of verification	Provincial Budget Book
Assumptions	Approved Appropriation Bill within the legislated period.
Disaggregation of Beneficiaries (where applicable)	N/A
Spatial Transformation (where applicable)	North West Province
Calculation Type	Non-cumulative
Reporting cycle	Annual
Desired performance	Compliant EPRE/AEPRE to requirements of PFMA
Indicator responsibility	Chief Director: Budget and Public Finance
2. Indicator title	Quarterly Financial assessments on provincial spending
Definition	Assessment done on provincial spending inclusive of conditional grants. The assessment will include possible interventions in order to improve provincial spending.
Source of data	Monthly In-Year Monitoring reports received from departments.
Method of calculation /assessment	Simple Count
Means of verification	Consolidated Monthly In-Year Monitoring reports received from departments.
Assumptions	Credible data published
Disaggregation of Beneficiaries (where applicable)	Not applicable
Spatial Transformation (where applicable)	North West Province
Calculation Type	Cumulative (year-end)
Reporting cycle	Quarterly
Desired performance	Improvement in provincial spending.
Indicator responsibility	Chief Director: Budget and Public Finance

Economic Analysis and Fiscal Policy

1. Indicator title	Provincial own revenue collected
Definition	Revenue generated which is collected by provincial departments
Source of data	Vulindlela system
Method of calculation /assessment	Simple count
Means of verification	Revenue collection report
Assumptions	Departments will meet their revenue targets
Disaggregation of Beneficiaries (where applicable)	N/A
Spatial Transformation (where applicable)	N/A
Calculation Type	Non-cumulative
Reporting cycle	Annual
Desired performance	Maximisation of own revenue sources
Indicator responsibility	Chief Director Economic Analysis and Fiscal Policy

Municipal Financial Management

1. Indicator title	Number of budget assessments conducted on adopted municipal budgets
Definition	The objective of the assessment is to determine if the MTREF budget tabled in Council is funded and sustainable. Section 23 of the MFMA requires the Municipal Council to consider any views of the Provincial Treasury to ensure that municipalities approve funded budget.
Source of data	Municipal budget documents e.g Municipal Budget and Reporting Regulation (MBRR), Integrated Development Plan (IDP), Tariff Schedule, Budget Related policies
Method of calculation /assessment	Simple count
Means of verification	Assessment report
Assumptions	Spending to be in line with approved budget
Disaggregation of Beneficiaries (where applicable)	N/A
Spatial Transformation (where applicable)	N/A
Calculation Type	Non-cumulative
Reporting cycle	Annual
Desired performance	Funded budgets to be appropriately spent

Indicator responsibility	Chief Director
2. Indicator title	Number of municipal capacity building interventions conducted
Definition	Capacitating officials at municipal Budget and Treasury offices e.g. on mSCOA, GRAP, SCM, Budget and Revenue, etc
Source of data	Attendance register or recorded data from virtual meeting
Method of calculation /assessment	Simple count
Assumptions	Competent officials at BTO
Means of verification	Attendance register
Disaggregation of Beneficiaries (where applicable)	N/A
Spatial Transformation (where applicable)	N/A
Calculation Type	Cumulative (year-end)
Reporting cycle	Quarterly
Desired performance	Competent municipal workforce
Indicator responsibility	Chief Director
3. Indicator title	Number of assessment conducted on status of municipal internal control environment
Definition	Assessment aims to address internal control deficiencies at municipalities on Financial Management.
Source of data	Municipalities' Standard Operating Procedures (SOP's)/ municipal audit reports
Method of calculation	Simple Count
Means of verification	Assessment reports
Assumptions	Effective internal control at municipal level
Disaggregation of Beneficiaries (where applicable)	Not applicable
Spatial Transformation (where applicable)	North West Province
Calculation Type	Cumulative (year-end)
Reporting cycle	Quarterly
Desired performance	Effective municipal internal control
Indicator responsibility	Chief Director
4. Indicator title	Number of reports on technical support provided to municipalities in-line with Section 154 of the Constitution
Definition	Section 154 of the (1) of the Constitution requires National and Provincial governments, by legislative and other measures, to support and strengthen the capacity of municipalities to manage their own affairs, to exercise their powers and to perform their functions. The support provided includes: Budget and

	Reporting, mSCOA Support, Revenue Management, Supply Chain Management, Asset Management and Audit Support.
Source of data	Municipal Reports e.g UIF&W Strategy, Audit Reports, Municipal budget & reports, etc.
Method of calculation	Simple Count
Means of verification	Reports
Assumptions	The support provided to municipalities will make a difference on financial management and related matters
Disaggregation of Beneficiaries (where applicable)	Not applicable
Spatial Transformation (where applicable)	North West Province
Calculation Type	Cumulative (year end)
Reporting cycle	Quarterly
Desired performance	Improved Financial Management at Municipalities
Indicator responsibility	Chief Director
5. Indicator title	Number of assessment reports done on municipalities in financial crisis
Definition	The assessments is done to establish the causal factors in relation to the financial crisis experienced by municipalities
Source of data	Municipal financial and non-financial performance reports e.g AFS, Annual Report, etc.
Method of calculation	Simple Count
Means of verification	Assessment reports
Assumptions	Improved financial management
Disaggregation of Beneficiaries (where applicable)	Not applicable
Spatial Transformation (where applicable)	North West Province
Calculation Type	Cumulative (year-end)
Reporting cycle	Quarterly
Desired performance	Improved service delivery
Indicator responsibility	Chief Director

PROGRAMME 3: ASSET AND LIABILITIES
Asset Management and Provincial Supply Chain Management

1. Indicator Title	Number of supply chain management (SCM) capacity building interventions provided to Departments and Public Entities
Definition	Training provided to departments and Public Entities on supply chain management processes
Source of data	Attendance Register
Method of calculation/ Assessment	Simple count
Means of verification	Attendance Register/ recorded data from virtual meetings
Assumption	Trainings will improve compliance to SCM processes
Disaggregation of Beneficiaries (where applicable)	N/A
Spatial Transformation (where applicable)	N/A
Calculation Type	Cumulative (year-end)
Reporting cycle	Quarterly
Desired performance	Improve adherence to SCM prescripts
Indicator responsibility	Chief Director PSCM
2. Indicator Title	Number of Departments and Public Entities supported to improve audit outcomes on SCM
Definition	Departments and Public Entities are supported through: <ul style="list-style-type: none"> • Implementation of legislation governing Supply Chain Management (SCM) simplifying SCM legislation • by providing standard operating procedures for SCM processes • SCM forums • SCM Training
Source of data	Audit Report
Method of calculation/ Assessment	Simple count
Means of verification	Audit Report
Assumption	Trainings will improve compliance to supply chain management processes
Disaggregation of Beneficiaries (where applicable)	N/A
Spatial Transformation (where applicable)	N/A
Calculation Type	Cumulative (year-end)
Reporting cycle	Quarterly

Desired performance	Financial statements free of materials misstatements in respect of SCM related matters
Indicator responsibility	Chief Director PSCM
3. Indicator Title	Number of assessments done on non-compliance by Departments and Public Entities on SCM regulation
Definition	Assessments done on non-compliance by Departments and Public Entities on SCM regulations
Source of data	Assessment Reports
Method of calculation/ Assessment	Simple count
Means of verification	Assessment Reports
Assumption	Improvement on compliance SCM regulations
Disaggregation of Beneficiaries (where applicable)	N/A
Spatial Transformation (where applicable)	N/A
Calculation Type	Cumulative (year-end)
Reporting cycle	Quarterly
Desired performance	Improved compliance on SCM processes
Indicator responsibility	Chief Director PSCM
4. Indicator Title	Number of asset management capacity building interventions provided to departments and Public Entities
Definition	Training provided to Departments and Public Entities on the asset management prescripts and processes
Source of data	Attendance Register
Method of calculation/ Assessment	Simple count
Means of verification	Attendance register/ data recorded from virtual meetings
Assumption	Trainings will improve compliance to asset management prescripts
Disaggregation of Beneficiaries (where applicable)	N/A
Spatial Transformation (where applicable)	N/A
Calculation Type	Cumulative (year-end)
Reporting cycle	Quarterly
Desired performance	Improve audit outcomes on asset management
Indicator responsibility	Chief Director PSCM

5. Indicator Title	Number of Departments and Public Entities supported to improve audit outcomes on asset management
Definition	<p>Compliance by departments and Public Entities with the PFMA and other asset management prescripts</p> <p>Departments and Public Entities are supported through:</p> <ul style="list-style-type: none"> • The clean audit initiative accounting officers guide for capital assets has been developed and finalized. The aim is to equip Accounting officers with a working tools that will guide them in achieving unqualified audit opinion's on capital assets • Perform a review of the audited financial statements (Movable capital asset notes) against the WALKER asset registers • Provide training on the accounting and reporting guide.
Source of data	Audit Report
Method of calculation/ Assessment	Simple count
Means of verification	Audit Report
Assumption	Trainings will improve compliance to asset management prescripts and processes
Disaggregation of Beneficiaries (where applicable)	N/A
Spatial Transformation (where applicable)	N/A
Calculation Type	Cumulative (year-end)
Reporting cycle	Quarterly
Desired performance	Improved asset management
Indicator responsibility	Chief Director PSCM

PROGRAMME 4: FINANCIAL GOVERNANCE

Programme Support – Accountant General, Provincial Accounting Services, Financial Systems and Provincial Risk Management

1. Indicator title	Number of capacity building Interventions for Departments and Public Entities
Definition	Capacity building is meant to develop the officials by providing different types of training such as AFS preparation, MCS/AMD training, GRAP training and any other skills development that is required
Source of data	Skills assessment results and training needs identified by departments and entities or any other means.
Method of calculation /assessment	Simple Count
Means of verification	Attendance registers or recorded data from Virtual Meeting
Assumptions	Departments and Public Entities identify the officials and send to be trained considering the weak areas. Training may be by using Microsoft or Zoom
Disaggregation of Beneficiaries (where applicable)	N/A
Spatial Transformation (where applicable)	N/A
Calculation type	Cumulative (year-end)
Reporting cycle	Quarterly
Desired performance	Achieve less findings in AFS, Performance Information and compliance with the Laws and regulations
Indicator responsibility	Director for Provincial Accounting
2. Indicator title	Number of monitoring reports on implementation of AGSA findings on the preceding financial year on departments and public entities
Definition	Monitoring implementation of audit action plans on audit outcomes by departments and Public Entities to ensure that the Departments and Pubic Entities comply with PFMA, GAAP and GRAP financial requirements and achieve a clean audit reports.
Source of data	Audited Departmental AFS and audit reviews. Action plans from Departments.
Method of calculation /assessment	Simple Count
Means of verification	Monitoring reports on implementation of audit action plans by departments
Assumptions	Improved implementation of PAAP
Disaggregation of Beneficiaries (where applicable)	N/A
Spatial Transformation (where applicable)	N/A
Calculation type	Cumulative (year-end)
Reporting cycle	Quarterly
Desired performance	Compliance with PFMA, GRAP, National Treasury instructions, improved financial performance by provincial departments and Public Entities.

Indicator responsibility	Chief Director: Accounting Services
3. Indicator title	Number of key control assessments performed on departments and public entities
Definition	Key control assessments are aimed at improving areas of concern which if addressed will contribute to clean audit outcome of selected departments and public entities. The focal areas are as follow: governance, compliance with laws and regulations (including SCM), AFS and performance information.
Source of data	Annual Financial statements, audit report from AGSA, and reports from other assurance providers
Method of calculation /assessment	Simple count
Means of verification	Key control assessment reports on clean audit initiative
Assumptions	Departments/ PE signs the MOUs and comply with required implementation of clean audit strategy developed by Office of the Accountant General
Disaggregation of Beneficiaries (where applicable)	N/A
Spatial Transformation (where applicable)	N/A
Calculation type	Non-cumulative
Reporting cycle	Annual
Desired performance	No material findings in – AFS Disclosures, Laws and Regulations and Performance Information
Indicator responsibility	Programme manager
4. Indicator title	Number of interventions provided to governance structures in Public Entities
Definition	Its targeted interventions which include amongst other functionality of risk management and internal control functions that are aimed at improving audit outcomes of selected public entities from unqualified to clean audit.
Source of data	Audit report from AGSA
Method of calculation /assessment	Simple count
Means of verification	Letters of Communication or Activities that support establishment of governance structures
Assumptions	Intervention will improve the way things are run in Public Entities
Disaggregation of Beneficiaries (where applicable)	N/A
Spatial Transformation (where applicable)	N/A
Calculation type	Non-cumulative
Reporting cycle	Annual
Desired performance	Improved governance and financial management in Public Entities

5. Indicator title	Number of departments and public entities achieving improved risk management maturity level
Definition	Departments and Public Entities which were on level one maturity to improve and achieve level two or three. Departments and Public Entities which were on level two maturity to improve and achieve level three. Departments and Public Entities assessed on the following components: -Governance and Culture -Strategy and Objective Setting -Performance -Review and Revision -Information, Communication and Reporting
Source of data	Risk Management Maturity Model results for from departments and public entities
Method of calculation /assessment	Simple count.
Means of verification	Risk Management Maturity Model results which achieved an improvement in risk management maturity level
Assumptions	Departments and Public Entities will comply with the Public Sector Risk Management Framework and improve their maturity
Disaggregation of Beneficiaries (where applicable)	N/A
Spatial Transformation (where applicable)	N/A
Calculation type	Non-cumulative
Reporting cycle	Annual
Desired performance	Improved performance in public entities, departments
Indicator responsibility	Director – Provincial Risk Management

Provincial Internal Audit

1. Indicator title	Number of departmental post audit action plan implementation assessed
Definition	These are the reports aimed at evaluating the extent which the departments are adequately responding to audit queries raised by the AGSA.
Source of data	Audit reports issued.
Method of calculation /assessment	Simple count
Means of verification	The portfolio of evidence will consist of audit reports issued by Internal audit teams
Assumptions	Departments will accept and implement recommendations made through issued audit reports.
Disaggregation of Beneficiaries (where applicable)	<ul style="list-style-type: none"> • Target for Women: N/A • Target for Youth: N/A • Target for People with Disabilities: N/A

Spatial Transformation (where applicable)	<ul style="list-style-type: none"> • Reflect on contribution to spatial transformation priorities: N/A • Reflect on the spatial impact area: N/A
Calculation type	Non-cumulative
Reporting cycle	Annual
Desired performance	To ensure departments have adequate and effective audit action plan system in place.
Indicator responsibility	Programme manager.
2. Indicator title	Number of departmental risk management systems assessed
Definition	These are audits which are aimed at determining the extent to which departments are implementing risk management.
Source of data	Audit reports issued on risk management.
Method of calculation /assessment	Simple count
Means of verification	The portfolio of evidence will consist of audit reports issued by Internal audit teams
Assumptions	Departments will accept and implement recommendations made through issued audit reports.
Disaggregation of Beneficiaries (where applicable)	<ul style="list-style-type: none"> • Target for Women: N/A • Target for Youth: N/A • Target for People with Disabilities: N/A
Spatial Transformation (where applicable)	<ul style="list-style-type: none"> • Reflect on contribution to spatial transformation priorities: N/A • Reflect on the spatial impact area: N/A
Calculation type	Non-cumulative.
Reporting cycle	Annual
Desired performance	Provision of assurance on the adequacy of internal controls and its effectiveness on implemented risk management strategies and processes.
Indicator responsibility	Programme manager.
3. Indicator title	Number of departmental ethics systems assessed
Definition	These are assessments which are aimed at determining the extent to which departments are implementing ethics systems.
Source of data	Audit reports issued on ethics systems.
Method of calculation /assessment	Simple count
Means of verification	The portfolio of evidence will consist of audit reports issued by Internal audit teams
Assumptions	Departments will accept and implement recommendations made through issued audit reports.
Disaggregation of Beneficiaries (where applicable)	<ul style="list-style-type: none"> • Target for Women: N/A • Target for Youth: N/A • Target for People with Disabilities: N/A

Spatial Transformation (where applicable)	<ul style="list-style-type: none"> • Reflect on contribution to spatial transformation priorities: N/A • Reflect on the spatial impact area: N/A
Calculation type	Non-cumulative.
Reporting cycle	Annual
Desired performance	Provision of assurance on the adequacy of internal controls and its effectiveness on implemented ethics systems strategies and processes.
Indicator responsibility	Programme manager.

Annexures to the Annual Performance Plan

Annexure A: Amendments to the Strategic Plan

- None

Annexure B: Conditional Grants

- None

Annexure C: Consolidated indicators

- None

Annexure D: District Development Model

The President in the 2019 Presidency Budget Speech identified the “pattern of operating in silos” as a challenge which led to “a lack of coherence in planning and implementation and has made monitoring an oversight of government’s programme difficult”. The President further called out for the rolling out of “a new integrated district based approach to addressing our service delivery challenges and localized procurement and job creation, that promotes and supports local businesses, and that involves communities”.

Areas of intervention	Five-year planning period					
	Project description	Budget allocation	District Municipality	Location: GPS coordinates	Project leader	Social partners
Municipal support programme	Municipal Standard Chart of Accounting (MSCOA)	R2 million	Bojanala	All 22 municipalities	Chief Director Municipal Finance Management	South African Local Government Association (SALGA), Cooperative Governance and Traditional Affairs (COGTA) National Treasury (NT)
	Funded Budgets		Dr Kenneth Kaunda			
	Contract Management	R 5 million	Dr Ruth Segomotsi Mompati			
	Improved Audit Outcome	R 8 million	Ngaka Modiri Molema			
	Training/ Workshops	R 7 million				



provincial treasury

**Department:
Provincial Treasury
North West Provincial Government
Republic of South Africa**

**Garona Building | Dr James Moroka Drive | Mmabatho
Private Bag X2060 | Mmabatho | 2735
Tel: (018) 388 4999/4655
<http://treasury.nwpg.gov.za>**

**PR53/2023
ISBN: 978-0-621-50989-2**



WE BELONG



WE CARE



WE SERVE