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**2nd QUARTERLY PERFORMANCE
REPORT 2021-2022**

VOTE 7

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

provincial treasury



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1. INTRODUCTION AND BACKGROUND

During the period under review, the country was operating under adjusted level 4, 3 and 2 of the Risk-adjusted strategy for economic activity respectively, most of the departmental employees were at work and departmental operations were implemented. The department continued to adhere COVID-19 safety protocols which include amongst others:

- Daily screening of employees
- Practice of social distancing
- Officials who show COVID-19 related symptoms or who are contacts or still waiting results not to report for duty until they are fit to report for duty
- Submit work electronically where possible, using electronic signing of documents and minimize the usage of paper
- Conduct of virtual meetings, etc

Provincial Treasury responds to the following MTSF Priority:

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

2. SITUATIONAL ANALYSIS / HIGHLIGHTS ON OTHER ACHIEVEMENTS

PROGRAMME 2: SUSTAINABLE RESOURCE MANAGEMENT

2.3. SUB-PROGRAMME: MUNICIPAL FINANCE MANAGEMENT

- ✓ Provincial Treasury hosted use of consultant webinar held on 10 August to engage amongst other the root cause for the ineffectiveness of consultants in local government, with focus on financial management and reporting.
- ✓ Provincial Treasury reviewed Annual Financial Statement of nine (9) municipalities and send the feedback review of the Annual Financial Statement to the municipalities.

PROGRAMME 4: FINANCIAL GOVERNANCE

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

The Department managed to achieve its targets albeit the additional responsibilities to support Public Entities such as:

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

4.2. SUB-PROGRAMME: PROVINCIAL INTERNAL AUDIT

Audit plans rolled out and in process.

3. KEY CHALLENGES AND RESPONSES (per sub programmes)

PROGRAMME 1: ADMINISTRATION

1.2. SUB-PROGRAMME: CORPORATE SERVICES

Challenge 1:

Response to challenge 1: Possibility of COVID – 19 infections associated with face - to - face training interventions.

Response to challenge 1:

Encouraging staff to register for on-line training.

Challenge 2:

Infections that might occur from travelling to other Venues/Provinces for training.

Response to challenge 2:

Preparation of training rooms to enable usage of virtual platforms for training.

Challenge 3:

Network challenges for online training.

Response to challenge 3:

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

PROGRAMME 2: SUSTAINABLE RESOURCE MANAGEMENT

2.1. SUB-PROGRAMME: BUDGET MANAGEMENT, PUBLIC FINANCE MANAGEMENT AND INFRASTRUCTURE COORDINATION

Challenge 1:

Late submission of IVM's and database by the departments.

Response to challenge 1:

Continuous engagement with the departments and reminders for submissions.

2.3 SUB-PROGRAMME: MUNICIPAL FINANCE MANAGEMENT

Challenge 1:

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

Response to challenge 1:

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

PROGRAMME 4: FINANCIAL GOVERNANCE

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

Challenge 1:

Public Entities not timously submitting their quarterly progress reports.

Response to challenge 1:

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

4. ACTUAL PERFORMANCE AGAINST 2021-2022 2nd QUARTERLY TARGETS

2021-2022- PROGRAMME 1: ADMINISTRATION QUARTERLY TARGETS

Sub-Programme 1.1: Risk Management

| No | Output Indicators | Annual target 2021-2022 | Validated 1st quarter actual outputs | 2 nd quarter planned targets | 2 nd quarter actual outputs | Reasons for underperformance or overachievement | Measures to address under achievements |
|----|--|-------------------------|--------------------------------------|---|--|--|---|
| 1 | % of compliance to Financial Disclosure on designated groups | 100% | 100% | 100% | 99% | 1 Official did not submit his financial disclosure form on or before the due date on the eDisclosure system as required. | Warning letter issued for late submission and official afforded opportunity to submit his disclosure. |

Sub-Programme1.2: Corporate Services

| No | Output Indicators | Annual target 2021-2022 | Validated 1st quarter actual outputs | 2 nd quarter planned targets | 2 nd quarter actual outputs | Reasons for underperformance or overachievement | Measures to address under achievements |
|----|---|-------------------------|--------------------------------------|---|--|---|--|
| 1 | Number of officials trained in line with Work Skills Plan | 70 | 73 | 20 | 39 | Efforts to encourage staff to take up virtual training and the need to have employees taking up Ethics training bearing fruit hence increase in number of people trained. | N/A |

Sub-Programme 1.3: Financial Management (CFO)

| No | Output Indicators | Annual target 2021-2022 | Validated 1st quarter actual outputs | 2 nd quarter planned targets | 2 nd quarter actual outputs | Reasons underperformance or overachievement | for | Measures to address under achievements |
|----|---|-------------------------|--------------------------------------|---|--|---|-----|--|
| 1 | Number of Annual financial statements without material misstatements | 1 | N/A | N/A | 1 | The annual audit was finalised on 31 st July 2021, and as such, is being reported for in Q2. | | N/A |
| 2 | Number of monitoring reports on implementation of AGSA findings on the preceding financial year | 3 | N/A | 1 | 1 | 1 | | N/A |
| 3 | % of valid invoices paid within 30 days within 30 days | 100% | 100% | 100% | 100% | 100% | | N/A |

2021-22- PROGRAMME 2: SUSTAINABLE RESOURCE MANAGEMENT QUARTERLY TARGETS

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

| No | Output Indicators | Annual target 2021-2022 | Validated 1st quarter actual outputs | 2 nd quarter planned targets | 2 nd quarter actual outputs | Reasons underperformance overachievement | for or | Measures to address under achievements |
|----|--|-------------------------|--------------------------------------|---|--|--|--------|--|
| 1 | Estimates of Provincial Revenue and Expenditure (EPRE) | 1 | N/A | N/A | N/A | N/A | | N/A |
| 2 | Quarterly Financial assessments on provincial spending | 4 | 1 | 1 | 1 | N/A | | N/A |

Sub-Programme 2.2: Economic Analysis and Fiscal Policy

| No | Output Indicators | Annual target 2021-2022 | Validated 1st quarter actual outputs | 2 nd quarter planned targets | 2 nd quarter actual outputs | Reasons underperformance overachievement | for or | Measures to address under achievements |
|----|-----------------------------|-------------------------|--------------------------------------|---|--|--|--------|--|
| 1 | Total own revenue collected | R1.1 billion | N/A | N/A | N/A | N/A | | N/A |

Sub-Programme 2.3: Municipal Financial Management

| No | Output Indicators | Annual target 2021-2022 | Validated 1st quarter actual outputs | 2 nd quarter planned targets | 2 nd quarter actual outputs | Reasons for underperformance or overachievement | Measures to address under achievements |
|----|---|-------------------------|--------------------------------------|---|--|---|--|
| 1 | Number of assessments done on the adopted municipal budgets | 20 | N/A | 20 | 20 | N/A | N/A |
| 2 | Number of municipal capacity building interventions conducted | 4 | 1 | 1 | 1 | N/A | N/A |
| 3 | MFMA Sec. 140 assessment on municipalities conducted | 22 | N/A | N/A | N/A | N/A | N/A |
| 4 | Monitoring of AGSA findings and recommendations | 1 | N/A | N/A | N/A | N/A | N/A |
| 5 | Number of assessments done on municipal COVID-19 expenditure | 4 | 1 | 1 | 1 | N/A | N/A |

PROGRAMME3: ASSET AND LIABILITIES

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

| No | Output Indicators | Annual target 2021-2022 | Validated 1st quarter actual outputs | 2 nd quarter planned targets | 2 nd quarter actual outputs | Reasons underperformance or overachievement | for or | Measures to address under achievements |
|----|---|-------------------------|--------------------------------------|---|--|---|--------|--|
| 1 | Number of supply chain management (SCM) capacity building interventions provided to Departments and Public Entities | 4 | 1 | 1 | 1 | N/A | | N/A |
| 2 | Number of Departments and Public Entities supported to improve audit outcomes on SCM | 6 | N/A | N/A | N/A | N/A | | N/A |
| 3 | Number of assessments done on departments and public entities on COVID-19 expenditure | 4 | 1 | 1 | 1 | N/A | | N/A |

| No | Output Indicators | Annual target 2021-2022 | Validated 1st quarter actual outputs | 2 nd quarter planned targets | 2 nd quarter actual outputs | Reasons underperformance overachievement | for or | Measures to address under achievements |
|----|--|-------------------------|--------------------------------------|---|--|--|--------|--|
| | provided to departments and Public Entities | | | | | | | |
| 4 | Number of asset management capacity building interventions provided to departments and Public Entities | 4 | N/A | N/A | N/A | N/A | | N/A |
| 5 | Number of Departments and Public Entities supported to improve audit outcomes on asset management | 6 | N/A | N/A | N/A | N/A | | N/A |
| 6 | Number of assessments done on non-compliance by Departments and Public Entities on SCM regulation | 4 | 1 | 1 | 1 | N/A | | N/A |

PROGRAMME 4: FINANCIAL GOVERNANCE

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

| No | Output Indicators | Annual target 2021-2022 | Validated 1st quarter actual outputs | 2 nd quarter planned targets | 2 nd quarter actual outputs | Reasons for underperformance or overachievement | Measures to address under achievements |
|----|--|-------------------------|--------------------------------------|---|--|--|--|
| 1 | Number of capacity Building Interventions for Departments and Public Entities | 9 | 2 | 3 | 5 | More capacity building sessions conducted as a roll out of the clean audit strategy. | N/A |
| 2 | Number of monitoring reports on implementation of AGSA findings on the preceding financial year on departments and public entities | 2 | N/A | N/A | N/A | N/A | N/A |
| 3 | Number of Identified departments and public entities for focused interventions on clean audits | 6 | N/A | N/A | N/A | N/A | N/A |

| No | Output Indicators | Annual target 2021-2022 | Validated 1st quarter actual outputs | 2 nd quarter planned targets | 2 nd quarter actual outputs | Reasons for underperformance or overachievement | Measures to address under achievements |
|----|---|-------------------------|--------------------------------------|---|--|---|--|
| 4 | Interventions to support governance structures in Public Entities | 2 | N/A | N/A | N/A | N/A | N/A |
| 5 | Number of Identified public entities for focused interventions on risk management | 2 | 3 | N/A | N/A | N/A | N/A |

Sub-Programme 4.2: Provincial Internal Audit

| No | Output Indicators | Annual target 2021-2022 | Validated 1st quarter actual outputs | 2 nd quarter planned targets | 2 nd quarter actual outputs | Reasons for underperformance or overachievement | Measures to address under achievements |
|----|---|-------------------------|--------------------------------------|---|--|---|--|
| 1 | Number of departmental post audit action plans assessed | 11 | N/A | N/A | N/A | N/A | N/A |
| 2 | Number of departmental risk management systems assessed | 11 | N/A | N/A | N/A | N/A | N/A |