



provincial treasury

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

VOTE 7

4th
QUARTERLY PERFORMANCE
REPORT 2022-2023



Mr. NDLELA ISRAEL KUNENE
ACCOUNTING OFFICER
DATE:  _____

Table of contents

No	Description	Page
1	Introduction and Background	3
2	Situational analysis/ Highlights on other achievements	3
3	Key challenges and responses	4 – 5
4	Actual performance against 2022-2023 fourth quarterly targets	6 – 13

1. INTRODUCTION AND BACKGROUND

Provincial Treasury responds to the following MTSF Priority:

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

2. SITUATIONAL ANALYSIS / HIGHLIGHTS ON OTHER ACHIEVEMENTS

PROGRAMME 2: SUSTAINABLE RESOURCE MANAGEMENT

2.2. SUB-PROGRAMME: ECONOMIC ANALYSIS AND FISCAL POLICY

Provincial Treasury has successfully held the fourth quarter Provincial Revenue Forum where all departments were presented with Education being the only department which tendered an apology. The forum focuses on sharing best practices to assist department that are struggling to meet revenue collection target with innovative means of collection. The departments are encouraged to explore innovative means of enhancing revenue collection.

PROGRAMME 3: ASSETS AND LIABILITY MANAGEMENT

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

Through implementation of resolutions from the section 42 forum Provincial Treasury assisted departments to transfer their completed projects to the Department of Public Works and Roads;

Department of Health: R 43 359 655, 78

DCSTM: R 5 198 400

PROGRAMME 4: FINANCIAL GOVERNANCE

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

Provincial Treasury managed to achieve its targets albeit the additional responsibilities to support Public Entities, amongst others, the added responsibilities are:

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

4.2. SUB-PROGRAMME: PROVINCIAL INTERNAL AUDIT

Annual Internal Audit Plans being performed.

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

PROGRAMME 1: ADMINISTRATION

1.3. SUB-PROGRAMME: FINANCIAL MANAGEMENT (CFO)

Challenge 1:

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

Response to challenge 1:

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

PROGRAMME 2: SUSTAINABLE RESOURCE MANAGEMENT

2.2. SUB-PROGRAMME: ECONOMIC ANALYSIS AND FISCAL POLICY

Challenge 1:

About four departments have under collected against the 2023/2024 set targets.

Response to challenge 1:

Departments to develop and implement remedial strategies to address under performance.
Provincial Treasury to monitor the implementation of the strategies.

2.3. SUB-PROGRAMME: MUNICIPAL FINANCE MANAGEMENT

Challenge 1:

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

Response to challenge 1:

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

PROGRAMME 3: ASSETS AND LIABILITY MANAGEMENT

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

Challenge 1:

There seems to be no appetite by some provincial departments to consider review notes made on the interim financial statements as there is identification of recurring challenges from quarter 1 to quarter 3 reviews.

Response to challenge 1:

Provincial asset management will organise a review forum for asset management and related notes in the month of May 2023.

PROGRAMME 4: FINANCIAL GOVERNANCE

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

Challenge 1:

Public Entities not timeously submitting their quarterly progress reports.

Response to challenge 1:

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

4.2. SUB-PROGRAMME: PROVINCIAL INTERNAL AUDIT

Challenge 1:

Various vacant funded positions not filled.

Response to challenge 1:

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

4. ACTUAL PERFORMANCE AGAINST 2022-2023 4th QUARTERLY TARGETS

PROGRAMME 1: ADMINISTRATION QUARTERLY TARGETS

Sub-Programme 1.1: Risk Management

No	Output Indicators	Annual target 2022-2023	Validated 3 rd quarter actual outputs	4 th quarter planned targets	4 th quarter actual outputs	Reasons underperformance or overachievement	Measures to address under achievements
1	% submission of disclosures of financial interest for SMS	100%	N/A	N/A	N/A	N/A	N/A

Sub-Programme 1.2: Corporate Services

No	Output Indicators	Annual target 2022-2023	Validated 3 rd quarter actual outputs	4 th quarter planned targets	4 th quarter actual outputs	Reasons underperformance or overachievement	Measures to address under achievements
1	Number of officials trained in line with Work Skills Plan	70	36	10	121	Co-ordinated more in-house/group trainings during the 4 th quarter.	N/A

Sub-Programme 1.3: Financial Management (CFO)

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

PROGRAMME 2: SUSTAINABLE RESOURCE MANAGEMENT QUARTERLY TARGETS

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

No	Output Indicators	Annual target 2022-2023	Validated 3 rd quarter actual outputs	4 th quarter planned targets	4 th quarter actual outputs	Reasons underperformance or overachievement	Measures to address under achievements
1	Estimates of Provincial Revenue and Expenditure (EPRE)	1	N/A	1	1	N/A	N/A
2	Quarterly Financial assessments on provincial spending	4	1	1	1	N/A	N/A

Sub-Programme 2.2: Economic Analysis and Fiscal Policy

No	Output Indicators	Annual target 2022-2023	Validated 3 rd quarter actual outputs	4 th quarter planned targets	4 th quarter actual outputs	Reasons underperformance or overachievement	Measures to address under achievements
1	Provincial own revenue collected	R1.1 billion	N/A	R1.1 billion	R1 566 815 billion	N/A	N/A

Sub-Programme 2.3: Municipal Financial Management

No	Output Indicators	Annual target 2022-2023	Validated 3 rd quarter actual outputs	4 th quarter planned targets	4 th quarter actual outputs	Reasons underperformance or overachievement	Measures to address under achievements
1	Number of budget assessments conducted on adopted municipal budgets	20	N/A	N/A	N/A	N/A	N/A
2	Number of municipal capacity building interventions conducted	4	1	1	1	N/A	N/A
3	Number of assessment conducted on status of municipal internal control environment	7	N/A	N/A	N/A	N/A	N/A
4	Number of reports on technical support provided to municipalities in-line with Section 154 of the Constitution	4	0	1	2	To address underperformance of quarter 3.	N/A
5	Number of assessments done on municipalities in financial crisis	8	2	3	3	N/A	N/A

PROGRAMME 3: ASSET AND LIABILITIES QUARTERLY TARGETS

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

No	Output Indicators	Annual target 2022-2023	Validated 3 rd quarter actual outputs	4 th quarter planned targets	4 th quarter actual outputs	Reasons for underperformance or overachievement	Measures to address under achievements
1	Number of supply chain management (SCM) capacity building interventions provided to Departments and Public Entities	4	4	1	0	The target was already achieved in previous quarters.	N/A
2	Number of Departments and Public Entities supported to improve audit outcomes on SCM	6	3	3	3	N/A	N/A
3	Number of assessments done on departments and public entities on COVID-19 expenditure provided to departments and Public Entities	4	1	1	1	N/A	N/A
4	Number of asset management capacity building interventions	4	2	2	1	The target was already achieved in previous quarters.	N/A

No	Output Indicators	Annual target 2022-2023	Validated 3 rd quarter actual outputs	4 th quarter planned targets	4 th quarter actual outputs	Reasons for underperformance or overachievement	Measures to address under-achievements
	provided to departments and Public Entities						
5	Number of Departments and Public Entities supported to improve audit outcomes on asset management	6	0	3	0	The target was already achieved in the 2 nd quarter.	N/A
6	Number of assessments done on non-compliance by Departments and Public Entities on SCM regulation	4	1	1	1	N/A	N/A

PROGRAMME 4: FINANCIAL GOVERNANCE QUARTERLY TARGETS

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

No	Output Indicators	Annual target 2022-2023	Validated 3 rd quarter actual outputs	4 th quarter planned targets	4 th 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	2	2	N/A	N/A
2	Number of monitoring reports on implementation of AGSA findings on the preceding financial year on departments and public entities	2	1	1	1	N/A	N/A
3	Number of Identified departments and public entities for focused interventions on clean audits	6	7	N/A	N/A	N/A	N/A
4	Number of interventions provided to governance structures in Public Entities	2	2	N/A	N/A	N/A	N/A

No	Output Indicators	Annual target 2022-2023	Validated 3 rd quarter actual outputs	4 th quarter planned targets	4 th quarter actual outputs	Reasons for underperformance or overachievement	Measures to address under-achievements
5	Number of Identified public entities for focused interventions on risk management	2	N/A	2	0	The annual target was achieved in the first quarter.	N/A

Sub-Programme 4.2: Provincial Internal Audit

No	Output Indicators	Annual target 2022-2023	Validated 3 rd quarter actual outputs	4 th quarter planned targets	4 th 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	11	11	N/A	N/A
2	Number of departmental risk management systems assessed	11	11	N/A	N/A	N/A	N/A