



## **provincial treasury**

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

VOTE 7

**2<sup>nd</sup>**  
**QUARTERLY PERFORMANCE**  
**REPORT 2023-2024**

  
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DATE:   
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## 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 2023-2024 second quarterly targets	6 – 15

## **1. INTRODUCTION AND BACKGROUND**

Provincial Treasury responds to the following MTSF Priority:

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

## **2. SITUATIONAL ANALYSIS / HIGHLIGHTS ON OTHER ACHIEVEMENTS**

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

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

The status of revenue collection in the province is as follows:

The provincial revenue collection at mid-year amounts to R 777.003 million or 60.70 per cent of the budget. There are about four departments that are under collecting and the revenue unit is working closely with them to identify collection strategies to ensure optimal collection of the provincial revenue targets.

### **PROGRAMME 4: FINANCIAL GOVERNANCE**

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

During the quarter under review the sub-programme managed to execute the following:

- The process have started to roll out Financial Governance structure in the Public Entities.
- The department has started the Risk Management maturity Level assessments in departments and entities.
- Preparation and review of PAAP by the Department in line with the Audit Findings have started.
- Outstanding Consolidated Financial Statements were prepared and submitted for Audit.
- Key Control Check lists for the departments and entities are in progress.

#### **4.2. SUB-PROGRAMME: PROVINCIAL INTERNAL AUDIT**

During the quarter under review the sub-programme managed to execute the following:

- Performed audits as per approved audit plan.
- Performed audits of bids above R10 000 000 submitted for review including Scholar Transport.
- Finalized departmental annual reporting for 11 depts.



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

#### PROGRAMME 1: ADMINISTRATION

##### 1.3. SUB-PROGRAMME: CORPORATE SERVICES

###### Challenge 1:

- Network challenges for online training exacerbated by loadshedding.
- Reluctance by officials to do online training.

###### Response to challenge 1:

- Continuously encouraging staff to register for on-line training.
- Prepared training rooms to enable usage of virtual platforms for training.
- More in-house training to be coordinated.

Remedy to Loadshedding issues beyond the scope of the unit

#### PROGRAMME 2: SUSTAINABLE RESOURCE MANAGEMENT

##### 2.3. SUB-PROGRAMME: MUNICIPAL FINANCIAL MANAGEMENT

Challenge 1: Lack of commitment and cooperation by some municipalities in terms of compliance with MFMA requirement.

###### Response to challenge 1:

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

#### PROGRAMME 3: ASSETS AND LIABILITY MANAGEMENT

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

###### Challenge 1:

There is no service provider to provide technical support on the BAUD asset verification software

###### Response to challenge 1:

Departments to perform manual verification or source technical support individually. Provincial Treasury will monitor if manual verification is performed properly and the WALKER asset register is updated.

**PROGRAMME 4: FINANCIAL GOVERNANCE**

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

Challenge 1:

Response to challenge 1:

**4.2. SUB-PROGRAMME: PROVINCIAL INTERNAL AUDIT**

Challenge 1:

Response to challenge 1:

#### 4. ACTUAL PERFORMANCE AGAINST 2023-2024 2<sup>nd</sup> QUARTERLY TARGETS

##### PROGRAMME 1: ADMINISTRATION QUARTERLY TARGETS

###### Sub-Programme 1.1: Office of the MEC

No	Output Indicators	Annual target 2023-2024	Validated 1 <sup>st</sup> quarter actual outputs	2 <sup>nd</sup> quarter planned targets	2 <sup>nd</sup> quarter actual outputs	Reasons underperformance or overachievement	Measures to address under achievements
1	Number of Annual Reports submitted to the North West Provincial Legislature for tabling	1	N/A	1	1	N/A	N/A

###### Sub-Programme 1.2: Risk Management

No	Output Indicators	Annual target 2023-2024	Validated 1 <sup>st</sup> quarter actual outputs	2 <sup>nd</sup> quarter planned targets	2 <sup>nd</sup> quarter actual outputs	Reasons underperformance or overachievement	Measures to address under achievements
1	% submission of disclosures of financial interest for SMS	100%	100%	N/A	N/A	N/A	N/A
2	% of compliance to Financial Disclosure on designated groups	100%	N/A	100%	100%	N/A	N/A
3	Number of Strategic Risk	1	N/A	N/A	N/A	N/A	N/A



No	Output Indicators	Annual target 2023-2024	Validated 1 <sup>st</sup> quarter actual outputs	2 <sup>nd</sup> quarter planned targets	2 <sup>nd</sup> quarter actual outputs	Reasons underperformance or overachievement	Measures to address under achievements
	Assessment Performed						
4	Formulation of Departmental disaster management plan	1	N/A	N/A	N/A	N/A	N/A

#### Sub-Programme 1.3: Corporate Services

No	Output Indicators	Annual target 2023-2024	Validated 1 <sup>st</sup> quarter actual outputs	2 <sup>nd</sup> quarter planned targets	2 <sup>nd</sup> quarter actual outputs	Reasons underperformance or overachievement	Measures to address under achievements
1	Number of officials trained in line with Work Skills Plan	100	45	40	80	Additional group trainings coordinated during the period under review which boosted numbers.	N/A

Sub-Programme 1.4: Financial Management (CFO)

No	Output Indicators	Annual target 2023-2024	Validated 1 <sup>st</sup> quarter actual outputs	2 <sup>nd</sup> quarter planned targets	2 <sup>nd</sup> quarter actual outputs	Reasons underperformance or overachievement	Measures to address under achievements
1	Number of Annual financial statements without material misstatements	1	N/A	1	1	N/A	N/A
2	% of valid invoices paid within 30 days	100%	100%	100%	100%	N/A	N/A
3	Number of reports on procurement spend to Women-owned businesses produced	4	1	1	1	N/A	N/A
4	Number of reports on procurement spend to youth owned businesses produced	4	1	1	1	N/A	N/A
5	Number of reports on procurement spend to persons with disabilities owned businesses produced	4	1	1	1	N/A	N/A



**PROGRAMME 2: SUSTAINABLE RESOURCE MANAGEMENT QUARTERLY TARGETS**

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

No	Output Indicators	Annual target 2023-2024	Validated 1 <sup>st</sup> quarter actual outputs	2 <sup>nd</sup> quarter planned targets	2 <sup>nd</sup> quarter actual outputs	Reasons underperformance or overachievement	Measures to address under achievements
1	Estimates of Provincial Revenue and Expenditure (EPRE)	1	N/A	N/A	N/A	N/A	N/A
2	Quarterly Financial assessments on provincial spending	4	1	1	1	N/A	N/A

**Sub-Programme 2.2: Economic Analysis and Fiscal Policy**

No	Output Indicators	Annual target 2023-2024	Validated 1 <sup>st</sup> quarter actual outputs	2 <sup>nd</sup> quarter planned targets	2 <sup>nd</sup> quarter actual outputs	Reasons underperformance or overachievement	Measures to address under achievements
1	Provincial own revenue collected	R1.2 billion	N/A	N/A	N/A	N/A	N/A

Sub-Programme 2.3: Municipal Financial Management

No	Output Indicators	Annual target 2023-2024	Validated 1 <sup>st</sup> quarter actual outputs	2 <sup>nd</sup> quarter planned targets	2 <sup>nd</sup> quarter actual outputs	Reasons for underperformance or overachievement	Measures to address under achievements
1	Number of budget assessments conducted on adopted municipal budgets	20	N/A	20	20	N/A	N/A
2	Number of municipal capacity building interventions conducted	4	1	1	1	N/A	N/A
3	Number of assessment conducted on status of municipal internal control environment	7	3	4	4	N/A	N/A
4	Number of reports on technical support provided to municipalities in-line with Section 154 of the Constitution	4	1	1	1	N/A	N/A
5	Number of assessment reports done on	4	1	1	0	The assessment of the status quo of Lekwa Teemane could not start due to instability as the municipality was still in the	The municipality has appointed MM and the process of appointment for CFO are at the final stage. The process of assessing the

municipalities in financial crisis								process of appointing MM and all senior management during the quarter. MM position has been vacant for more than six months	status quo will start at the end of quarter 3 and will be finalized in quarter 4.
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**PROGRAMME 3: ASSET AND LIABILITIES QUARTERLY TARGETS**

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

No	Output Indicators	Annual target 2023-2024	Validated 1 <sup>st</sup> quarter actual outputs	2 <sup>nd</sup> quarter planned targets	2 <sup>nd</sup> quarter actual outputs	Reasons for underperformance or overachievement	Measures to address under achievements
1	Number of supply chain management (SCM) capacity building interventions provided to Departments and Public Entities	4	9	1	1	N/A	N/A
2	Number of Departments and Public Entities supported to improve audit outcomes on SCM	7	N/A	N/A	N/A	N/A	N/A
3	Number of assessments done on non-compliance by Departments and Public Entities on SCM regulation	4	1	1	1	N/A	N/A
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

No	Output Indicators	Annual target 2023-2024	Validated 1 <sup>st</sup> quarter actual outputs	2 <sup>nd</sup> quarter planned targets	2 <sup>nd</sup> quarter actual outputs	Reasons for underperformance or overachievement	Measures to address under achievements
5	Number of Departments and Public Entities supported to improve outcomes on asset management	7	N/A	N/A	N/A	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 2023-2024	Validated 1 <sup>st</sup> quarter actual outputs	2 <sup>nd</sup> quarter planned targets	2 <sup>nd</sup> 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	There was a lot of matters that emanated from the Regulatory audit which ended in July 2023. Departments and Entities needed to be updated based on the outcomes of the audit in preparation for the new financial year.	N/A
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	N/A	N/A	N/A
3	Number of key control assessments performed on departments and public entities	7 (6 D;1 PE)	N/A	N/A	N/A	N/A	N/A
4	Number of interventions provided to governance	2	N/A	N/A	N/A	N/A	N/A



No	Output Indicators	Annual target 2023-2024	Validated 1 <sup>st</sup> quarter actual outputs	2 <sup>nd</sup> quarter planned targets	2 <sup>nd</sup> quarter actual outputs	Reasons underperformance or overachievement	Measures to address under achievements
5	structures in Public Entities Number of departments and public entities achieving improved risk management maturity level	9 (6D; 3PE)	N/A	N/A	N/A	N/A	N/A

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

No	Output Indicators	Annual target 2023-2024	Validated 1 <sup>st</sup> quarter actual outputs	2 <sup>nd</sup> quarter planned targets	2 <sup>nd</sup> quarter actual outputs	Reasons underperformance or overachievement	Measures to address under achievements
1	Number of departmental post audit action plans implementation 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
3	Number of departmental ethics systems assessed	11	N/A	11	11	N/A	N/A