



provincial treasury

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

VOTE 7

3rd
QUARTERLY PERFORMANCE
REPORT 2023-2024



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DATE: 

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1. INTRODUCTION AND BACKGROUND

Provincial Treasury responds to the following MTSF Priority:

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

2. SITUATIONAL ANALYSIS / HIGHLIGHTS ON OTHER ACHIEVEMENTS

PROGRAMME 2: SUSTAINABLE RESOURCE MANAGEMENT

2.2. SUB-PROGRAMME: ECONOMIC ANALYSIS AND FISCAL POLICY

As at the quarter under review the sub-programme managed to collect an aggregate preliminary provincial revenue amounting to R1,152 billion or 88.77 per cent against the adjusted budget of R1,298 billion. The collection is above the 75 per cent threshold by 13.77 per cent. Furthermore; the department has successfully held the Provincial Revenue Forum where the 2nd quarter performance per department was discussed.

PROGRAMME 4: FINANCIAL GOVERNANCE

4.2. 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.

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

PROGRAMME 1: ADMINISTRATION

1.1 SUB-PROGRAMME: RISK MANAGEMENT

Challenge 1:

Capacity constraints within the Enterprise Risk & Integrity Management unit.
Delay in completing Risk Management activities and reports

Response to challenge 1:

The Assistant Director Integrity Management is assisting with implementation of Risk Management activities

1.3. SUB-PROGRAMME: CORPORATE SERVICES

Challenge 1:

- Network challenges for online training exacerbated by load shedding.
- 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 Load shedding 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:

Late and/or non-submission of SCM reports/information by departments and entities.

Response to challenge 1:

Constant reminders through email and telephone
Escalation to Executive Authorities

Challenge 1:

There is no service provider appointed for asset verification software

Response to challenge 1:

Departments to perform manual verification using walker reports. 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:

-Vacant Director and Assistant Director positions

Response to challenge 1:

-Motivation to fill the vacant posts submitted to HR

4.2. SUB-PROGRAMME: PROVINCIAL INTERNAL AUDIT

Challenge 1:

Slow turnaround time of recruitment.

Response to challenge 1:

Availed PIA resources to assist in shortlisting.

4. ACTUAL PERFORMANCE AGAINST 2023-2024 3rd QUARTERLY TARGETS

PROGRAMME 1: ADMINISTRATION QUARTERLY TARGETS

Sub-Programme 1.1: Office of the MEC

| No | Output Indicators | Annual target 2023-2024 | Validated 2 nd quarter actual outputs | 3 rd quarter planned targets | 3 rd quarter actual outputs | Reasons for underperformance or overachievement | Measures to address under achievements |
|----|---|-------------------------|--|---|--|---|--|
| 1 | Number of Annual Reports submitted to the North West Provincial Legislature for tabling | 1 | 1 | N/A | N/A | N/A | N/A |

Sub-Programme 1.2: Risk Management

| No | Output Indicators | Annual target 2023-2024 | Validated 2 nd quarter actual outputs | 3 rd quarter planned targets | 3 rd quarter actual outputs | Reasons for 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 |
| 2 | % of compliance to Financial Disclosure on designated groups | 100% | 100% | N/A | N/A | 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 2 nd quarter actual outputs | 3 rd quarter planned targets | 3 rd 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 2 nd quarter actual outputs | 3 rd quarter planned targets | 3 rd quarter actual outputs | Reasons underperformance or overachievement | Measures to address under achievements |
|----|---|-------------------------|--|---|--|--|--|
| 1 | Number of officials trained in line with Work Skills Plan | 100 | 80 | 30 | 96 | 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 2 nd quarter actual outputs | 3 rd quarter planned targets | 3 rd quarter actual outputs | Reasons underperformance or overachievement | Measures to address under achievements |
|----|---|-------------------------|--|---|--|---|--|
| 1 | Number of Annual financial statements without material misstatements | 1 | 1 | N/A | N/A | N/A | N/A |
| 2 | % of valid invoices paid within 30 days | 100% | 100% | 100% | 100% | N/A | N/A |
| 3 | Number of reports on procurement spend to Women-owned businesses produced | 4 | 1 | 1 | 1 | N/A | N/A |
| 4 | Number of reports on procurement spend to youth owned businesses produced | 4 | 1 | 1 | 1 | N/A | N/A |
| 5 | Number of reports on procurement spend to persons with disabilities owned businesses produced | 4 | 1 | 1 | 1 | N/A | N/A |

PROGRAMME 2: SUSTAINABLE RESOURCE MANAGEMENT QUARTERLY TARGETS

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

| No | Output Indicators | Annual target 2023-2024 | Validated 2 nd quarter actual outputs | 3 rd quarter planned targets | 3 rd 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 2 nd quarter actual outputs | 3 rd quarter planned targets | 3 rd 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 2 nd quarter actual outputs | 3 rd quarter planned targets | 3 rd quarter actual outputs | Reasons for underperformance or overachievement | Measures to address under achievements |
|----|--|-------------------------|--|---|--|---|--|
| 1 | Number of budget assessments conducted on adopted municipal budgets | 20 | 20 | N/A | N/A | N/A | N/A |
| 2 | Number of municipal capacity building interventions conducted | 4 | 1 | 1 | 1 | N/A | N/A |
| 3 | Number of assessment conducted on status of municipal internal control environment | 7 | 4 | N/A | N/A | N/A | N/A |
| 4 | Number of reports on technical support provided to municipalities in-line with Section 154 of the Constitution | 4 | 1 | 1 | 1 | N/A | N/A |

| | | | | | | | |
|---|---|---|---|---|---|-----|-----|
| 5 | Number of assessment reports done on municipalities in financial crisis | 4 | 0 | 1 | 1 | 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 2023-2024 | Validated 2 nd quarter actual outputs | 3 rd quarter planned targets | 3 rd quarter actual outputs | Reasons 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 | 1 | 1 | 1 | N/A | N/A |
| 2 | Number of Departments and Public Entities supported to improve audit outcomes on SCM | 7 | N/A | 3 | 3 | 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 | 2 | 2 | N/A | N/A |

| No | Output Indicators | Annual target 2023-2024 | Validated 2 nd quarter actual outputs | 3 rd quarter planned targets | 3 rd quarter actual outputs | Reasons 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 | 3 | 3 | 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 2 nd quarter actual outputs | 3 rd quarter planned targets | 3 rd 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 | 5 | 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 | 3 | N/A | 1 | 1 | N/A | N/A |
| 3 | Number of key control assessments performed on departments and public entities | 7 (6 D;1 PE) | N/A | 7 | 7 | N/A | N/A |
| 4 | Number of interventions provided to governance structures in Public Entities | 2 | N/A | 2 | 0 | Appointment of members to serve on governance structures got delayed. However, approvals to establish governance structures were granted and appointment of members is in progress. | The advertisements to invite suitable candidates to apply are in process and it is anticipated that the processes to appoint both committees for participating public entities will be concluded in Quarter 4. |

| No | Output Indicators | Annual target 2023-2024 | Validated 2 nd quarter actual outputs | 3 rd quarter planned targets | 3 rd quarter actual outputs | Reasons for underperformance or overachievement | Measures to address under achievements |
|----|---|-------------------------|--|---|--|---|--|
| 5 | Number of departments and public entities achieving improved risk management maturity level | 9 (6D; 3PE) | N/A | N/A | N/A | N/A | The target will be met in the 4 th quarter. |

Sub-Programme 4.2: Provincial Internal Audit

| No | Output Indicators | Annual target 2023-2024 | Validated 2 nd quarter actual outputs | 3 rd quarter planned targets | 3 rd 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 | 11 | 11 | N/A | N/A |
| 3 | Number of departmental ethics systems assessed | 11 | 11 | N/A | N/A | N/A | N/A |