



provincial treasury

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

ANNUAL PERFORMANCE PLAN

2024/2025



Let's Grow North West together.

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EXECUTIVE AUTHORITY STATEMENT

The Provincial Treasury will continue to implement programmes that support its mandate as public resource controller and custodian of public resources in the province in order to positively contribute to the realisation of both national and provincial priorities. Funds have been allocated for implementation of critical initiatives not limited to the following; improving audit outcomes of departments and public entities, improve budget spending across the province, intensify technical support to delegated municipalities on the preparation of budgets and monitoring implementation in line with section 154 of the constitution, as well as compliance with the annual reporting framework.

This APP constitutes the last year of the 6th administration which is in pursuance of the realisation of the MTSF priorities, which among others, includes building a capable, ethical and developmental state.

As a Province we are also required to deliver on the following Provincial Priorities:

- Priority 1: Unemployment
- Priority 2: Water and Sanitation
- Priority 3: Rural roads
- Priority 4: Housing
- Priority 5: Health
- Priority 6: Crime and Corruption
- Priority 7: Education
- Priority 8: Land

The key focus of this Annual Performance Plan of the department largely revolves around resolving the following challenges, *inter alia*: -

- Deficiencies and poor governance in public entities;
- Governance and leadership challenges;
- Poor implementation of budget and financial management by the Budget and Treasury Offices (BTO's);
- Lack of consequence management;
- Non-payment to the municipality for services provided and non-payment by the municipality for services received/rendered

The implementation of this plan remains critical in addressing the challenges mentioned above. It is also key in ensuring that the department fulfils its mandate whilst simultaneously responding to the provincial priorities as outlined. This Annual Performance Plan is therefore endorsed and as a department, we commit to its implementation.



Ms M.Z. 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. This Annual Performance Plan (APP) is seen as one of the most important guiding tools that would give direction to Provincial Treasury to ensure that all efforts are geared towards a common goal in order for the department to be able to fully discharge its responsibility.

In line with commitments to improve good governance within the provincial administration, the Department will amongst others, implement the following programmes to support municipalities in line with the implementation of the District Development Model (DDM) during 2024/25 financial year:

- Municipal standard chart of accounting;
- Funded budgets;
- Contract management; and
- Improved audit outcome training/workshops.

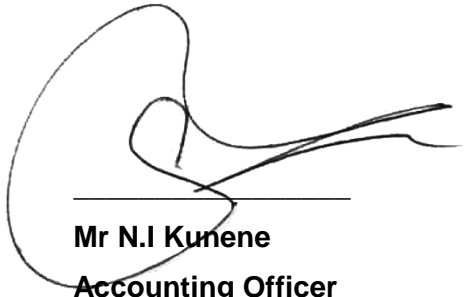
The department will continue with the intensified implementation of the following key programmes to support the departments and public entities:

- 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;
- Offering of effective risk management services and strategies to provincial departments and public entities; and
- Provision of transversal internal audit services to all departments in the province with exception of Department of Education and Provincial Legislature.

The Office of the Auditor General has recently issued audited outcomes which are largely negative in respect of municipalities. It is for this reason that Provincial Treasury is committed to provide the following support programmes for municipalities:

- 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
- Review municipal quarterly financial statements with the aim of improving quality of submission of financial statement at the end of the financial year.

It is our submission that the department is determined in ensuring that programmes and intervention measures will be implemented and yield the intended outcomes. I would like the MEC to take note of the updates effected on the departmental 2024/25 Annual Performance Plan (APP) as part of concluding the last year of the strategic plan of the 6th Administration.



Mr N.I Kunene

Accounting Officer

Department of Provincial Treasury

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 2024/25.


Mr Gordon Letlhogile
Director: Strategic Management

Signature: 

Ms Matshidiso Jansen
Chief Director: Corporate Services

Signature: 

Ms Ayesha Hassim
Chief Financial Officer

Signature: 

Mr Ndlela Kunene
Accounting Officer

Signature: 

Approved by:

Ms M.Z. 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

- Performance Anti-corruption strategy and policy 2023 under review
- Risk management strategy and policy 2023 under review
- Integrity management policy 2023 under review
- Ethics management policy under review
- Reporting unethical conduct, corruption and noncompliance policy 2023 under review
- Disaster management plan development in progress (new)
- Business continuity policy development in progress (new)
- Employee health and wellness programme policy 2022
- Records management policy 2022
- Bursary scheme policy pending DMC review and approval

- PMDS policy pending EEF review
- MISS policy pending EEF review
- Debt Management Policy 2022
- Petty cash policy 2023
- Tangible asset management policy pending DMC review and approval
- Asset loss control policy 2023
- SCM policy 2022
- Preferential procurement policy 2023
- Travel management policy 2023 pending DMC review and approval
- Asset disposal policy 2023 pending DMC review and approval
- Guide on Compilation of Programme/Sub-programme Quarterly Performance Reports 2015
- Revised framework for strategic plan and annual performance plan 2021
- Policy development guideline 2021
- Employment equity plan pending review in 2024
- Job evaluation policy 2021
- SDIP policy 2021

3. Updates to Relevant Court Rulings

Afribusiness launched an application in the High Court and sought an order reviewing and setting aside the procurement regulations in terms of the Promotion of Administrative Justice Act 3 of 2000 (PAJA) on the basis that the Minister had acted beyond the scope of his powers and that the regulations were invalid.

The High Court, held that the 2011 Regulations, to the procurement regulations also contained pre-qualifying criteria relating to functionality which were never challenged. Therefore, Afribusiness complaint could not be said to be against the concept of pre-qualifying criteria, but rather that they did not fall within the designated groups to be advanced. The court held that the Minister was authorised to promulgate the regulations. It thus rejected the argument that the Minister had acted beyond the scope of his powers. In this result, the High Court held that the procurement regulations were rational and lawful, and dismissed the application.

Afribusiness appealed to the Supreme Court of Appeal. After considering the Procurement Act and Section 217 of the Constitution, and the Supreme Court of Appeal held that the Minister had failed to act within the scope of his powers under the Act. That court held that in light of section 2 of the Procurement Act, the correct approach to evaluating tenders is to first ascertain the highest points scorer and thereafter, if there are objective criteria that justify the award of the tender to a tenderer with a lower score, organs of state may do so. The Supreme Court of Appeal held that the preliminary disqualification was impermissible as it was not consonant with the approach envisaged by section 217(1) of the Constitution. Consequently, it held that the Ministers promulgation of regulation 3(b), 4 and 9 was unlawful.

The procurement regulations were declared invalid as they were inconsistent with the Procurement Act and section 217 of the Constitution. The declaration of invalidity was suspended for 12 months.

The Minister applied for leave to appeal against the order of the Supreme Court of Appeal. The Minister argued that a proper reading of section 217 of the Constitution requires a consideration of South Africans segregated past. The Minister submitted that section 5 of the Procurement Act confers wide regulatory powers to the Minister and that the Supreme Court of Appeal failed to appreciate this, as the regulatory scheme is flexible and enables the Minister to make any regulations that advance the objects of the Procurement Act. He contended that the Supreme Court of Appeal erred in that it measured the legality of the 2017 regulations solely against the requirements of Section 217 (1) of the Constitution and did not attempt to read sections 2 and 5 of the Procurement Act harmoniously considering Section 217 (2) and (3) of the Constitution. Moreover, the Minister argued that, in any event, the 2017 Regulations were not intended to replace the scoring system under the Procurement Act but are contemplated in terms of the Acts definition of any “acceptable tender” to which the preference point system may be applied.

Afribusines argued that the Procurement Act does not empower the Minister to create pre-qualification criteria that disqualifies tenderers without recourse to their preference point score in Section 2 of the Act. Therefore the Procurement Regulations are inconsistent with the Act. It contended that any regulations made must be congruent with the provisions of Section 217 (1)(f) of the Act. Afribusines advanced that the pre-qualification criteria overly narrow the selection pool and, therefore, does not enable the state to find the most capable and cost-effective tenderer. Thus, the promulgation of the Procurement Regulations, besides being outside the scope of the Minister’s powers, was a breach of the separation of powers as the Minister stepped into law-making terrain.

The Majority judgement comes to this conclusion by reading the words “necessary or expedient” with section 2(1) of the Procurement Act, which provides that an organ of state must determine its preferential procurement policy. Since each organ of state is empowered to determine its own preferential procurement policy, it cannot also lie with the Minister to make regulations that cover the same field. Ultimately, the majority judgement holds that it can neither be necessary nor expedient for the Minister to make regulations that seek to achieve which has already been achieved in terms of Section 2 (1).

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) which includes : -

- (i) contracting with persons, or categories of persons, historically disadvantaged by unfair discrimination on the basis of race, gender or disability; and
- (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 Provincial Treasury programmes are designed to provide transversal oversight function over provincial departments, municipalities and their entities to assist them in fulfilling their respective legislated mandates. Through prudent budget and rigorous economic analysis, the Provincial Treasury ensures that provincial resources are directed towards addressing the priorities as identified by the provincial executive council. The Provincial Treasury consistently protects the erosion of allocations for the social cluster departments. In particular, education and health services are accorded the highest priorities for resource allocations. This has improved both access to basic education and health services across all four districts of the province. Despite the progress registered, a significant number of post matric graduates remain unemployed and contribute to the deterioration of the unemployment rate. Approximately 40 per cent of the economically active population cannot secure employment at the prevailing wage rates. Half of the provincial population is living in poverty and this is creating conducive environment for different types of social ills in various communities.

4.1 External Environment Analysis

The lower national economic growth is negatively affecting the economic performance of the North West province. S&P Global indicates that the national economy grew by 1.91 per cent in 2022. The provincial economy registered a growth of 0.65 per cent during the same period. Although the North West Province is rich in minerals and arable land for farming, the province is not attractive for manufacturing industrial investment. The main drivers of the provincial economy are the services industries and the primary industries which jointly contribute 90 per cent of the provincial economy. Raw materials from agriculture and mining industries are exported for processing in outside the province. The manufacturing industry which is supposed to be the biggest contributor to the economy accounts for less 10 per cent of the provincial economy. The opportunity costs of exporting the raw materials are that jobs that could have been created in the province are created in regions and countries that import minerals from the Province. This and other factors including higher administered tariffs and consistent electricity interruptions among are also impediments for economic growth. In addition, the province is unable to attract and retain scarce skills. Currently, professionals leave the province to search for economic opportunities elsewhere.

Key challenges to be addressed and interventions.

Identified challenges	Remedial Actions
Poor ICT Infrastructure in the Province (Office of the Premier) - Technological breakdown (BAS Systems, servers down).	Constant engagements with OTP Executive Management including written submissions
SMMEs appointed do not always have the capacity to deliver	Strengthen monitoring and assessment measures on the implementation of contract management norms and standards
Institutions are not using e-Tender portal to register and monitor their contracts.	Acquire additional capacity to monitor and intervene in institutions' implementation of reviewed e-Tender Portal
Insufficient supporting information from clients.	Enforce existing guidance templates or checklist
Departmental/Public Entities SCM Policies not reviewed and updated timeously	Engagement/reminder letters, feedback reports, contact sessions and escalation letters
Departments and public entities not providing complete credible SCM information to enable oversight.	Review the tools, process and approaches used to extract information from departments and entities. Intensify advocacy through various communication platforms (reminders, SCM forums and workshops). Involve the legislative provisions available to enforce compliance.
Emerging suppliers having problem on how to get BBBEE certificate.	Download sworn affidavits templates for suppliers from the Department of Trade, Industry and Competition (DTIC). Intensify SMME supplier development measures.
Use of outdated systems with limited opportunity for configuration and mainly dependent on consultants for system support	Fast Track the IFMS implementation by discussing with NT
Data loss due to unstable network infrastructure and load shedding	OTP to expedite installation of new ICT infrastructure
Excessive red tape (bureaucratic obstacles to action	Minimize protocol
Constrained Fiscal Outlook, led to reduction to Equitable Share & Conditional Grants	Encourage departments to source funding from other institutions (Budget Facility for Infrastructure & Infrastructure SA, Public Private Partnership (PPP)
None functionality of Infrastructure Governance Structure (ISF, Focus group meetings)	Resuscitate Governance Structures within Provincial Treasury for Infrastructure to track implementation progress and interventions on quarterly basis
Non-adherence to the IT (Information Technology) – SLA (Service Level Agreement) by Office of the Premier (OTP).	Strengthen SLA Reviews between OTP and Provincial Treasury
Increasing 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 (Member of Executive Council (MEC), (Accounting Officer (AO) , (Executive Council (EXCO), Legislature) to decisively enforce compliance of PFMA • Capacitate officials on skills relevant to execute unit's responsibilities in line with its purpose

Identified challenges	Remedial Actions
	<ul style="list-style-type: none"> 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"> Intensifying communication of non-compliance to departments and Public entities.
Spending of budget on non-prioritised services.	<ul style="list-style-type: none"> The department to undertake various support initiatives that provide advice and guidance to departments on budget, expenditure, revenue related and cash management matters through analysis and reporting on the in-year performance for the provincial government.
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.
Load shedding, water shortages.	<ul style="list-style-type: none"> Continuous engagement with Department of Public Works and Roads on alternative power / water sources.
Inadequate capacity in CFOs (Chief Financial Officers) in departments and Public Entities.	<ul style="list-style-type: none"> Filling of funded vacant posts
Non-implementation of agreed upon internal audit action plans.	<ul style="list-style-type: none"> Continuously monitor the implementation status of internal audit action plans, perform follow-up audits to verify the status of implementation and recommend remedial action and discuss the implementation of internal audit action plans during Audit Committee meetings.

Demographic information

The Stats SA Census 2022 release indicates that the South African total population increased to 62 million in 2022 from 51.7 million in 2011. The North West Province population increased by 294 595 between 2011 and 2022 bringing the total population of the province to 3.8 million in 2022. The province contributed about 6.1 per cent of the total population of the country which makes it the 7th most populous province out of 9 for the same period.

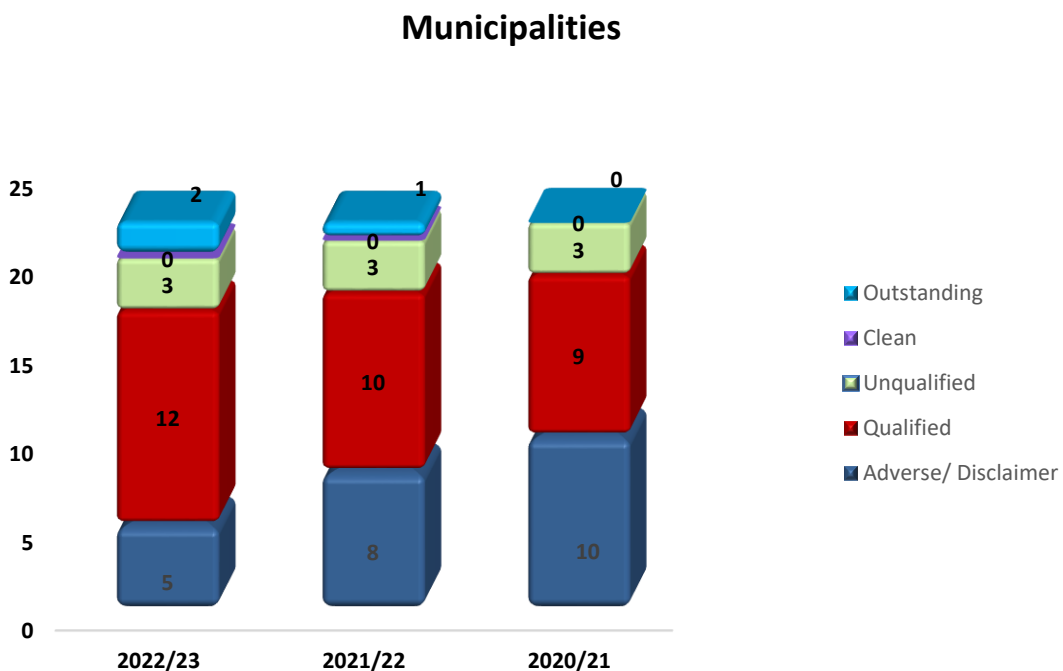
Females are slightly more at 50.5 per cent compared their male counterparts at 49.5 per cent in the province. Previously males were more than females at 50.7 per cent and 49.3 per cent in 2011. Bojanala Platinum District had the largest number of population at 1.62 million in 2022 followed by Ngaka Modiri Molema District at 937 723. Dr Ruth Segomotsi Mompati District had the smallest number of population at 508 192 and the second smallest population was Dr Kenneth Kaunda District at 734 203 for the same period.

The state of the North West Provincial Government (NWP) 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 2020/21, 2021/22 & 2022/23 financial years. Source – AGSA Report

Municipalities (without entities)

Graph 1



Ditsobotla and Mamusa local municipalities' annual financial statements for financial 2022/23 are still outstanding. Ditsobotla's AFS for the year 2021/22 are still outstanding.

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

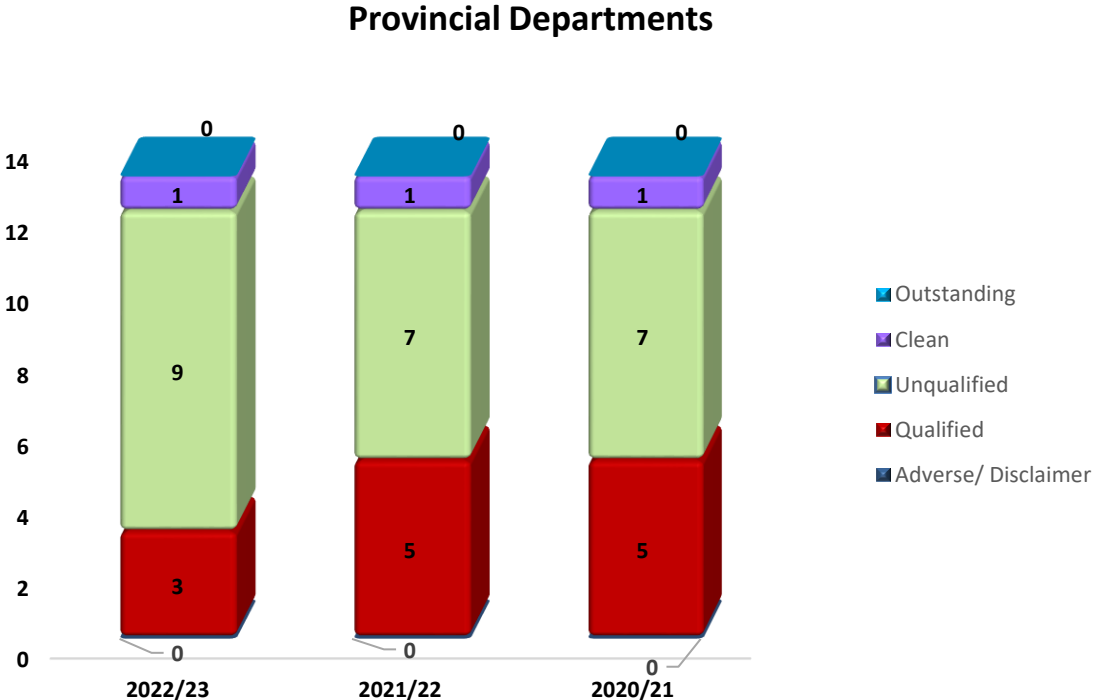
- Governance and leadership challenges
- Poor implementation of budget and financial management by the BTO (Budget and Treasury Office)
- Lack of consequence Management – municipal official getting away with gross financial misconduct
- Blatant disregard of the law – noncompliance with MFMA
- Culture 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



Summary of Provincial Expenditure

Summary of Provincial Expenditure						
Historical Analysis	Main Appropriation	Adjusted Budget	Final Budget	Audited AFS Expenditure	Percentage of budget spent	Audited AFS (over)/under expenditure
	R'000	R'000	R'000	R'000	%	R'000
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	47 260 861	96,87%	1 527 383
2022/23	49 711 663	51 721 933	51 721 933	49 954 033	96,58%	1 767 900
Total	366 988 579	373 424 306	375 581 243	365 527 985	97,32%	10 053 258

The total accumulated provincial main appropriations for the past nine years amounted to R365.528 billion with cumulated underspending of R10.053 billion for the same period. A relative increase in underspending is noted in the last five financial years (2018/19, 2019/20, 2020/21, 2021/22 and 2022/23).

The impact of the 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.

Provincial 2024 MTEF Budget

Department	2023/24 Financial Year	2024 Medium Term Allocation		
	Adjusted Budget	2024/25	2025/26	2026/27
Office of the Premier	471 201	480 136	502 054	524 754
Provincial Legislature	541 491	520 332	525 907	550 279
Health	15 831 083	16 521 794	16 968 210	17 814 071
Arts ,Culture, Sports & Recreation	764 249	750 401	775 359	810 613
Community Safety and Transport Management	2 722 011	2 363 007	2 459 890	2 571 020
Economic Development, Environment, Conservation & Tourism	1 017 442	982 163	1 023 828	1 070 090
Provincial Treasury	554 908	573 808	599 004	626 043
Education	21 485 477	21 932 248	22 864 872	24 022 622
Cooperative Governance & Traditional Affairs	674 075	697 360	682 936	713 815
Public Works and Roads	3 875 647	4 032 198	3 668 454	3 626 407
Social Development	1 742 545	1 810 809	1 892 878	1 979 219
Agriculture and Rural Development	1 241 071	1 209 718	1 282 846	1 338 731
Human Settlements	1 794 801	1 826 411	1 839 894	1 700 156
Total Allocations	52 716 001	53 700 384	55 086 131	57 347 819

The provincial consolidated expenditure of R53.700 billion in 2024/2025 continues to prioritize the social cluster namely Education, Health, Social Development, Arts, Culture, Sports and Recreation and Human Settlements. This cluster consumes 79.78 per cent or R42.842 billion of the provincial budget of which Education consumes the largest at 51.19 per cent, followed by Health at 38.56 per cent, Social Development at 4.23 per cent, Human Settlements at 4.26 per cent and the department of Arts, Culture, Sports and Recreation consuming 1.75 per cent.

The Economic cluster consume 11.59 per cent or R6.224 billion. Within the Economic Cluster, Public Works and Roads consumes 64.78 per cent, Agriculture and Rural Development at 19.44 per cent and 15.78 per cent goes to Economic Development, Environment, Conservation and Tourism at 16.9 per cent.

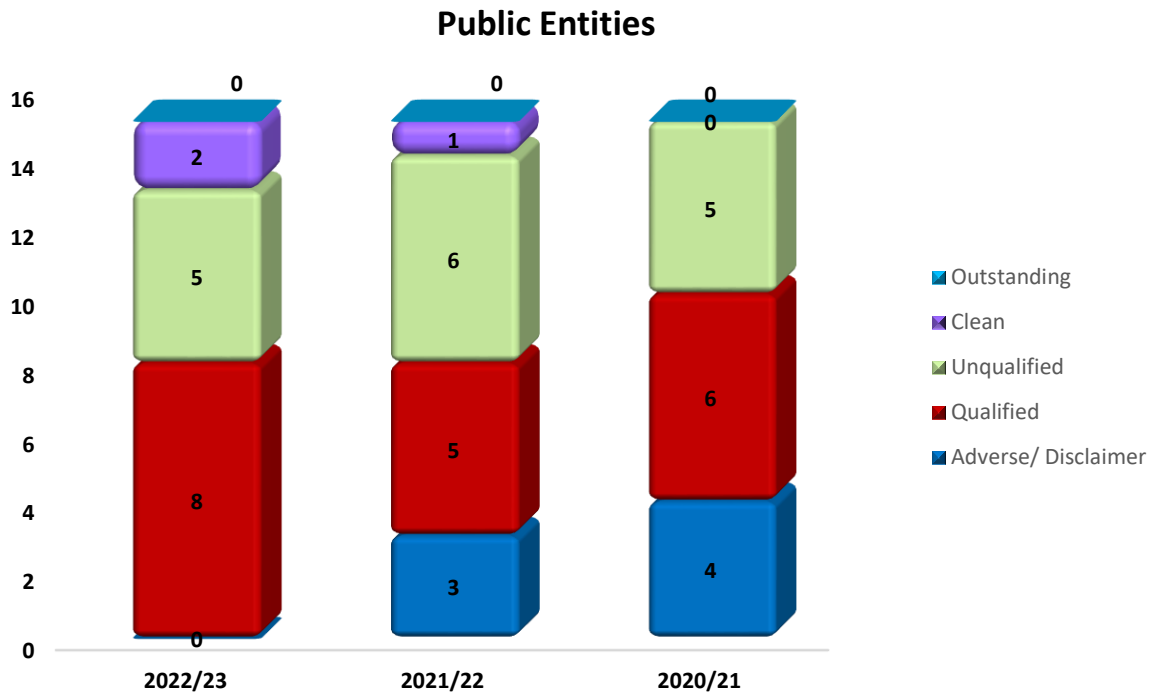
The Governance consume 7.66 per cent or R4.114 billion of the total provincial budget, with Community Safety and Transport Management consuming 57.43 per cent, Cooperative Governance and Traditional Affairs at 16.95 per cent, Office of the Premier consuming 11.67 per cent and Provincial Treasury at 16.96 per cent.

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, accounting authorities
- Lack of proper accounting systems
- Irregular expenditure
- Non-compliance with laws and regulation,
- Poor contract management

Graph 3



The actual revenue collected by all provincial public entities during the 2020/21 financial year 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. The aggregate actual expenditure registered as at 31 March 2021 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 public entities amounted to R1.504 billion or 83.2 per cent from the adjusted appropriation of R1.807 billion inclusive of R589.1 million 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 percent from the adjusted budget of R1.697 billion, resulting in an underspending of R282 million.

In 2022/23 financial year, the actual revenue as at 31 March 2023, total revenue collection, inclusive of transfers and own revenue amounts to R973.245 million or 95.4 per cent, from the adjusted appropriation of R1.019 billion and under collected amount of R45.897 million. Own revenue collection remains a challenge, only 88.2 per cent or R348.221 million was collected by public entities. The actual expenditure as at 31 March 2023 amounts to R775.391 million or 85.9 per cent of the adjusted budget of R902.950 million and under spent by R112.529 million as at 31 March 2023.

Reflections on the impact of the cost containment measures in the province and the support to provincial institutions to ensure non-interruption of service delivery.

The cost containment measures resulted in, amongst others, the following: -

- Reduced the projected overspending, yet focusing on rendering services to the community within the approved and allocated appropriations;
- It assisted Accounting Officers to keep their approved appropriations on track and not let expenditures get out of control;
- It further encouraged close monitoring of financial and non-financial performance with encouragement to improve planning;
- It helped to identify innovative and improved business processes and use of business resources;
- It directed Accounting Officers and Programme Managers to make better decisions regarding their department or programmes with considerations to stretch the rand and obtain value for money;
- It facilitated continuous monitoring, expenditure control and budget & expenditure reporting that contributed to the department's evaluations of prudent financial management;
- In addition, it triggered the accumulation and packaging of data and information necessary for good decision-making, approval and management structures to help the department to keep its overall budget under control.

Support programmes for departments and public entities

- Assess implementation of Supply Chain Management (SCM) regimes of individual Departments & Entities and provide advice to ensure that prescripts are correctly implemented.
- Increase dedicated support to departments and entities. (Turnaround time for individual requests for support).
- Leverage combined assurance arrangement in respect of post audit Implementation Plans on SCM matters (e.g. co-ordinate efforts with internal audit units and clean audit teams).
- Avail transversal contracts on common commodities.
- Conduct SCM compliance monitoring and reporting for Provincial departments and public entities.
- Issue SCM policy norms and standards to provincial departments and public entities.
- Coordinate accredited and non-accredited SCM trainings for provincial departments and public entities.
- Review and monitoring of PAAP progress.
- Validation of POE's on PAAP.
- Irregular expenditure assessment and condonation.
- Compliance with laws and regulations.
- Departments were requested to report compliance in line with National Treasury Instruction Notes.
- Quarterly reporting on irregular expenditure, fruitless and wasteful expenditure as-well as unauthorized expenditure.

- Auditing of tenders > 10 million for departments by Provincial Internal Audit was introduced.
- Material misstatements in the financial statements.
- Targeted training of CFO's team on various policies and instruction notes
- Review of AFS by the Office of the Accountant General and Provincial Internal Audit combined assurance.
- PAAP monitoring by the Provincial Treasury will improve by creating a common "Share Point System".
- Internal audit inspection on implementation of PAAP commitments.
- Targeted training – Risk, Assets & Supply Chain Management roll out.
- Temporary support regarding personnel provided to entities while establishing permanent structures.
- 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.
- Assurance or advisory services focused on risk management, culture-shift/ PAAP, performance management, performance audit.
- Resuscitate governance structures for Infrastructure to track implementation progress and interventions (Infrastructure Support Forum).
- Monitor and report on infrastructure expenditure in the province, to highlight certain risks of the appropriate level, and to assess whether mitigation mechanisms are adequate and/or being implemented as proposed.
- Forster exchange or benchmark programme with other Provincial Treasuries with clear timelines.

Support programmes for municipalities

- Strengthening and institutionalising intergovernmental relation structures,
- Monitoring and oversight of municipal intervention.
- Monitoring compliance with the MFMA and enforcing consequence management for non Compliance.

Opportunities and Threat Analysis

Opportunities	Threats
<ul style="list-style-type: none"> • Further leverage improved relations with the client departments. • Harness the strength and oversight by the AC. • Adapt to an evolving environment (e.g. remote working). • Natural replacement of ageing workforce with young, qualified and agile workforce. • Accreditation of staff with designated professional bodies. • Sourcing funds from PSETA and FASSET for bursaries for employees. • Engagement with social partners (Unions) and Bargaining Councils over issues affecting the Departmental workforce. • Municipal finance legislative environment. • Uniform financial management reforms. • Availability of legislative frameworks. • Availability of systems (Vulindlela, IYM, IRM & Persal) that ensure effective and efficient monitoring of the budget implementation. • 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 	<ul style="list-style-type: none"> • Economy and impact thereof on budget. • Failure by departments to implement both internal and external action plans thus resulting in repeat findings. • 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 • Load shedding and water shortages • 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 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)
- 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*.
- Other provincial and national departments
- Provincial public entities
- Municipalities

Linkage to 2024 SOPA

The following table shows the linkage between SOPA and Provincial Treasury's action plans

No	2024 SOPA Pronouncements	Departmental Action Plans
1.	<p>Page 17: The Executive Council has approved the appointment and deployment of Provincial Executive Representatives (PER's) to implement financial recovery plans for identified municipalities, under the joint coordination of Provincial Treasury and department of Cooperative Governance and Traditional Affairs (COGTA).</p> <p>The Ditsobotla Local Municipality requires constant and sustained support and intervention from provincial government before full recovery can be declared.</p>	Implementation of the financial recovery plans for municipalities.

CONTINUOUS SUPPORT PROGRAMMES TO BE IMPLEMENTED IN THE 2024/25 FINANCIAL YEAR

Support to Municipalities

- The implementation of the financial recovery plans for municipalities placed under mandatory intervention and voluntary FRP will be the key focus of the in 2024/25 financial year.
- Oversight by councils and management within the municipalities will be strengthened to ensure proper governance and that the FRP activities are implemented, early warning systems have been introduced and corrective measures, where applicable, will be taken timeously to avoid further financial distress.
- Sustained monitoring and support by the Provincial Treasury and COGTA is indispensable for successful implementation of the FRPs.

The following projects will be implemented to support municipalities:

- Municipal Standard Chart of Accounting (MSCOA),
- Funded Budgets,
- Implementation and monitoring of Financial recovery plan,
- Improved audit outcome, training/ workshops.
- Development and monitoring of internal control action plan

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 already identified four departments (Arts, Culture, Sports and Recreation; Economic Development, Environment, Conservation and Tourism; Social Development and North West Provincial Legislature) which we believe have the most potential to achieve clean audits in the next auditing cycle.
- Skills Assessment in departments and public entities
- Valuation of investment property
- AFS reviews and audit support
- Assessment of clean audit strategy
- PAAP monitoring.
- Capacity building interventions

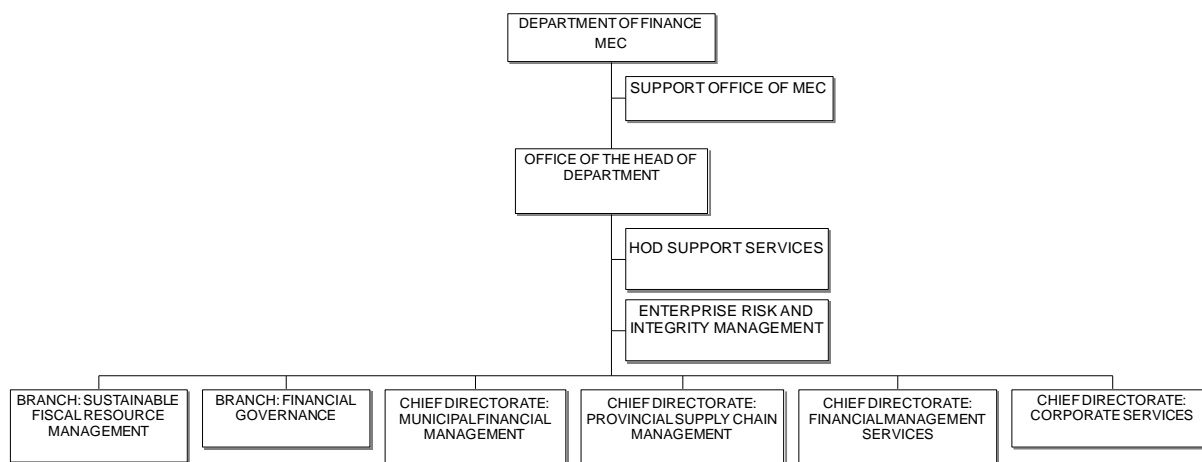
Irregular Expenditure

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 organisational 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 Mompoti 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
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 Preferential Procurement Policy that is being implemented.
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 47% females and 53% males. Middle Management (level 10 – 12) women represent 51.3%.

Employment of youth is at 19,7% i.e. 99 in the staff compliment of 498 excluding those on internship and learnership and people with disabilities are at 2.4% i.e. 12 persons with disabilities in the staff complement of 498 as at end September 2023.

(e) Internal challenges and remedial actions

Identified challenges	Remedial Actions
Security breaches	<ul style="list-style-type: none"> • Intensified security measures: biometric and physical security • Cleaning of offices in presence of office occupants
Understaffing	<ul style="list-style-type: none"> • Fast tracking of filling of vacant funded posts
Inadequate/Congested office Space	<ul style="list-style-type: none"> • Attending to office accommodation as a matter of urgency
Inadequate network infrastructure	<ul style="list-style-type: none"> • Improvement of the network infrastructure

(f) 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 • Approved departmental organizational structure to strengthen the capacity • Working relations with external and internal clients. • Good interpersonal relationship with client Departments. • Legal expertise. • Optimisation of technology for stakeholder engagements. • Availability of systems (Vulindlela, IYM, IRM & Persal) that ensure effective and efficient monitoring of the budget implementation. • Clean audit for 10 consecutive years. 	<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 2023/24	Revised estimate	Medium-term estimates		
	2020/21	2021/22	2022/23				2024/25	2025/26	2026/27
1. Administration	128 886	153 158	157 525	174 700	190 950	190 950	178 545	186 751	195 345
2. Sustainable Resource Management	108 342	139 919	127 374	136 887	148 590	148 590	136 569	141 361	147 346
3. Asset And Liabilities Management	40 778	42 580	48 585	64 621	50 671	50 671	62 292	65 328	68 333
4. Financial Governance	131 521	155 692	149 206	189 700	164 697	164 697	196 402	205 564	215 019
Total payments and estimates	409 527	491 349	482 690	565 908	554 908	554 908	573 808	599 004	626 043

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

R thousand	Outcome			Main appropriation	Adjusted appropriation 2023/24	Revised estimate	Medium-term estimates		
	2020/21	2021/22	2022/23				2024/25	2025/26	2026/27
Current payments	402 629	449 900	459 182	554 233	541 591	541 591	565 699	590 428	617 072
Compensation of employees	304 531	317 748	313 363	364 543	347 261	347 261	387 425	405 154	423 791
Goods and services	97 967	132 152	145 819	189 690	194 330	194 330	178 274	185 274	193 281
Interest and rent on land	131	-	-	-	-	-	-	-	-
Transfers and subsidies to:	1 918	2 803	2 844	802	1 744	1 744	838	877	917
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Non-profit institutions	10	30	-	-	-	-	-	-	-
Households	1 908	2 773	2 844	802	1 744	1 744	838	877	917
Payments for capital assets	4 980	7 353	9 182	10 873	11 573	11 573	7 271	7 699	8 054
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	4 980	7 353	9 182	10 873	11 573	11 573	7 271	7 699	8 054
Heritage Assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	-	31 293	11 482	-	-	-	-	-	-
Total economic classification	409 527	491 349	482 690	565 908	554 908	554 908	573 808	599 004	626 043

Departmental spending over the past financial years was R409.5 million in 2020/21, R491.3 million in 2021/22 and R482.7 million in 2022/23 financial year. The Departmental baseline was increased by R72.2 million in 2023/24. There is an increase of R90 million throughout the MTEF period. 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

5. 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 2023/24	MTEF Period		
			2020/21	2021/22	2022/23		2024/25	2025/26	2026/27
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 2024/25	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 2023/24	MTEF Period		
			2020/21	2021/22	2022/23		2024/25	2025/26	2026/27
Skilled, capable and ethical workforce	Financial Disclosure compliance reports produced	% submission of disclosures of financial interest for SMS	100%	100%	100%	100%	100%	100%	100%
		% of compliance to Financial Disclosure on designated groups	New	100%	N/A	100%	100%	100%	100%
	Strategic Risk Assessment	Number of Strategic Risk Assessment Performed	N/A	N/A	N/A	1	1	1	1

Indicators, Annual and Quarterly Targets: Risk Management

Output Indicators	Annual Target 2024/25	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

Sub-Programme: Corporate Services

Outcome, Outputs, Output Indicators and Targets: Corporate Services

			Annual Targets						
Outcome	Outputs	Output Indicators	Audited/Actual performance			Estimated performance 2023/24	MTEF Period		
			2020/21	2021/22	2022/23		2024/25	2025/26	2026/27
Skilled, capable and ethical workforce	Training to departmental officials conducted	Number of officials trained in line with Work Skills Plan	75	174	281	100	150	200	200

Indicators, Annual and Quarterly Targets: Corporate Services

Output Indicators	Annual Target 2024/25	Q1	Q2	Q3	Q4
Number of officials trained in line with Work Skills Plan	150	20	60	50	20

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 2023/24	MTEF Period		
			2020/21	2021/22	2022/23		2024/25	2025/26	2026/27
Skilled, capable and ethical workforce	Annual financial statements produced	Number of Annual financial statements without material misstatements	1	1	1	1	1	1	1
	All valid invoices paid within 30 days	% of valid invoices	100%	100%	100%	100%	100%	100%	100%

			Annual Targets						
Outcome	Outputs	Output Indicators	Audited/Actual performance			Estimated performance 2023/24	MTEF Period		
			2020/21	2021/22	2022/23		2024/25	2025/26	2026/27
		paid within 30 days							
	Reports on procurement spend on women, youth and persons with disabilities	Number of reports on procurement spend to Women-owned businesses produced	New	New	4	4	4	4	4
		Number of reports on procurement spend to youth owned businesses produced	New	New	4	4	4	4	4
		Number of reports on procurement spend to persons with disabilities owned businesses produced	New	New	4	4	4	4	4

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

Output Indicators	Annual Target 2024/25	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

6.1 Explanation of planned performance over the medium-term period

The programme outputs and output indicators contribute to MTSF Priority 1: A Capable, Ethical and Developmental State. The department has enough enablers to achieve the set five-year outcome targets ultimately achieving its impact statement of ***Sound financial management in Provincial Administration for quality service delivery.***

100 percent submission of financial disclosure ensures 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.

Training departmental officials will contribute to achieving the outcome of ***skilled, capable and ethical workforce***, employees who can carry out their duties in a diligent manner. 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	Revised estimate	Medium-term estimates		
	2020/21	2021/22	2022/23				2023/24	2024/25	2025/26
1. Office Of The Mec	7 945	8 292	10 936	11 701	12 051	12 051	11 547	12 068	12 624
2. Management Services	8 056	20 796	9 382	11 926	12 926	12 926	12 481	13 032	13 632
3. Corporate Services	68 084	77 446	80 776	88 976	99 876	99 876	90 664	94 838	99 202
4. Financial Management (Office Of The Ctb)	44 801	46 624	56 431	62 097	66 097	66 097	63 853	66 813	69 887
Total payments and estimates	128 886	153 158	157 525	174 700	190 950	190 950	178 545	186 751	195 345

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

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2020/21	2021/22	2022/23				2023/24	2024/25	2025/26
Current payments	124 748	137 393	154 584	168 393	183 451	183 451	175 032	183 036	191 457
Compensation of employees	102 087	109 974	104 183	114 878	118 636	118 636	120 997	126 554	132 376
Goods and services	22 520	27 419	50 401	53 515	64 815	64 815	54 035	56 482	59 081
Interest and rent on land	131	-	-	-	-	-	-	-	-
Transfers and subsidies to:	1 185	608	622	224	516	516	334	345	361
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Non-profit institutions	10	30	-	-	-	-	-	-	-
Households	1 175	578	622	224	516	516	334	345	361
Payments for capital assets	2 953	2 937	2 319	6 083	6 983	6 983	3 179	3 370	3 527
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	2 953	2 937	2 319	6 083	6 983	6 983	3 179	3 370	3 527
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	128 886	153 158	157 525	174 700	190 950	190 950	178 545	186 751	195 345

The budget for the programme increased from R153.2 million in 2021/2022 to R157.5 million in 2022/2023 and by R33.4 million in 2023/24. The programme shows a decline of R12.4 million in 2024/25 and an increase of R16.8 million for the two outer years that includes the departmental bursary to officials, legal fees, fleet services, risk Management awareness workshops and forums. As well as recruitment, budget speech, external audit fees, property payments and training and development.

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 2023/24	MTEF Period		
			2020/21	2021/22	2022/23		2024/25	2025/26	2026/27
Improved integrated planning, budgeting and monitoring.	Appropriation Bill Tabled	Estimates of Provincial Revenue and Expenditure (EPRE)	1	1	1	1	1	1	1
	Financial assessments on provincial spending on departments and public entities	Number of quarterly financial assessment performed on provincial spending	3	4	4	4	4	4	4

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

Output Indicators	Annual Target 2024/25	Q1	Q2	Q3	Q4
Estimates of Provincial Revenue and Expenditure (EPRE)	1	N/A	N/A	N/A	1
Number of quarterly financial assessment performed on provincial spending	4	1	1	1	1

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 2023/24	MTEF Period		
			2020/21	2021/22	2022/23		2024/25	2025/26	2026/27
Improved integrated planning, budgeting and monitoring.	Provincial own revenue target met Provincial own revenue collected	Amount of Provincial own revenue collected	1.1 billion	1.3 billion	R1.566 815 billion	R1.2 billion	R1.3 billion	R1.4 billion	R1.4 billion

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

Output Indicators	Annual Target 2024/25	Q1	Q2	Q3	Q4
Amount of Provincial own revenue collected	R1.3 billion	N/A	N/A	N/A	R1.3 billion

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 2023/24	MTEF Period		
			2020/21	2021/22	2022/23		2024/25	2025/26	2026/27
Improved financial management in Departments, Public Entities and Municipalities	Municipal budget assessed	Number of budget assessments conducted on adopted municipal budgets	20	20	20	20	20	20	20
	Capacity building initiatives for municipal Officials	Number of municipal capacity building interventions conducted	3	4	4	4	4	4	4
	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	4	4	4	4	4
		Number of Reports on the implementation of the Financial Recovery Plan	New	New	New	New	4	4	4

Indicators, Annual and Quarterly Targets: Municipal Financial Management

Output Indicators	Annual Target 2024/25	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 reports on technical support provided to municipalities in-line with Section 154 of the Constitution	4	1	1	1	1
Number of Reports on the implementation of the Financial Recovery Plan	4	1	1	1	1

6.2 Explanation of planned performance over the medium-term period

The programme outputs and output indicators contribute to MTSF Priority 1: A Capable, Ethical and Developmental State. The department has enough enablers to achieve the set five-year outcome targets ultimately achieving its impact statement of **Sound financial management in Provincial Administration for quality service delivery.**

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. Budget planning and monitoring of financial performance of the Provincial Department and Public Entities will contribute to achieving the departmental intended outcome of **Improved integrated planning, budgeting and monitoring** in the long run achieving a Sound financial management in Provincial Administration for quality service delivery.

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

The rationale for the choice of the outputs is about improving financial management accounting in the province. Audit outcomes for municipalities are not at an ideal stage and therefore stringent measures must be implemented to bring improvement. The outputs contribute to achieving the intended outcome (**Improved financial management in Departments, Public Entities and Municipalities**).

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 2023/24	Revised estimate	Medium-term estimates		
	2020/21	2021/22	2022/23				2024/25	2025/26	2026/27
1. Programme Support	1 179	44	-	3 037	-	-	3 175	3 321	3 473
2. Economic Analysis	5 738	6 106	6 294	8 040	6 937	6 937	8 642	9 030	9 444
3. Fiscal Policy	7 930	8 057	8 710	8 830	7 928	7 928	9 008	9 422	9 854
4. Budget Management	19 686	21 816	22 544	23 902	27 699	27 699	26 035	27 228	28 479
5. Public Finance	17 917	17 762	16 625	26 395	17 415	17 415	26 934	28 177	29 474
6. Municipal Finance	55 892	86 134	73 201	66 683	88 611	88 611	62 775	64 183	66 622
Total payments and estimates	108 342	139 919	127 374	136 887	148 590	148 590	136 569	141 361	147 346

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

R thousand	Outcome			Main appropriation	Adjusted appropriation 2023/24	Revised estimate	Medium-term estimates		
	2020/21	2021/22	2022/23				2024/25	2025/26	2026/27
Current payments	107 261	138 307	124 091	135 280	146 359	146 359	134 890	139 603	145 509
Compensation of employees	68 325	74 236	78 613	92 312	83 188	83 188	97 664	102 146	106 845
Goods and services	38 936	64 011	45 478	42 968	63 171	63 171	37 226	37 457	38 664
Interest and rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies to:	48	296	1 202	-	624	624	-	-	-
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	48	296	1 202	-	624	624	-	-	-
Payments for capital assets	1 033	1 316	2 081	1 607	1 607	1 607	1 679	1 758	1 837
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	1 033	1 316	2 081	1 607	1 607	1 607	1 679	1 758	1 837
Heritage Assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	-	-	-	-	-	-	-	-	-
Total economic classification	108 342	139 919	127 374	136 887	148 590	148 590	136 569	141 361	147 346

The projection for the programme shows a sharp increase of R31.6 million in 2021/22 due to MFMA Consultants. A decline of R12.5 million in 2022/23 financial year is due to non-appointment of Technical Assistants for Infrastructure Development Programme Shift (IDIP). The Programme shows an increase of R21.2 million in 2023/24. There is a decline of R12 million in 2024/25 and increases by R10.8 million over the two outer years for printing of budget books, IDIP and MFMA Interventions.

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 2023/24	MTEF Period		
			2020/21	2021/22	2022/23		2024/25	2025/26	2026/27
Fair, equitable, transparent, competitive and cost effective supply chain management system.	SCM Capacity building interventions provided to Departments and Public Entities	Number of supply chain management (SCM) capacity building interventions provided to Departments and Public Entities	2	7	30	4	4	4	4
	Departments and Public Entities supported to improve audit outcomes on SCM	Number of Departments and Public Entities supported to improve audit outcomes on SCM	6	6	6	7	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 regulations	3	4	4	4	4	4	4
	Asset management capacity building	Number of asset management capacity	4	4	4	4	4	4	4

Outcome	Outputs	Output Indicators	Annual Targets						
			Audited/Actual Performance			Estimated performance 2023/24	MTEF Period		
			2020/21	2021/22	2022/23		2024/25	2025/26	2026/27
	interventions provided	building interventions provided to departments and Public Entities							

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

Output indicators	Annual Target 2024/25	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 regulations	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

6.3 Explanation of planned performance over the medium-term period

The programme outputs and output indicators contribute to MTSF Priority 1: A Capable, Ethical and Developmental State. The department has enough enablers to achieve the set five-year outcome targets ultimately achieving its impact statement of ***Sound financial management in Provincial Administration for quality service delivery.***

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. Supply Chain Management is currently undergoing legislative reforms that will need to be integrated into procurement arrangements in departments and entities. Provincial Treasury (through PSCM and Asset Management) has to play its legislated role to ensure that departments and public entities are capacitated. The output targets of the department will contribute to achieving the intended outcome of a procurement environment that complies with the section 216 constitutional principles of fairness, equity, transparency, competitiveness and cost effectiveness supply chain management system.

The output targets of the department will contribute to achieving the intended outcome of (***Fair, equitable, transparent, competitive and cost effective supply chain management system.***).

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 2023/24	Revised estimate	Medium-term estimates		
	2020/21	2021/22	2022/23				2024/25	2025/26	2026/27
1. Programme Support	7 193	7 392	13 811	22 980	14 230	14 230	18 915	19 955	20 872
2. Asset Management	9 054	9 658	10 034	13 893	13 493	13 493	14 427	15 091	15 786
3. Support And Interlinked Financial System	24 531	25 530	24 740	27 748	22 948	22 948	28 950	30 282	31 675
Total payments and estimates	40 778	42 580	48 585	64 621	50 671	50 671	62 292	65 328	68 333

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

R thousand	Outcome			Main appropriation	Adjusted appropriation 2023/24	Revised estimate	Medium-term estimates		
	2020/21	2021/22	2022/23				2024/25	2025/26	2026/27
Current payments	39 977	41 230	45 838	62 908	49 854	49 854	61 502	64 454	67 419
Compensation of employees	34 831	36 137	33 637	38 973	32 369	32 369	44 927	46 933	49 092
Goods and services	5 146	5 093	12 201	23 935	17 485	17 485	16 575	17 521	18 327
Interest and rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies to:	60	147	281	221	225	225	231	242	253
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	60	147	281	221	225	225	231	242	253
Payments for capital assets	741	1 203	2 466	1 492	592	592	559	632	661
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	741	1 203	2 466	1 492	592	592	559	632	661
Heritage Assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	-	-	-	-	-	-	-	-	-
Total economic classification	40 778	42 580	48 585	64 621	50 671	50 671	62 292	65 328	68 333

The programme realised an increase of R1.8 million 2021/22, R6 million in 2022/23 and R2.1 million 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 R62.3 million in 2024/25 and R133.7 million in the two outer years cumulatively.

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 2023/24	MTEF Period		
			2020/21	2021/22	2022/23		2024/25	2025/26	2026/27
Improved financial management in Departments, Public Entities and Municipalities	Capacity Building Interventions for Departments and Public Entities	Number of capacity Building Interventions for Departments and Public Entities	9	12	9	9	9	10	10
	Support programmes provided to Departments and Entities	Number of monitoring reports on implementation of AGSA findings on the preceding financial year on departments and public entities	New	2	2	2	3	3	3
	Support programmes provided to Departments and Entities	Number of Payment Files interfaced between the core Financial Systems	New	New	New	New	220	220	220

Outcome	Outputs	Output Indicators	Annual Targets						
			Audited/ Actual Performance			Estimated performance 2023/24	MTEF Period		
			2020/21	2021/22	2022/23		2024/25	2025/26	2026/27
		Number of key control assessments performed on departments and public entities	New	New	New	7 (6D;1 PE)	7 (6D;1 PE)	7 (6D;1 PE)	7 (6D;1 PE)
		Number of departments and public entities achieving improved risk management maturity level	New	New	New	9 (6D; 3PE)	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 2024/25	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 Payment Files interfaced between the core Financial Systems	220	55	55	55	55
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 departments and public entities achieving improved risk management maturity level	9 (6D; 3PE)	N/A	N/A	N/A	9 (6D; 3PE)

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 2023/24	MTEF Period		
			2020/21	2021/22	2022/23		2024/25	2025/26	2026/27
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

Indicators, Annual and Quarterly Targets: Provincial Internal Audit

Output Indicators	Annual Target 2024/25	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

6.4 Explanation of planned performance over the medium-term period

The programme outputs and output indicators contribute to MTSF Priority 1: A Capable, Ethical and Developmental State. The department has enough enablers to achieve the set five-year outcome targets ultimately achieving its impact statement of **Sound financial management in Provincial Administration for quality service delivery**.

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.

The rationale for the choice of the outputs is about improving financial management accounting in the province. Audit outcomes for departments and public entities are not at an ideal stage and therefore stringent measures must be implemented to bring improvement.

The outputs contribute to achieving the intended outcome (***Improved financial management in Departments, Public Entities and Municipalities***).

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 Officer's (CFO's) 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.
- Provincial Internal Audit will perform follow up audits to verify the timely and effective implementation of the audit action plans.

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 2023/24	Revised estimate	Medium-term estimates		
	2020/21	2021/22	2022/23				2024/25	2025/26	2026/27
1. Programme Support	3 326	23 420	17 334	9 092	11 952	11 952	9 493	9 930	10 386
2. Accounting Services	53 723	52 038	49 066	74 773	55 410	55 410	77 851	81 221	84 956
3. Norms And Standards	4 144	7 873	8 963	10 597	10 597	10 597	11 436	11 936	12 486
4. Risk Management	4 296	4 314	4 828	5 741	5 741	5 741	6 229	6 752	7 062
5. Provincial Internal Audit	66 032	68 047	69 015	89 497	80 997	80 997	91 393	95 725	100 129
Total payments and estimates	131 521	155 692	149 206	189 700	164 697	164 697	196 402	205 564	215 019

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

R thousand	Outcome			Main appropriation	Adjusted appropriation 2023/24	Revised estimate	Medium-term estimates		
	2020/21	2021/22	2022/23				2024/25	2025/26	2026/27
Current payments	130 643	132 970	134 669	187 652	161 927	161 927	194 275	203 335	212 687
Compensation of employees	99 278	97 341	96 930	118 380	113 068	113 068	123 637	129 521	135 478
Goods and services	31 365	35 629	37 739	69 272	48 859	48 859	70 438	73 814	77 209
Interest and rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies to:	625	1 752	739	357	379	379	273	290	303
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	625	1 752	739	357	379	379	273	290	303
Payments for capital assets	253	1 897	2 316	1 691	2 391	2 391	1 854	1 939	2 029
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	253	1 897	2 316	1 691	2 391	2 391	1 854	1 939	2 029
Heritage Assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	-	19 073	11 482	-	-	-	-	-	-
Total economic classification	131 521	155 692	149 206	189 700	164 697	164 697	196 402	205 564	215 019

The 2020/21 budget allocation increased from R131.5 million to R155.7 million in 2021/22. The allocation further increased from R149.2 million in 2022/23 to R164.7 million in 2023/24. The programme shows an increase of R31.7 million in 2024/25 to cater for the once-off payment procurement of telephone handsets as the current VOIP system has reached the end of its useful life and we need to implement this project with SITA before the end of September 2024, R18.6 million for the two outer years. The 2024/25 allocation is also inclusive of R3.9 million for Audit Committee, R25 million for Provincial Telephone, R1.4 million for training and development, R4.9 million for lease of building, R4.8 million for audit fees, R1.5 million for administrative fees for bank charges, R5.1 million for Consultants, R2.4 million for computer services and R1.8 million for forensic investigations.

8. 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. Consequence management on incorrect or incomplete disclosures. 3. 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.
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
	Non-Compliance to Legislation and policy	<ul style="list-style-type: none"> • Intensifying communication of non-compliance to departments and Public entities. • Continuous engagements with departments and provide assistance where needed.
Improved financial management in Departments, Public Entities and Municipalities	Ineffective systems of budget, financial management and reporting at municipalities	Implementation financial recovery plans 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.
	-Municipal services demand from citizen has risen – level of dependency on municipal	-Encourage citizens who can afford to pay for rates and taxes to do so as their income is not affected.

Outcome	Key Risk	Risk Mitigation
	<p>services has risen due to loss of income.</p> <ul style="list-style-type: none"> -Pressure on provision of water and electricity - Default on municipal tariffs payment/ - Decline in revenue - Increase in indigent residence 	
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
	Non-submission of complete credible SCM information to enable oversight	<p>Revise internal information extraction tools, process and approaches used to extract information from departments and entities.</p> <p>Intensify advocacy through various communication platforms (reminders, SCM forums and workshops).</p> <p>Involve the legislative provisions available to enforce compliance.</p>
	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.	Cancellation and suspension of some planned activities (recruitment, training etc.)
Improved financial management in Departments, Public Entities and Municipalities	Inadequate capacity in CFO sections of Public Entities.	Filling of vacant funded posts
	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
	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.

Outcome	Key Risk	Risk Mitigation
		<p>3. Perform follow-up audits on the status of implementation of both internal audit and external audit action plans.</p> <p>4. Advocate the importance and impact of action plans.</p>
	<p>Inadequate risk management processes to provide the required basis for risk based internal audit.</p>	<p>1. Perform self-assessment of risk for audit planning purposes.</p> <p>2. Interaction with Provincial Risk Management.</p> <p>3. Advice Departments through risk management audits.</p>
	<p>Inadequate hygienic practices in the workplace (Public Works).</p>	<p>1. Capacity of Public Works to clean shared spaced supplemented by Provincial Treasury staff.</p> <p>2. Minor repairs and maintenance carried directly by Provincial Treasury.</p> <p>3. Memos and reminder memos written to Public Works on challenges facing the Department.</p>

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 and 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 SMS financial disclosure forms submitted as required by applicable prescripts
Source of data	DPSA eDisclosure system generated status reports per designated group
Method of calculation/ Assessment	Qualitative: The calculations are system generated depending on how many officials were registered. DPSA manages the disclosure system
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 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: The calculations system generated depending on how many officials were registered. DPSA manages the disclosure system
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	This is the identification and assessment of risks that might cause the department to not achieve its planned outputs and outcomes. The Strategic Risk Assessment (including identification) is completed in the 4 th quarter of each financial year in preparation for the new financial year.
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	All stakeholders will cooperate and the departmental risk register will be finalised 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

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 a percentage on the 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	Non-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-end)
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 • 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-end)
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-end)
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	Number of quarterly financial assessment performed 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 quarterly assessment reports
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	Amount of 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 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 on technical support provided to municipalities
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
4. Indicator title	Number of reports on the implementation of the Financial Recovery Plan
Definition	A financial recovery plan aims to secure the municipality's ability to meets its obligations to provide basic services or its financial commitments.
Source of data	Municipal financial and non-financial performance reports e.g AFS, Annual Report, etc.
Method of calculation	Simple Count
Means of verification	Reports on the implementation of the Financial Recovery Plans
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 financial sustainability and 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"> • Simplification and interpretation of legislation governing Supply Chain Management (SCM) • Providing frameworks for SCM processes • SCM forum (for information sharing) • Focused/targeted SCM Training
Source of data	Attendance registers/ electronic record
Method of calculation/ Assessment	Simple count
Means of verification	Attendance registers/ electronic record
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 regulations
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

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 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 (Still to be discussed)	Number of Payment Files interfaced between the core Financial Systems
Definition	Daily processing of departmental payment files captured on Walker and uploaded to BAS (Paying system) for the payment of creditors.
Source of data	Payments captured and Authorised on Walker System by various departments (payment to suppliers for services rendered to provincial Departments)
Method of calculation /assessment	Daily count of the interface executed between Walker and BAS.
Means of verification	<ul style="list-style-type: none"> • Check against the Walker System Backup Files (payments files created and stored in Walker for a period of a year). • Signed certificate confirming all successful interfaced payment files with a copy of the Register containing information of Interface.
Assumptions	<ul style="list-style-type: none"> • That events such as loadshedding will not have an effect on the daily interface between the core systems because Payment Interface is ran at the Mainframe room when there is loadshedding. • If downtime of the mainframe is experienced that the interface will be executed immediately when the system becomes available.
Disaggregation of Beneficiaries (where applicable)	<ul style="list-style-type: none"> • End users of the financial systems in the provincial departments. • Suppliers that provide services to the provincial government. • Citizens benefitting from government services
Spatial Transformation (where applicable)	N/A
Calculation type	Cumulative (year-end)
Reporting cycle	Quarterly
Desired performance	100%
Indicator responsibility	Director: financial systems
4. 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 outcomes of selected departments and public entities.
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
5. Indicator title	Number of departments and public entities achieving improved risk management maturity level
Definition	<p>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.</p> <p>departments and public entities assessed on the following components:</p> <ul style="list-style-type: none"> -Governance and Culture -Strategy and Objective Setting -Performance -Review and revision -Information, communication and reporting.
Source of data	Risk Management Maturity Model results for 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.

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 “to 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	Implementation of the municipal financial recovery plans	R10 Million	Bojanala Dr Kenneth Kaunda Dr Ruth Segomotsi Mompoti Ngaka Modiri Molema	Naledi Dr Ruth Segomotsi Mompoti Ditsobotla Ramotshere Moiloa Tswaing Madibeng Kgetleng	Chief Director Municipal Finance Management	South African Local Government Association (SALGA), Cooperative Governance and Traditional Affairs (COGTA) National Treasury (NT)



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PR 290/2023
ISBN: 978-0-621-51568-8



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