



provincial treasury

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

VOTE 7

2nd

QUARTERLY PERFORMANCE REPORT 2024-2025



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DATE: 

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1. INTRODUCTION AND BACKGROUND

Provincial Treasury responds to the following MTSF Priority: **MTSF Priority 1: A Capable, Ethical and Developmental State**

2. SITUATIONAL ANALYSIS / HIGHLIGHTS ON OTHER ACHIEVEMENTS

PROGRAMME 1: ADMINISTRATION

1.2. SUB-PROGRAMME: RISK MANAGEMENT

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

- The Enterprise Risk and Integrity Unit approved the Risk Management Policy and Strategy (incl. Implementation Plan), Anti-Corruption Policy and Strategy (incl. Implementation Plan), Combined Assurance Model, Integrity Management Policy, Ethics Management Strategy and Reporting Policy
- The Integrity Management Unit presented at the newly appointed officials' induction
- The Integrity Management Unit received and processed one other remunerative work applications.

PROGRAMME 2: SUSTAINABLE RESOURCE MANAGEMENT

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

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

- Submitted the North West Public Entities Revenue and Expenditure Report for the First Quarter (1st) of the 2024/25 Financial Year
- Conducted Expenditure Reviews engagements with Provincial Departments and Public Entities scheduled on the 05th August 2024 until 08th August 2024
- Conducted 16 infrastructure site visits under the departments of Education, Health, Cooperative Governance and Traditional Affairs, Human Settlements, Economic Development Environment Conservation and Tourism, Agriculture and Rural Development, Arts, Culture, Sports and Recreation and Public Works and Roads;-
- Conducted Infrastructure Delivery Management System (IDMS) training

2.2. SUB-PROGRAMME: ECONOMIC ANALYSIS AND FISCAL POLICY

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

- The preliminary revenue collection as at 30 September 2024 amounts to R562, 047 million or 42,11 percent of R1, 334, 775 billion budget which is below the 50 percent target

2.3. SUB-PROGRAMME: MUNICIPAL FINANCIAL MANAGEMENT

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

- Conducted budget assessments on adopted 2024/25 municipal budgets
- Conducted on the job training on usage of the Muni e-Monitor and Web Enabled Audit Action Plan system
- Evaluated regulation 6 reports submitted by Municipalities to monitor compliance with the implementation of SCM policies
- Assessed progress on the implementation of the Financial Recovery Plan at Municipalities under mandatory and discretionary intervention.

PROGRAMME 3: ASSETS AND LIABILITY MANAGEMENT

3.1. SUB-PROGRAMME: PROVINCIAL SUPPLY CHAIN MANAGEMENT

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

- Revision of SCM instruction notes and circulars
- Sustained and enhanced outreach 30 day payment programme and CSD support through the Thuntsha Lerole Service Delivery Programme
- Ninety seven (97) officials obtained certificates of achievement (NQF Level 5, 150 credits) from the previously trained 100 on the SCM Learnership Transport Education Training Authority (TETA) funded programme
- 76 CSD Workshops/trainings were done, 364 CSD support services offered, 97 new CSD registrations completed and 505 suppliers were updated
- 73 Tendering workshops were done

PROGRAMME 4: FINANCIAL GOVERNANCE

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

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

- Prepared and issued HOD-to-HOD letters to all Departments and Provincial Legislature highlighting risk management challenges in Institutions with recommendations for improvement
- Held a Provincial Risk Management Forum for Departments and Provincial Legislature as well as that of Public Entities to discuss the transversal risks affecting the Province in order to develop risk mitigation strategies to address them
- Arranged training on operational fraud risk management for all Risk Management Officials in Departments, Provincial Legislature and Public Entities, this was to equip officials and enhance their knowledge and skills regarding identification and mitigation of fraud risks in the Public Service
- Conducted the AOPO workshop for NW Departments and Public Entities following the outcomes from the AGSA audit
- Conducted the CFO forums and Post Audit-Action Plan Workshops for the NW Departments and Public Entities to address the findings raised by the AGSA and ensure that appropriate plans are in place to resolve the findings and avoid reoccurrence
- The Sub-Directorate managed to successfully perform the interface of the core financial systems for Quarter 2.

4.2. PROVINCIAL INTERNAL AUDIT

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

- The Audit Committee held twenty two (22) meetings, two (2) per Department, one (1) to discuss the external audit outcome before 31 July 2024 and one (1) to discuss Quarter one (1) Departmental reporting to the AC
- The AC submitted their final certificates for inclusion in the Annual Report of Departments in the shared service
- Provincial Internal Audit has rolled out the annual audit plans.

3. KEY CHALLENGES AND RESPONSES (per sub-programme)

PROGRAMME 1: ADMINISTRATION

1.1. SUB-PROGRAMME: RISK MANAGEMENT

Challenge 1:

- Capacity constraints

Response to challenge 1:

- Conclude recruitment process

1.3. SUB-PROGRAMME: CORPORATE SERVICES

Challenge 1:

- Officials are reluctant to attend Online trainings
- Challenges of unstable network for online trainings.

Response to challenge 1:

- Initiate roadshows in which officials will be encouraged to register for online programmes.

PROGRAMME 2: SUSTAINABLE RESOURCE MANAGEMENT

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

Challenge 1:

- Possible overspending by Provincial Legislature, the Departments of Health, Education, Cooperative Governance and Traditional Affairs and Public Works and Roads
- Non-alignment of IRM with Table B5 and implementation of the infrastructure projects outside the Table 5.

Response to challenge 1:

- Continuous monitoring of the implementation of the budget through IYM and IRM to ensure Departments spend within the available budget and produce monthly expenditure reports to Departments highlighting challenges and providing remedial actions or recommendations
- Continuous monitoring of adherence to Table B5.

2.2. SUB-PROGRAMME: ECONOMIC ANALYSIS AND FISCAL POLICY

Challenge 1:

- The preliminary revenue collection indicates that there are about 5 Departments that are under collecting.

Response to challenge 1:

- During the second Quarter the Unit issued a circular to Departments with an instruction to develop revenue enhancement strategies identifying viable new sources of revenue
- The Unit continuously monitor and engage with Departments that are underperforming to ensure that identified remedial measures are implemented- where measures put in place are not yielding desired results, alternative strategies and recommendations are sourced from other Provinces through the national revenue work group.

2.3. SUB-PROGRAMME: MUNICIPAL FINANCIAL MANAGEMENT

Challenge 1:

Various vacant funded positions not filled.

Response to challenge 1:

Prioritize the conclusion of the recruitment cycle.

PROGRAMME 4: FINANCIAL GOVERNANCE

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

Challenge 1:

Provincial Risk Management is experiencing human resource capacity challenges

Response to challenge 1:

Processes of filling the vacancies has started.

4.2. SUB-PROGRAMME: PROVINCIAL INTERNAL AUDIT

Challenge 1:

Various vacant funded positions not filled.

Response to challenge 1:

Prioritize the conclusion of the recruitment cycle.

4. ACTUAL PERFORMANCE AGAINST 2024-2025 2nd QUARTERLY TARGETS

PROGRAMME 1: ADMINISTRATION QUARTERLY TARGETS

Sub-Programme 1.1: Office of the MEC

No	Output Indicators	Annual target 2024-2025	Validated 1 st Quarter actual outputs	2 nd Quarter planned targets	2 nd Quarter actual outputs	Reasons for underperformance or overachievement	Measures to address under achievements
1	Number of Annual Reports submitted to the North West Provincial Legislature for tabling	1	0	1	1	N/A	N/A

Sub-Programme 1.2: Risk Management

No	Output Indicators	Annual target 2024-2025	Validated 1 st Quarter actual outputs	2 nd Quarter planned targets	2 nd Quarter actual outputs	Reasons for underperformance or overachievement	Measures to address under achievements
1	% submission of disclosures of financial interest for SMS	100%	100%	N/A	0	N/A	N/A
2	% of compliance to Financial Disclosure on designated groups	100%	0	100%	100%	N/A	N/A
3	Number of Strategic Risk Assessment Performed	1	0	N/A	0	N/A	N/A

Sub-Programme1.3: Corporate Services

No	Output Indicators	Annual target 2024-2025	Validated 1 st Quarter actual outputs	2 nd Quarter planned targets	2 nd Quarter actual outputs	Reasons for underperformance or overachievement	Measures to address under achievements
1	Number of officials trained in line with Work Skills Plan	150	60	60	184	<p>Over achievement of 124 was as a result of:</p> <p>1.Three mandatory trainings for interns :</p> <ul style="list-style-type: none"> • (New TVET Interns) Personal Mastery training =19 officials • (Graduate Interns) Personal Mastery=67 officials • Breaking Barriers to entry into Public Service (BB2E) training=18 officials. <p>2.Advanced Management Development Programme (AMDP):</p> <ul style="list-style-type: none"> • The training could not take place last financial year because a group needed to be formed, confirmation for training was only received in Q2 2024/25 FY. Block 1-2 =20 Officials 	N/A

Sub-Programme 1.4: Financial Management (CFO)

No	Output Indicators	Annual target 2024-2025	Validated 1 st Quarter actual outputs	2 nd Quarter planned targets	2 nd Quarter actual outputs	Reasons for underperformance or overachievement	Measures to address under achievements
1	Number of Annual financial statements without material misstatements	1	0	1	1	N/A	N/A
2	% of valid invoices paid within 30 days	100%	100%	100%	100%	N/A	N/A
3	Number of reports on procurement spend to Women-owned businesses produced	4	1	1	1	N/A	N/A
4	Number of reports on procurement spend to youth owned businesses produced	4	1	1	1	N/A	N/A
5	Number of reports on procurement spend to persons with disabilities owned businesses produced	4	1	1	1	N/A	N/A

PROGRAMME 2: SUSTAINABLE RESOURCE MANAGEMENT QUARTERLY TARGETS

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

No	Output Indicators	Annual target 2024-2025	Validated 1 st Quarter actual outputs	2 nd Quarter planned targets	2 nd Quarter actual outputs	Reasons for underperformance or overachievement	Measures to address under achievements
1	Estimates of Provincial Revenue and Expenditure (EPRE)	1	0	N/A	0	N/A	N/A
2	Number of quarterly financial assessment performed on provincial spending	4	1	1	1	N/A	N/A

Sub-Programme 2.2: Economic Analysis and Fiscal Policy

No	Output Indicators	Annual target 2024-2025	Validated 1 st Quarter actual outputs	2 nd Quarter planned targets	2 nd Quarter actual outputs	Reasons for underperformance or overachievement	Measures to address under achievements
1	Amount of Provincial own revenue collected	R1.3 billion	0	N/A	0	N/A	N/A

Sub-Programme 2.3: Municipal Financial Management

No	Output Indicators	Annual target 2024-2025	Validated 1 st Quarter actual outputs	2 nd Quarter planned targets	2 nd Quarter actual outputs	Reasons for underperformance or overachievement	Measures to address under achievements
1	Number of budget assessments conducted on adopted municipal budgets	20	0	20	20	N/A	N/A
2	Number of municipal capacity building interventions conducted	4	1	1	1	N/A	N/A
3	Number of reports on technical support provided to municipalities in-line with Section 154 of the Constitution	4	1	1	1	N/A	N/A
4	Number of Reports on the implementation of the Financial Recovery Plan	4	1	1	1	N/A	N/A

PROGRAMME 3: ASSET AND LIABILITIES QUARTERLY TARGETS

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

No	Output Indicators	Annual target 2024-2025	Validated 1 st Quarter actual outputs	2 nd Quarter planned targets	2 nd Quarter actual outputs	Reasons for underperformance or overachievement	Measures to address under achievements
1	Number of supply chain management (SCM) capacity building interventions provided to Departments and Public Entities	4	1	1	1	N/A	N/A
2	Number of Departments and Public Entities supported to improve audit outcomes on SCM	7	0	N/A	N/A	N/A	N/A
3	Number of assessments done on non-compliance by Departments and Public Entities on SCM regulations	4	1	1	1	N/A	N/A
4	Number of asset management capacity building interventions provided to departments and Public Entities	4	0	N/A	N/A	N/A	N/A

PROGRAMME 4: FINANCIAL GOVERNANCE QUARTERLY TARGETS

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

No	Output Indicators	Annual target 2024-2025	Validated 1 st Quarter actual outputs	2 nd Quarter planned targets	2 nd Quarter actual outputs	Reasons for underperformance or overachievement	Measures to address under achievements
1	Number of capacity Building Interventions for Departments and Public Entities	9	2	3	3	N/A	N/A
2	Number of monitoring reports on implementation of AGSA findings on the preceding financial year on departments and public entities	3	0	N/A	0	N/A	N/A
3	Number of Payment Files interfaced between the core Financial Systems	220	60	55	60	Load Shedding and downtime of the Mainframe has reduced and made it possible for almost all interfaces to be a success	N/A
4	Number of key control assessments performed on departments and public entities	7 (6 D;1 PE)	0	N/A	0	N/A	N/A

No	Output Indicators	Annual target 2024-2025	Validated 1 st Quarter actual outputs	2 nd Quarter planned targets	2 nd Quarter actual outputs	Reasons for underperformance or overachievement	Measures to address under achievements
5	Number of departments and public entities achieving improved risk management maturity level	9 (6D; 3PE)	0	N/A	0	N/A	N/A

Sub-Programme 4.2: Provincial Internal Audit

No	Output Indicators	Annual target 2024-2025	Validated 1 st Quarter actual outputs	2 nd Quarter planned targets	2 nd Quarter actual outputs	Reasons for underperformance or overachievement	Measures to address under achievements
1	Number of departmental post audit action plans implementation assessed	11	0	N/A	0	N/A	N/A
2	Number of departmental risk management systems assessed	11	0	N/A	0	N/A	N/A