



provincial treasury

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

VOTE 7

3rd

QUARTERLY PERFORMANCE REPORT 2024-2025



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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:

- Conducted International fraud awareness week from the 18th to the 22nd of November 2024

1.3. SUB-PROGRAMME: CORPORATE SERVICES

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

- Coordinated one Departmental skills gap training (Data Analytics)
- Coordinated PERSAL Personnel Administration to mitigate the identified risk
- Coordinated WSP, TNA, ATR, BBBEE and Skills Development Legislation Update

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:

- Successfully tabled the Adjustment Estimates of Provincial Revenue and Expenditure Report at the Provincial Legislature on the 26 November 2024
- Participated in the National Treasury benchmarking exercise on assessing how priorities have been catered for.

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 31 December 2024 amounts to R854 652 million or 63.95 per cent of R1, 334, 775 billion budget

PROGRAMME 3: ASSETS AND LIABILITY MANAGEMENT

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

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

- Trained Departments and Entities on internal control functions
- Arranged the Provincial SCM Forum to discuss transversal contracting
- Coordinated and attended training for strategic sourcing champions
- Roll out of the asset verification tool, through the assistance of Provincial Systems

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 as well as the HOD-to-CEO letters for all the departments, Provincial Legislature and public entities
- Prepared and issued the Provincial Risk Management Maturity Model reports for all Provincial Departments and Public Entities to Accounting Officers, Accounting Authorities, Chief Executive Officers, Chief Risk Officers and Risk Management Committees. The purpose of this maturity model is to assess the effectiveness of risk management and identify areas that need improvement so that strategies can be developed to address them
- Held the 3rd Quarter Provincial Risk Management Forum Meetings for Provincial Departments and for Public Entities to identify and address risk management related challenges in the Province

4.2. PROVINCIAL INTERNAL AUDIT

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

- Provincial Internal Audit has rolled out the annual audit plans.
- The independent external (quality assurance) assessment as required by Standard 1312 of the International Standards for the Professional Practice of Internal Auditing and obtained a generally conform and generally effective rating.

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

PROGRAMME 2: SUSTAINABLE RESOURCE MANAGEMENT

2.2. SUB-PROGRAMME: ECONOMIC ANALYSIS AND FISCAL POLICY

Challenge 1:

- The under collection for the 3rd Quarter is 7, 16 %. Six (06) Departments contribute to the under collection

Response to challenge 1:

- During the third 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 advice are sourced from other Provinces through the national revenue work group.

PROGRAMME 3: ASSETS AND LIABILITY MANAGEMENT

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

Asset Management Challenge 1:

- Most of the PPE and Investment properties PAAP activities are dependent of the awarding of the tender by Provincial Treasury on the verification and valuation of PPE and Investment properties

Response to challenge 1:

- Working with the Bid Specification Committee and the CFO office for finalization of specification and advertisement of the Bid.

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 vacancies have started.

4.2. SUB-PROGRAMME: PROVINCIAL INTERNAL AUDIT

Challenge 1:

- Vacant funded positions not filled, this impacts the rollout of internal audit plans

Response to challenge 1:

- Prioritize recruitment in Quarter 4 of 2024/25 financial year.

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 2 nd Quarter actual outputs	3 rd Quarter planned targets	3 rd Quarter actual outputs	Reasons for underperformance or overachievement	Measures to address under achievements
1	Number of Annual Reports submitted to the North West Provincial Legislature for tabling	1	1	0	0	N/A	N/A

Sub-Programme 1.2: Risk Management

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

Sub-Programme 1.3: Corporate Services

No	Output Indicators	Annual target 2024-2025	Validated 2 nd Quarter actual outputs	3 rd Quarter planned targets	3 rd Quarter actual outputs	Reasons for underperformance or overachievement	Measures to address under achievements
1	Number of officials trained in line with Work Skills Plan	150	184	50	67	Overachievement was as a result of: Increased Demand for training by officials in line with the Work Skills Plan	N/A

Sub-Programme 1.4: Financial Management (CFO)

No	Output Indicators	Annual target 2024-2025	Validated 2 nd Quarter actual outputs	3 rd Quarter planned targets	3 rd Quarter actual outputs	Reasons for underperformance or overachievement	Measures to address under achievements
1	Number of Annual financial statements without material misstatements	1	1	0	0	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

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

Sub-Programme 2.3: Municipal Financial Management

No	Output Indicators	Annual target 2024-2025	Validated 2 nd Quarter actual outputs	3 rd Quarter planned targets	3 rd Quarter actual outputs	Reasons for underperformance or overachievement	Measures to address under achievements
1	Number of budget assessments conducted on adopted municipal budgets	20	20	0	0	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 2 nd Quarter actual outputs	3 rd Quarter planned targets	3 rd Quarter actual outputs	Reasons for underperformance or overachievement	Measures to address under achievements
1	Number of 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	3	3	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

No	Output Indicators	Annual target 2024-2025	Validated 2 nd Quarter actual outputs	3 rd Quarter planned targets	3 rd Quarter actual outputs	Reasons for underperformance or overachievement	Measures to address under achievements
4	Number of asset management capacity building interventions provided to departments and Public Entities	4	0	2	3	One of the capacity building interventions earmarked for 4th Quarter was moved to third Quarter as the unit wanted Departments to report properly on changes to the Modified Cash Standard in their 3rd Quarter IFS, to enable Treasury to spend the 4th Quarter closing the gaps that will be identified during the review of 3rd Quarter IFS notes.	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 2 nd Quarter actual outputs	3 rd Quarter planned targets	3 rd Quarter actual outputs	Reasons for underperformance or overachievement	Measures to address under achievements
1	Number of capacity Building Interventions for Departments and Public Entities	9	3	2	2	N/A	N/A
2	Number of monitoring reports on implementation of AGSA findings on the preceding financial year on departments and public entities	3	0	1	1	N/A	N/A
3	Number of Payment Files interfaced between the core Financial Systems	220	60	55	54	<p>The reasons for under-achievement are as follow:</p> <p>1) The mainframe was down on the 3rd and 4th of December, therefore the team could not process any payment interface files</p> <p>2) December is a very short month as the last interface date is the 17 of December 2024.</p>	The mainframe has been restored and updates performed to ensure that interruptions to the system are averted.

No	Output Indicators	Annual target 2024-2025	Validated 2 nd Quarter actual outputs	3 rd Quarter planned targets	3 rd Quarter actual outputs	Reasons for underperformance or overachievement	Measures to address under achievements
4	Number of key control assessments performed on departments and public entities	7 (6 D;1 PE)	0	7 (6 D;1 PE)	7 (6 D;1 PE)	N/A	N/A
5	Number of departments and public entities achieving improved risk management maturity level	9 (6D; 3PE)	0	0	0	N/A	N/A

Sub-Programme 4.2: Provincial Internal Audit

No	Output Indicators	Annual target 2024-2025	Validated 2 nd Quarter actual outputs	3 rd Quarter planned targets	3 rd Quarter actual outputs	Reasons for underperformance or overachievement	Measures to address under achievements
1	Number of departmental post audit action plans implementation assessed	11	0	0	0	N/A	N/A
2	Number of departmental risk management systems assessed	11	0	11	11	N/A	N/A