



provincial treasury

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

ANNUAL PERFORMANCE PLAN

2025/26

Let's Grow North West together.

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EXECUTIVE AUTHORITY STATEMENT

As the Member of the Executive Council responsible for Finance, I am pleased to present the department's Annual Performance Plan (APP). The plan is a critical component of our strategic framework that outlines our goals, objectives, and key performance indicators for the upcoming year. This plan is not only a reflection of our commitment to accountability and excellence, but also serves as a roadmap for achieving our organizational vision and mission.

It is essential that we set clear, measurable targets that will guide our department through providing a framework for implementation and delivery whilst simultaneously directing us in a path that will ensure that we progress. This Annual Performance Plan highlights our priorities, aligns resources and isolates efforts toward areas that will have the most significant impact on our mission to better the lives of our people through all the communities we serve.

The successful implementation of this APP depends on the collective efforts of the entire team, as each member plays a vital role in advancing efforts to attain our vision and mission. We encourage all stakeholders to actively engage with this plan and contribute to our shared goals. Together, we can achieve remarkable progress and deliver meaningful results.

This Annual Performance Plan has incorporated the Medium-Term Development Plan (MTDP) strategic priorities, the State of the Province Address (SOPA) pronouncements whilst outlining the Outputs and Output Indicators to be implemented during the 2025/26 financial year.

I, therefore, endorse this Annual Performance Plan and commit to its implementation.



Ms K. Mosenogi
MEC for Finance

ACCOUNTING OFFICER STATEMENT

This Annual Performance Plan (APP) clearly identifies our departmental goals that align with our medium-term vision and mission. Each objective is designed to respond to the needs of our stakeholders and all objectives broadly set a path which the Provincial Treasury needs to follow to deliver and meet all its targets that are geared towards improving the conditions of the people of the North West Province.

The APP is a transparent outline of how resources (financial, human as well as technological) will be deployed to meet our objectives. Effective utilisation of these resources is essential for driving actions that will yield positive results. This APP also serves as a commitment to our stakeholders and gives them insight into the planning and evaluation processes that we plan to implement to ensure that our actions are grounded in the needs and aspirations of the people we serve.

The APP provides a framework for learning and adapting based on our identified performance outcomes. The department will regularly review progress made and adjust strategies as necessary to enhance effectiveness and efficiency in the way in which we meet our targets.

The Department operates in a dynamic environment, and it is essential that clear and measurable targets are set that will guide the department and provide a framework for assessing departmental progress.

As we embark on the implementation of this plan, we remain confident in our ability as a Department to achieve the set targets and capitalise on opportunities for growth and improvement.



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 K. Mosenogi
- Takes into account all the relevant policies, legislation and other mandate for which the Provincial Treasury is responsible;
- Accurately reflects the impact and outcomes which the Provincial Treasury will endeavour to achieve over the period of 2025/26


Mr. Gordon Letlhogile
Director: Strategic Management

Signature:



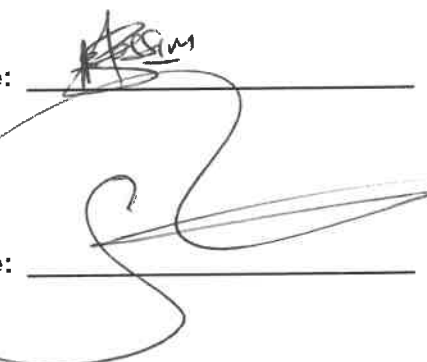
Ms. Matshidiso Jansen
Chief Director: Corporate Services

Signature:



Ms. Ayesha Hassim
Chief Financial Officer

Signature:



Mr. Ndlela Kunene
Accounting Officer

Signature:



Approved by:

Ms K. Mosenogi
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)
- Preferential Procurement Policy Framework Act, 2000 (Act No. 5 of 2000)
- The Broad Based Black Empowerment Act, 2003 (Act No. 53 of 2003)
- 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
- The Occupational Health and Safety Act 85 of 1993.

2. Updates to Institutional Policies and Strategies

List of current policies

- Anti-corruption strategy and policy 2024
- Risk management strategy and policy 2024 under review
- Integrity management policy 2024
- Ethics management strategy 2024
- Reporting unethical conduct, corruption and noncompliance policy 2024
- Disaster management plan development in progress (new)
- Business continuity policy development in progress (new)
- Employee health and wellness programme policy 2022
- Equipment and protective clothing policy 2024 pending DMC review.
- Bursary scheme policy pending DMC review and approval
- Security Services policy pending EEF review.
- Cost containment policy 2024.
- Corporate governance of the ICT policy 2024.
- ICT end user acceptable use policy 2024.
- IT management service policy 2024.
- ICT security policy 2024.
- Change management strategy 2024 pending EEF review.

- Change management policy 2024 pending EEF review.
- Business process management policy 2024 pending EEF review.
- Debt Management Policy 2022
- Petty cash policy 2023
- Tangible asset management policy 2023
- Asset loss control policy 2023
- SCM policy 2022
- Preferential procurement policy 2023
- Travel management policy 2023
- Asset disposal policy 2023
- 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 under review
- Job evaluation policy 2021
- SDIP policy 2021
- Change management policy 2021
- Change management strategy development in progress (New)
- Business process management policy development in progress (New)
- Change management strategy development in progress (New)
- ICT Security policy pending EEF review
- ICT End user acceptable policy pending EEF review
- Information technology service management policy pending EEF review
- Corporate governance of the ICT policy pending EEF review

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 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.

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)

PART B: OUR STRATEGIC FOCUS

4. Updated Situation Analysis

South Africa continues to be faced with the triple challenges of high unemployment, inequality and poverty and the North West Province is not an exception. The ongoing Government interventions need to be intensified if we are to see significant positive results. Support and cooperation by public and private institutions can enable the country to address pressing development issues. The gross domestic product (GDP) of the country was at 0.4 per cent in the second quarter of 2024 moving from 0.0 in the first quarter of 2024. It is worth noting that growth has been below 2 per cent since the first quarter of 2022 until the second quarter of 2024. In terms of labour characteristics the unemployment rate increased from 32.9 per cent in the first quarter of 2024 to 33.5 per cent in the second quarter of 2024.

The population in the province increased from 3.80 million (Census 2022) to 4.15 million (Mid-year population estimates) which is an increase of 35 thousand. The North West Provincial Government (NWPG) budget is responsible to cater to a population of about 4.15 million especially in the education and health sectors; majority of the population relies of Government services on those sectors.

4.1 External Environment Analysis

The Government of National Unity (GNU) has been established with the support of 11 political parties. A call for a National Dialogue has been made to work towards a social compact to achieve the NDP goals. The GNU Statement of Intent outlines the Foundational Principles as well as the minimum programme of priorities for the 7th Administration. The Statement of Intent also calls for the development of “an agreed policy agenda, which shall include policy priorities for the GNU” to give effect to these priorities.

Following the establishment of the Government of National Unity (GNU), the development of the Medium-Term Development Plan (MTDP) will be guided by the Statement of Intent and the proposed GNU minimum programme. The MTDP will serve as a Government-wide plan for the 7th Administration. At thirty years, certain structural features that perpetuate poverty and inequality have not been sufficiently transformed and our economy has not grown at a rate fast enough to create jobs for all those who are unemployed.

The Provincial Government has the responsibility to ensure that the social needs of citizens are always met and plays an important role in eliminating poverty, decreasing unemployment, inequality and generally improving the standard of living. This is achieved by continuously providing and enhancing healthcare, education and other social services. To a certain extent, the government also provides free social services to individuals who are unable to afford them.

In 2023, there were 2.63 million people living in poverty, using the upper poverty line definition, across North-West Province. According to the statistical report by StatsSA, the North West Economy grew by 0.3 per cent in 2023. S&P Global forecasts the province to grow by 0.7 per cent in 2024. More work needs to be done to stimulate growth in the province.

The official unemployment rate in the North West Province increased to 41.3 per cent in the second quarter of 2024 from 36.8 per cent in the same quarter in 2023. The expanded unemployment rate was at 54.2 per cent in the second quarter of 2024. The Province needs a fast growing economy to create more jobs.

In 2023, the mining sector was the largest in North West Province accounting for R 98.5 billion or 26.3 per cent of the total Gross Value Added (GVA) in the province's economy. The sector that contributes the second most to the GVA of the North West Province is the community services sector at 25.3 per cent, followed by the finance sector with 15.9 per cent. The sector that contributes the least to the economy of North West Province was the construction sector with a contribution of R 6.09 billion or 1.62 per cent of the total GVA.

Key challenges to be addressed and interventions.

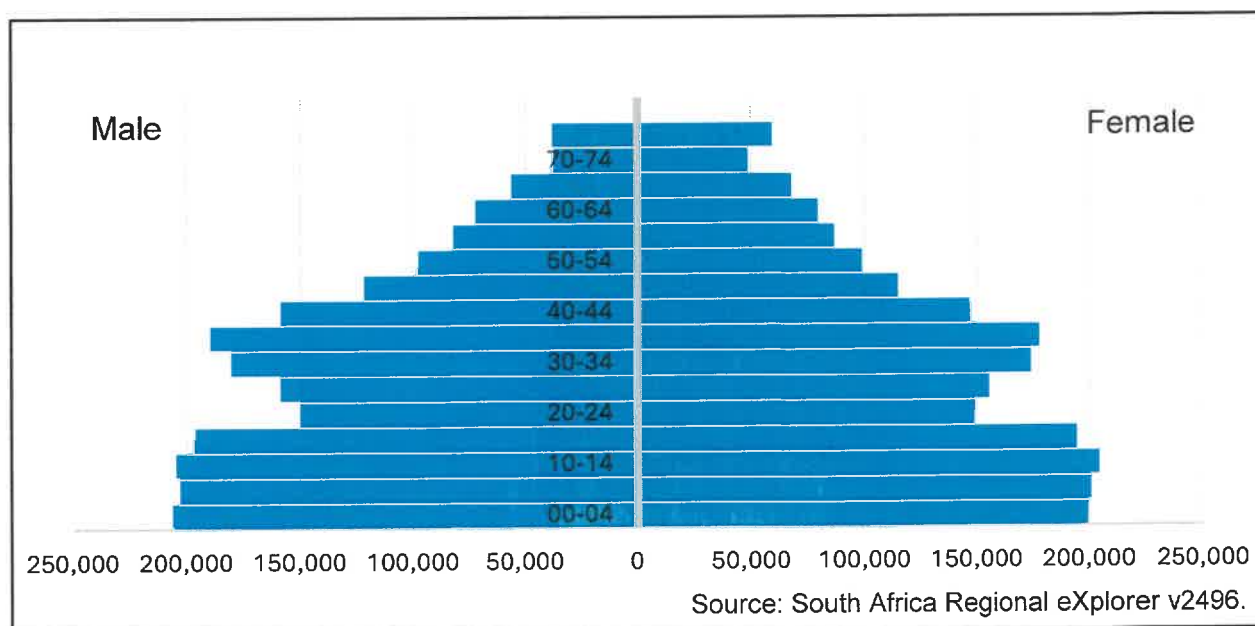
Identified challenges	Remedial Actions
Unstable & unreliable networks infrastructure and lack of backup facilities	Constant engagements with OTP Executive Management including written submissions
Misallocation of funds or overspending, leading to financial discrepancies and ineffective use of resources.	<ul style="list-style-type: none"> Implement regular budget reviews to ensure proper fund allocation and prevent overspending.
Incomplete, inaccurate or late information submitted.	<ul style="list-style-type: none"> Provide reminders to and build relationships with departments, including through other (CFO Forums) structures. Use data strings extracted directly from financial system to reduce inaccuracies.
Spending of budget on non-prioritised services.	<ul style="list-style-type: none"> Consequence management – withholding of funds.
Late submission of projections and requisitions results in cash flow management challenges.	<ul style="list-style-type: none"> Capacitating of officials in all Departments that are responsible for managing cash flow.
Poor contract management practices	<ul style="list-style-type: none"> Roll out recently launched Provincial Contract Management Framework Policy
Unstable Governance structures in Public Entities	<ul style="list-style-type: none"> Escalated the matter Via HOD (Head of Department) and Executive Authority to take collective action in the Province
Impact of support to municipalities by PT on the financial management	<ul style="list-style-type: none"> Assessments conducted to identify municipalities classified as being financially distressed. Support by Provincial executive rep (PER) to implement the Mandatory and voluntary financial recovery plan (SEC 139 of MFMA)
Inadequate capacity of Chief Financial Officers in Public Entities	<ul style="list-style-type: none"> Filling of funded vacant posts

Demographic information

The Stats SA Census 2024 mid-year release indicates that the South African total population increased to 63.02 million in 2024 from 51.7 million in 2011, this represents 22% increase between the two periods. The North West Province population increased by 900 913 between 2011 and 2024 bringing the total population of the province to 4.1 million in 2024. The province contributed about 7 per cent of the total population of the country which makes it the 7th most populous province out of 9 for the same period.

In the province, males comprise of 51% of the population, slightly outnumbering females at 49%. 2024 population estimates from S&P Global (2024) indicates that Bojanala Platinum District had the largest number of population at 1.9 million followed by Ngaka Modiri Molema District at 1.0 million, and the second smallest population is Dr Kenneth Kaunda District at 841 thousand while Dr Ruth Segomotsi Mompati District had the smallest population at 542 thousand.

North West Population Pyramid, 2024



The population pyramid is showing that there is relatively a high fertility rate in the province hence the broader base. The Province has a slightly higher number of males' vs females in the cohorts of 0-4 and 5-9 indicating more males than females.

Furthermore, within the youthful population of 15-34 there is generally an equal spread between males and females within the cohort.

Based on the cohort from 50-75+, there is a clear indication that the females outlive their male counterparts which is evident from the fact that this cohort has a greater number of females than males.

North-West Province's male/female split in population was 101.0 males per 100 females in 2024. The North-West Province has significantly more males (51%) relative to South Africa (48.87%), and what is typically seen in a stable population. This is usually because of physical labour intensive industries such as mining which attracts more males through inward migration as the province offers job opportunities within the mining sector.

In total there were 2.04 million (49%) females and 2.11 million (51%) males. This is different from the South Africa as a whole where the female population counted 32.3 million which constitutes 51.13% of the total population of 63.2 million.

Population by population group, gender and age - North-West Province, 2024 [Number].

	African		White		Coloured		Asian	
	Female	Male	Female	Male	Female	Male	Female	Male
00-04	180,000	186,000	4,330	4,600	3,230	3,320	600	587
05-09	164,000	170,000	5,650	5,980	3,080	3,220	701	723
10-14	175,000	179,000	6,200	6,510	3,100	3,230	734	770
15-19	169,000	172,000	5,670	5,920	2,880	3,160	694	648
20-24	138,000	146,000	5,960	6,400	2,680	3,210	746	969
25-29	132,000	147,000	6,540	7,580	2,500	3,290	565	920
30-34	160,000	172,000	7,290	8,120	2,820	3,530	542	1,270
35-39	164,000	167,000	8,890	9,440	2,910	3,700	808	2,060
40-44	132,000	133,000	8,550	8,870	2,670	3,070	1,060	2,160
45-49	107,000	105,000	8,810	8,880	2,290	2,520	1,190	1,460
50-54	86,800	84,500	9,340	9,090	2,240	2,210	989	1,030
55-59	77,100	72,300	9,050	8,400	2,050	1,830	634	533
60-64	65,800	61,400	8,860	8,570	1,760	1,370	449	349
65-69	50,900	45,900	8,250	7,670	1,420	966	330	210
70-74	35,500	28,000	6,930	6,200	1,010	669	529	178
75+	39,000	22,900	13,000	9,290	1,040	570	656	272
Total	1,880,000	1,890,000	123,000	122,000	37,700	39,900	11,200	14,100

Source: S&P Global, 2025

In 2023, the North-West Province comprised of 1.22 million households. This equates to an average annual growth rate of 1.29 per cent in the number of households from 2016 to 2023. With an average annual growth rate of 1.22 per cent in the total population, this implies that the average household size in the North West Province is by implication decreasing. This is confirmed by the data where the average household size in 2013 decreased from approximately 3.4 individuals per household to 3.4 persons per household in 2023.

Number of households - North-West and National Total, 2013-2023 [Number percentage]

	North-West	National Total	North-West as % of national
2016	1,130,000	16,200,000	7.0%
2017	1,140,000	16,500,000	6.9%
2018	1,150,000	16,700,000	6.9%
2019	1,150,000	16,700,000	6.9%
2020	1,150,000	16,700,000	6.9%
2021	1,170,000	16,900,000	6.9%
2022	1,200,000	17,400,000	6.9%
2023	1,220,000	17,800,000	6.8%
Average Annual growth			
2016-2023	1.29%	1.66%	

Source: S&P Global, 2025

The state of the North West Provincial Government (NWPG) 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 unfavorable or negative audit opinions. The Provincial Treasury will continue to provide support to these Municipalities and Public Entities in reducing audit queries and ultimately achieving improved audit outcomes

Below is a summary of the audit outcomes for Municipalities, Provincial Departments and Public Entities for 2021/22, 2022/23 & 2023/24 financial years. Source – AGSA Report

Municipalities

The audit outcome of the Municipalities in the Province demonstrates consistent improvements for the past three financial years. This is attributable to the following, amongst others:

- The Provincial Treasury support programme that focus on addressing the root causes of Municipalities' continuous inability to improve internal controls and obtain better audits.
- Invocation of Section 139(5) (a) and (c) by the Provincial Executive Committee (PEC) at Municipalities that were determined to be in financial crisis in the province.

Graph 1



In the Bojanala District, two (2) Municipalities improved from the previous year from qualified to unqualified (Bojanala DM) and Adverse to qualified (Madibeng LM). Moretele, Kgetlengrivier and Moses Kotane maintained their qualified audit opinions.

In the Dr Kenneth Kaunda District, Dr KK DM and JB marks maintained the qualified audit opinions, while City of Matlosana regressed from Unqualified to Qualified. Maquassi Hills slightly improved from Disclaimer to Adverse with reduction of two (paragraphs).

In Dr RSM District, two (2) Municipalities maintained the qualified opinion i.e. Dr RSM DM and Greater-Taung LM. Naledi improve from Adverse to Qualified as well as Mamusa from Disclaimer to Adverse.

In Ngaka Modiri Molema District, Ramotshere Moiloa and Tswaing maintained the qualified opinions. Ditsobotla managed to submit the backlog of two (2) outstanding AFS for 2021/22 & 2022/23 FY including 2023/24 financial year.

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

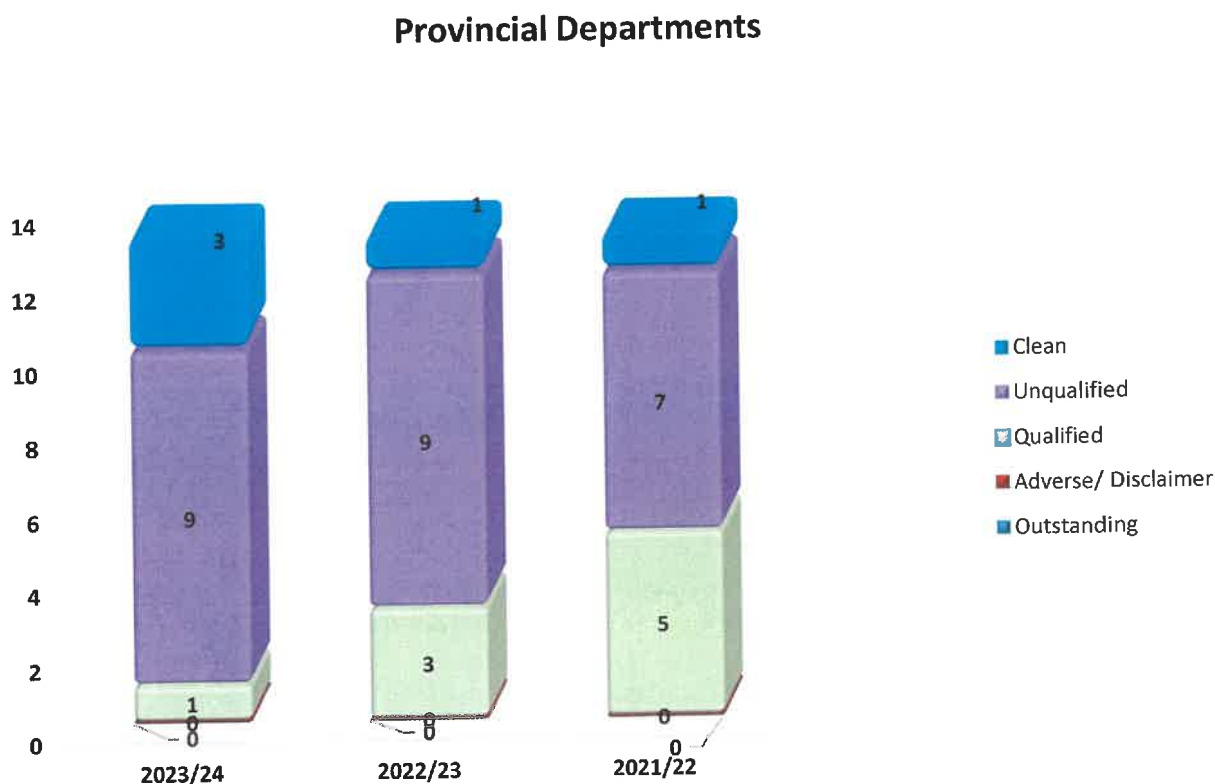
- Political and administrative instability in Municipalities
- Poor implementation of budget and financial management by the BTO (Budget and Treasury Office)
- Lack of consequence Management – Municipal official getting away with gross financial misconduct
- Disregard of the law – non- compliance with MFMA
- Culture of Non-payment for services
- Deficiencies in institutional arrangements
- Poor or weak institutional capacity (Municipal capacity)
- Poor oversight and weak Municipal Governance.
- Poor inter-governmental relation across all spheres of Government.

Provincial Departments

The material reasons for qualification in the Provincial Departments are as follows:

- Irregular expenditure, Material misstatements, Non-compliance with laws and regulations
- The other areas were Pre-payments and Immovable properties
- Poor contract management

Graph 2



Summary of Provincial Expenditure

Historical Analysis	Summary of Provincial Expenditure					
	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
2023/24	50 856 491	52 716 001	52 716 001	52 204 161	99,03%	511 840
Total	417 845 070	426 140 307	428 297 244	417 732 146	97,53%	10 565 098

The total accumulated Provincial Audited expenditure over the past ten years amounts to R417.732 billion or 99.03 per cent, with cumulated underspending of R10.565 billion for the same period against the total final budget of R428.297 billion. A relative increase in underspending is noted in the last five financial years (2018/19, 2019/20, 2020/21, 2021/22 and 2022/23).

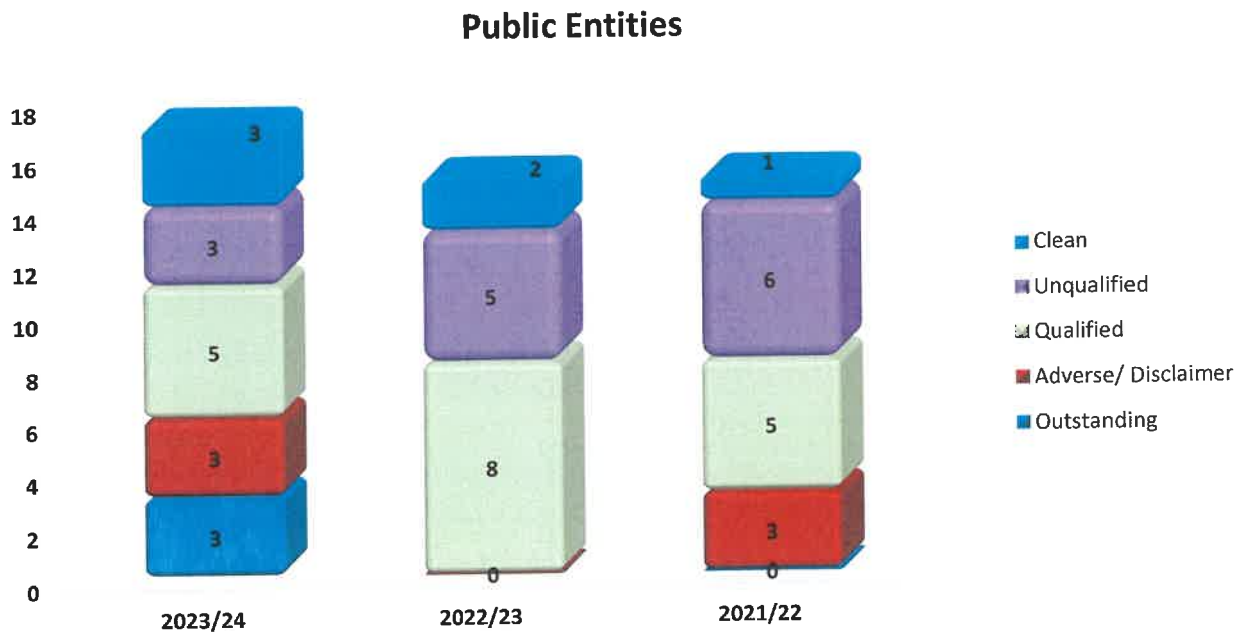
Poor spending performance denies communities the right to receive planned government services. Furthermore, the underspending of the allocated budget to the Departments delays eradication of backlogs, whilst compounding the cost of service delivery and affecting the achievement of the provincial priorities linked to service delivery and contribution to sustainable economic development.

Public Entities

The critical areas that caused negative audit outcomes are as follows:

- 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



In 2021/22 financial year, the actual revenue collected by all provincial public entities amounted to R1.493 billion or 83 per cent from the adjusted appropriation of R1.807 billion inclusive of R626.8 million transferred to public entities from provincial government. As at 31st March 2022 the total actual expenditure for public entities amounted to R1.415 billion or 83.4 per cent from the adjusted budget of R1.697 billion, resulting in an underspending of R281 million.

In 2022/23 financial year, the actual revenue as at 31st 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 31st 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 31st March 2023.

In 2023/24 financial year, the actual revenue collected by all provincial public entities amounted to R960.7 million or 92.1 per cent from the adjusted appropriation of R1.042 billion. As at 31st March 2024 the total actual expenditure for public entities amounted to R850.3 million or 92.7 per cent from the adjusted budget of R917.7 million, resulting in an underspending of R67.4 million.

Provincial 2025 MTEF Allocations

The table below shows the proposed 2025 Medium Term Expenditure Framework Allocations for all departments, inclusive of the Provincial Legislature. To ensure that departments achieve their mandates and deliver services to the people of the North West Province, an amount of R170.421 billion has been allocated over the MTEF period.

Department	2024/25	2025 Medium Term Allocation		
	Adjusted Budget	2025/26	2026/27	2027/28
Office of the Premier	498 068	519 498	543 911	562 146
Provincial Legislature	535 332	522 583	539 590	557 407
Health	16 530 721	17 040 332	17 521 219	18 140 078
Arts ,Culture, Sports & Recreation	775 325	776 063	806 093	831 500
Community Safety and Transport Management	2 438 054	2 446 358	2 538 561	2 634 804
Economic Development, Environment, Conservation & Tourism	986 919	1 013 489	1 050 454	1 086 818
Provincial Treasury	573 808	695 181	617 427	636 169
Education	22 051 772	22 894 639	23 569 156	24 375 213
Cooperative Governance & Traditional Affairs	749 130	681 869	698 598	721 585
Public Works and Roads	4 064 618	4 207 490	3 569 724	3 700 787
Social Development	1 819 293	1 876 413	1 937 024	2 000 757
Agriculture and Rural Development	1 218 419	1 218 610	1 256 495	1 304 537
Human Settlements	2 044 310	1 847 870	1 703 855	1 776 891
Total Allocations	54 285 769	55 740 395	56 352 108	58 328 692

The provincial adjusted budget for the 2024/25 financial year amounts to R54.286 billion and continues to prioritize the social cluster namely Education, Health, Social Development, Arts, Culture, Sports and Recreation and Human Settlements. The total budget for 2025/26 financial year amounts to R55.740 billion and grows by 3.5 per cent or to R58.329 billion in the last year of the 2025 MTEF.

The budget allocation is mainly consumed by the social cluster with 79.72 per cent or R44.435 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 consumes 11.55 per cent or R6.440 billion. The cluster comprises of department of Economic Development, Environment, Conservation and Tourism, Public Works and Roads, and Agriculture and Rural Development, consuming 15.78 per cent, 64.78 per cent and 19.44 per cent respectively.

The Governance cluster consumes 7.79 per cent which equate to R4.343 billion of the total provincial budget. This cluster comprises of the department of Office of the Premier, Community Safety and Transport Management, Provincial Treasury and Cooperative Governance and Traditional Affairs, all-consuming 11.67 per cent, 57.43 per cent, 13.95 per cent and 16.95 per cent respectively.

The above allocated financial resources to the programmes and initiatives of provincial departments and entities that are designed to achieve the priorities set out in the MTDP, namely: to drive inclusive growth and job creation, reduce poverty and tackle the high cost of living and building a capable, ethical and developmental state.

Furthermore, these allocations are to be prioritised by the Provincial Departments to address and fund their Strategic Plan and their Annual Performance Plans in line with their Constitutional Mandates, MTDP, SONA & SOPA.

The following are additional Provincial Treasury's support programmes/initiatives to be rolled-out to Provincial Departments, Public Entities and Municipalities.

- 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 will be 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.
- 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.
- Provide temporary support regarding personnel 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.
- Facilitates, coordinates and participates at Infrastructure Governance structures
- Monitor infrastructure implementation progress against site visits to projects and prepare reports on findings to affected departments;
- Manage and monitor the budget implementation thus ensuring that Departments and Public Entities are operating within their allocative means.

- **Contract management-** is an integral part of the SCM functions of various institutions (i.e. departments and entities). Although no specific indicator has been crafted in the APP in this regard, Provincial SCM will intensify its oversight and support drives to departments and entities on this aspect as part of the operational plan. This aligns to rolling out the recently launched Provincial Contract Management Framework Policy as a risk management response to the risk of poor contract management practices that has been identified as a challenge in the APP.
- **Provincial SCM Framework-** Will be developed in response to the SOPA pronouncement which seeks to address the aspect of localization. SCM reforms are currently underway. Subsequent to the promulgation of the Public Procurement Act, 2024 (Act No. 28 of 2024), Provincial SCM will be working on the development of the Provincial SCM Framework to guide the implementation of these reforms within the broad context of localisation and other preferential procurement bases.
- **Cash management-** Is aimed at maintaining a positive bank balance of the Provincial paymaster account
- **Municipal capacity Building initiatives** (Collaborated capacity building initiative with CIGFARO)
- Provincial Intervention in line with section 139 (5) of the Constitutions at municipalities
- Implementation of voluntary Financial Recovery Plans at municipalities
- Municipal revenue enhancement strategy
- Municipal ERP financial system solution

Opportunities and Threats

Opportunities	Threats
<ul style="list-style-type: none">• Effective stakeholder relations	<ul style="list-style-type: none">• Unreliable ICT infrastructure• High staff turnover• Restrictive regulations on retention strategy• March spike (fiscal dumping)

Stakeholder Engagement

The Departmental strategic planning session was held on the 16th to 17th October 2024, where key stakeholders were invited and honoured the invitation. This was a way to get inputs in terms of how the Department can improve services rendered to Departments, Public Entities and Municipalities, and improve stakeholder relations.

The following Stakeholders were invited to the Departmental Strategic Planning session which was held on the 16th to 17th October 2024:-

- Department of Cooperative Governance and Traditional Affairs (COGTA)
- South African Local Government Association (SALGA)
- North West University (NWU)
- National Treasury (NT)
- Office of the Premier (OTP)
- Statistics South Africa (StatsSA)
- Auditor General South Africa (AGSA)

In addition to the above mentioned stakeholders, the Department has a partnership with other stakeholders which includes North West Provincial Legislature (NWPL), banking institutions, Financial and Fiscal Commission, Human Sciences Research Council (HSRC), Provincial Public Entities, South African Revenue Services (SARS), Department of Planning, Monitoring and Evaluation (DPME), Municipalities, Department of Public Works and Roads (DPWR) and other Provincial and National Departments.

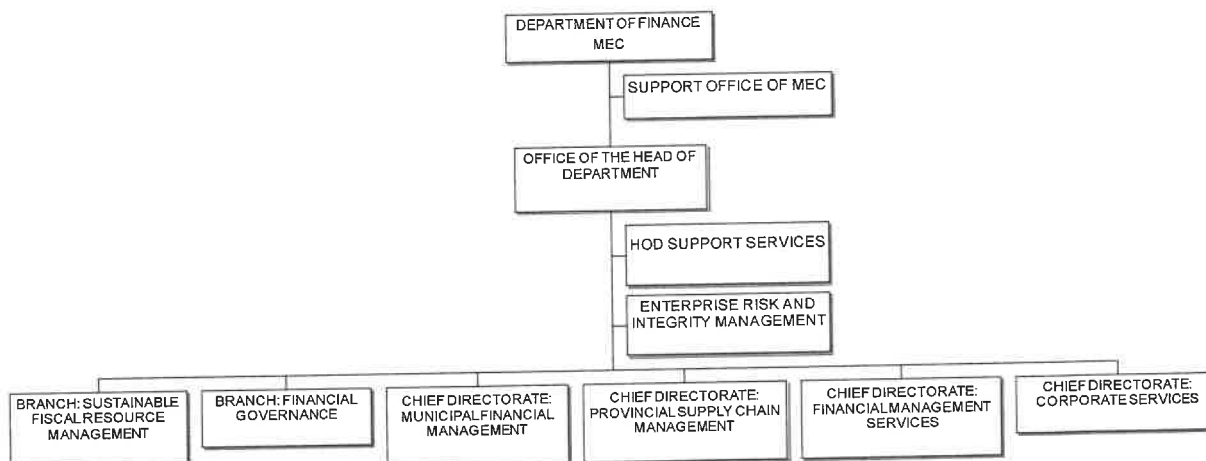
Linkage to 2025 SOPA

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

No	2025 SOPA Pronouncements	Departmental Action Plans
1.	Develop a framework and regulations that speaks to localisation through supply chain Management policies related to the new Public Procurement Act (Page 7)	Provincial Treasury will in consultation with National Treasury, consider customisation/ adaptation of a model procurement policy in terms of section 5 (2) (d) of the PPA or development of this model policy based on a delegation by National Treasury as provided for in section 57 (4) (c) and (d) of the PPA
2.	Establish a Development Fund. (Page 12)	Establishment of North West Development Fund.

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 Mompati 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 23rd November 2019 by the MEC and the Department is currently in the implementation process. The new structure makes provision for 662 Posts.

The Department has the capacity to fully carry out its mandate. The current organisational structure was approved on the 13th June 2018.

RATIONALE FOR THE REVIEW OF PROVINCIAL SUPPLY CHAIN MANAGEMENT

The Provincial Supply Chain Management as the custodian of the Supply chain management in the province propose the creation of sub directorate SCM ICT to be placed under Directorate SCM client Support. The proposed sub directorate function is to manage successful implementation of National Treasury developed Systems, active participation in development of National Treasury SCM systems, maintain and improve existing Provincial SCM systems.

RATIONALE FOR THE REVIEW OF MUNICIPAL FINANCIAL MANAGEMENT

The creation of the four districts will improve efficiency and effectiveness in the Municipalities and further strengthen capacity. The decision was taken based on the assessment and analyses with regards to performance of the Municipalities informed the design of the district. The Department is currently implementing the approved organizational structure and makes provision for 662 posts. Staff compliment is as follows:

- Filled positions: 478
- Advertised: 62
- Vacant funded: 57
- Vacant unfunded: 65

The progress on implementation of the organizational structure is being reported to Office of the Premier on quarterly basis. The Department's approved organizational structure has a provision for Information & Communication Technology (ICT) Unit. The responsibility of office accommodation provision or acquisition, except leases, lies with the Department of Public Works and Roads (DPWR).

(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 licenses, concessions or other authorizations 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.

Appointment of female SMS, people with disabilities and youth remains a priority. The Department is committed to integrate specific issues of women, men, youth and people with disabilities in the development programmes.

(e) Internal challenges and remedial actions

Identified challenges	Remedial Actions
Unconducive working environment, e.g. Ablution areas, on - working air conditions and inadequate office space	DPWR to find alternative office accommodation as a matter of urgency
Unstable IT(Network) infrastructure (resulting in Walker, CSD and internet downtime)	Refurbishment of the NWPG network infrastructure
Lack of consequence management for SCM non-compliance by Departments, Public Entities and Municipalities	Implementation of consequence management

(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 workforce• Sound financial management• Good governance structures• Institutionalisation of policies and procedures.• Management of risks• Stable and committed leadership• Approved Org Structure• Effective implementation of knowledge management.• Good business processes & systems• Employee health and wellness programs	<ul style="list-style-type: none">• Inadequate oversight role• Inadequate ICT systems• vacancy rate• Delay in the procurement of Goods and Services.• Information sharing on similar mandates (silo approach)

Programme Resource Consideration

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 2024/25	Revised estimate	Medium-term estimates		
	2021/22	2022/23	2023/24				2025/26	2026/27	2027/28
Programmes									
1. Administration	153,158	157,525	173,109	178,545	184,951	184,951	184,751	193,345	202,044
2. Sustainable Resource Management	139,919	127,374	171,589	136,569	180,175	180,182	250,361	157,345	157,841
3. Asset and Liabilities Management	42,580	48,585	42,784	62,292	48,537	48,672	64,328	64,333	66,231
4. Financial Governance	155,692	149,206	160,469	196,402	160,145	160,145	195,741	202,404	210,053
Total	491,349	482,690	547,951	573,808	573,808	573,950	695,181	617,427	636,169

Table 7.4 : Summary of provincial payments and estimates by economic classification: PROVINCIAL TREASURY

R thousand	Outcome			Main appropriation	Adjusted appropriation 2024/25	Revised estimate	Medium-term estimates		
	2021/22	2022/23	2023/24				2025/26	2026/27	2027/28
Current payments	449,900	459,182	499,901	565,699	565,017	565,017	686,205	608,056	626,387
Compensation of employees	317,748	313,363	317,898	387,425	341,523	341,523	406,124	426,229	441,453
Goods and services	132,152	145,819	182,003	178,274	223,494	223,494	280,081	181,827	184,934
Interest and rent on land	—	—	—	—	—	—	—	—	—
Transfers and subsidies to:	2,803	2,844	1,869	838	1,677	1,677	1,277	1,317	1,375
Provinces and municipalities	—	—	—	—	50	50	50	50	52
Departmental agencies and accounts	—	—	9	—	—	—	—	—	—
Higher education institutions	—	—	—	—	—	—	—	—	—
Foreign governments and international organisations	—	—	—	—	—	—	—	—	—
Public corporations and private enterprises	—	—	—	—	—	—	—	—	—
Non-profit institutions	30	—	—	—	—	—	—	—	—
Households	2,773	2,844	1,860	838	1,627	1,627	1,227	1,267	1,323
Payments for capital assets	7,353	9,182	16,206	7,271	7,114	7,249	7,699	8,054	8,407
Buildings and other fixed structures	—	—	—	—	—	—	—	—	—
Machinery and equipment	7,353	9,182	16,206	7,271	7,114	7,249	7,699	8,054	8,407
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	29,975	—	—	7	—	—	—
Total economic classification	491,349	482,690	547,951	573,808	573,808	573,950	695,181	617,427	636,169

Departmental spending over the past financial years was R491.3 million in 2021/22, R482.7 million in 2022/23 and R548 million in 2023/24 financial year. The Departmental baseline increased by R25.9 million in 2024/25. There is an increase of R62.4 million throughout the MTEF period. Inclusive in the baseline is the departmental bursary to officials, learnership programme, legal fees, fleet services, security services, external audit fees, a once-off provision for the Provincial Development Fund, 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 2025/26 Estimates of Provincial Revenue and Expenditure provincial officials, Property valuation for public entities, 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 2024/25	MTEF Period		
			2021/22	2022/23	2023/24		2025/26	2026/27	2027/28
Skilled, capable and ethical workforce	Annual reports produced	Departmental Annual Report finalized	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
Departmental Annual Report finalized	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 2024/25	MTEF Period		
			2021/22	2022/23	2023/24		2025/26	2026/27	2027/28
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	100%	N/A	100%	100%	100%	100%	100%
	Strategic Risk Assessment	Number of Strategic Risk Assessment Performed	N/A	N/A	1	1	1	1	1

Indicators, Annual and Quarterly Targets: Risk Management

Output Indicators	Annual Target 2025/26	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 2024/25	MTEF Period		
			2021/22	2022/23	2023/24		2025/26	2026/27	2027/28
Skilled, capable and ethical workforce	Training of Departmental officials	Number of training initiatives implemented in line with WSP	New	New	New	New	100	100	100
		Number of interns intake	New	New	New	New	60	60	60
	Development of Departmental Annual Performance Plan	Departmental Annual Performance Plan developed	New	New	New	New	1	1	1
	Review of communication strategy	Communication strategy reviewed	New	New	New	New	1	N/A	N/A

Indicators, Annual and Quarterly Targets: Corporate Services

Output Indicators	Annual Target 2025/26	Q1	Q2	Q3	Q4
Number of training initiatives implemented in line with WSP	100	N/A	N/A	N/A	100
Number of interns intake	60	N/A	N/A	60	N/A
Departmental Annual Performance Plan developed	1	N/A	N/A	N/A	1
Communication Strategy reviewed	1	N/A	1	N/A	N/A

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 2024/25	MTEF Period		
			2021/22	2022/23	2023/24		2025/26	2026/27	2027/28
Skilled, capable and ethical workforce	Annual financial statements produced	Number of unqualified financial statements without material misstatements (Clean)	1	1	1	1	1	1	1
	All valid invoices paid within 30 days	% of valid invoices paid within 30 days	100%	100%	100%	100%	100%	100%	100%
	procurement spend on women, youth and persons with disabilities	Implemented procurement on women, youth and persons with disabilities owned enterprises	New	4	4	4	4	4	4

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

Output Indicators	Annual Target 2025/26	Q1	Q2	Q3	Q4
Number of unqualified financial statements without material misstatements (Clean)	1	N/A	1	N/A	N/A
% of valid invoices paid within 30 days	100%	100%	100%	100%	100%

Output Indicators	Annual Target 2025/26	Q1	Q2	Q3	Q4
Implemented procurement on women, youth and persons with disabilities owned enterprises	4	1	1	1	1

6.1. Explanation of planned performance over the medium-term period

The programme outputs and output indicators contribute to **MTDP Strategic Priority 1 and 3**. 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***.

Strategic Priority 1: Drive Inclusive Growth and Opportunities

- Payment of suppliers within 30 days promotes sustainable economic growth as SMME's are able to become financially stable
- Increased employment and work opportunities through internship and learnerships programmes

Strategic Priority 3: Build a Capable, Ethical and Developmental State

- By reporting on procurement opportunities provided to women, youth and disabled people, the Department will be enhancing economic empowerment and addressing inequalities that were previously not addressed.
- Training and development of staff through the Workplace Skills Plan (WSP)

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 2024/25	Revised estimate	Medium-term estimates		
	2021/22	2022/23	2023/24				2025/26	2026/27	2027/28
1. Office Of The Mec	8,292	10,936	11,411	11,547	16,651	16,651	13,068	13,624	14,237
2. Management Services	20,796	9,382	11,298	12,481	12,670	12,670	12,323	12,890	13,469
3. Corporate Services	77,446	80,776	92,592	90,664	95,172	95,172	95,547	99,944	104,442
4. Financial Management (Office of the	46,624	56,431	57,808	63,853	60,458	60,458	63,813	66,887	69,896
Total payments and estimates	153,158	157,525	173,109	178,545	184,951	184,951	184,751	193,345	202,044

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

R thousand	Outcome			Main appropriation	Adjusted appropriation 2024/25	Revised estimate	Medium-term estimates		
	2021/22	2022/23	2023/24				2025/26	2026/27	2027/28
Current payments	137,393	154,584	163,280	175,032	180,613	180,613	180,736	189,157	197,669
Compensation of employees	109,974	104,183	109,619	120,997	114,658	114,658	126,554	132,376	138,333
Goods and services	27,419	50,401	53,661	54,035	65,955	65,955	54,182	56,781	59,336
Interest and rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies to:	608	622	701	334	939	939	645	661	691
Provinces and municipalities	-	-	-	-	50	50	50	50	52
Departmental agencies and accounts	-	-	9	-	-	-	-	-	-
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Non-profit institutions	30	-	-	-	-	-	-	-	-
Households	578	622	692	334	889	889	595	611	639
Payments for capital assets	2,937	2,319	9,128	3,179	3,399	3,399	3,370	3,527	3,684
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	2,937	2,319	9,128	3,179	3,399	3,399	3,370	3,527	3,684
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	153,158	157,525	173,109	178,545	184,951	184,951	184,751	193,345	202,044

The budget for the programme increased from R153.2 million in 2021/2022 to R157.5 million in 2022/2023, then increased to R173 million in 2023/24 and R185 million in 2024/25. The programme shows a steady increase of R580 million throughout the MTEF period. 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 2024/25	MTEF Period		
			2021/22	2022/23	2023/24		2025/26	2026/27	2027/28
Improved integrated planning, budgeting and monitoring.	Tabling of the Appropriation Bill	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	4	4	4	4	4	4	4
	Support provided to Departments on User Immovable Asset Management (U-AMPs)	Number of Departments with Approved User Immovable Asset Management Plan (U-AMPs)	New	New	New	New	2	4	6

			Annual Targets						
Outcome	Outputs	Output Indicators	Audited/Actual performance			Estimated performance 2024/25	MTEF Period		
			2021/22	2022/23	2023/24		2025/26	2026/27	2027/28
	Plan (U-AMPs)								
	Financial Viability support to Public Entities	Number of Public Entities assessed on Financial Viability	New	New	New	New	2	2	2

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

Output Indicators	Annual Target 2025/26	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
Number of Departments with Approved User Immovable Asset Management Plan (U-AMPs)	2	N/A	N/A	N/A	2
Number of Public Entities assessed on Financial Viability	2	N/A	1	N/A	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 2024/25	MTEF Period		
			2021/22	2022/23	2023/24		2025/26	2026/27	2027/28
Improved integrated planning, budgeting and monitoring.	Provincial own revenue collected	Projected Provincial own revenue collected	1.3 billion	R1.566 815 billion	R1.439 billion	R1.3 billion	R1.4 billion	R1.5 billion	R1.5 billion
	Review of Provincial revenue enhancement strategy	Provincial revenue enhancement strategy reviewed	New	New	New	New	1	N/A	N/A
	Compilation of Provincial Economic Review and Outlook (PERO)	Provincial Economic Review and Outlook (PERO)	New	New	New	New	1	1	1
	Compilation of Socio-Economic Review and Outlook (SERO) for the Province	Socio-Economic Review and Outlook (SERO) for the Province	New	New	New	New	1	1	1

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

Output Indicators	Annual Target 2024/25	Q1	Q2	Q3	Q4
Projected Provincial own revenue collected	R1.4 billion	N/A	N/A	N/A	R1.4 billion
Provincial revenue enhancement strategy reviewed	1	N/A	N/A	N/A	1
Provincial Economic Review and Outlook (PERO)	1	N/A	1	N/A	N/A
Socio-Economic Review and Outlook (SERO) for the Province	1	N/A	N/A	N/A	1

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 2024/25	MTEF Period		
			2021/22	2022/23	2023/24		2025/26	2026/27	2027/28
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	4	4	4	4	4	4	4
	Municipalities with favourable audit outcomes	Number of municipalities with clean audit outcomes	New	New	New	New	0	3	4
	Support provided on financial management at Municipalities	Provincial consolidated report on technical support provided to municipalities in-line with Section 154 of the Constitution	New	4	4	4	3	4	4
		Number of legislated reports in line with section 147 of the MFMA	New	New	New	4	3	4	4

Indicators, Annual and Quarterly Targets: Municipal Financial Management

Output Indicators	Annual Target 2025/26	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 municipalities with clean audit outcomes	N/A	N/A	N/A	N/A	N/A
Provincial consolidated report on technical support provided to municipalities in-line with Section 154 of the Constitution	3	N/A	1	1	1
Number of legislated reports in line with section 147 of the MFMA	3	N/A	1	1	1

6.2. Explanation of planned performance over the medium-term period

The programme outputs and output indicators contribute to the **MTDP Strategic Priorities 1, 2 and 3**. 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.***

MTDP Strategic Priority 1: Drive inclusive growth and job creation:

- Economic Cluster (DEDECT, DPW&R and DARD - R6.440 billion or 12% in 2025/26)
- Participation in Provincial Development Planning Forums to advance economic development initiatives;
- Participate in DDM structures at District Level to guide on economic positioning of districts;
- Fund activities related to objective through the Cash Flow Management Unit;
- Drive Revenue Enhancement Strategy for additional funding to provincial departments

MTDP Strategic Priority 2: Reduce poverty and tackle the high cost of living:

- Social Cluster(Health, Education, Social Development, ACS&R and Human Settlements - R44.435 billion or 80% in 2025/26)
- Compilation of intelligence reports like SERO and PERO to flesh out existing gaps;
- Fund activities related to objective through the Cash Flow Management Unit;
- Drive Revenue Enhancement Strategy for additional funding to provincial departments.

MTDP Strategic Priority 3: Building a capable, ethical and developmental state:

- Governance Cluster (OTP, PT, COGTA, COSATMA - R4.342 billion or 8% in 2025/26)
- Financial oversight and compliance to the Public Finance Management Act (PFMA) and relevant regulations
- Oversee adherence to Division of Revenue Act (DORA) Conditional Grant Frameworks for effective fund utilization
- Conduct MTEC's and Expenditure Reviews
- Review and assessment of User Asset Management Plans (U-AMPs), Business Plans (BPs) and Infrastructure Programme Management Plans (IPMPs) to align projects with long-term economic and social objectives
- Facilitation of Infrastructure Reporting Model (IRM) training to enhance transparency in performance tracking
- Web based reporting > Integration of the current excel reporting tools with the system MTEF Databases and In-Year-Monitoring (IYM models)
- Fund activities related to objective through the Cash Flow Management Unit
- Drive Revenue Enhancement Strategy for additional funding to provincial departments.
- Strengthening the capacity of Municipalities, providing support on financial management as well as intervening when Municipalities are unable to meet minimum norms and standards (honouring obligations as they fall due) to enable the provision for service delivery
- Capacity building for Municipal officials

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 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 2024/25	Revised estimate	Medium-term estimates		
	2021/22	2022/23	2023/24				2025/26	2026/27	2027/28
1. Programme Support	44	-	-	3,175	1,516	1,516	3,321	3,473	3,629
2. Economic Analysis	6,106	6,294	6,107	8,642	8,642	8,642	109,410	9,840	10,281
3. Fiscal Policy	8,057	8,710	8,118	9,008	9,698	9,698	10,042	10,457	10,929
4. Budget Management	21,816	22,544	24,548	26,035	27,693	27,693	27,928	29,179	30,492
5. Public Finance	17,762	16,625	15,330	26,934	18,044	18,044	27,477	28,774	29,069
6. Municipal Finance	86,134	73,201	117,486	62,775	114,582	114,589	72,183	75,622	73,441
Total payments and estimates	139,919	127,374	171,589	136,569	180,175	180,182	250,361	157,345	157,841

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

R thousand	Outcome			Main appropriation	Adjusted appropriation 2024/25	Revised estimate	Medium-term estimates		
	2021/22	2022/23	2023/24				2025/26	2026/27	2027/28
Current payments	138,307	124,091	154,331	134,890	178,262	178,262	248,553	155,458	155,873
Compensation of employees	74,296	78,613	75,402	97,664	84,913	84,913	103,146	107,845	111,199
Goods and services	64,011	45,478	78,929	37,226	93,349	93,349	145,407	47,613	44,674
Interest and rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies to:	296	1,202	809	-	234	234	50	50	52
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	296	1,202	809	-	234	234	50	50	52
Payments for capital assets	1,316	2,081	1,558	1,679	1,679	1,679	1,758	1,837	1,916
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	1,316	2,081	1,558	1,679	1,679	1,679	1,758	1,837	1,916
Heritage Assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	-	-	14,891	-	-	7	-	-	-
Total economic classification	139,919	127,374	171,589	136,569	180,175	180,182	250,361	157,345	157,841

The projection for the programme shows a sharp 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 a sharp increase of R44.2 million in 2023/24 and R8.6 million in 2024/25. The allocation then increases by R70.2 million due to a once-off allocation of R100 million for Provincial Development Fund for coordination of projects or programmes that will boost the economy, promote infrastructure development, improve levels of vocational education as well as uplift the livelihoods of various communities and then declines by R92.5 million in the 2 outer years of the MTEF period 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 2024/25	MTEF Period		
			2021/22	2022/23	2023/24		2025/26	2026/27	2027/28
Fair, equitable, transparent, competitive and cost-effective Supply Chain Management System in terms of section 217 of the Constitution, 1996.	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	7	30	4	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	7	7	8 (6D;2 PE)	8 (6D;2 PE)	8 (6D;2 PE)
	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	4	4	4	4	3	4	4

Outcome	Outputs	Output Indicators	Annual Targets						
			Audited/Actual Performance			Estimated performance 2024/25	MTEF Period		
			2021/22	2022/23	2023/24		2025/26	2026/27	2027/28
	Support provided to service providers/ suppliers and Provincial Government officials	Outreach programme rolled-out	New	New	New	New	3	4	4
	Asset management capacity building interventions provided	Number of asset management capacity building interventions provided to Departments and Public Entities	4	4	4	4	4	4	4

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

Output indicators	Annual Target 2025/26	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	8 (6D;2 PE)	N/A	N/A	8 (6D;2 PE)	N/A
Number of assessments done on non-compliance by Departments and Public Entities on SCM regulations	3	N/A	1	1	1
Outreach programme rolled-out	3	N/A	1	1	1
Number of asset management capacity building interventions provided to Departments and Public Entities	4	N/A	N/A	3	1

6.3. Explanation of planned performance over the medium-term period

The programme outputs and output indicators contribute to the **MTDP Strategic Priorities 1, 2 and 3**. 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***.

MTDP Strategic Priority 1: Drive Inclusive Growth and Job Creation:

- Active support for enterprises owned by women, youth, and persons with disabilities by creating access to public procurement opportunities
- Curtailing regulatory and other barriers to investment

MTDP Strategic Priority 2: Reduce Poverty and Tackle the High Cost of Living:

- improved public spending through better planning, sound procurement systems aimed at securing quality goods and services (value for money) , and greater competition and productivity

MTDP Strategic Priority 3: Building a Capable, Ethical and Developmental State:

- Professionalizing the public service (SCM skills audit)
- Strengthening the public procurement system (mandating transparency)

Over the years we have witnessed improvements in asset management in the Departments, however there are still challenges related to the valuation and reporting on Infrastructure Assets. The same cannot be said for entities as noticed pockets of improvement are at times tainted by regression in other areas of asset management mainly with regards to rights and obligations, verification and valuation of Investment Properties and Infrastructure Assets. Continued support will be provided to Departments and Public Entities for building capacity mainly on the application of the Standards of GRAP and the Modified Cash Standards. The Treasury will provide support for the verification of Investment Properties and Infrastructure for Public Entities.

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 7.1 : Summary of payments and estimates by sub-programme: Programme 3: Asset and Liabilities Management

R thousand	Outcome			Main appropriation	Adjusted appropriation 2024/25	Revised estimate	Medium-term estimates		
	2021/22	2022/23	2023/24				2025/26	2026/27	2027/28
1. Programme Support	7,392	13,811	10,291	18,915	12,979	12,979	16,955	17,872	18,677
2. Asset Management	9,658	10,034	11,641	14,427	12,471	12,606	18,091	15,786	16,498
3. Support and Interlinked Financial System	25,530	24,740	20,852	28,950	23,087	23,087	29,282	30,675	31,066
Total payments and estimates	42,580	48,585	42,784	62,292	48,537	48,672	64,328	64,333	66,231

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

R thousand	Outcome			Main appropriation	Adjusted appropriation 2024/25	Revised estimate	Medium-term estimates		
	2021/22	2022/23	2023/24				2025/26	2026/27	2027/28
Current payments	41,230	45,838	42,158	61,502	47,404	47,404	63,454	63,419	65,276
Compensation of employees	36,137	33,637	29,711	44,927	34,144	34,144	43,433	45,592	46,645
Goods and services	5,093	12,201	12,447	16,575	13,260	13,260	20,021	17,827	18,631
Interest and rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies to:	147	281	105	231	231	231	242	253	264
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	147	281	105	231	231	231	242	253	264
Payments for capital assets	1,203	2,466	521	559	902	1,037	632	661	691
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	1,203	2,466	521	559	902	1,037	632	661	691
Heritage Assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	-	-	-	-	-	-	-	-	-
Total economic classification	42,580	48,585	42,784	62,292	48,537	48,672	64,328	64,333	66,231

The programme realized an increase of R6 million in 2022/23, R5.8 million in 2023/24 and R5.9 million in 2024/25 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 R195 million throughout the MTEF period.

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 2024/25	MTEF Period		
			2021/22	2022/23	2023/24		2025/26	2026/27	2027/28
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	12	9	9	9	9	9	9
	Support programmes provided to Departments and Entities	Assessments on the implementation of AGSA findings on the preceding financial year on Departments and public entities	2	2	2	3	3	3	3
	Support programmes provided to Departments	Number of Payment Files interfaced between the core Financial Systems	New	New	New	220	220	220	220

Outcome	Outputs and Entities	Output Indicators	Annual Targets						
			Audited/ Actual Performance			Estimated performance 2024/25	MTEF Period		
			2021/22	2022/23	2023/24		2025/26	2026/27	2027/28
		Number of key control assessments performed on Departments and Public Entities	New	New	New	7 (6D;1 PE)	8 (7D;1 PE)	10 (8 D;2 PE)	10 (8 D;2 PE)
		Number of Departments and Public Entities achieving improved risk management maturity level	New	New	New	9 (6D; 3PE)	10 (7D; 3PE)	10 (7D; 3PE)	10 (7D; 3PE)

Indicators, Annual and Quarterly Targets: Programme Support – Accountant General, Provincial Accounting Services, Financial Systems and Provincial Risk Management

Output Indicators	Annual Target 2025/26	Q1	Q2	Q3	Q4
Number of capacity Building Interventions for Departments and Public Entities	9	2	3	2	2
Assessments on the 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	8 (7D;1 PE)	N/A	N/A	8 (7D;1 PE)	N/A
Number of Departments and Public Entities achieving improved risk management maturity level	10 (7D; 3PE)	N/A	N/A	N/A	10 (7D; 3PE)

Sub-Programme: Provincial Internal Audit

Outcome, Outputs, Output Indicators and Targets: Provincial Internal Audit

			Annual Targets						
Outcome	Outputs	Output Indicators	Audited/Actual performance			Estimated performance 2024/25	MTEF Period		
			2021/22	2022/23	2023/24		2025/26	2026/27	2027/28
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 strategies assessed	11	11	11	11	11	11	11
	Supply chain management systems audited	Number of departmental supply chain management systems assessed	New	New	New	New	11	11	11

Indicators, Annual and Quarterly Targets: Provincial Internal Audit

Output Indicators	Annual Target 2025/26	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 strategies assessed	11	N/A	N/A	11	N/A
Number of departmental supply chain management systems assessed	11	N/A	N/A	N/A	11

6.4. Explanation of planned performance over the medium-term period

The programme outputs and output indicators contribute to the **MTDP Strategic Priority 3: Building 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***.

MTDP Strategic Priority 3: Building a capable, ethical and developmental state:

- Improving governance and performance of both Public Entities and Departments.
- Providing support (including financial systems support), oversight, capacity building through various assessments/ activities/ interventions aimed at enhancing technical capacity of officials and enhancing the performance of Departments and Public Entities in Financial Management
- Ethical, capable and professional public service.
- Strengthening the public procurement system (Independent assurance- compliance)
- Mandating transparency in all procurement processes in government Departments and Public Entities

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.
- Facilitate condonation of irregular expenditure in both Departments and entities.

7.4 Programme resource considerations

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 2024/25	Revised estimate	Medium-term estimates		
	2021/22	2022/23	2023/24				2025/26	2026/27	2027/28
1. Programme Support	23,420	17,334	23,101	9,493	10,228	10,228	10,319	10,770	11,194
2. Accounting Services	52,038	49,066	52,120	77,851	55,448	55,448	67,333	66,824	68,432
3. Norms and Standards	7,873	8,963	10,786	11,436	12,286	12,286	15,454	15,500	16,199
4. Risk Management	4,314	4,828	4,194	6,229	3,889	3,889	6,619	6,923	7,235
5. Provincial Internal Audit	68,047	69,015	70,268	91,393	78,294	78,294	96,016	102,387	106,993
Total payments and estimates	155,692	149,206	160,469	196,402	160,145	160,145	195,741	202,404	210,053

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

R thousand	Outcome			Main appropriation	Adjusted appropriation 2024/25	Revised estimate	Medium-term estimates		
	2021/22	2022/23	2023/24				2025/26	2026/27	2027/28
Current payments	132,970	134,669	140,132	194,275	158,738	158,738	193,462	200,022	207,569
Compensation of employees	97,341	96,930	103,166	123,837	107,808	107,808	132,991	140,416	145,276
Goods and services	35,629	37,739	36,966	70,438	50,930	50,930	60,471	59,606	62,293
Interest and rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies to:	1,752	739	254	273	273	273	340	353	368
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	1,752	739	254	273	273	273	340	353	368
Payments for capital assets	1,897	2,316	4,999	1,854	1,134	1,134	1,939	2,029	2,116
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	1,897	2,316	4,999	1,854	1,134	1,134	1,939	2,029	2,116
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	15,084	-	-	-	-	-	-
Total economic classification	155,692	149,206	160,469	196,402	160,145	160,145	195,741	202,404	210,053

The budget allocation decreased from R155.7 million to R149.2 million in 2022/23. The allocation then increased to R160.5 million in 2023/24 and R160.1 in 2024/25. The programme shows an increase of R35.6 million in 2025/26, R6.7 million in 2026/27 and R7.6 million in 2027/28.

The 2025/26 allocation is also inclusive of R4.1 million for Audit Committee, R13.6 million for Provincial Telephone, R500 thousand for training and development, R3.8 million for lease of building, R3.2 million for audit fees, R1.2 million for administrative fees for bank charges and agency fees, R5.1 million for Consultants, R3 million for computer services and R2 million for forensic investigations.

8. Updated Key Risks

Outcome	Key Risk	Risk Mitigation
Skilled, capable and ethical workforce	Unstable network	Refurbishment of the NWPG network infrastructure
	IT systems instability resulting in Walker, CSD and internet downtime	Office of the Premier to upgrade ICT infrastructure
	Unconducive working environment	<ul style="list-style-type: none"> Engage Public Works (follow-up) on the performance of a condition assessment on Garona Building. Requested Public Works to perform an infrastructure condition assessment on Garona Building and to avail additional office space to the Department.
	Inadequate human resources	Fast-tracking filling of vacant funded positions.
Improved integrated planning, budgeting and monitoring	Budget database completed incorrectly	Provide information sessions to complete the budget database
	Lack of access to Public Entities financial systems for validation against budget, expenditure and revenue performance	Request downloading rights to Public Entities Financial System Extracts reports on monthly basis
	Ineffective budget planning and implementation in Public Entities.	Separate MTEF database submitted by Public Entities approved by the designated Department.
	Inaccurate information presented to Provincial Treasury by Departments	Quality assurance mechanisms in place
	Inadequate monitoring and reporting of project progress by Provincial Departments.	<ul style="list-style-type: none"> Support to Provincial Departments on compliance to revised Infrastructure Development Management System (IDMS) and Framework for Infrastructure Delivery and Procurement Management (FIDPM) requirements. Enable project managers to update progress directly on the Infrastructure Reporting Model (IRM)
	Inconsistent Spending on approved budget allocation.	<ul style="list-style-type: none"> Monitoring and evaluation of Departmental budget performance towards achieving the desired outcomes. Intensifying communication on non-compliance to Departments and Public Entities

Outcome	Key Risk	Risk Mitigation
Fair, equitable, transparent, competitive and cost-effective Supply Chain Management System	Material misstatements of asset notes in financial statements	Conduct training on the preparation of asset notes in the financial statements
	Poor implementation of Contract Management by Stakeholders	Excessive deviation, variation, will be reporting to EXCO
	Non-compliance to mandatory SCM requirements by some Departments and Public Entities	<ul style="list-style-type: none"> Comprehensive SCM monitoring tool developed. Quarterly assessments and feedback on the outcome of the monitoring tool.
	Inability to conduct quality compliance assessments and reporting in order to enforce compliance with legislation in respect of the 5 procurement pillars.	<ul style="list-style-type: none"> Reminder letters to the institutions (HOD to HOD). Physical visits to the institutions (Proactive and Reactive).
Improved financial management in Departments, Public Entities and Municipalities	Lack of co-operation by some Departments and Public Entities leads to continued incurrence of Irregular expenditure	Implementation of consequence management
	Use of legacy systems with limited opportunity for configuration	Leverage the newly developed ICT strategy in the Department
	Weak governance and institutional arrangements at Municipalities	Join implementation of Municipal intervention programmes by Provincial Treasury and COGTA
	Inadequate implementation of Internal Audit & post audit action plans (PAAP)	Review the adequacy of action plans and provide advice on whether planned actions will address internal control deficiencies and prevent re-occurrence
	Ineffective systems of budget, financial management and reporting at Municipalities	Implementation financial recovery plan in line with sec 139 on the MFMA
	Non-submission of Irregular expenditure cases for condonement by Departments and Public Entities	<ul style="list-style-type: none"> Provision of clear, written templates and checklists that facilitate the process of submission for condonement. Training provided in terms of Irregular expenditure condonement requirements. Mother Departments to provide support to implement loss control capacity at public entities.
	Ineffective implementation of financial management standards at public entities	<ul style="list-style-type: none"> Conducting regular training sessions to ensure that all relevant staff members have the necessary skills to fulfil job responsibilities. Mother Departments to provide capacity to support entities. Regular on-site/ hands on financial management support provided to Public Entities.

Outcome	Key Risk	Risk Mitigation
	Financial statements for Tribal and Trust accounts not prepared and subjected for audit	<ul style="list-style-type: none"> • Monthly reconciliation of the Cashbooks for tribal and trust accounts. • Participation on the national task team for the development of a financial reporting framework on tribal and trust accounts.
	Ineffective implementation of financial management systems and controls at Municipalities.	<ul style="list-style-type: none"> • Regular engagements with municipalities where resolutions are adopted to improve on the financial management, budget and reporting: • CFO Forum. • Monitoring adherence to the minimum competency requirements for Senior Managers and SCM units at municipalities.
	Mandatory and voluntary interventions not being impactful	<p>Regular engagements with municipalities where resolutions are adopted to improve on the financial management, budget and reporting:</p> <ul style="list-style-type: none"> - CFO Forum - Mid-term engagements - Audit Committee Meeting - One on One engagements meetings - Muni-Mec Engagements.

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	Departmental Annual Report finalized
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	Quantitative: (Number of SMS officials who submitted financial disclosure /divided by total number of SMS officials) multiplied by 100
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	of	Quantitative: (Number of designated groups officials who submitted financial disclosure /divided by total number of designated groups officials) multiplied by 100
Means verification	of	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	<p>This is the identification and assessment of risks that might cause the Department to not achieve its planned outputs and outcomes.</p> <p>The Strategic Risk Assessment (including identification) is completed in the 4th quarter of each financial year in preparation for the new financial year.</p>
Source of data	Risk assessment report/register will be available from the Chief Risk Officer after approval by the HOD
Method of calculation/ Assessment	Simple count
Means of verification	Strategic Risk Register
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 training initiatives implemented in line with WSP
Definition	Identified training initiatives are in line the Work Skills Plan (WSP). WSP is a document containing training or development needs / interventions that will be implemented in the following year.
Source of data	Training needs identification forms for officials
Method of calculation /assessment	Simple count
Means of verification	Attendance registers or recorded data from virtual meeting / online registration
Assumptions	Officials will be trained in line with WSP
Disaggregation of Beneficiaries (where applicable)	N/A
Spatial Transformation (where applicable)	N/A
Calculation Type	Cumulative (year-end)
Reporting cycle	Annual
Desired performance	To close the performance gaps and develop staff
Indicator responsibility	Chief Director: Corporate Services

2. Indicator title	Number of interns intake
Definition	The number of internship opportunities provided to graduates/TVET by the department
Source of data	Approved submission
Method of calculation /assessment	Simple count
Means of verification	Signed Contracts of the Interns
Assumptions	The graduates will apply for the internship job opportunities and the submission for appointment of interns will be approved
Disaggregation of Beneficiaries (where applicable)	N/A
Spatial Transformation (where applicable)	N/A
Calculation Type	Non- Cumulative
Reporting cycle	Annually
Desired performance	Job opportunities for young unemployed graduates
Indicator responsibility	Chief Director: Corporate Services

3. Indicator title	Departmental Annual Performance Plan developed
Definition	It's a planning document that outlines key measure indicators and planned outputs for the Department in a given financial year to assist in the achievement of the mandate of the Department and the Government-of-the day.
Source of data	Inputs from Programme Managers
Method of calculation /assessment	Simple count
Means of verification	Approved Departmental Annual Performance Plan
Assumptions	The timeframe for development of annual performance plan will not change
Disaggregation of Beneficiaries (where applicable)	N/A
Spatial Transformation (where applicable)	N/A
Calculation Type	Non- Cumulative
Reporting cycle	Annually
Desired performance	A plan that contains the mandate of the Department and that of the Government-of the day and compliant with the applicable planning frameworks.
Indicator responsibility	Director :Strategic Management

4. Indicator title	Communication Strategy reviewed
Definition	It is the document that guides the flow of communication internally and externally so as to show stakeholders on the importance of development communication strategy.
Source of data	National Government communication strategy
Method of calculation /assessment	Simple count
Means of verification	Approved Departmental Communication Strategy
Assumptions	Alignment of Departmental communication strategy to National Government communication strategy
Disaggregation of Beneficiaries (where applicable)	N/A
Spatial Transformation (where applicable)	N/A
Calculation Type	Non- Cumulative
Reporting cycle	Annually
Desired performance	Improved stakeholder relations
Indicator responsibility	Director Information Management

Financial Management (CFO)

1. Indicator title	Number of unqualified financial statements without material misstatements (Clean)
Definition	The financial statements that are unqualified and free from material misstatements.
Source of data	AGSA management report and audit report
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	Quantitative
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	Implemented procurement on women, youth and persons with disabilities owned enterprises
Definition	<p>Implemented procurement on Women-owned enterprises, youth-owned enterprises and PWD-owned enterprises</p> <ul style="list-style-type: none"> • Women-owned means full ownership (100%) or majority ownership (>51%) in line with legislative definitions. • Youth-owned means full ownership (100%) or majority ownership (>51%) by persons from the ages 14-35 years, in line with legislative definitions. • PWD-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	Simple count.
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, Youth and Persons With Disabilities owned enterprises
Spatial Transformation (where applicable)	All the Districts of the Province
Calculation Type	Cumulative (Year-end)
Reporting Cycle	Quarterly
Desired Performance	Preferential procurement spend on enterprises that are Women, Youth and Persons With Disabilities 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	Information on the EPRE publication is derived from relevant departments' and Provincial Legislature
Method of calculation /assessment	Simple Count
Means of verification	Estimates of Provincial revenue and expenditure
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

3. Indicator title	Number of Departments with approved User Immovable Asset Management Plan (U-AMPs)
Definition	This indicator tracks the number of Departments that have developed, submitted, and received approval for their U-AMP. The U-AMP is a strategic document developed by Departments or agencies which outlines how immovable assets (e.g. buildings, infrastructure, and land) will be managed. It includes the assets' current condition, planned maintenance, disposal, acquisition strategies, detailed resource requirements, timeliness and milestones for executing the asset management plan, budget and alignment with Departmental objectives.
Source of data	Infrastructure Reporting Model (IRM), BAS/Vulindlela, MTEC Database, EPRE (Table B5)
Method of calculation /assessment	Simple Count
Means of verification	Departmental approved U-AMP
Assumptions	The assumption is that all Departments that manage immovable assets are required to submit the U-AMP and that there is clear, and standardized criteria for approval.
Disaggregation of Beneficiaries (where applicable)	Not Applicable
Spatial Transformation (where applicable)	Not Applicable
Calculation Type	Non-Cumulative
Reporting cycle	Annually
Desired performance	Approved U-AMP
Indicator responsibility	Chief Director: Budget and Public Finance Management

4. Indicator title	Number of Public Entities assessed on Financial Viability.
Definition	An assessment conducted on Public Entities to ascertain financial affairs of identified Public Entities in order for meet their financial obligations.
Source of data	Annual Financial Statements
Method of calculation /assessment	Simple Count
Means of verification	Assessment reports on Public Entities financial Viability
Assumptions	Public Entities will meet their financial obligations.
Disaggregation of Beneficiaries (where applicable)	Not Applicable
Spatial Transformation (where applicable)	Not Applicable
Calculation Type	Cumulative
Reporting cycle	Quarterly
Desired performance	Public Entities to meet their financial obligations.
Indicator responsibility	Chief Director: Budget and Public Finance Management

Economic Analysis and Fiscal Policy

1. Indicator title	Projected Provincial own revenue collected
Definition	The purpose of the indicator is to augment the provincial equitable share
Source of data	Vulindlela system
Method of calculation /assessment	Simple count
Means of verification	Revenue collection report
Assumptions	Departmental own revenue source is reliable
Disaggregation of Beneficiaries (where applicable)	N/A
Spatial Transformation (where applicable)	N/A
Calculation Type	Non-cumulative
Reporting cycle	Annual
Desired performance	Maximisation of Provincial own revenue sources
Indicator responsibility	Chief Director Economic Analysis and Fiscal Policy

2. Indicator title	Provincial revenue enhancement strategy reviewed
Definition	Review of Provincial enhancement strategy in order to optimize Provincial own Revenue
Source of data	Revenue enhancement strategies from Departments
Method of calculation /assessment	Simple count
Means of verification	Approved Provincial revenue enhancement strategy
Assumptions	Provincial revenue enhancement strategy approved during the current financial
Disaggregation of Beneficiaries (where applicable)	N/A
Spatial Transformation (where applicable)	N/A
Calculation Type	Non-cumulative
Reporting cycle	Annual
Desired performance	Increased Provincial revenue collection
Indicator responsibility	Chief Director Economic Analysis and Fiscal Policy

3. Indicator title	Provincial Economic Review and Outlook (PERO)
Definition	A report compiled on the economic analysis of the Province
Source of data	Statistics SA, IHS global insight
Method of calculation /assessment	Simple count
Means of verification	Assessment report on the economic analysis of the Province
Assumptions	Availability of data
Disaggregation of Beneficiaries (where applicable)	N/A
Spatial Transformation (where applicable)	N/A
Calculation Type	Non-cumulative
Reporting cycle	Annual
Desired performance	Ensuring that the report contains the economic analysis of the province in terms of sectors driving the economic activity of the province and analysis of the budget and whether funds are allocated and spent towards addressing socio-economic challenges faced in the province
Indicator responsibility	Director and Deputy Directors :Macro-economic analysis

4. Indicator title	Socio-Economic Review and Outlook (SERO) for the Province
Definition	Report compiled on socio-economic analysis of the province Outlining the Provincial socio-economic status
Source of data	Statistics SA, IHS global insight
Method of calculation /assessment	Simple count
Means of verification	Assessment report on socio-economic analysis of the Province outlining the Provincial socio-economic status
Assumptions	Availability of data
Disaggregation of Beneficiaries (where applicable)	N/A
Spatial Transformation (where applicable)	N/A
Calculation Type	Cumulative
Reporting cycle	Annual
Desired performance	Produce a report that contains the socio-economic status of the province and identifies socio-economic challenges facing the province in health, education, income distribution, employment, human development and Household infrastructural development correlation in these indicators
Indicator responsibility	Director and Deputy Directors :Macro-economic analysis

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 municipalities with clean audit outcomes
Definition	Improvement of some audit outcomes to clean audit in municipalities
Source of data	Municipal audit management reports (AGSA)
Method of calculation /assessment	Simple Count
Assumptions	Buy - in and full Corporation and by municipal officials. Adequate capacity as well as political and administrative stability at municipalities
Means of verification	Municipal audit management reports (AGSA)
Disaggregation of Beneficiaries (where applicable)	N/A
Spatial Transformation (where applicable)	N/A
Calculation Type	Simple count
Reporting cycle	N/A
Desired performance	Improved reporting and financial management at municipalities. Improved Compliance with MFMA by municipalities
Indicator responsibility	Chief Director

4. Indicator title	Provincial consolidated report 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 the 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

5. Indicator title	Number of legislated reports in line with section 147 of the MFMA
Definition	<p>This is a report which outlines progress with resolving the municipality's financial problems and its financial recovery; and the effectiveness of financial recovery plan on the intervention to the municipalities.</p> <p>A financial recovery plan aims to secure the Municipality's ability to meets its obligations to provide basic services or its financial commitments.</p>
Source of data	Municipal financial and non-financial performance reports e.g AFS, Annual Report, etc.
Method of calculation	Simple Count
Means of verification	Assessment report 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 (s)
Method of calculation/ Assessment	Simple count
Means of verification	Attendance register (s) / recorded data from virtual meetings
Assumption	Training 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 supported through: <ul style="list-style-type: none"> • Simplification and interpretation of legislation governing Supply Chain Management (SCM) or • Providing frameworks for SCM processes or • SCM forum (for information sharing) or • Focused/targeted contact sessions
Source of data	Attendance registers/ electronic record or actual frameworks or circulars
Method of calculation/ Assessment	Simple count
Means of verification	Attendance registers/ electronic record or actual frameworks or circulars
Assumption	Engagements and focused support will improve compliance to supply chain management processes and audit outcomes
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	Quarterly Departmental assessment reports developed based on monthly SCM reporting frameworks covering key SCM compliance areas.
Method of calculation/ Assessment	Simple count
Means of verification	Quarterly Assessment reports
Assumption	Improvement on compliance with 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	Outreach programme rolled-out
Definition	Outreach programmes rolled out for SCM clients in order to enhance their possibilities of doing business with government. Outreach programmes entail CSD registration/ maintenance/ support campaigns and workshops on bidding process)
Source of data	Attendance registers on outreach programmes conducted
Method of calculation/ Assessment	Simple count
Means of verification	Reports on outreach programmes conducted
Assumption	Participation by stakeholders to ensure maximum benefit from support/ outreach programmes.
Disaggregation of Beneficiaries (where applicable)	N/A
Spatial Transformation (where applicable)	N/A
Calculation Type	Cumulative (year-end)
Reporting cycle	Quarterly
Desired performance	Enhanced empowerment of suppliers to participate in public procurement
Indicator responsibility	Chief Director PSCM

5. Indicator Title	Number of asset management capacity building interventions provided to Departments and Public Entities
Definition	Capacity building is meant to develop asset managers on asset life cycle management, improve technical ability on accounting and reporting for physical assets. Training is provided in areas such as Grap standards, MCS standards Inventory and Asset Management Frameworks and other areas for effective asset management in Provincial Departments and Public Entities.
Source of data	Workshops/Training/Forums/Meetings conducted to develop asset management capacity in Departments and Entities.
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	Director Provincial Asset Management

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	The workshops or trainings that develop or capacitate officials with skills to improve the audit outcome excluding specific to Asset and Supply chain management.
Method of calculation /assessment	Simple Count
Means of verification	Attendance registers or recorded data from virtual meeting.
Assumptions	Skills assessment results and training needs identified by Departments and entities or any other means such as Office of the Accountant General, audit and management reports. Departments and Public Entities identify the officials and send to be trained considering the weak areas. Training may be by contact or using Microsoft Teams 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	Assessments on the 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 Public Entities comply with PFMA, IFRS and GRAP financial requirements and achieve clean audit reports.
Source of data	Departmental IFS/AFS and reviews of implementation of PAAP in Departments and entities.
Method of calculation /assessment	Simple Count
Means of verification	Assessment report on implementation of audit action plans by Departments and entities
Assumptions	It is the consolidated information from IFS/AFS and PAAP reviews conducted during the quarter.
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	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	Report of Payments captured and Authorised on Walker System by various Departments (payment to suppliers for services rendered to Provincial Departments)
Method of calculation /assessment	Simple Count
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. • Departments will process the payments on a daily basis excluding Public Holidays and Weekends.
Disaggregation of Beneficiaries (where applicable)	N/A
Spatial Transformation (where applicable)	N/A
Calculation type	Cumulative (year-end)
Reporting cycle	Quarterly
Desired performance	Payment processed on time
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	Key control assessment reports on clean audit initiative.
Method of calculation /assessment	Simple count
Means of verification	Key control assessments developed from Annual Financial statements, audit report from AGSA, and reports from other assurance providers
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	Chief Director Provincial accounting

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	Departments' Post Audit Action Plan and portfolio of evidence
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"> • Contribution to spatial transformation priorities: N/A • Spatial impact area: N/A.
Calculation type	Non-cumulative
Reporting cycle	Annual
Desired performance	Provision of assurance on the adequacy and effectiveness of post audit action plan systems
Indicator responsibility	Chief Audit Executive Provincial Internal Audit

2. Indicator title	Number of Departmental risk management strategies assessed
Definition	These are audits which are aimed at determining the extent to which Departments are implementing risk management.
Source of data	Public sector risk management framework, Departments' policies and procedures, departmental records.
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"> • Contribution to spatial transformation priorities: N/A • Spatial impact area: N/A
Calculation type	Non-cumulative.
Reporting cycle	Annual
Desired performance	Provision of assurance on the adequacy and effectiveness of implemented risk management strategies and processes.
Indicator responsibility	Chief Audit Executive Provincial Internal Audit

3. Indicator title	Number of departmental supply chain management systems assessed
Definition	These are audits which are aimed at determining at a high level the extent to which departmental supply chain management comply with prescripts.
Source of data	Compliance prescripts, Departments' policies and procedures, procurement records
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 and effectiveness of supply chain management processes.
Indicator responsibility	Chief Audit Executive Provincial Internal Audit

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 DELIVERY MODEL

ANNEXURE A: NSDF AND THE DISTRICT DELIVERY MODEL

Area of intervention in the NSDF and DDM	Five Year Planning Period								
	Project Name	Project Description	Budget Allocation	District Municipality	Specific Location	Project Leader	Social Partners	Longitude (East/West/+X)	Latitude (North/South/-Y)
Mandatory Intervention on the following pillars: <ol style="list-style-type: none"> Governance Financial management Institutional Service Delivery 	Municipal Financial Recovery	Implementation of the Municipal financial recovery plans	R10 million over MTEF period	Bojanala Dr Kenneth Kaunda Dr Ruth Segomotsi Mompoti Ngaka Modiri Molema	Tswaing LM	Chief Director Municipal Finance Management	South African Local Government Association (SALGA), Cooperative Governance and Traditional Affairs (COGTA) National Treasury (NT)	N/A	N/A
					Ditsobotla LM				
					Ramotshere Moiloa LM				
					Madibeng LM				
					Kgetlengrivier LM				
					Naledi LM				
					Dr. Ruth Segomotsi Mompoti DM				
					Lekwa Teemane LM				
					Matlosana LM				
					Mamusa LM				



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PR111/2025
ISBN: 978-1-77997-648-2



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