



provincial treasury

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

VOTE 7

1st

QUARTERLY PERFORMANCE REPORT 2025-2026



MR. NDLELA ISRAEL KUNENE

ACCOUNTING OFFICER

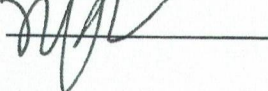
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1. INTRODUCTION AND BACKGROUND

Provincial Treasury responds to the following MTDP Priority:

MTDP Priority 3: Build a capable, ethical and developmental state

2. SITUATIONAL ANALYSIS / HIGHLIGHTS ON OTHER ACHIEVEMENTS

PROGRAMME 1: ADMINISTRATION

1.2. SUB-PROGRAMME: RISK MANAGEMENT

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

- Conducted an ethics awareness session specifically targeted at contract workers.
- Developed and globalised the Ethics Management Survey for broader application across the organisation.
- Developed a policy on Conducting Business with an Organ of State

1.3. SUB-PROGRAMME: CORPORATE SERVICES

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

- Developed and submitted 12 high-level speeches and speaking notes for key engagements, including the WECONA event, stakeholder meetings with banks, MEC engagements with PERs and MMCs for Finance, Provincial Budget Re-tabling, long service awards, PFMA handover to the Auditor General, donation of school shoes, and the Youth Summit.
- Extended support to community media to promote diversity and access to information, including live broadcasts and interviews for the re-tabling of the 2025/26 Provincial Budget and the Thuntsha Lerole Service Delivery Programme.

PROGRAMME 2: SUSTAINABLE RESOURCE MANAGEMENT

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

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

- Successfully re-tabled the 2025/26 Estimates of Provincial Revenue and Expenditure.

2.3. SUB-PROGRAMME: MUNICIPAL FINANCIAL MANAGEMENT

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

- Conducted a session on 2024/25 MFMA Audit Cycle Readiness to ensure effective audit preparation and compliance.
- Convened the Municipal CFO Forum to engage on key financial management issues.
- Provided finance training to MMCs

PROGRAMME 3: ASSETS AND LIABILITY MANAGEMENT

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

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

Asset Management

- Reviewed Annual Financial Statements for Provincial Departments (assets and related notes) and assisted departments in addressing and clearing review findings.
- Provided technical guidance on preparing Annual Financial Statements for Provincial Departments, focusing on assets and related notes.
- Assisted the NWDC with the verification of movable assets.
- Provided WALKER system support to provincial departments.

Provincial Supply Chain Management

- Coordinated the SCM Compliance Risk Assessment and Monitoring (CRAM) Tool seminar, facilitated by National Treasury, to enhance supply chain compliance and risk mitigation.
- Held a successful launch of the Contract Management Forum on 26–27 June 2025.

PROGRAMME 4: FINANCIAL GOVERNANCE

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

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

- Conducted an MCS workshop on the preparation of Annual Financial Statements.
- Held Provincial Risk Management Forums meeting with departments and for public entities.
- Reviewed and provided recommendations on the 2025/26 financial year Risk Management and related governance documents including policies, strategies, implementation plans, charters, and whistleblowing frameworks for multiple departments and public entities such as Education, North West Gambling Board, Agriculture and Rural Development, Social Development, and the Office of the Premier.

4.2. PROVINCIAL INTERNAL AUDIT

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

- Reviewed Annual Financial Statements and annual reports for 11 departments prior to submission to AGSA in May 2025.
- The Audit Committee engaged with AGSA to discuss external audit strategies for each department for the 2024/25 audit.
- Revised Internal Audit processes to align with Global Internal Audit Standards and enhance overall audit effectiveness.

3. KEY CHALLENGES AND RESPONSES (per sub programme)

PROGRAMME 1: ADMINISTRATION

1.2. SUB-PROGRAMME: RISK MANAGEMENT

Challenge 1:

- Capacity in the Unit

Response to challenge 1:

- DD was appointed and he is expected to resume duty on the 1st of August 2025,
- AD interviews were held on the 4th of June 2025, still awaiting appointment
- An Ethics Officer was appointed on a 6 months contract

1.3. SUB-PROGRAMME: CORPORATE SERVICES

Strategic Management Challenge 1:

- Capacity constraints

Strategic Management Response to challenge 1:

- Vacant positions advertised

Information Management Services:

- Capacity constraints

Information Management Services: Response to challenge 1:

- Consideration of employing contract workers

PROGRAMME 3: ASSETS AND LIABILITY MANAGEMENT

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

Asset Management Challenge 1:

- There is a slow response by Departments to the usage of asset verification tools.

Asset Management Response to challenge 1:

- To write to accounting officers on the benefits of using the verification tool against manual verification

Actual Performance against 2025-2026 1st Quarterly Targets

Provincial Supply Management Challenge 1:

- Staff shortage.

Provincial Supply Management Response to challenge 1:

- Vacant positions advertised.

Provincial Supply Management Challenge 2:

- Late and non-submission of SCM Compliance information.

Provincial Supply Management Response to challenge 2:

- Constant follow ups and contact sessions with institutions.

PROGRAMME 4: FINANCIAL GOVERNANCE

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

Provincial Risk Challenge 1:

- Provincial Risk Management is experiencing human resource capacity challenges as the Director post is vacant, and Secretary post is filled on contract.

Provincial Risk Response to challenge 1:

- Submission made to HR to assist.

4.2. SUB-PROGRAMME: PROVINCIAL INTERNAL AUDIT

Challenge 1:

- Vacant positions at internal auditor level (13).

Response to challenge 1:

- Audit plans for 2025/26 aligned to available resources.

Actual Performance against 2025-2026 1st Quarterly Targets

4. ACTUAL PERFORMANCE AGAINST 2025-2026 1st QUARTERLY TARGETS

PROGRAMME 1: ADMINISTRATION QUARTERLY TARGETS

Sub-Programme 1.1: Office of the MEC

| No | Output Indicators | Annual target 2025-2026 | 1 st Quarter planned targets | 1 st Quarter actual outputs | Reasons underperformance or overachievement | Measures to address under achievements |
|----|--------------------------------------|-------------------------|---|--|---|--|
| 1 | Departmental Annual Report finalized | 1 | N/A | N/A | N/A | N/A |

Sub-Programme 1.2: Risk Management

| No | Output Indicators | Annual target 2025-2026 | 1 st Quarter planned targets | 1 st Quarter actual outputs | Reasons underperformance or overachievement | Measures to address under achievements |
|----|--|-------------------------|---|--|---|--|
| 1 | % submission of disclosures of financial interest for SMS | 100% | 100% | 100% | N/A | N/A |
| 2 | % of compliance to Financial Disclosure on designated groups | 100% | N/A | N/A | N/A | N/A |
| 3 | Number of Strategic Risk Assessment Performed | 1 | N/A | N/A | N/A | N/A |

Actual Performance against 2025-2026 1st Quarterly Targets

Sub-Programme1.3: Corporate Services

| No | Output Indicators | Annual target 2025-2026 | 1 st Quarter planned targets | 1 st Quarter actual outputs | Reasons underperformance or overachievement | Measures to address under achievements |
|----|---|-------------------------|---|--|---|--|
| 1 | Number of training initiatives implemented in line with WSP | 100 | N/A | N/A | N/A | N/A |
| 2 | Number of interns intake | 60 | N/A | N/A | N/A | N/A |
| 3 | Departmental Annual Performance Plan developed | 1 | N/A | N/A | N/A | N/A |
| 4 | Communication Strategy reviewed | 1 | N/A | N/A | N/A | N/A |

Actual Performance against 2025-2026 1st Quarterly Targets

Sub-Programme 1.4: Financial Management (CFO)

| No | Output Indicators | Annual target 2025-2026 | 1 st Quarter planned targets | 1 st Quarter actual outputs | Reasons underperformance or overachievement | Measures to address under achievements |
|----|---|-------------------------|---|--|---|--|
| 1 | Number of unqualified financial statements without material misstatements (Clean) | 1 | N/A | N/A | N/A | N/A |
| 2 | % of valid invoices paid within 30 days | 100% | 100% | 100% | N/A | N/A |
| 3 | Implemented procurement on women, youth and persons with disabilities owned enterprises | 4 | 1 | 1 | N/A | N/A |

Actual Performance against 2025-2026 1st Quarterly Targets

PROGRAMME 2: SUSTAINABLE RESOURCE MANAGEMENT QUARTERLY TARGETS

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

| No | Output Indicators | Annual target 2025-2026 | 1 st Quarter planned targets | 1 st Quarter actual outputs | Reasons underperformance or overachievement | Measures to address under achievements |
|----|---|-------------------------|---|--|---|--|
| 1 | Estimates of Provincial Revenue and Expenditure (EPRE) | 1 | N/A | N/A | N/A | N/A |
| 2 | Number of quarterly financial assessment performed on Provincial spending | 4 | 1 | 1 | N/A | N/A |
| 3 | Number of Departments with Approved User Immovable Asset Management Plan (U-AMPs) | 2 | N/A | N/A | N/A | N/A |
| 4 | Number of Public Entities assessed on Financial Viability | 2 | N/A | N/A | N/A | N/A |

Actual Performance against 2025-2026 1st Quarterly Targets

Sub-Programme 2.2: Economic Analysis and Fiscal Policy

| No | Output Indicators | Annual target 2025-2026 | 1 st Quarter planned targets | 1 st Quarter actual outputs | Reasons underperformance or overachievement | Measures to address under achievements |
|----|---|-------------------------|---|--|---|--|
| 1 | Projected Provincial own revenue collected | R1.4 billion | N/A | N/A | N/A | N/A |
| 2 | Provincial revenue enhancement strategy reviewed | 1 | N/A | N/A | N/A | N/A |
| 3 | Provincial Economic Review and Outlook (PERO) | 1 | N/A | N/A | N/A | N/A |
| 4 | Socio-Economic Review and Outlook (SERO) for the Province | 1 | N/A | N/A | N/A | N/A |

Actual Performance against 2025-2026 1st Quarterly Targets

Sub-Programme 2.3: Municipal Financial Management

| No | Output Indicators | Annual target 2025-2026 | 1 st Quarter planned targets | 1 st Quarter actual outputs | Reasons for underperformance or overachievement | Measures to address under achievements |
|----|---|-------------------------|---|--|---|---|
| 1 | Number of budget assessments conducted on adopted Municipal budgets | 20 | N/A | N/A | N/A | N/A |
| 2 | Number of Municipal capacity building interventions conducted | 4 | 1 | 0 | Delay in the appointment of a service provider. | To be conducted during the 2nd Quarter. |
| 3 | Number of municipalities with clean audit outcomes | N/A | N/A | N/A | N/A | N/A |
| 4 | Provincial consolidated report on technical support provided to municipalities in-line with Section 154 of the Constitution | 3 | N/A | N/A | N/A | N/A |
| 5 | Number of legislated reports in line with section 147 of the MFMA | 3 | N/A | N/A | N/A | N/A |

Actual Performance against 2025-2026 1st Quarterly Targets

PROGRAMME 3: ASSET AND LIABILITIES QUARTERLY TARGETS

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

| No | Output Indicators | Annual target 2025-2026 | 1 st Quarter planned targets | 1 st Quarter actual outputs | Reasons underperformance for or overachievement | Measures to address under achievements |
|----|---|-------------------------|---|--|---|--|
| 1 | Number of supply chain management (SCM) capacity building interventions provided to Departments and Public Entities | 4 | 1 | 1 | N/A | N/A |
| 2 | Number of Departments and Public Entities supported to improve audit outcomes on SCM | 8 (6D;2 PE) | N/A | N/A | N/A | N/A |
| 3 | Number of assessments done on non-compliance by Departments and Public Entities on SCM regulations | 3 | N/A | N/A | N/A | N/A |
| 4 | Outreach programme rolled-out | 3 | N/A | N/A | N/A | N/A |
| 5 | Number of asset management capacity building interventions provided to Departments and Public Entities | 4 | N/A | N/A | N/A | N/A |

Actual Performance against 2025-2026 1st Quarterly Targets

PROGRAMME 4: FINANCIAL GOVERNANCE QUARTERLY TARGETS

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

| No | Output Indicators | Annual target 2025-2026 | 1 st Quarter planned targets | 1 st Quarter actual outputs | Reasons underperformance or overachievement | Measures to address under achievements |
|----|---|-------------------------|---|--|--|--|
| 1 | Number of capacity Building Interventions for Departments and Public Entities | 9 | 2 | 2 | N/A | N/A |
| 2 | Assessments on the implementation of AGSA findings on the preceding financial year on Departments and public entities | 3 | N/A | N/A | N/A | N/A |
| 3 | Number of Payment Files interfaced between the core Financial Systems | 220 | 55 | 49 | BAS was not working for the first 10 days of the new financial year due to re-implementation BAS which affected the sending of payment files to BAS. | Implementation of payment interfaces on all working days during the second quarter, totaling 65 payment interfaces which will make up for the shortfall. |
| 4 | Number of key control assessments performed on Departments and Public Entities | 8 (7D;1 PE) | N/A | N/A | N/A | N/A |

Actual Performance against 2025-2026 1st Quarterly Targets

| No | Output Indicators | Annual target 2025-2026 | 1 st Quarter planned targets | 1 st Quarter actual outputs | Reasons underperformance or overachievement | Measures to address under achievements |
|----|---|-------------------------|---|--|---|--|
| 5 | Number of Departments and Public Entities achieving improved risk management maturity level | 10 (7D; 3PE) | N/A | N/A | N/A | N/A |

Sub-Programme 4.2: Provincial Internal Audit

| N o | Output Indicators | Annual target 2025-2026 | 1 st Quarter planned targets | 1 st Quarter actual outputs | Reasons underperformance or overachievement | Measures to address under achievements |
|--------|---|-------------------------|---|--|---|--|
| 1 | Number of Departmental post audit action plans implementation assessed. | 11 | N/A | N/A | N/A | N/A |
| 2 | Number of Departmental risk management strategies assessed | 11 | N/A | N/A | N/A | N/A |
| 3 | Number of departmental supply chain management systems assessed | 11 | N/A | N/A | N/A | N/A |