



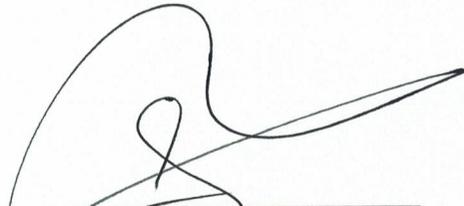
## **provincial treasury**

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

### VOTE 7

2<sup>nd</sup>

## **QUARTERLY PERFORMANCE REPORT 2025-2026**



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**MR. N. I. KUNENE**  
**ACCOUNTING OFFICER**

DATE: 

## Actual Performance against 2025-2026 2<sup>nd</sup> Quarter Targets

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## 1. INTRODUCTION AND BACKGROUND

Provincial Treasury responds to the following MTDP Priority:

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

## 2. SITUATIONAL ANALYSIS / HIGHLIGHTS ON OTHER ACHIEVEMENTS

### PROGRAMME 1: ADMINISTRATION

#### 1.3. SUB-PROGRAMME: CORPORATE SERVICES

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

- Successfully provided communication support to the Executive Authority for the launch of the North West Business Enterprise Database.
- Developed a consolidated outreach plan integrating SCM, Municipal Support Services, and HRD programmes into a unified communication strategy to enhance stakeholder engagement and visibility of government services.

### 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**

- Conducted second quarter compliance monitoring across departments and public entities.
- Assessed audit and management reports to identify asset-related findings and developed remedial actions and intervention measures.
- Monitored the disposal of the white fleet through auction processes and assisted participating departments with the reconciliation of revenue collected.
- Continued the rollout of the Asset Verification Tool across provincial departments.
- Conducted pre-audit assessments in preparation for the disposal of the yellow fleet by the Department of Public Works and Roads.

##### **Provincial Supply Chain Management**

- Conducted outreach programmes in all four (4) districts, assisting service providers with registration and updates on the Central Supplier Database (CSD).
- Participated in all Thuntsha Lerole programmes.
- Awarded the bid for the supply of toilet paper.
- Provided training to service providers on how to conduct business with government.
- Rolled out training to departmental and public entity Bid Specification Committees and Demand Management Practitioners on the development of compliant specifications.
- Issued two (2) new Provincial Treasury Supply Chain Management (SCM) Instruction Notes.
- Obtained and analysed Auditor-General (AGSA) audit reports for twelve (12) provincial departments and four (4) public entities.

## Actual Performance against 2025-2026 2<sup>nd</sup> Quarter Targets

### 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:

- Convened the second quarter Provincial Risk Management Combined Forum with provincial departments and public entities.

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

#### PROGRAMME 1: ADMINISTRATION

#### 1.3. SUB-PROGRAMME: CORPORATE SERVICES

##### Information Management Services challenges:

- Shortage of personnel

##### Response to challenges:

- As an interim measure, two interns were appointed on a six-month contract. A review of the structure is recommended to allow for additional permanent personnel.

#### PROGRAMME 3: ASSETS AND LIABILITIES

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

##### Asset Management Challenges:

Provincial public entities continue to receive unfavorably audit outcomes on assets, ranging from qualifications to disclaimers. These material misstatements emanate from and not limited to the following.

- Verification and valuation of PPE, Investment Properties and Living Resources
- Completeness of Assets Registers including rights and obligations for assets
- Accounting and Reporting for Assets
- Impairment of cash and non-cash generating assets
- Review of estimated useful life and residual values.

##### Response to challenges:

- Appoint technical experts to address gaps in public entities and launch a provincial initiative to strengthen human and financial capacity. Review entities that no longer support the province's socio-economic agenda.

## Actual Performance against 2025-2026 2<sup>nd</sup> Quarter Targets

### **Provincial Supply Management Challenges:**

- Unstable network
- Shortage of staff

### **Response to challenges:**

- Motivation to purchase Wi-Fi routers, SITA was engaged to upgrade the system
- Posts advertised, however the appointment process is slow due to cost saving measures put in place by National Treasury and the DPSA

## **PROGRAMME 4: FINANCIAL GOVERNANCE**

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

### **Provincial Risk Challenges:**

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

### **Response to challenges:**

- Submission made to HR to assist.

4. ACTUAL PERFORMANCE AGAINST 2025-2026 2<sup>nd</sup> QUARTERLY TARGETS

PROGRAMME 1: ADMINISTRATION QUARTERLY TARGETS

Sub-Programme 1.1: Office of the MEC

No	Output Indicators	Annual target 2025-2026	Validated 1 <sup>st</sup> Quarter actual outputs	2 <sup>nd</sup> Quarter planned targets	2 <sup>nd</sup> Quarter actual outputs	Reasons for underperformance or overachievement	Measures to address under achievements
1	Departmental Annual Report finalized	1	N/A	1	1	N/A	N/A

Actual Performance against 2025-2026 2<sup>nd</sup> Quarter Targets

Sub-Programme 1.2: Risk Management

No	Output Indicators	Annual target 2025-2026	Validated 1 <sup>st</sup> Quarter actual outputs	2 <sup>nd</sup> Quarter planned targets	2 <sup>nd</sup> Quarter actual outputs	Reasons for underperformance or overachievement	Measures to address under achievements
1	% submission of disclosures of financial interest for SMS	100%	100%	N/A	N/A	N/A	N/A
2	% of compliance to Financial Disclosure on designated groups	100%	N/A	100%	99%	The Department of Public Service and Administration (DPSA) experienced a security breach, which necessitated the shutdown of the eDisclosure system from 30 July 2025 to date.	Once the eDisclosure system is restored by DPSA, all officials who were unable to disclose will be required to finalise their submissions
3	Number of Strategic Risk Assessment Performed	1	N/A	N/A	N/A	N/A	N/A

**Actual Performance against 2025-2026 2<sup>nd</sup> Quarter Targets**

**Sub-Programme1.3: Corporate Services**

No	Output Indicators	Annual target 2025-2026	Validated 1 <sup>st</sup> Quarter actual outputs	2 <sup>nd</sup> Quarter planned targets	2 <sup>nd</sup> Quarter actual outputs	Reasons for 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	N/A
2	Number of interns intake	60	N/A	N/A	N/A	N/A	N/A
3	Departmental Annual Performance Plan developed	1	N/A	N/A	N/A	N/A	N/A
4	Communication Strategy reviewed	1	N/A	1	0	The target was not achieved as the Office of the Premier issued a directive instructing departments to defer finalization of their Communication Strategy Frameworks pending completion of the Provincial Communication Strategy Framework.	The Department will finalize its Communication Strategy Framework once the provincial directive has been issued and the Provincial Communication Strategy Framework approved.

**Actual Performance against 2025-2026 2<sup>nd</sup> Quarter Targets**

**Sub-Programme 1.4: Financial Management (CFO)**

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

**Actual Performance against 2025-2026 2<sup>nd</sup> Quarter 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	Validated 1 <sup>st</sup> Quarter actual outputs	2 <sup>nd</sup> Quarter planned targets	2 <sup>nd</sup> Quarter actual outputs	Reasons for 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	N/A
2	Number of quarterly financial assessment performed on Provincial spending	4	1	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	N/A
4	Number of Public Entities assessed on Financial Viability	2	N/A	1	1	N/A	N/A

**Actual Performance against 2025-2026 2<sup>nd</sup> Quarter Targets**

**Sub-Programme 2.2: Economic Analysis and Fiscal Policy**

No	Output Indicators	Annual target 2025-2026	Validated 1 <sup>st</sup> Quarter actual outputs	2 <sup>nd</sup> Quarter planned targets	2 <sup>nd</sup> Quarter actual outputs	Reasons for 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	N/A
2	Provincial revenue enhancement strategy reviewed	1	N/A	N/A	N/A	N/A	N/A
3	Provincial Economic Review and Outlook (PERO)	1	N/A	1	1	N/A	N/A
4	Socio-Economic Review and Outlook (SERO) for the Province	1	N/A	N/A	N/A	N/A	N/A

Actual Performance against 2025-2026 2<sup>nd</sup> Quarter Targets

Sub-Programme 2.3: Municipal Financial Management

No	Output Indicators	Annual target 2025-2026	Validated 1 <sup>st</sup> Quarter actual outputs	2 <sup>nd</sup> Quarter planned targets	2 <sup>nd</sup> 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	20	20	N/A	N/A
2	Number of Municipal capacity building interventions conducted	4	0	1	2	The over-achievement is due to the implementation of an additional capacity-building intervention that had been deferred from the 1st Quarter.	N/A
3	Number of municipalities with clean audit outcomes	N/A	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	1	1	N/A	N/A

**Actual Performance against 2025-2026 2<sup>nd</sup> Quarter Targets**

No	Output Indicators	Annual target 2025-2026	Validated 1 <sup>st</sup> Quarter actual outputs	2 <sup>nd</sup> Quarter planned targets	2 <sup>nd</sup> Quarter actual outputs	Reasons for underperformance or overachievement	Measures to address under achievements
5	Number of legislated reports in line with section 147 of the MFMA	3	N/A	1	1	N/A	N/A

**PROGRAMME 3: ASSET AND LIABILITIES QUARTERLY TARGETS**

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

No	Output Indicators	Annual target 2025-2026	Validated 1 <sup>st</sup> Quarter actual outputs	2 <sup>nd</sup> Quarter planned targets	2 <sup>nd</sup> Quarter actual outputs	Reasons for underperformance or overachievement	Measures to address under achievements
1	Number of supply chain management (SCM) capacity building interventions provided to Departments and Public Entities	4	1	1	1	N/A	N/A
2	Number of Departments and Public Entities supported to improve audit outcomes on SCM	8 (6D;2 PE)	N/A	N/A	N/A	N/A	N/A

**Actual Performance against 2025-2026 2<sup>nd</sup> Quarter Targets**

No	Output Indicators	Annual target 2025-2026	Validated 1 <sup>st</sup> Quarter actual outputs	2 <sup>nd</sup> Quarter planned targets	2 <sup>nd</sup> Quarter actual outputs	Reasons for underperformance or overachievement	Measures to address under achievements
3	Number of assessments done on non-compliance by Departments and Public Entities on SCM regulations	3	N/A	1	1	N/A	N/A
4	Outreach programme rolled-out	3	N/A	1	1	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	N/A

**PROGRAMME 4: FINANCIAL GOVERNANCE QUARTERLY TARGETS**

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

No	Output Indicators	Annual target 2025-2026	Validated 1 <sup>st</sup> Quarter actual outputs	2 <sup>nd</sup> Quarter planned targets	2 <sup>nd</sup> Quarter actual outputs	Reasons for underperformance or overachievement	Measures to address under achievements
1	Number of capacity Building Interventions for Departments and Public Entities	9	2	3	3	N/A	N/A
2	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	N/A
3	Number of Payment Files interfaced between the core Financial Systems	220	49	55	63	The overachievement in payment files interfaced was due to improved system performance and increased processing capacity in the second quarter, following first-quarter delays. The Mainframe operated at 100% efficiency during this period, enabling recovery of the earlier shortfall.	N/A

**Actual Performance against 2025-2026 2<sup>nd</sup> Quarter Targets**

No	Output Indicators	Annual target 2025-2026	Validated 1 <sup>st</sup> Quarter actual outputs	2 <sup>nd</sup> Quarter planned targets	2 <sup>nd</sup> Quarter actual outputs	Reasons for underperformance or overachievement	Measures to address under achievements
4	Number of key control assessments performed on Departments and Public Entities	8 (7D;1 PE)	N/A	N/A	N/A	N/A	N/A
5	Number of Departments and Public Entities achieving improved risk management maturity level	10 (7D; 3PE)	N/A	N/A	N/A	N/A	N/A

Actual Performance against 2025-2026 2<sup>nd</sup> Quarter Targets

Sub-Programme 4.2: Provincial Internal Audit

No	Output Indicators	Annual target 2025-2026	Validated 1 <sup>st</sup> Quarter actual outputs	2 <sup>nd</sup> Quarter planned targets	2 <sup>nd</sup> Quarter actual outputs	Reasons for 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	N/A
2	Number of Departmental risk management strategies assessed	11	N/A	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	N/A