

## **provincial treasury**

---

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

# **ANNUAL PERFORMANCE PLAN**

**2026/27**

## TABLE OF CONTENTS 2026/27 ANNUAL PERFORMANCE PLAN

<b>ITEM</b>	
<b>Executive Authority Statement</b>	<b>2</b>
<b>Accounting Officer Statement</b>	<b>3</b>
<b>Official Sign-Off</b>	<b>4</b>
<b>PART A: OUR MANDATE</b>	<b>5</b>
<b>1. Updates to the relevant legislative and policy mandates</b>	<b>5</b>
<b>2. Updates to Institutional Policies and Strategies</b>	<b>5 - 6</b>
<b>3. Updates to the Relevant Court Rulings</b>	<b>6</b>
<b>PART B: OUR STRATEGIC FOCUS</b>	<b>7</b>
<b>4. Updated Situation Analysis</b>	<b>7</b>
<b>4.1 External Environment Analysis</b>	<b>7 - 20</b>
<b>Linkage to 2025 SOPA</b>	<b>20</b>
<b>Departmental Strategic Alignment</b>	<b>21 - 24</b>
<b>4.2 Internal Environment Analysis</b>	<b>25- 30</b>
<b>Departmental Expenditure Estimates</b>	<b>31</b>
<b>PART C: MEASURING OUR PERFORMANCE</b>	<b>32</b>
<b>5. Institutional Programme Performance Information</b>	<b>32 - 55</b>
<b>6. Explanation of Planned Performance over the medium term period</b>	
<b>7. Programme Resource Considerations</b>	
<b>8. Updated Key Risks</b>	<b>56 - 57</b>
<b>9. Public Entities</b>	<b>58</b>
<b>10. Infrastructure Projects</b>	
<b>11. Public Private Partnerships</b>	
<b>PART D: Technical Indicator Description (TID)</b>	<b>59 - 84</b>
<b>Annexures to the Annual Performance Plan</b>	<b>84 - 85</b>

# EXECUTIVE AUTHORITY STATEMENT

The 2026/2027 Annual Performance Plan (APP) of the North West Provincial Treasury reaffirms the department's unwavering commitment to ensuring sound financial governance, fiscal prudence, and developmental transformation in the province. The APP underscores our dedication to managing provincial financial resources responsibly, transparently, and in ways that directly improve the quality of life for the people of the North West Province.

This APP is developed within the framework of the Medium-Term Development Plan (MTDP) 2025–2030, which represents government's renewed commitment across all three spheres to accelerate service delivery, rebuild state capability, and deepen transformation as we progress toward achieving the objectives of the National Development Plan (NDP) 2030.

The work of the department continues to be guided by four strategic imperatives:

- **Strengthening public financial management and fiscal governance** across departments and public entities.
- **Enhancing oversight and support to municipalities** to improve governance and service delivery outcomes.
- **Promoting financial sustainability and service delivery excellence**, while driving institutional integrity, accountability, and professionalization within the public service.
- **Aligning fiscal policy and planning frameworks** to developmental and socio-economic priorities that advance inclusive growth and equity.

Our achievement of twelve consecutive clean audit outcomes stands as a testament to institutional excellence, ethical stewardship, and accountability. This milestone demonstrates that clean governance and developmental impact can coexist, reinforcing our commitment to strong financial management and the creation of public value.

Looking ahead, the Provincial Treasury will continue to strengthen collaboration with provincial departments and municipalities, enhance fiscal sustainability, and support catalytic initiatives that contribute to economic growth and job creation. Through this APP, the department renews its pledge to build a fiscally sound, development-oriented, and people-centred provincial government that delivers on its constitutional mandate with integrity and purpose.

As the custodian of public finances in the province, the North West Provincial Treasury remains committed to ensuring that every rand spent contributes to tangible developmental outcomes, strengthens institutions, enables economic growth, and improves service delivery to all communities. In presenting this Annual Performance Plan for 2026/2027, the department reaffirms its commitment to ensuring that all the commitments outlined herein are implemented successfully.



Ms. K. Mosenogi  
MEC for Finance

# ACCOUNTING OFFICER STATEMENT

The 2026/2027 Annual Performance Plan (APP) of the North West Provincial Treasury is presented within the context of a changing fiscal environment that demands discipline, innovation, and accountability in the management of public finances. This APP translates our shared vision of sound financial governance, prudent fiscal management, and developmental transformation into clear, actionable, and measurable deliverables.


The Provincial Treasury remains guided by its mandate to promote effective, efficient, and transparent management of provincial resources. Through evidence-based planning, robust oversight, and targeted interventions, the department continues to provide leadership in financial governance while enabling departments, public entities, and municipalities to fulfil their service delivery mandates in a sustainable and transparent manner.

To translate the department's strategic imperatives into measurable results, several high impact programmes have been prioritised for implementation during the 2026/2027 financial year, namely:

- Assessing the implementation of Supply Chain Management (SCM) regimes across departments and public entities, and providing strategic guidance to ensure compliance with legislative prescripts, promote value for money, and strengthen procurement efficiency.
- Reviewing and monitoring progress on the Provincial Audit Action Plan (PAAP) to ensure that audit findings are systematically addressed, internal control systems are reinforced, and governance outcomes continue to improve across provincial institutions.
- Managing and monitoring budget implementation to ensure that departments and public entities operate within their approved allocations, thereby reinforcing fiscal discipline, accountability, and prudent financial management throughout the provincial administration.
- Enhancing municipal financial oversight and strengthening capacity-building initiatives, in partnership with the Department of Cooperative Governance and Traditional Affairs (COGTA), to promote stability and sustainable service delivery at local government level.

Through this Annual Performance Plan, we recommit ourselves to ensuring that the Provincial Treasury remains a trusted custodian of public resources. The department will continue to drive fiscal discipline while fostering capable and accountable institutions that contribute to the building of a developmental and people-centred state.

As we embark on the implementation of this plan, we do so with confidence in the capability of our institution, the dedication of our staff, and the collective determination to achieve the set targets while capitalising on opportunities for growth, innovation, and continuous 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 2026/27

**Mr, Gordon Letlhogile**  
Director: Strategic Management

Signature: \_\_\_\_\_



**Ms. Matshidiso Jansen**  
Chief Director: Corporate Services

Signature: \_\_\_\_\_



**Ms. Busisiwe Pule**  
Acting 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:**

- Basic Condition of Employment of 1997
- Broad Based Black Empowerment Act, 2003 (Act No. 53 of 2003)
- Constitution of South Africa, 1996
- Division of Revenue Act
- E-Government: A Public Service IT Policy Framework
- Labour Relations Act of 1995
- Municipal Financial Management Act 56 of 2003
- National Minimum Information Security Standard Policy of 1996
- Occupational Health and Safety Act 85 of 1993
- Preferential Procurement Policy Framework Act, 2000 (Act No. 5 of 2000)
- Promotion of Access to Information Act 2 of 2000
- Public Finance Management Act, 1999 (Act No. 29 as amended)
- Public Service Act of 1994
- Public Service Regulations of 2001
- Skills Development Act of 1999
- Supply Chain Management Regulations (Post -Tender Board environment)
- Treasury Regulations
- White Paper on the Transformation of the Public Service Delivery (Batho Pele), 1997

### **2. Updates to Institutional Policies and Strategies**

#### **List of current policies**

- Anti-Corruption Strategy and Policy 2025
- Asset Disposal Policy 2026
- Asset Loss Control Policy 2025
- Bursary Scheme Policy
- Business Continuity Policy 2025
- Business Process Management Policy 2024
- Change Management Policy 2024
- Change Management Strategy 2024
- Conducting business with organs of the state policy 2025
- Communication policy 2025
- Corporate Governance of ICT Policy 2024
- Cost Containment Policy 2024
- Debt Management Policy 2022
- Employee Health and Wellness Programme Policy 2022
- Employment Equity Plan 2025

- Ethics Management Strategy 2025
- Guide on Compilation of Programme/Sub-Programme Quarterly Performance Reports 2015
- ICT End-User Acceptable Use Policy 2024
- ICT Security Policy 2024
- Information Technology Service Management Policy 2024
- Integrity Management Policy 2025
- Petty Cash Policy 2023
- Policy Development Guideline 2021
- Preferential Procurement Policy 2023
- Reporting Unethical Conduct, Corruption and Non-Compliance Policy 2025
- Revised Framework for Strategic Plan and Annual Performance Plan 2021
- Risk Management Strategy and Policy 2026
- SCM Policy 2022
- SDIP Policy 2021
- Security Services Policy 2025
- Social policy 2025
- Tangible Asset Management Policy 2025
- Travel Management Policy 2023

### 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**

The South African growth in GDP showed an improvement growing by 0.9 per cent in quarter 2 of 2025 from 0.1 per cent in quarter 1 of the same year. Growth in quarter 2 of 2025 was the highest since quarter 1 of 2024. The GDP growth rate was at 0.5 per cent in quarter 3 of 2025 and the main contributors were mining, trade, finance and government industries each contributing 0.1 per cent in quarter 3 of 2025.

The significant decrease in load shedding played a positive role in the performance of the economy in the first two quarters of 2025. The number of people employed saw an increase of 44 thousand between quarter 3 and 4 of 2025. Unemployment remains a challenge in the country although it decreased slightly to 31.4 per cent in quarter 4 of 2025 from 31.9 per cent in quarter 3 of 2025.

According to the Statistics SA's Mid-Year Population Estimates of 2025, the total population in the North West was at 4.18 million which contributed about 6.6 per cent to the total population of South Africa. Unemployment for the North West was at 35.1 per cent in the fourth quarter of 2025 and was higher than the national average for the same period. Inflation for the province was at 3.6 per cent in January 2026 whilst for South Africa it was 3.5 per cent for the same period. More economic interventions are required in order to stimulate the economy of the province and create more job opportunities.

#### **4.1 External Environment Analysis**

In 2025, the global economy continues to be affected by trade disputes, resulting in tariff hikes and reactive measures that pose risks to global growth. Rising trade barriers have also worsened inflationary pressures. In addition, escalating geopolitical tensions, particularly in the Middle East and Ukraine, may introduce new negative supply shocks. These shocks threaten to disrupt shipping routes and global supply chains, driving up product prices and further constraining economic growth.

Given its close ties to global markets, South Africa remains vulnerable to these developments. Trade disputes, tariff hikes, and geopolitical instability directly and indirectly affect the domestic economy. South Africa's reliance on the export of minerals (platinum, gold, coal, iron ore) and agricultural products (both raw and processed) means that declining global demand or heightened market volatility can reduce export revenues. Whether South Africa is directly targeted by tariff wars or indirectly impacted through shifting global demand, the result is reduced trade flows, fewer buyers, and more unstable pricing for its goods.

At the provincial level, the North West Provincial Government continues to deliver basic services aimed at improving the living standards of its citizens. Encouragingly, Human Development Index (HDI) data indicates positive progress: the province's HDI rose from 0.62 in 2015 to 0.67 in 2024. The HDI is a composite index used to compare human development across population groups and regions, based on three core dimensions: a long and healthy life, knowledge, and a decent standard of living.

In 2024, there were 2.60 million people living in poverty, using the upper poverty line definition, across North West Province. In 2024, there were 2.60 million people living in poverty, using the upper poverty line definition, across North West Province. Statistics South Africa reported that North West recorded growth rate of -0.1 per cent in 2024.

The main sectors that kept the economy of the province afloat during that period were mining, personal services, finance and trade. According to S&P Global, the North West economy is expected to register an average annual growth of 0.5 per cent, 1.0 per cent and 1.7 per cent in 2025, 2026 and 2027 respectively.

The provincial government along with the private sector needs to enhance strategies or initiatives to promote economic growth in the province, identify specific areas for development and exploring potential projects to stimulate growth.

### 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.
Increasing Accruals and Payables within the Provincial Departments.	Implementation of the Accruals & Payables Strategy by Provincial Departments.
Inadequate conceptualization of projects (Non-adherence to Infrastructure Procurement stages).	Rollout and institutionalization of the Infrastructure Delivery Management System (IDMS) by Provincial Departments.
Late submission of projections and requisitions results in cash flow management challenges.	Capacitating of officials in all Departments that are responsible for managing cash flow.
EXCO sometimes approves MTEF Allocations late, and this puts lots of pressure on Provincial Treasury officials to finalise the Budgets.	Continuous persuasion of EXCO to give Provincial Treasury timeous approval of the Annual and Adjustment Budgets Allocations.
Underspending or Overspending.	Regular budget and expenditure review meetings to ensure proper allocation and spending.
Low levels of revenue collection in Public entities which compromise financial sustainability.	<p>Consistently work together with the departments to develop strategies of optimizing collection by –</p> <ul style="list-style-type: none"> <li>• Continuous follow up of outstanding debts;</li> <li>• Annual revision of tariffs</li> <li>• Revision of prescripts</li> <li>• Introduction of the Money Bill for NWGB</li> <li>• Encourage departments to dispose redundant assets.</li> <li>• Benchmark best practices with other Provinces through the National Revenue Forum.</li> </ul>
Incomplete, inaccurate or late submission of information by institutions(Database, EPRE Chapters, IYM, IRM).	<p>Intensify training provided to departments.</p> <p>Intensifying communication of non-compliance to departments and Public entities.</p>

Identified challenges	Remedial Actions
Persistent Financial and Service Delivery Crisis.	Intensify monitoring, oversight and reporting on the implementation of the FRP by municipalities.
Municipalities rely heavily on government grants and underperform in generating own revenue.	Support municipalities to develop and implement revenue enhancement strategies, billing systems, and collection enforcement.
Poor internal control environment resulting irregular expenditure, non-compliance with the MFMA and poor financial management practices and reporting.	Providing dedicated officials to support municipalities to strengthen internal control frameworks by providing standard operating procedures (SOPs) for financial management. Facilitate training programs for municipal finance staff on compliance, risk management, and internal audit.
Ineffective municipal councils and oversight committees fail to enforce accountability and financial discipline.	Support the implementation of consequence management frameworks for non-compliance and financial mismanagement.
Recurring SCM non-compliance to legislative requirements by departments and public entities due to lack of consequence management.	Invoke section 81 - 85 of PFMA (Consequence/ financial misconduct).  Interventions in terms material breach (Section 18 (2) (g) (i)).
Poor contract management practices.	Update and roll out Provincial Contract Management Framework (Policy and guide).
Increase in irregular expenditure related to SCM non-compliance.	Provide departments and entities with SCM oversight, support and capacity building in order to reduce instances of SCM non-compliance.
Unstable Governance structures in Public Entities.	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.	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.	Filling of funded vacant posts.

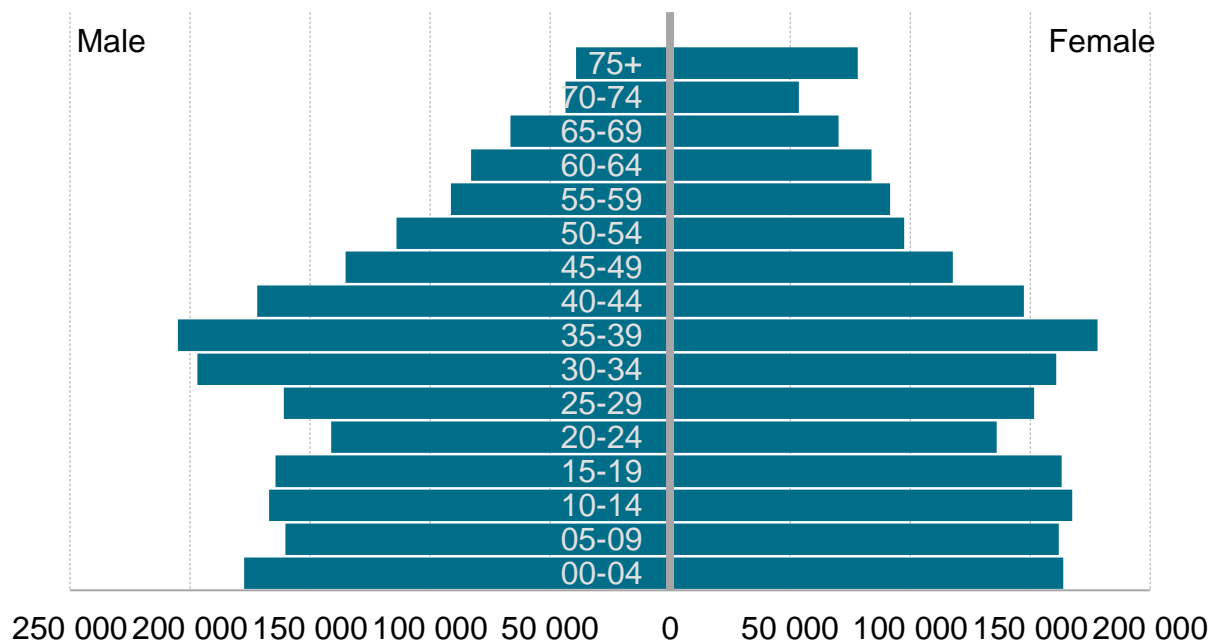
## Demographic information

Stats SA released the Mid-Year Population Estimates for 2025, indicating that the country's population stands at approximately 63.1 million. The North West Province population is estimated at 4.18 million, representing about 6.6% of the national population and ranking it as the 7th most populous province among the nine provinces.

These demographic statistics have important implications for regional planning, resource allocation, and development strategies within the province. The growth in population translates into an increased demand for services, placing additional pressure on healthcare, education, transportation, and social services. Therefore, the province needs to develop strategies to manage and leverage this growth for sustainable development.

In the North West Province, males account for 51 per cent of the population, slightly outnumbering females at 49 per cent. According to S&P Global (2024) population estimates, Bojanala Platinum District had the largest population share at 1.9 million, followed by Ngaka Modiri Molema District at 1.0 million. Dr Kenneth Kaunda District had the second smallest population at 841,000, while Dr Ruth Segomotsi Mompati District recorded the smallest population at 542,000.

North West Population Pyramid, 2024



S&P Global  
Market Intelligence

Source: S&P Global, (2026)

The population pyramid illustrates a relatively high fertility rate in the province, as indicated by its broad base. Within the younger age cohorts (0–4 and 5–9 years), the province shows a slightly higher number of males than females.

Within the youthful population (ages 15–34), the distribution between males and females is generally balanced. In contrast, among the older cohorts (ages 50–75 and above), the data indicates that females tend to outlive their male counterparts, as reflected by the higher proportion of females in these age groups.

The North West Province has a higher proportion of males (51 per cent) compared to the national average of 48.87%, and slightly higher than what is typically observed in a stable population. This gender imbalance is often associated with labour-intensive industries, particularly mining, which attract male workers through inward migration, as the province offers substantial employment opportunities in this sector.

In total, the North West Province recorded 2.11 million males (51 per cent) and 2.02 million females (49 per cent). This contrasts with the national profile, where females constitute the majority, accounting for 32.3 million (51.13 per cent) of South Africa’s 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	155 475	168 531	4 304	4 695	3 256	3 556	748	637
05-09	152 344	150 149	5 643	5 996	3 138	3 312	820	758
10-14	157 384	156 408	6 356	6 612	2 955	3 168	905	824
15-19	153 521	154 310	5 946	6 063	2 867	3 117	822	834
20-24	126 910	131 289	5 658	5 483	2 708	3 189	755	1 224
25-29	140 624	148 200	7 246	7 141	2 986	3 775	798	1 837
30-34	150 994	183 055	6 095	7 404	2 794	3 981	1 000	2 499
35-39	165 492	188 511	8 190	9 520	3 104	4 217	1 235	2 800
40-44	135 738	156 917	7 570	8 899	2 842	3 738	1 291	2 360
45-49	106 680	121 813	7 518	8 577	2 435	3 056	1 183	1 674
50-54	85 792	100 696	8 458	9 394	2 336	2 807	929	1 089
55-59	79 725	79 861	8 890	8 640	2 245	2 096	744	746
60-64	72 606	71 854	8 703	8 920	1 940	1 664	629	443
65-69	59 848	56 806	8 246	8 212	1 597	1 240	557	270
70-74	45 048	35 982	6 918	6 513	1 177	850	448	178
75+	63 373	28 076	12 860	10 051	1 388	809	537	178
<b>Total</b>	<b>1 851 554</b>	<b>1 932 461</b>	<b>118 600</b>	<b>122 119</b>	<b>39 769</b>	<b>44 574</b>	<b>13 401</b>	<b>18 349</b>

Source: S&P Global, 2025

In 2024, the North West Province comprised 1.3 million households, increasing from 1.2 million in 2016. The number of households in South Africa increased from 17 million in 2016 to 19 million in 2024. It is worth noting that number of households in North West contributed about 6.9 per cent to national total households in the country.

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

	North-West	National Total	North-West as % of national
2016	1 233 954	17 417 786	7.0%
2017	1 243 562	17 759 631	7.0%
2018	1 254 273	17 942 755	6.9%
2019	1 258 455	17 932 897	7.0%
2020	1 259 964	17 850 148	7.0%
2021	1 274 677	18 097 059	7.0%
2022	1 299 014	18 556 697	7.0%
2023	1 317 424	18 909 028	6.9%
2024	1 329 895	19 246 280	6.9%

Source: S&P Global, 2026

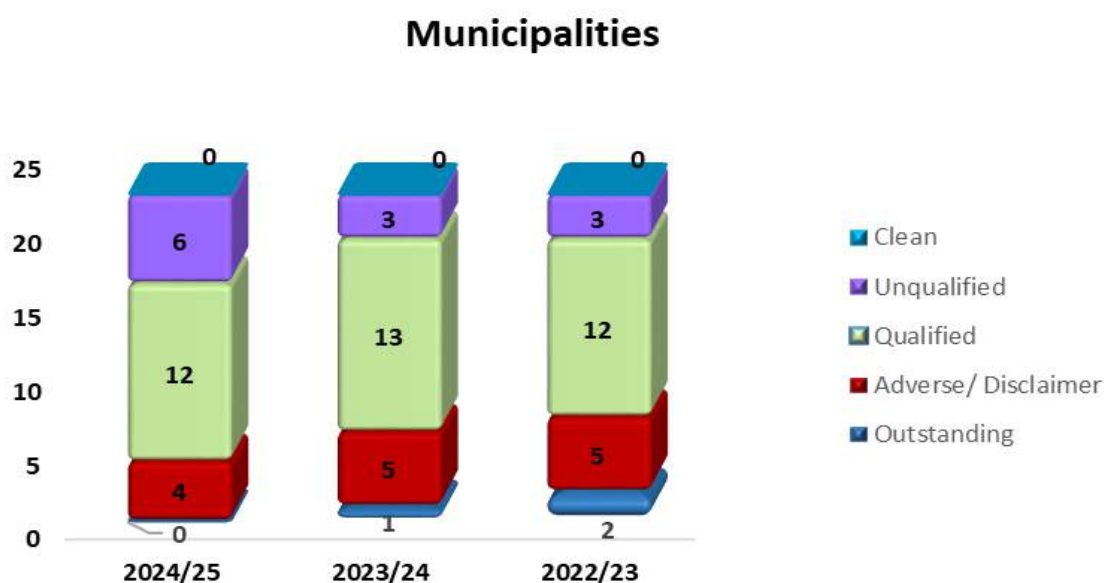
**The state of the North West Provincial Government (NWP) Institutions’ performance relating to financial and non-financial management.**

The current demand for services and challenges to be addressed include the continued receipt of unfavourable audit opinions by many municipalities and public entities in the province. To address this, the Provincial Treasury will continue to provide targeted support to these institutions, with the objective of reducing audit queries and ultimately improving 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**

Graph 1



## **The Municipal audit outcomes for the 2024/25 financial year were as follows:**

- Six (06) municipalities received unqualified audit outcomes;
- Twelve (12) municipalities received qualified audit outcomes;
- Four (04) received adverse/disclaimer audit outcomes.

The audit outcomes of municipalities in the province have shown consistent improvement over the past three financial years. This progress can be attributed, among other factors, to:

- The Provincial Treasury support programme, which focuses on addressing the root causes of municipalities' ongoing challenges in strengthening internal controls and achieving improved audit outcomes.
- The invocation of Section 139(5) (a) and (c) by the Provincial Executive Committee (PEC) in municipalities that were determined to be in financial crisis.

Within the Bojanala District, Moses Kotane Local Municipality improved its audit outcome from a Qualified to an unqualified audit opinion. Both Moretele Local Municipality and Bojanala District Municipality maintained their unqualified audit opinions, however, Kgetlengrivier Local Municipality remained at a qualified audit opinion.

Within the Dr Kenneth Kaunda District, Dr Kenneth Kaunda District Municipality maintained its unqualified audit opinion, sustaining a stable audit outcome. JB Marks Local Municipality recorded an improvement, moving from a qualified to an unqualified audit opinion. City of Matlosana Local Municipality regressed from an unqualified to a qualified audit opinion, and Maquassi Hills Local Municipality showed marginal improvement, moving from a disclaimer to an adverse audit opinion, with a reduction of six audit findings paragraphs.

In the Dr Ruth Segomotsi Mompati District, Dr RSM District Municipality and Naledi Local Municipality maintained their qualified audit opinions. Greater Taung Local Municipality improved from a qualified to an unqualified audit opinion. Mamusa Local Municipality also showed improvement, moving from a disclaimer to an adverse audit opinion.

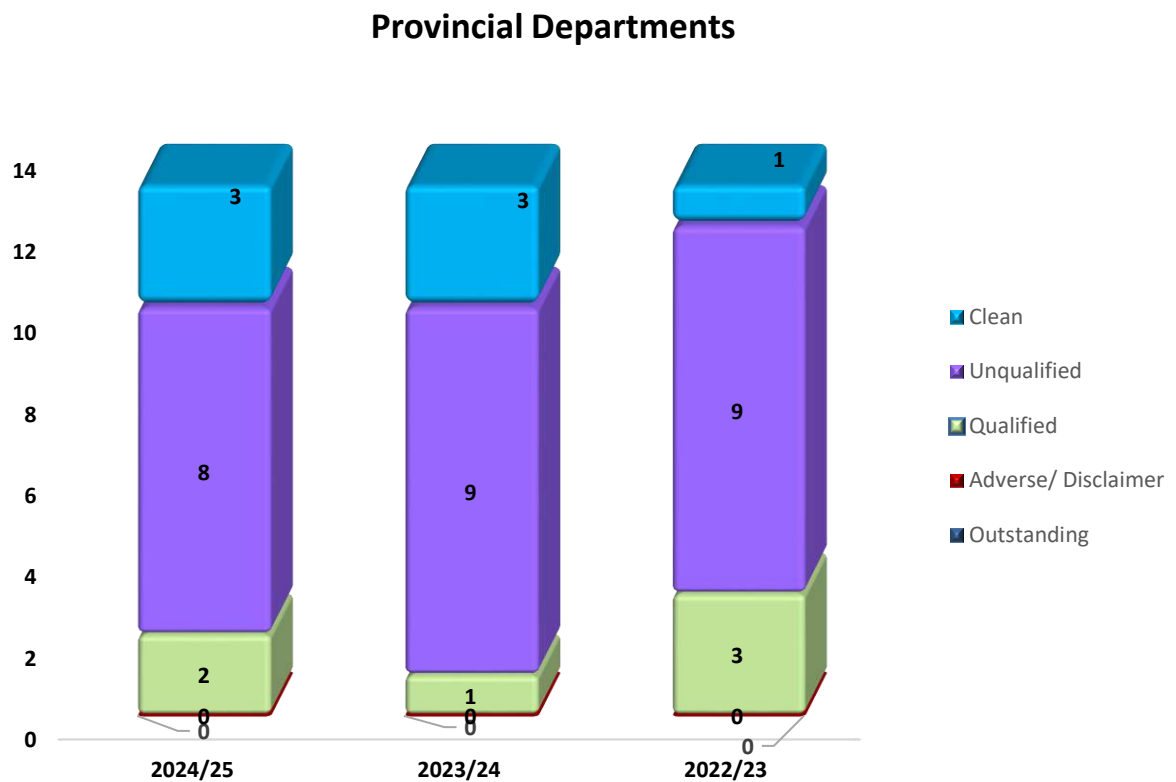
In the Ngaka Modiri Molema District, Ramotshere Moiloa, Tswaing, Mahikeng Local Municipality and the Ngaka Modiri Molema District Municipality all maintained their qualified audit opinions. Ditsobotla Local Municipality remains stagnant at a disclaimer audit opinion, which continues to signal severe financial management and governance deficiencies requiring urgent intervention.

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

- Weak Governance and Oversight;
- Instability in Senior Leadership;
- Weak Financial Management and Internal Controls;
- Non-Compliance with Supply Chain Management Regulations;
- Ineffective Revenue Management;
- Weak Consequence Management;
- Overreliance on Consultants;
- Poor Implementation of Audit Action Plans;
- Weak Contract and Project Management;
- Institutional Capacity Constraints.

## Provincial Departments

Graph 2



### The Departmental audit outcomes for the 2024/25 financial year were as follows:

- Two (02) departments and the North West Provincial Legislature received unqualified audit outcomes with no material findings (clean)
- Eight (08) departments received unqualified audit outcomes with material findings
- Two (02) departments received qualified audit outcomes
- There were no disclaimer or adverse audit opinions for departments.

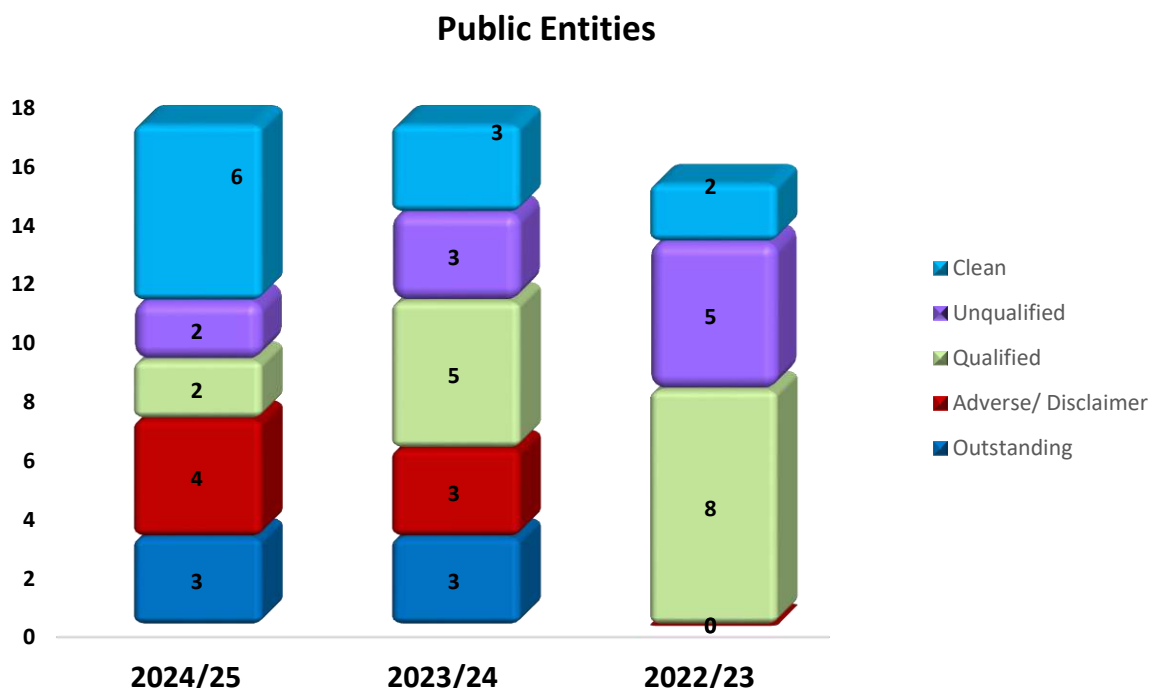
Material findings resulting into qualifications in the departments were attributed to consequence management not being implemented due to irregular expenditure cases not being fully investigated, material misstatements in the annual financial statements, non-compliance with laws and regulations and poor contract management were the common factors identified by the Auditor General as being the cause of qualifications.

The material reasons for qualification in provincial departments were as follows:

- Irregular expenditure, material misstatements, and non-compliance with laws and regulations.
- Issues relating to pre-payments and immovable properties.
- Poor contract management.

## Public Entities

Graph 3



**The Public Entities audit outcomes for the 2024/25 financial year were as follows:**

- Six (06) public entities received unqualified audit outcomes with no material findings (clean);
- Two (02) public entities received unqualified audit outcomes with material findings;
- Two (02) public entities received qualified audit outcomes;
- Four (04) public entities received disclaimer audit outcomes;
- Three (03) public entities did not submit AFS.

Material findings resulting into qualifications in the public entities were attributed to consequence management not being implemented due to irregular expenditure cases not being fully investigated, material misstatements in the annual financial statements due to inadequate implementation of GRAP standards, findings on performance information, non-compliance with laws and regulations and poor contract management were the common factors identified by the Auditor General as being the cause of qualifications.

The critical areas that contributed to negative audit outcomes were as follows:

- Capacity challenges to strengthen internal controls.
- Lack of governance structures, including risk management, internal audit, and accounting authorities.
- Inadequate or improper accounting systems.
- Irregular expenditure.
- Non-compliance with laws and regulations.
- Poor contract management.

## Summary of Provincial Expenditure

Summary of Provincial Expenditure						
Historical Analysis	Main Appropriation R'000	Adjusted Budget R'000	Final Budget R'000	Audited AFS Expenditure R'000	Percentage of budget spent %	Audited AFS (over)/under expenditure R'000
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
2024/25	53 700 384	54 285 769	54 285 769	53 902 062	99,29%	383 708
<b>Total</b>	<b>247 022 457</b>	<b>252 629 721</b>	<b>252 629 721</b>	<b>247 272 451</b>	<b>97,88%</b>	<b>5 357 270</b>

The aggregate provincial allocation over the five-year period amounted to R247.272 billion and recording underspending of R5.357 billion. On average, the provincial spending ranges between 96.58 per cent and 99.29 per cent. The overall performance of the province has been improving over the years, with the underspending amount shrinking from the highest amount of R1.767 billion to R383.708 million in 2024/25 financial years.

Conditional grant underspending is contributing the largest amount to the total provincial underspending in all financial years. However, a total of R1.968 billion was approved to be rolled over for continuity of projects and programmes resulting in a total surrender of R978.150 million to the National Revenue fund for a period of five years.

## Provincial 2025 MTEF Allocations

The table below shows the proposed 2026 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 R175.990 billion has been allocated over the MTEF period.

Department	2025/26	2026 Medium Term Allocation		
	Main Budget	2026/27	2027/28	2028/29
Office of the Premier	519 498	543 911	562 146	589 691
Provincial Legislature	522 583	539 590	557 407	584 720
Health	17 040 332	17 521 219	18 140 078	19 028 942
Arts ,Culture, Sports & Recreation	776 063	806 093	831 500	872 243
Community Safety and Transport Management	2 446 358	2 538 561	2 634 804	2 763 909
Economic Development, Environment, Conservation & Tourism	1 013 489	1 050 454	1 086 818	1 140 072
Provincial Treasury	695 181	617 427	636 169	667 342
Education	22 894 639	23 569 156	24 375 213	25 569 599
Cooperative Governance & Traditional Affairs	681 869	698 598	721 585	756 943
Public Works and Roads	4 207 490	3 569 724	3 700 787	3 882 126
Social Development	1 876 413	1 937 024	2 000 757	2 098 794
Agriculture and Rural Development	1 276 612	1 299 614	1 343 275	1 409 095
Human Settlements	1 847 870	1 703 855	1 776 891	1 863 959
	<b>55 798 397</b>	<b>56 395 227</b>	<b>58 367 430</b>	<b>61 227 435</b>

The provincial consolidated expenditure of R56.395 billion in 2026/2027 continues to prioritise the social cluster namely Departments of Education, Health, Social Development, Arts, Culture, Sports and Recreation and Human Settlements. The Social Cluster consumes 80.75 per cent or R45.537 billion of the provincial budget of which Education consumes the largest at 51.76 per cent, followed by Health at 38.48 per cent, Social Development at 4.25 per cent, Human Settlements at 3.74 per cent and the department of Arts, Culture, Sports and Recreation consuming 1.77 per cent.

The Economic cluster consumes 10.50 per cent or R5.920 billion. Within this Cluster, Departments of Public Works and Roads consume 60.30 per cent, Agriculture and Rural Development at 21.95 per cent and 15.88 per cent goes to Economic Development, Environment, Conservation and Tourism.

Governance cluster consumes 7.80 per cent or R4.398 billion of the total provincial budget, with Community Safety and Transport Management consuming 57.71 per cent, Cooperative Governance and Traditional Affairs at 15.88 per cent, Office of the Premier consuming 12.37 per cent and Provincial Treasury at 14.04 per cent.

Furthermore, these allocations are to be prioritised by the Provincial Departments to address and fund their Strategic Plans 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 the implementation of Supply Chain Management (SCM) regimes in individual Departments and Public Entities, and provide advice, support, and training to ensure that prescripts are correctly applied.
- Leverage combined assurance arrangements in respect of post-audit implementation plans on SCM matters (e.g. coordinate efforts with Internal Audit Units and Clean Audit Teams).
- Conduct SCM compliance monitoring and reporting for Provincial Departments and Public Entities.
- Intensify SCM outreach programmes.
- Review and monitoring of PAAP progress.
- Quarterly reporting on irregular expenditure, fruitless and wasteful expenditure, and unauthorized expenditure.
- Auditing of tenders above R10 million for departments by Provincial Internal Audit.
- Review of AFS by the Office of the Accountant General and Provincial Internal Audit using a combined assurance approach.
- PAAP monitoring by the Provincial Treasury will be strengthened through a common SharePoint system.
- Provision of assurance or advisory services focused on risk management, culture shift/PAAP, performance management, and performance audit.
- Monitoring of infrastructure implementation progress through site visits, with reports prepared for affected departments.
- Non-Infrastructure Site Visits - Conduct Site visits on Non-infrastructure performance information including adequacy of Medicine at clinics, LTSM at schools, NSNP, Scholar Transport, Farmer Support Programmes, Innovation Hubs, etc.
- Financial Viability Assessments - Continuation of the Financial Viability Assessment Implementation for NWDC and rollout to other entities in a phased-in approach.
- Conditional Grants Monitoring - Improved monitoring of conditional grants through assessments of business plans and site visits to ensure effective utilization of funds.
- Allocative efficiency - Ensuring resources align with strategic priorities
- Conduct socio-economic analysis of the provincial economy focusing on all sectors linked to Provincial Departments.
- Deployment of Technical Experts - Where municipalities experience severe capacity constraints and financial crisis the Provincial Treasury will deploy technical experts to provide specialised support.
- Municipal Revenue enhancements – intensify support to municipalities in strengthening their revenue management.
- Overseeing and monitoring the implementation of municipal financial recovery interventions.
- Municipal Unauthorised, Irregular, Fruitless and Wasteful (UIFWe) - assisting municipalities in addressing UIFWe and strengthening consequence management processes.
- Municipal Clean Audit Strategy - aims to improve municipal audit outcomes by strengthening financial management, governance systems, and internal controls.
- Provincial interventions in line with Section 139(5) of the Constitution at municipalities.

- Municipal revenue enhancement strategies.
- Monitor compliance on key SCM areas.
- Intensify outreach programmes geared towards assisting supplier development and compliance.
- Assist the Departments and Entities to clear the Irregular Expenditure.
- Roll out Asset Verification Tool to all the Provincial Departments and Entities.
- Close monitoring of management of non-payment within 30 days.
- Continuous improvement of internal audit processes.

### Opportunities and Threats

Opportunities	Threats
<ul style="list-style-type: none"> <li>• Effective stakeholder relations</li> <li>• Enhancing Fraud Prevention and Anti-Corruption strategies</li> <li>• Improve Risk Maturity</li> <li>• Improve Ethics Management Maturity</li> <li>• Implementation of the Public Procurement Act, 2024 (Act 28 of 2024)</li> <li>• Considering the limited resources, funding from other institutions (Budget Facility for Infrastructure &amp; Infrastructure SA, PPP)</li> </ul>	<ul style="list-style-type: none"> <li>• Unreliable ICT infrastructure</li> <li>• High staff turnover</li> <li>• Restrictive regulations on retention strategy</li> <li>• March spike (fiscal dumping)</li> <li>• Inadequate SCM staffing in provincial departments, particularly in contract management.</li> <li>• Increasing Accruals and Payables within the Provincial Departments</li> </ul>

## Stakeholder Engagement

The Departmental Strategic Planning Session was held on 16 October 2025, with key stakeholders invited, many of whom honoured the invitation. The session provided an opportunity to gather inputs on how the Department can enhance services delivered to departments, public entities, and municipalities, while also strengthening stakeholder relations.

The following stakeholders were invited to the Departmental Strategic Planning Session held on 16 October 2025:

- Department of Cooperative Governance and Traditional Affairs (COGTA)
- Office of the Premier (OTP)
- Auditor-General South Africa (AGSA)

In addition to the above-mentioned stakeholders, the Department also maintains partnerships with other institutions, including the North West Provincial Legislature (NWPL), various banking institutions, the Financial and Fiscal Commission, the Human Sciences Research Council (HSRC), provincial public entities, the South African Revenue Service (SARS), the Department of Planning, Monitoring and Evaluation (DPME), municipalities, the Department of Public Works and Roads (DPWR), as well as other Provincial and National Departments.

### Linkage to 2026 SOPA

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

No	2026 SOPA Pronouncements	Departmental Action Plans
1.	Assisting Bojanala Platinum and Dr. Kenneth Kaunda District Municipalities as well as Moretele Local Municipality to move from unqualified to clean audit outcomes. Page 6	Assist municipalities to move from Unqualified to clean audit outcomes.

## DEPARTMENTAL STRATEGIC ALIGNMENT

The table below illustrates the alignment between National Development Plan (NDP) Chapters, Medium-Term Development Plan (MTDP) Strategic Priorities, 2026 SOPA Provincial Priorities, and the Department's corresponding output indicators

NDP Chapters	MTDP Strategic Priorities	Provincial Priorities (2026 SOPA)	Reference to Treasury Output Indicators
<b>Chapter 3:</b> Economy and Employment.	Drive inclusive growth and job creation	Accelerated infrastructure investment and job creation through public sector procurement.	Implemented procurement on women, youth and persons with disabilities owned enterprises.
<b>Chapter 13:</b> Building a Capable Developmental State.	Build a capable, ethical and developmental state	Strengthen governance, financial controls and institutional capacity.	Number of Departments and Public Entities supported to improve audit outcomes on SCM.
<b>Chapter 14:</b> Promoting Accountability and Fighting Corruption.	Enhance governance and accountability	Implementation of anti-corruption and risk management frameworks.	% submission of disclosures of financial interest for SMS.
<b>Chapter 8:</b> Transforming Human Settlements and Infrastructure.	Accelerate infrastructure delivery	Infrastructure delivery coordination and monitoring.	Number of Departments with approved User Immovable Asset Management Plan (U-AMPs).
<b>Chapter 11:</b> Social Protection.	Improve efficiency of public spending	Improved financial management and value for money.	Number of quarterly financial assessment performed on Provincial spending.  % of valid invoices paid within 30 days.

## ALIGNMENT TO PROVINCIAL BUDGET SPEECH

The table below demonstrates the alignment between the 2026 Provincial Budget Speech commitments and the Department's planned outputs and indicators as reflected in the 2026/27 Annual Performance Plan.

No.	Provincial Budget Speech Priority / Commitment	Strategic Focus Area	Departmental Programme	Output Indicator
1.	Strengthening municipal financial management and improving audit outcomes.	Local Government Support	<b>Programme 2:</b> Sustainable Resource Management	Number of municipalities with clean audit outcomes.
2.	Enhancing infrastructure delivery and eliminating project inefficiencies.	Infrastructure Governance	<b>Programme 3:</b> Assets and Liabilities	Number of infrastructure projects assessed for compliance with IDMS.
3.	Promoting fiscal discipline and efficient spending.	Budget Oversight	<b>Programme 2:</b> Budget Management & Public Finance	Number of quarterly financial assessments performed on Provincial departments' spending.
4.	Revenue enhancement and fiscal sustainability.	Fiscal Policy	<b>Programme 2:</b> Economic Analysis and Fiscal Policy	Projected Provincial own revenue collected.
5.	Strengthening governance, internal controls and accountability.	Financial Governance	<b>Programme 4:</b> Financial Governance	Number of Departmental post audit action plans implementation assessed.
6.	Improving compliance with supply chain management and procurement reforms.	SCM Oversight	<b>Programme 4:</b> Financial Governance	Number of departmental supply chain management systems assessed.

## MEC'S KEY PRIORITIES

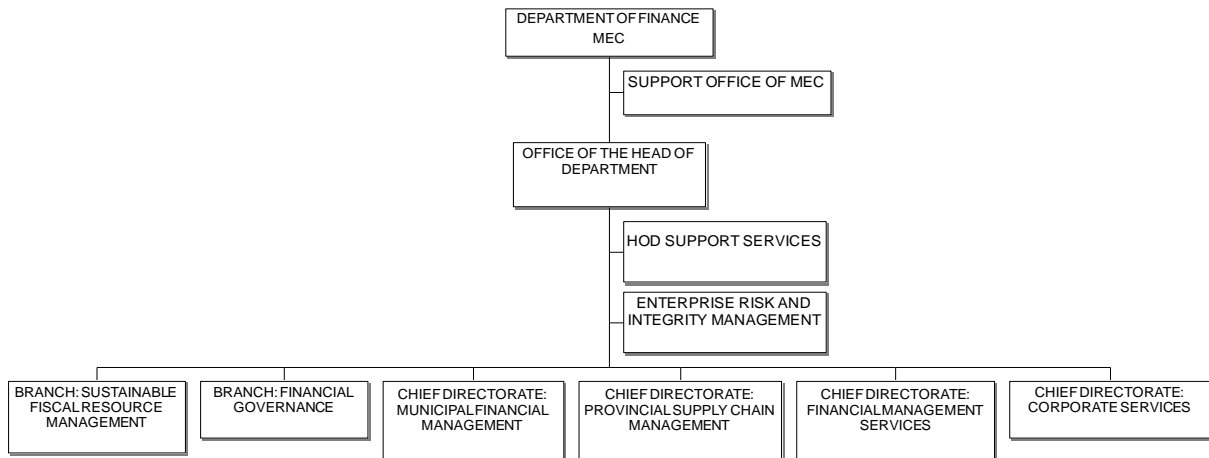
The table below outlines programme-based interventions aligned to the key priorities raised by the MEC.

No.	MEC Priority	Departmental Programme
1.	Financial governance framework to support traditional councils on management of public funds.	Financial Governance
2.	The role of Provincial Treasury on issues raised by South African Human Rights Commission on Scholar transport.	Budget and Public Finance
3.	Handling of contractors who do not deliver on their contractual obligations.	Provincial Supply Chain Management
4.	The Provincial Treasury will strengthen its oversight to ensure public funds are spent more efficiently.	Budget and Public Finance
5.	Measures to be put in place to address areas of repeated non-compliance by provincial departments, municipalities and public entities.	Financial Governance, MFMA & PSCM
6.	The role of Provincial Treasury in monitoring of incomplete infrastructure projects.	Provincial Supply Chain Management & Infrastructure Unit
7.	Support departments with project preparations	Infrastructure Unit
8.	Monitoring of service providers who do not have capacity to deliver.	Provincial Supply Chain Management, Infrastructure Unit
9.	Innovative ways to improve revenue through other revenue enhancement mechanisms should be explored.	Economic analysis and Fiscal Policy
10.	To identify officials to champion donor funding initiatives.	Office of the HoD

11.	Addressing unresolved municipal UIFW.	MFMA
12.	The Province should look into addressing the 60/40 local spending.	Provincial Supply Chain Management
13.	Utilization of budget as an instrument to transform the lives of our people.	Budget and Public Finance)

## 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, approved in June 2018, commenced on 1 August 2018. Subsequently, the Inter-Ministerial Task Team (IMTT), through the implementation of Section 100 of the Constitution in the North West Province, recommended strengthening capacity within Municipalities and Provincial Supply Chain Management.

This recommendation prompted a review of the structure for both the Chief Directorate: Municipal Financial Management (MFM) and the Chief Directorate: Provincial Supply Chain Management (PSCM). The organisational structure approved in June 2018 provided for only two district offices under the Chief Directorate: MFM, with one district office servicing two districts (i.e., Ngaka Modiri Molema & Dr. Ruth Segomotsi Mompati, and Bojanala & Dr Kenneth Kaunda). The IMTT recommended the creation of four stand-alone district offices to enhance service delivery at the municipal level.

Furthermore, the structure for the Chief Directorate: PSCM did not include a dedicated Supply Chain Management Information and Communication Technology (ICT) function, as these responsibilities were previously performed on an ad-hoc basis. To address this gap, a newly created Sub-Directorate: Information and Communication Technology has been introduced to ensure compliance with the new reforms developed by National Treasury.

The above confirms that the changes affected only the two Chief Directorates and not the entire organisational structure. The revised organisational structure, incorporating the IMTT-

recommended changes, was approved on 23 November 2019 by the MEC, and the Department is currently in the process of implementation. The new structure provides for 662 posts.

The Department therefore has the necessary capacity to fully carry out its mandate. It should also be noted that the current organisational structure was initially approved on 13 June 2018.

### **RATIONALE FOR THE REVIEW OF PROVINCIAL SUPPLY CHAIN MANAGEMENT**

The Provincial Supply Chain Management (SCM), as the custodian of SCM in the province, motivated for the establishment of a Sub-Directorate: SCM ICT within the Directorate: SCM Client Support. The purpose of this sub-directorate will be to oversee the successful implementation of systems developed by National Treasury, ensure active participation in the development of new National Treasury SCM systems, and maintain and continuously improve the existing provincial SCM systems. This initiative will also position the programme to spearhead the implementation of reforms introduced by the Public Procurement Act in section 2 (2) (3) (ie improve efficiency and effectiveness in procurement by streamlining procurement processes, amongst others, through the use of technology)

### **RATIONALE FOR THE REVIEW OF MUNICIPAL FINANCIAL MANAGEMENT**

The creation of the four districts is expected to improve efficiency and effectiveness within municipalities while further strengthening institutional capacity. This decision was informed by assessments and analysis conducted on municipal performance, which guided the design of the districts. The Department is currently implementing the approved organizational structure, which makes provision for 662 posts. The staff complement is as follows:

- Filled positions: 486
- Advertised: 11
- Vacant funded: 100
- Vacant unfunded: 65

Progress on the implementation of the organizational structure is reported to the Office of the Premier on a quarterly basis. The Department's approved organizational structure makes provision for an Information and Communication Technology (ICT) Unit. The responsibility for office accommodation provision or acquisition, excluding leases, rests with the Department of Public Works and Roads (DPWR).

**(c) The status of the institution regarding compliance with the BBBEE Act**

**The North West Provincial Treasury maintains a level 8 Broad-Based Black Economic Empowerment (B-BBEE) status as at 30 September 2025, in accordance with B-BBEE act and the applicable Codes of Good Practice.**

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.

<b>Has the Department / Public Entity applied any relevant Code of Good Practice (B-BBEE Certificate Levels 1 – 8) with regards to the following:</b>		
<b>Criteria</b>	<b>Response Yes / No</b>	<b>Discussion</b>
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	<p>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.</p> <p>This criteria does not apply as Provincial Treasury derives limited own revenue primarily, from disposal of redundant assets, interest on debts and recovery of departmental claims. All revenue is collected in accordance with Public Finance Management Act and Provincial Treasury Regulations and is deposited into the Provincial Revenue Fund.</p>
Developing criteria for entering into partnerships with the private sector?	N/A	The Department does not have any current partnerships with any private sector.

**Has the Department / Public Entity applied any relevant Code of Good Practice (B-BBEE Certificate Levels 1 – 8) with regards to the following:**

<b>Criteria</b>	<b>Response Yes / No</b>	<b>Discussion</b>
Determining criteria for the awarding of incentives, grants and investment schemes in support of Broad Based Black Economic Empowerment?	N/A	<p>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.</p> <p>This criteria does not apply to Provincial Treasury as it does not normally award incentives, grants or run investment schemes directly. Provincial Treasury role is primarily financial oversight and governance through monitoring over these incentive grants and investments schemes.</p>

**(d) The status of the institution regarding women, youth and people with disabilities**

Equity within the Department, along with the mainstreaming of gender, youth, and disability considerations across all sector policies, programmes, services, and human resource practices, is being integrated into the performance agreement of the Head of Department.

<b>EE DESIGNATED GROUPS</b>	<b>TARGET</b>	<b>ACTUAL\</b>
Women in SMS	50%	38%
Disability	3%	2,7%
African	89,90%	94%
Coloured	1,20%	3%
Indian	0,20%	1,2%
White	8,70%	1,8%
Youth	30%	16%

The Department's commitment to social and transformation issues is driven by a specialized unit focusing on gender, youth, and persons with disabilities. This unit ensures compliance with legislative prescripts through policy development, training, awareness initiatives, and monitoring and evaluation processes.

The appointment of female Senior Management Service (SMS) members, persons with disabilities, and youth remains a priority. Furthermore, the Department is committed to integrating the specific needs and issues of women, men, youth, and persons with disabilities into its developmental programmes.

**(e) Internal challenges and remedial actions**

<b>Identified challenges</b>	<b>Remedial Actions</b>
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.
Insufficient/ inadequate staff in some sections.	Fill all available and funded vacancies.
Inaccurate financial projections.	Regular Budget and Audit Committee meetings to review expenditure trends and address variances timeously.
Turnaround time on the submission of reports.	Individual follow-ups with affected programmes.
Inaccurate financial projections.	Regular Budget and Audit Committee meetings to review expenditure trends and address variances timeously.
Long turnaround times to finalise the process from request to order resulting in frustrated end users.	Currently implementing an RFQ tracking system.
Lack of automated SCM monitoring and evaluation systems (Management Information reporting models).	Continuous engagements with ICT unit.  Exploit the reforms introduced by the Public Procurement Act (i.e. section 2 (2) (3) – improve efficiency and effectiveness in procurement by streamlining procurement processes, amongst others, through the use of technology.
Generic training.	Engaged National Training to ensure that available training responds to relevant key gaps identified during analysis.

**(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

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

## 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 2025/26	Revised estimate	Medium-term estimates		
	2022/23	2023/24	2024/25				2026/27	2027/28	2028/29
1. Administration	157,525	173,109	178,130	184,751	186,163	186,163	199,863	205,579	214,868
2. Sustainable Resource Management	127,374	171,589	193,921	250,361	145,761	145,761	195,330	164,809	146,438
3. Asset and Liabilities Management	48,585	42,784	46,790	64,328	56,328	56,328	67,993	69,231	72,346
4. Financial Governance	149,206	160,469	153,278	195,741	204,129	204,129	195,921	203,553	202,994
<b>Total payments and estimates</b>	<b>482,690</b>	<b>547,951</b>	<b>572,119</b>	<b>695,181</b>	<b>592,381</b>	<b>592,381</b>	<b>659,107</b>	<b>643,172</b>	<b>636,646</b>

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

R thousand	Outcome			Main appropriation	Adjusted appropriation 2025/26	Revised estimate	Medium-term estimates		
	2022/23	2023/24	2024/25				2026/27	2027/28	2028/29
<b>Current payments</b>	<b>459,182</b>	<b>499,901</b>	<b>563,523</b>	<b>686,205</b>	<b>574,594</b>	<b>574,594</b>	<b>645,121</b>	<b>633,355</b>	<b>626,386</b>
Compensation of employees	313,363	317,898	338,124	406,124	351,254	351,254	422,629	437,885	452,870
Goods and services	145,819	182,003	225,399	280,081	223,340	223,340	222,492	195,470	173,516
Interest and rent on land	-	-	-	-	-	-	-	-	-
<b>Transfers and subsidies to:</b>	<b>2,844</b>	<b>1,869</b>	<b>1,525</b>	<b>1,277</b>	<b>1,754</b>	<b>1,754</b>	<b>5,932</b>	<b>1,410</b>	<b>1,474</b>
Provinces and municipalities	-	-	-	50	80	80	80	82	86
Departmental agencies and accounts	-	9	48	-	-	-	-	-	-
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	5	5	5	5	5
Non-profit institutions	-	-	-	-	12	12	-	-	-
Households	2,844	1,860	1,477	1,227	1,657	1,657	5,847	1,323	1,383
<b>Payments for capital assets</b>	<b>9,182</b>	<b>16,206</b>	<b>7,058</b>	<b>7,699</b>	<b>16,033</b>	<b>16,033</b>	<b>8,054</b>	<b>8,407</b>	<b>8,786</b>
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	9,182	16,206	7,058	7,699	16,033	16,033	8,054	8,407	8,786
Heritage Assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-	-
<b>Payments for financial assets</b>	<b>11,482</b>	<b>29,975</b>	<b>13</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total economic classification</b>	<b>482,690</b>	<b>547,951</b>	<b>572,119</b>	<b>695,181</b>	<b>592,381</b>	<b>592,381</b>	<b>659,107</b>	<b>643,172</b>	<b>636,646</b>

Departmental spending over the past financial years was R482.7 million in 2022/23, R548 million in 2023/24 and R572 million in 2024/25 financial year. The Departmental baseline realized an increase of R20.3 million in 2025/26. The MTEF period increases by R66.7 million in 2026/27, then declines by R22.4 million in the 2 outer years that is attributed by a once-off allocation of R40 million for Scholar Transport, Operationalization of Development Fund, Capacity assistance Programme to Municipalities and Early retirement (ERP) and voluntary programme incentives (VEP). Inclusive in the baseline is the departmental bursary to officials, legal fees, fleet services, security services, external audit fees, 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 provincial departments, 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 2025/26	MTEF Period		
			2022/23	2023/24	2024/25		2026/27	2027/28	2028/29
Skilled, capable and ethical workforce	Annual reports produced	1. Departmental Annual Report finalized.	1	1	1	1	1	1	1

**Indicators, Annual and Quarterly Targets: Office of the MEC**

Output Indicators	Annual Target 2026/27	Q1	Q2	Q3	Q4
1. 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 2025/26	MTEF Period		
			2022/23	2023/24	2024/25		2026/27	2027/28	2028/29
Skilled, capable and ethical workforce	Financial Disclosure compliance	1. Percentage (%) submission of disclosures of financial interest for SMS.	100%	100%	100%	100%	100%	100%	100%
		2. Percentage (%) of compliance to Financial Disclosure on designated groups.	100%	N/A	100%	100%	100%	100%	100%
	Strategic Risk Assessment.	3. Number of Strategic Risk Assessments Performed.	N/A	N/A	1	1	1	1	1

## Indicators, Annual and Quarterly Targets: Risk Management

Output Indicators	Annual Target 2026/27	Q1	Q2	Q3	Q4
1. Percentage (%) submission of disclosures of financial interest for SMS.	100%	100%	N/A	N/A	N/A
2. Percentage (%) of compliance to Financial Disclosure on designated groups.	100%	N/A	100%	N/A	N/A
3. Number of Strategic Risk Assessments 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 2025/26	MTEF Period		
			2022/23	2023/24	2024/25		2026/27	2027/28	2028/29
Skilled, capable and ethical workforce	Skills gaps addressed.	1. Number of skills gaps addressed.	New	New	New	New	200	230	250
	Departmental Annual Performance Plan developed.	2. Number of Departmental Annual Performance Plans developed.	New	New	New	1	1	1	1
	Communication strategies developed.	3. Number of Media relations strategies developed.	New	New	New	New	1	N/A	N/A
		4. Number of Social Media Strategies developed.	New	New	New	New	1	N/A	N/A

### Indicators, Annual and Quarterly Targets: Corporate Services

Output Indicators	Annual Target 2026/27	Q1	Q2	Q3	Q4
1. Number of skills gaps addressed.	200	N/A	N/A	N/A	200
2. Number of Departmental Annual Performance Plans developed.	1	N/A	N/A	N/A	1
3. Number of Media relations strategies developed.	1	N/A	N/A	1	N/A
4. Number of Social Media Strategies developed.	1	N/A	N/A	N/A	1

## 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 2025/26	MTEF Period		
			2022/23	2023/24	2024/25		2026/27	2027/28	2028/29
Skilled, capable and ethical workforce	Annual financial statements produced.	1. Number of unqualified financial statements without material misstatements (Clean).	1	1	1	1	1	1	1
	All valid invoices paid within 30 days.	2. Percentage (%) of valid invoices paid within 30 days.	100%	100%	100%	100%	100%	100%	100%
	Procurement spend on women, youth and persons with disabilities.	3. Implemented procurement on women, youth and persons with disabilities owned enterprises.	4	4	4	4	4	4	4

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

Output Indicators	Annual Target 2026/27	Q1	Q2	Q3	Q4
1. Number of unqualified financial statements without material misstatements (Clean).	1	N/A	1	N/A	N/A
2. Percentage (%) of valid invoices paid within 30 days.	100%	100%	100%	100%	100%
3. 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 Priorities 1 and 3. The Department has sufficient enablers in place to achieve the five-year outcome targets, ultimately realizing its impact statement of sound financial management within the Provincial Administration to support quality service delivery.

### **Strategic Priority 1: Drive Inclusive Growth and Opportunities**

- Payment of suppliers within 30 days promotes sustainable economic growth by enabling SMMEs to remain financially stable.
- Increased employment and work opportunities are created through internship and learnership programmes.

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

- Reporting on procurement opportunities provided to women, youth, and persons with disabilities enhances economic empowerment and addresses historical inequalities.
- The 100% submission of financial disclosures ensures that employees are not engaged in unethical conduct.
- The identification of both strategic and operational risks within the Department enables management and staff to proactively mitigate potential impacts should these risks materialise. However, if risk controls are not effectively implemented and monitored, they may adversely affect the achievement of planned outcomes and output indicators.
- Training of departmental officials contributes to the development of a skilled, capable, and ethical workforce, with employees who are able to perform their duties diligently.
- The preparation of annual financial statements without material misstatements contributes towards securing an unqualified audit opinion.

## 7. Programme Resource Consideration

### Summary of payments and estimates Programme 1 - Administration

Table 7.10.1 : Summary of payments and estimates by sub-programme: Programme 1: Administration

R thousand	Outcome			Main appropriation	Adjusted appropriation 2025/26	Revised estimate	Medium-term estimates		
	2022/23	2023/24	2024/25				2026/27	2027/28	2028/29
1. Office Of The Mec	10,936	11,411	14,659	13,068	18,102	18,102	15,624	16,237	16,965
2. Management Services	9,382	11,298	9,667	12,323	13,169	13,169	14,012	14,593	15,249
3. Corporate Services	80,776	92,592	94,008	95,547	93,079	93,079	100,951	101,445	106,051
4. Financial Management (Office of the	56,431	57,808	59,796	63,813	61,813	61,813	69,276	73,304	76,603
<b>Total payments and estimates</b>	<b>157,525</b>	<b>173,109</b>	<b>178,130</b>	<b>184,751</b>	<b>186,163</b>	<b>186,163</b>	<b>199,863</b>	<b>205,579</b>	<b>214,868</b>

Table 7.12.1 : Summary of payments and estimates by economic classification: Programme 1: Administration

R thousand	Outcome			Main appropriation	Adjusted appropriation 2025/26	Revised estimate	Medium-term estimates		
	2022/23	2023/24	2024/25				2026/27	2027/28	2028/29
<b>Current payments</b>	<b>154,584</b>	<b>163,280</b>	<b>173,836</b>	<b>180,736</b>	<b>177,101</b>	<b>177,101</b>	<b>192,705</b>	<b>201,169</b>	<b>210,259</b>
Compensation of employees	104,183	109,619	112,617	126,554	119,203	119,203	136,259	142,265	148,669
Goods and services	50,401	53,661	61,219	54,182	57,898	57,898	56,446	58,904	61,590
Interest and rent on land	-	-	-	-	-	-	-	-	-
<b>Transfers and subsidies to:</b>	<b>622</b>	<b>701</b>	<b>945</b>	<b>645</b>	<b>858</b>	<b>858</b>	<b>3,631</b>	<b>726</b>	<b>759</b>
Provinces and municipalities	-	-	-	50	80	80	80	82	86
Departmental agencies and accounts	-	9	48	-	-	-	-	-	-
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	5	5	5	5	5
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	622	692	897	595	773	773	3,546	639	668
<b>Payments for capital assets</b>	<b>2,319</b>	<b>9,128</b>	<b>3,346</b>	<b>3,370</b>	<b>8,204</b>	<b>8,204</b>	<b>3,527</b>	<b>3,684</b>	<b>3,850</b>
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	2,319	9,128	3,346	3,370	8,204	8,204	3,527	3,684	3,850
Heritage Assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-	-
<b>Payments for financial assets</b>	<b>-</b>	<b>-</b>	<b>3</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total economic classification</b>	<b>157,525</b>	<b>173,109</b>	<b>178,130</b>	<b>184,751</b>	<b>186,163</b>	<b>186,163</b>	<b>199,863</b>	<b>205,579</b>	<b>214,868</b>

The budget for the programme increased from R157.5 million in 2022/2023 to R173.1 million in 2023/2024, R178.1 million in 2024/25 and R186.2 million in 2025/26. The programme shows a steady increase of R620.3 million throughout the MTEF period. The allocation includes the departmental bursary to officials, legal fees, fleet services, risk management awareness workshops and forums as well as advertisement of vacant funded posts, 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 2025/26	MTEF Period		
			2022/23	2023/24	2024/25		2026/27	2027/28	2028/29
Improved integrated planning, budgeting and monitoring.	Tabling of the Appropriation Bill.	1. Estimates of Provincial Revenue and Expenditure (EPRE).	1	1	1	1	1	1	1
	Financial assessments on Provincial spending on Departments and Public Entities.	2. Number of quarterly financial assessment performed on Provincial departments' spending.	4	4	4	4	4	4	4
		3. Number of quarterly financial assessment performed on Provincial entities' spending.	4	4	4	4	4	4	4

			Annual Targets						
Outcome	Outputs	Output Indicators	Audited/Actual performance			Estimated performance 2025/26	MTEF Period		
			2022/23	2023/24	2024/25		2026/27	2027/28	2028/29
	Support provided to Departments on User Immovable Asset Management Plan (U-AMPs).	4. Number of Departments with Approved User Immovable Asset Management Plan (U-AMPs).	New	New	New	2	2	4	6
	Financial Viability support to Public Entities.	5. Number of Public Entities assessed on Financial Viability.	New	New	New	2	2	2	2

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

Output Indicators	Annual Target 2026/27	Q1	Q2	Q3	Q4
1. Estimates of Provincial Revenue and Expenditure (EPRE).	1	N/A	N/A	N/A	1
2. Number of quarterly financial assessments performed on Provincial departments' spending.	4	1	1	1	1
3. Number of quarterly financial assessments performed on Provincial entities' spending.	4	1	1	1	1
4. Number of Departments with Approved User Immovable Asset Management Plan (U-AMPs).	2	N/A	N/A	N/A	2
5. 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 2025/26	MTEF Period		
			2022/23	2023/24	2024/25		2026/27	2027/28	2028/29
Improved integrated planning, budgeting and monitoring .	Provincial own revenue collected.	1. Projected Provincial own revenue collected.	R1.566 815 billion	R1.43 9 billion	R1.209 billion	R1.4 billion	R1.4 billion	R1.5 billion	R1.6 billion
	Provincial Economic Review and Outlook (PERO) compiled.	2. Number of Provincial Economic Review and Outlook (PERO) compiled.	New	New	New	1	1	1	1
	Provincial Socio-Economic Review and Outlook (SERO) compiled.	3. Number of Socio-Economic Outlook (SERO) compiled.	New	New	New	1	1	1	1

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

Output Indicators	Annual Target 2026/27	Q1	Q2	Q3	Q4
1. Projected Provincial own revenue collected.	R1.4 billion	N/A	N/A	N/A	R1.4 billion
2. Number of Provincial Economic Review and Outlook (PERO) compiled.	1	N/A	1	N/A	N/A
3. Number of Socio-Economic Outlook (SERO) compiled.	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 2025/26	MTEF Period			
			2022/23	2023/24	2024/25		2026/27	2027/28	2028/29	
Improved financial management in Departments, Public Entities and Municipalities	Municipal budget assessed.	1. Number of budget assessments conducted on tabled municipal budgets.	20	20	20	20	20	20	20	
	Capacity building initiatives for Municipal Officials.	2. Number of Municipal capacity building interventions conducted.	4	4	4	4	4	4	4	
	Municipalities with favorable audit outcomes.	3. Number of municipalities with clean audit outcomes.	New	New	New	0	3	4	5	
	Support provided on financial management at Municipalities .		4. Provincial consolidated report on the technical support provided to municipalities in-line with Section 154 of the Constitution.	4	4	4	4	4	4	4
			5. Number of legislated reports in line with section 147 of the MFMA.	New	New	New	4	4	4	4

## Indicators, Annual and Quarterly Targets: Municipal Financial Management

Output Indicators	Annual Target 2026/27	Q1	Q2	Q3	Q4
1. Number of budget assessments conducted on tabled municipal budgets.	20	N/A	20	N/A	N/A
2. Number of Municipal capacity building interventions conducted.	4	1	1	1	1
3. Number of municipalities with clean audit outcomes.	3	N/A	N/A	N/A	3
4. Provincial consolidated report on the technical support provided to municipalities in-line with Section 154 of the Constitution.	4	1	1	1	1
5. Number of legislated reports in line with section 147 of the MFMA.	4	1	1	1	1

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

The programme outputs and output indicators contribute directly to MTDP Strategic Priorities 1, 2 and 3. The Department has sufficient institutional enablers in place to achieve the five-year outcome targets, thereby advancing its overall impact statement of ***sound financial management within the Provincial Administration to support quality service delivery.***

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

- Participate in Provincial Development Planning Forums to advance economic development initiatives.
- Engage in District Development Model (DDM) structures at district level to guide the economic positioning of districts.
- Fund activities related to this objective through the Cash Flow Management Unit.
- Drive the Revenue Enhancement Strategy to secure additional funding for provincial department

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

- Compile intelligence reports (e.g., SERO and PERO) to identify and address service delivery gaps.
- Fund activities related to this objective through the Cash Flow Management Unit.
- Drive the Revenue Enhancement Strategy to secure additional funding for provincial departments.

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

- Ensure financial oversight and compliance with the Public Finance Management Act (PFMA) and relevant regulations.
- Monitor adherence to the Division of Revenue Act (DoRA) Conditional Grant Frameworks to ensure effective utilization of funds.
- Conduct MTEC sessions and Expenditure Reviews.
- Review and assess 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.
- Facilitate Infrastructure Reporting Model (IRM) training to enhance transparency in performance tracking.
- Integrate web-based reporting by aligning existing Excel reporting tools with MTEF Databases and In-Year Monitoring (IYM) models.
- Fund activities related to this objective through the Cash Flow Management Unit.
- Drive the Revenue Enhancement Strategy to secure additional funding for provincial departments.
- Strengthen municipal capacity through financial management support and interventions where municipalities fail to meet minimum norms and standards, to ensure service delivery obligations are met.
- Provide capacity-building initiatives for municipal officials.

In an endeavor to augment the national equitable share allocated to the Province, Departments and Public Entities are required to collect sufficient own revenue in line with their estimated targets. Effective budget planning and continuous monitoring of the financial performance of Provincial Departments and Public Entities will contribute to achieving the Department's intended outcome of ***improved integrated planning, budgeting, and monitoring***. In the long run, this will lead to sound financial management across the Provincial Administration, thereby ensuring quality service delivery.

The situation in Municipalities remains dire; therefore, integrated and intensified interventions are required to strengthen financial management and improve service delivery. The rationale for the selection of the outputs is rooted in the need to enhance financial management and accounting practices across the province. Audit outcomes for Municipalities are not yet at an ideal stage, and as such, stringent measures must be implemented to drive sustainable improvement. These outputs collectively contribute towards achieving the intended outcome of ***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 7.10.2 : Summary of payments and estimates by sub-programme: Programme 2: Sustainable Resource Management

R thousand	Outcome			Main appropriation	Adjusted appropriation 2025/26	Revised estimate	Medium-term estimates		
	2022/23	2023/24	2024/25				2026/27	2027/28	2028/29
1. Programme Support	–	–	–	3,321	–	–	3,473	3,629	3,792
2. Economic Analysis	6,294	6,107	8,063	109,410	9,160	9,160	24,890	10,334	10,799
3. Fiscal Policy	8,710	8,118	9,148	10,042	9,226	9,226	11,392	10,876	11,364
4. Budget Management	22,544	24,548	26,275	27,928	29,160	29,160	45,829	32,142	33,588
5. Public Finance	16,625	15,330	17,407	27,477	17,997	17,997	27,124	27,419	28,651
6. Municipal Finance	73,201	117,486	133,028	72,183	80,218	80,218	82,622	80,409	58,244
<b>Total payments and estimates</b>	<b>127,374</b>	<b>171,589</b>	<b>193,921</b>	<b>250,361</b>	<b>145,761</b>	<b>145,761</b>	<b>195,330</b>	<b>164,809</b>	<b>146,438</b>

Table 7.12.2 : Summary of payments and estimates by economic classification: Programme 2: Sustainable Resource Management

R thousand	Outcome			Main appropriation	Adjusted appropriation 2025/26	Revised estimate	Medium-term estimates		
	2022/23	2023/24	2024/25				2026/27	2027/28	2028/29
<b>Current payments</b>	<b>124,091</b>	<b>154,331</b>	<b>192,132</b>	<b>248,553</b>	<b>144,357</b>	<b>144,357</b>	<b>192,458</b>	<b>162,841</b>	<b>144,381</b>
Compensation of employees	78,613	75,402	84,703	103,146	84,570	84,570	106,845	110,199	115,157
Goods and services	45,478	78,929	107,429	145,407	59,787	59,787	85,613	52,642	29,224
Interest and rent on land	–	–	–	–	–	–	–	–	–
<b>Transfers and subsidies to:</b>	<b>1,202</b>	<b>809</b>	<b>252</b>	<b>50</b>	<b>136</b>	<b>136</b>	<b>1,035</b>	<b>52</b>	<b>54</b>
Provinces and municipalities	–	–	–	–	–	–	–	–	–
Departmental agencies and accounts	–	–	–	–	–	–	–	–	–
Higher education institutions	–	–	–	–	–	–	–	–	–
Foreign governments and international organisations	–	–	–	–	–	–	–	–	–
Public corporations and private enterprises	–	–	–	–	–	–	–	–	–
Non-profit institutions	–	–	–	–	12	12	–	–	–
Households	1,202	809	252	50	124	124	1,035	52	54
<b>Payments for capital assets</b>	<b>2,081</b>	<b>1,558</b>	<b>1,527</b>	<b>1,758</b>	<b>1,268</b>	<b>1,268</b>	<b>1,837</b>	<b>1,916</b>	<b>2,003</b>
Buildings and other fixed structures	–	–	–	–	–	–	–	–	–
Machinery and equipment	2,081	1,558	1,527	1,758	1,268	1,268	1,837	1,916	2,003
Heritage Assets	–	–	–	–	–	–	–	–	–
Specialised military assets	–	–	–	–	–	–	–	–	–
Biological assets	–	–	–	–	–	–	–	–	–
Land and sub-soil assets	–	–	–	–	–	–	–	–	–
Software and other intangible assets	–	–	–	–	–	–	–	–	–
<b>Payments for financial assets</b>	<b>–</b>	<b>14,891</b>	<b>10</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
<b>Total economic classification</b>	<b>127,374</b>	<b>171,589</b>	<b>193,921</b>	<b>250,361</b>	<b>145,761</b>	<b>145,761</b>	<b>195,330</b>	<b>164,809</b>	<b>146,438</b>

The Programme shows a sharp increase of R44.2 million in 2023/24, R22.3 million in 2024/25 and then declines by R48.2 million in 2025/26. The allocation increases by R49.6 million then declines by R48.9 million in the two (02) outer years as a result of the once-off allocation of R100 million for Provincial Development Fund reduced during the 2025/26 Adjustment Budget and also inclusive in the allocation is for printing of budget books, IDIP and MFMA Intervention.

### 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 2025/26	MTEF Period		
			2022/23	2023/24	2024/25		2026/27	2027/28	2028/29
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.	1. Number of supply chain management (SCM) capacity building interventions provided to Departments and Public Entities.	30	4	4	4	4	4	4
	Departments and Public Entities supported to improve audit outcomes on SCM.	2. Number of Departments and Public Entities supported to improve audit outcomes on SCM.	6	7	7	8 (6D;2 PE)	10 (7D;3 PE)	8 (6D;2 PE)	8 (6D;2 PE)
	Assessment of SCM compliance practices conducted on Departments and Public Entities.	3. Number of assessments conducted on non-compliance by Departments and Public Entities on SCM regulations.	4	4	4	3	4	4	4

Outcome	Outputs	Output Indicators	Annual Targets						
			Audited/Actual performance			Estimated performance 2025/26	MTEF Period		
			2022/23	2023/24	2024/25		2026/27	2027/28	2028/29
	Support provided to service providers/ suppliers and Provincial Government officials.	4. Outreach programme rolled-out.	New	New	New	3	4	4	4
	Asset management capacity building interventions provided.	5. 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 2026/27	Q1	Q2	Q3	Q4
1. Number of supply chain management (SCM) capacity building interventions provided to Departments and Public Entities.	4	1	1	1	1
2. Number of Departments and Public Entities supported to improve audit outcomes on SCM.	10 (7D;3 PE)	N/A	N/A	10 (7D;3 PE)	N/A
3. Number of assessments conducted on non-compliance by Departments and Public Entities on SCM regulations.	4	1	1	1	1
4. Outreach programme rolled-out.	4	1	1	1	1
5. 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 **MTDP Strategic Priorities 1, 2, and 3**. The Department has adequate enablers to achieve the set five-year outcome targets, ultimately realizing its impact statement of sound financial management within the Provincial Administration to support 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 and sound procurement systems, aimed at securing quality goods and services (value for money), and promoting greater competition and productivity.

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

- Professionalizing the public service (SCM skills audit, implementation of the professionalization framework once finalised nationally)
- Strengthening the public procurement system by mandating transparency.

Over the years, improvements have been witnessed in asset management within Departments. However, challenges remain, particularly in the valuation and reporting of Infrastructure Assets. The same progress has not been consistently observed in entities, where pockets of improvement are often undermined by regressions in areas such as rights and obligations, verification, and valuation of Investment Properties and Infrastructure Assets.

In addition, Supply Chain Management (SCM) is currently undergoing legislative reforms that must be integrated into procurement arrangements within Departments and entities. Provincial Treasury, through PSCM and Asset Management, has a legislated responsibility to ensure that Departments and Public Entities are capacitated.

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** in terms of section 217 of the Constitution, 1996).

## 7.3 Programme resource considerations

### Summary of payments and estimates Programme 3 – Asset and Liabilities Management

Table 7.10.3 : Summary of payments and estimates by sub-programme: Programme 3: Asset and Liabilities Management

R thousand	Outcome			Main appropriation	Adjusted appropriation 2025/26	Revised estimate	Medium-term estimates		
	2022/23	2023/24	2024/25				2026/27	2027/28	2028/29
1. Programme Support	13,811	10,291	12,753	16,955	18,855	18,855	17,872	18,677	19,516
2. Asset Management	10,034	11,641	12,091	18,091	13,459	13,459	18,786	19,498	20,376
3. Support and Interlinked Financial System	24,740	20,852	21,946	29,282	24,014	24,014	31,335	31,056	32,454
<b>Total payments and estimates</b>	<b>48,585</b>	<b>42,784</b>	<b>46,790</b>	<b>64,328</b>	<b>56,328</b>	<b>56,328</b>	<b>67,993</b>	<b>69,231</b>	<b>72,346</b>

Table 7.12.3 : Summary of payments and estimates by economic classification: Programme 3: Asset and Liabilities Management

R thousand	Outcome			Main appropriation	Adjusted appropriation 2025/26	Revised estimate	Medium-term estimates		
	2022/23	2023/24	2024/25				2026/27	2027/28	2028/29
<b>Current payments</b>	<b>45,838</b>	<b>42,158</b>	<b>45,597</b>	<b>63,454</b>	<b>51,932</b>	<b>51,932</b>	<b>66,419</b>	<b>68,276</b>	<b>71,348</b>
Compensation of employees	33,637	29,711	32,241	43,433	34,800	34,800	45,592	46,645	48,744
Goods and services	12,201	12,447	13,356	20,021	17,132	17,132	20,827	21,631	22,604
Interest and rent on land	-	-	-	-	-	-	-	-	-
<b>Transfers and subsidies to:</b>	<b>281</b>	<b>105</b>	<b>158</b>	<b>242</b>	<b>264</b>	<b>264</b>	<b>913</b>	<b>264</b>	<b>276</b>
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	281	105	158	242	264	264	913	264	276
<b>Payments for capital assets</b>	<b>2,466</b>	<b>521</b>	<b>1,035</b>	<b>632</b>	<b>4,132</b>	<b>4,132</b>	<b>661</b>	<b>691</b>	<b>722</b>
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	2,466	521	1,035	632	4,132	4,132	661	691	722
Heritage Assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-	-
<b>Payments for financial assets</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total economic classification</b>	<b>48,585</b>	<b>42,784</b>	<b>46,790</b>	<b>64,328</b>	<b>56,328</b>	<b>56,328</b>	<b>67,993</b>	<b>69,231</b>	<b>72,346</b>

The programme declines to R42.8 million in 2023/24, then increases to R46.8 million in 2024/25 and R56.3 million in 2025/26 for outreach programmes conducted in communities with a view of capacitating the supplier(s) with the government procurement processes as well as training and development of the Supply Chain officials within Provincial Departments as embedded within the departmental procurement strategies. The allocation grows to R209.6 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 2025/26	MTEF Period		
			2022/23	2023/24	2024/25		2026/27	2027/28	2028/29
Improved financial management in Departments, Public Entities and Municipalities	Capacity Building Interventions for Departments and Public Entities.	1. Number of capacity Building Interventions for Departments and Public Entities.	9	13	9	9	9	9	9
	Support programmes provided to Departments and Entities.	2. Number of Assessments conducted on the implementation of AGSA findings on Departments and public entities.	2	3	3	3	3	3	3
	Support programmes provided to Departments and Entities.	3. Number of Payment Files interfaced between the core Financial Systems.	New	New	220	220	220	220	220

Outcome	Outputs	Output Indicators	Annual Targets						
			Audited/Actual performance			Estimated performance 2025/26	MTEF Period		
			2022/23	2023/24	2024/25		2026/27	2027/28	2028/29
		4. Number of key control assessments performed on Departments and Public Entities.	New	7 (6D;1 PE)	7 (6D;1 PE)	8 (7D;1 PE)	17 (10 D;7 PE)	17 (10 D;7 PE)	17 (10 D;7 PE)
		5. Number of Departments and Public Entities achieving improved risk management maturity level.	New	9 (6D; 3PE)	15 (11D; 4PE)	10 (7D; 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 2026/27	Q1	Q2	Q3	Q4
1. Number of capacity Building Interventions for Departments and Public Entities.	9	2	3	2	2
2. Number of Assessments conducted on the implementation of AGSA findings on Departments and public entities.	3	N/A	N/A	1	2
3. Number of Payment Files interfaced between the core Financial Systems.	220	55	55	55	55
4. Number of key control assessments performed on Departments and Public Entities.	17 (10 D;7 PE)	N/A	N/A	17 (10 D;7 PE)	N/A
5. 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 2025/26	MTEF Period		
			2022/23	2023/24	2024/25		2026/27	2027/28	2028/29
Improved financial management in Departments, Public Entities and Municipalities	Post audit action plans audited.	1. Number of departmental post audit action plans implementation assessed	11	11	11	11	11	11	11
	Risk management strategies audited.	2. Number of Departmental risk management strategies assessed	11	11	11	11	11	11	11
	Supply chain management systems audited.	3. Number of departmental supply chain management systems assessed	New	New	New	11	11	11	11

### Indicators, Annual and Quarterly Targets: Provincial Internal Audit

Output Indicators	Annual Target 2026/27	Q1	Q2	Q3	Q4
1. Number of Departmental post audit action plans implementation assessed.	11	N/A	N/A	N/A	11
2. Number of Departmental risk management strategies assessed	11	N/A	N/A	11	N/A
3. 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 directly to MTDP Strategic Priority 3: Building a capable, ethical and developmental state. The Department has sufficient enablers in place to achieve the five-year outcome targets, ultimately realising its impact statement of ***sound financial management in the Provincial Administration to enable 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 is reluctance from Departments to implement recommendations made by the Auditor-General South Africa (AGSA) and Provincial Internal Audit. As a result, audit outcomes remain stagnant and do not reflect the desired improvements. It is on this basis that the enforcement of post-audit action plans has become essential. The rationale for the choice of outputs is to strengthen financial management and accountability across the Province. Since audit outcomes for Departments and Public Entities are not at an ideal stage, stringent measures must be applied to drive sustainable 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 will be rolled out in the financial year:**

- Conduct quarterly accounting updates on the Modified Cash Standard (MCS) for Departments and GRAP updates for Public Entities.
- Facilitate the rollout of the new National Treasury Instruction Note on Irregular Expenditure for Departments and Public Entities.
- Provide support to Departments and Public Entities to enhance the quality of reporting on Performance Information, with emphasis on accuracy, reliability and usefulness of the Portfolio of Evidence (POEs).
- Convene regular meetings with Chief Financial Officers (CFOs) to monitor progress per Department and Public Entity in implementing their Audit Action Plans.
- Require CFOs to submit completed Audit Action Plans to the Office of the Provincial Accountant-General and Provincial Internal Audit for adequacy review.
- Ensure Provincial Internal Audit conducts follow-up audits to verify timely and effective implementation of Audit Action Plans.
- Facilitate the condonation process for irregular expenditure in both Departments and Public Entities.

## 7.4 Programme resource considerations

### Summary of payments and estimates Programme 4 – Financial Governance

Table 7.10.4 : Summary of payments and estimates by sub-programme: Programme 4: Financial Governance

R thousand	Outcome			Main appropriation	Adjusted appropriation 2025/26	Revised estimate	Medium-term estimates		
	2022/23	2023/24	2024/25				2026/27	2027/28	2028/29
1. Programme Support	17,334	23,101	9,664	10,319	10,719	10,719	10,770	11,194	11,699
2. Accounting Services	49,066	52,120	50,729	67,333	91,725	91,725	66,824	68,432	66,511
3. Norms and Standards	8,963	10,786	12,885	15,454	14,277	14,277	15,000	15,699	16,406
4. Risk Management	4,828	4,194	3,470	6,619	4,422	4,422	6,923	7,235	7,561
5. Provincial Internal Audit	69,015	70,268	76,530	96,016	82,986	82,986	96,404	100,993	100,817
<b>Total payments and estimates</b>	<b>149,206</b>	<b>160,469</b>	<b>153,278</b>	<b>195,741</b>	<b>204,129</b>	<b>204,129</b>	<b>195,921</b>	<b>203,553</b>	<b>202,994</b>

Table 7.12.4 : Summary of payments and estimates by economic classification: Programme 4: Financial Governance

R thousand	Outcome			Main appropriation	Adjusted appropriation 2025/26	Revised estimate	Medium-term estimates		
	2022/23	2023/24	2024/25				2026/27	2027/28	2028/29
<b>Current payments</b>	<b>134,669</b>	<b>140,132</b>	<b>151,958</b>	<b>193,462</b>	<b>201,204</b>	<b>201,204</b>	<b>193,539</b>	<b>201,069</b>	<b>200,398</b>
Compensation of employees	96,930	103,166	108,563	132,991	112,681	112,681	133,933	138,776	140,300
Goods and services	37,739	36,966	43,395	60,471	88,523	88,523	59,606	62,293	60,098
Interest and rent on land	-	-	-	-	-	-	-	-	-
<b>Transfers and subsidies to:</b>	<b>739</b>	<b>254</b>	<b>170</b>	<b>340</b>	<b>496</b>	<b>496</b>	<b>353</b>	<b>368</b>	<b>385</b>
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	739	254	170	340	496	496	353	368	385
<b>Payments for capital assets</b>	<b>2,316</b>	<b>4,999</b>	<b>1,150</b>	<b>1,939</b>	<b>2,429</b>	<b>2,429</b>	<b>2,029</b>	<b>2,116</b>	<b>2,211</b>
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	2,316	4,999	1,150	1,939	2,429	2,429	2,029	2,116	2,211
Heritage Assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-	-
<b>Payments for financial assets</b>	<b>11,482</b>	<b>15,084</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total economic classification</b>	<b>149,206</b>	<b>160,469</b>	<b>153,278</b>	<b>195,741</b>	<b>204,129</b>	<b>204,129</b>	<b>195,921</b>	<b>203,553</b>	<b>202,994</b>

The budget allocation increased from R149.2 million in 2022/23 to R160.5 million in 2023/24, then decreased to R153.3 million in 2024/25. The allocation then increased from R153.3 million in 2024/25 to R204.4 million in 2025/26.

The programme shows a decline of R8.2 million in 2026/27 and then increases by R7.6 million in 2027/28 and then shows a decline of R559 thousand in 2028/29 financial year. The allocation set aside an amount of R4.2 million for Audit Committee, R10.5 million for Provincial Telephone, R2 million for training and development, R4.4 million for lease of building, R3.4 million for audit fees, R2.8 million for administrative fees for bank charges and agency fees, R5.4 million for Consultants, R4.1 million for computer services and R2.1 million for forensic investigations.

## 8. Updated Key Risks

Outcome	Key Risk	Risk Mitigation
Skilled, capable and ethical workforce.	Ineffective implementation of Business Continuity Management.	<ul style="list-style-type: none"> <li>Finalise Business Impact Analysis and update the current BCP.</li> <li>Implementation, training and awareness of revised BCP.</li> </ul>
	Unconducive working environment.	<ul style="list-style-type: none"> <li>OHS awareness sessions to officials.</li> <li>OHS inspection of infrastructure.</li> <li>Monitoring of MOA with the Department of Public Works and other Landlords</li> <li>To follow up on request to PW to conduct an infrastructure assessment report.</li> </ul>
Improved integrated planning, budgeting and monitoring.	Delivery of poor, inadequate or incomplete infrastructure by Provincial Departments.	<ul style="list-style-type: none"> <li>Monitor monthly expenditure through the Infrastructure Reporting Model (IRM) and BAS/Vulindlela.</li> <li>Monitor implementation and compliance to IDMS guidelines and FIDPM prescripts.</li> <li>Conduct Infrastructure support forums.</li> <li>Conduct infrastructure site visits.</li> </ul>
	Inability to conduct quality financial assessments and reporting on Public Entities in order to validate budget, expenditure and revenue performance.	<ul style="list-style-type: none"> <li>To ensure that Public Entities submit their signed system downloads along with IYM report on monthly basis.</li> </ul>
Improved financial management in Departments, Public Entities and Municipalities.	Ineffective implementation of financial management systems and controls at Municipalities.	<ul style="list-style-type: none"> <li>Monitor the implementation of the Financial Recovery Plans.</li> <li>Conduct monthly sec 71 reports (In year monitoring reports) and provide recommendation on remedial action to improve the credibility of reporting as well as financial management performance.</li> <li>Provide technical support in the implementation of financial management reforms in line with section 154 of the constitution.</li> <li>Finalise MoU between Provincial Treasury and COGTA outlining roles and responsibilities.</li> </ul>
	Ineffective implementation of financial management standards by provincial departments.	<ul style="list-style-type: none"> <li>Make follow up with OD on proposed structure.</li> <li>Monitoring the implementation of the Clean Audit Strategy.</li> <li>Monitoring the implementation of the PAAP.</li> </ul>
	Ineffective implementation of financial management standards by public entities.	<ul style="list-style-type: none"> <li>Engage Corporate Services to review the entire structure of Financial Governance Programme to enhance the capacity within PT. Make follow up with OD on proposed structure.</li> <li>Maintain current control.</li> <li>Maintain current control.</li> <li>Monitoring the implementation of the PAAP.</li> </ul>

Outcome	Key Risk	Risk Mitigation
		<ul style="list-style-type: none"> <li>• Provide dedicated financial management training on key focus areas to CFO's / targeted financial management officials of public entities.</li> <li>• Focussed support and monitoring public entities to resolve material audit findings (Intervention Reports).</li> </ul>
	<p>Inadequate ICT infrastructure and Support Services leading to instability of the provincial financial systems.</p>	<ul style="list-style-type: none"> <li>• Maintain current control.</li> <li>• To ensure that the PT is represented on Office of the Premier's ICT Steering Committee.</li> <li>• Maintain current control.</li> <li>• Engage the Office of the Premier on backup and disaster recovery for Persal and Walker systems.</li> <li>• Engage the Office of the Premier on the environmental controls of the mainframe data centre.</li> <li>• Maintain current control.</li> </ul>
<p>Fair, equitable, transparent, competitive and cost-effective supply chain management system in accordance to Section 217 of the Constitution.</p>	<p>Inability to conduct quality compliance assessments and reporting in order to enforce compliance with legislation in respect of the 5 procurement pillars.</p>	<ul style="list-style-type: none"> <li>• Engage AO/ AU immediately upon non-compliance.</li> <li>• Reminder letters to the institutions (HOD to HOD).</li> </ul>

**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	Percentage (%) 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.

<b>2. Indicator title</b>	<b>Percentage (%) of compliance to Financial Disclosure on designated groups</b>
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, and Ethics Officers.
Source of data	DPSA eDisclosure system generated status reports per designated group
Method of calculation/ Assessment	Quantitative:  (Number of designated groups officials who submitted financial disclosure /divided by total number of designated groups 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.

3. Indicator title	Number of Strategic Risk Assessments 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 4<sup>th</sup> 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 skills gaps addressed
Definition	Skill gaps: Skills gaps are training needs identified for departmental and contract officials, which impact on employees' performance and are addressed through various commissioned trainings. E.g. Skills Development Courses, Bursaries, Mandatory Training, Adult Education & Training, Internship and learnerships.
Source of data	<ul style="list-style-type: none"> <li>• Training needs identification forms (Personal Development Plans) for officials</li> <li>• Work Skills Plan (WSP)</li> <li>• Training reports</li> <li>• Database</li> </ul>
Method of calculation /assessment	Simple count
Means of verification	<ul style="list-style-type: none"> <li>• Attendance registers</li> <li>• Certificates of completion</li> <li>• Recorded data from virtual trainings</li> <li>• Contracts</li> <li>• Online registration</li> <li>• Proof of registration</li> </ul>
Assumptions	<p>Officials will be trained in line with WSP</p> <p>Employees' availability to attend training</p> <p>Availability of budget</p>
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

<b>2. Indicator title</b>	<b>Number of Departmental Annual Performance Plans developed</b>
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

<b>3. Indicator title</b>	<b>Number of Media relations strategies developed.</b>
Definition	This indicator refers to a strategy developed in line with the approved Departmental Communication Strategic Framework. This strategy guides media relations operations.
Source of data	Approved Departmental Communication Strategic Framework.
Method of calculation /assessment	Simple count
Means of verification	Approved Media Relations Strategy
Assumptions	Alignment with the approved Departmental Communication Strategic Framework.
Disaggregation of Beneficiaries (where applicable)	N/A
Spatial Transformation (where applicable)	N/A
Calculation Type	Non-cumulative
Reporting cycle	Annual
Desired performance	Improved stakeholder relations
Indicator responsibility	Director Information Management

<b>4. Indicator title</b>	<b>Number of Social Media strategies developed.</b>
Definition	This indicator refers to a strategy developed in line with the approved Departmental Communication Strategic Framework. This strategy guides social media relations operations.
Source of data	Approved Departmental Communication Strategic Framework.
Method of calculation /assessment	Simple count
Means of verification	Approved Social Media Strategy
Assumptions	Alignment with the approved Departmental Communication Strategic Framework.
Disaggregation of Beneficiaries (where applicable)	N/A
Spatial Transformation (where applicable)	N/A
Calculation Type	Non-cumulative
Reporting cycle	Annual
Desired performance	Improved stakeholder relations
Indicator responsibility	Director Information Management

## Financial Management (CFO)

<b>1. Indicator title</b>	<b>Number of unqualified financial statements without material misstatements (Clean)</b>
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

<b>2. Indicator title</b>	<b>Percentage (%) of valid invoices paid within 30 days</b>
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

<b>3. Indicator Title</b>	<b>Implemented procurement on women, youth and persons with disabilities owned enterprises</b>
Definition	<p>Implemented procurement on Women-owned enterprises, youth-owned enterprises and PWD-owned enterprises</p> <ul style="list-style-type: none"> <li>• Women-owned means full ownership (100%) or majority ownership (&gt;51%) in line with legislative definitions.</li> <li>• Youth-owned means full ownership (100%) or majority ownership (&gt;51%) by persons from the ages 14-35 years, in line with legislative definitions.</li> <li>• PWD-owned means full ownership (100%) or majority ownership (&gt;51%) in line with legislative definitions.</li> </ul>
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 assessments performed on Provincial departments' spending
Definition	Assessment done on Provincial departments' 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 departments' spending.
Indicator responsibility	Chief Director: Budget and Public Finance

<b>3. Indicator title</b>	<b>Number of quarterly financial assessments performed on Provincial entities' spending</b>
Definition	Assessment done on Provincial entities' spending. The assessment will include possible interventions in order to improve provincial entities' spending.
Source of data	Monthly In-Year Monitoring reports received from entities.
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 entities' spending.
Indicator responsibility	Chief Director: Budget and Public Finance
<b>4. Indicator title</b>	<b>Number of Departments with approved User Immovable Asset Management Plan (U-AMPs)</b>
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

<b>5. Indicator title</b>	<b>Number of Public Entities assessed on Financial Viability.</b>
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

<b>1. Indicator title</b>	<b>Projected Provincial own revenue collected</b>
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

<b>2. Indicator title</b>	<b>Number of Provincial Economic Review and Outlook (PERO) compiled</b>
Definition	A report compiled on the economic analysis of the Province
Source of data	Statistics SA, S&P Global
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

<b>3. Indicator title</b>	<b>Number of Socio-Economic Outlook (SERO) compiled</b>
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 tabled 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

<b>3. Indicator title</b>	<b>Number of municipalities with clean audit outcomes.</b>
Definition	Improvement of some audit outcomes to clean audit in municipalities  This is the number of municipalities within the province that have received clean audit opinions from the Auditor-General of South Africa (AGSA) for the previous municipal financial year audit. A clean audit outcome indicates that the municipality's financial statements are free from material misstatements, there are no material findings on performance reporting, and there is full compliance with applicable laws and regulations.
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  All municipalities submit annual financial statements and performance reports to the AGSA as required.
Means of verification	Municipal audit management reports (AGSA)
Disaggregation of Beneficiaries (where applicable)	N/A
Spatial Transformation (where applicable)	N/A
Calculation Type	Cumulative (year-end)
Reporting cycle	Annually
Desired performance	Improved reporting and financial management at municipalities. Improved Compliance with MFMA by municipalities
Indicator responsibility	Chief Director

<b>4. Indicator title</b>	<b>Provincial consolidated report on the technical support provided to municipalities in-line with Section 154 of the Constitution.</b>
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
<b>5. Indicator title</b>	<b>Number of legislated reports in line with section 147 of the MFMA.</b>
Definition	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.  A financial recovery plan aims to secure the Municipality's ability to meets its obligations to provide basic services or its financial commitments.
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"> <li>• Simplification and interpretation of legislation governing Supply Chain Management (SCM) or</li> <li>• Providing frameworks for SCM processes or</li> <li>• SCM forum (for information sharing) or Focused/targeted contact sessions</li> </ul>
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

<b>3. Indicator Title</b>	<b>Number of assessments conducted on non-compliance by Departments and Public Entities on SCM regulations</b>
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

<b>4. Indicator Title</b>	<b>Outreach programme rolled-out</b>
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

<b>5. Indicator Title</b>	<b>Number of asset management capacity building interventions provided to Departments and Public Entities</b>
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

<b>1. Indicator title</b>	<b>Number of capacity building Interventions for Departments and Public Entities</b>
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

<b>2. Indicator title</b>	<b>Number of Assessments conducted on the implementation of AGSA findings on Departments and public entities</b>
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

<b>3. Indicator title</b>	<b>Number of Payment Files interfaced between the core Financial Systems</b>
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"> <li>• Check against the Walker System Backup Files (payments files created and stored in Walker for a period of a year).</li> <li>• Signed certificate confirming all successful interfaced payment files with a copy of the Register containing information of Interface.</li> </ul>
Assumptions	<ul style="list-style-type: none"> <li>• 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.</li> <li>• If downtime of the mainframe is experienced that the interface will be executed immediately when the system becomes available.</li> <li>• Departments will process the payments on a daily basis excluding Public Holidays and Weekends.</li> </ul>
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

<b>4. Indicator title</b>	<b>Number of key control assessments performed on Departments and Public Entities</b>
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

<b>5. Indicator title</b>	<b>Number of Departments and Public Entities achieving improved risk management maturity level</b>
Definition	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.  Departments and Public Entities assessed on the following components: -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

<b>1. Indicator title</b>	<b>Number of Departmental post audit action plan implementation assessed</b>
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"> <li>• Target for women: N/A</li> <li>• Target for youth: N/A</li> <li>• Target for people with disabilities: N/A</li> </ul>
Spatial Transformation (where applicable)	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
<b>2. Indicator title</b>	<b>Number of Departmental risk management strategies assessed</b>
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"> <li>• Target for Women: N/A</li> <li>• Target for Youth: N/A</li> <li>• Target for People with Disabilities: N/A</li> </ul>
Spatial Transformation (where applicable)	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

<b>3. Indicator title</b>	<b>Number of departmental supply chain management systems assessed</b>
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"> <li>• Target for Women: N/A</li> <li>• Target for Youth: N/A</li> <li>• Target for People with Disabilities: N/A</li> </ul>
Spatial Transformation (where applicable)	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)
<b>Mandatory Intervention on the following pillars:</b>  <b>1. Governance</b>  <b>2. Financial management</b>  <b>3. Institutional</b>  <b>4. Service Delivery</b>	Municipal Financial Recovery	Implementation of the Municipal financial recovery plans	R10 million over MTEF period	Bojanala	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
				Dr Kenneth Kaunda	Ditsobotla LM (Municipality is now under National Intervention, with effect from 09/09/2025)				
				Dr Ruth Segomotsi Mompoti	Ramotshere Moiloa LM				
				Ngaka Modiri Molema	Madibeng LM				
					Kgetlengrivier LM				
					Naleledi LM				
					Dr. Ruth Segomotsi Mompoti DM				
					Maquassi Hills LM				
					Matlosana LM				
					Mamusa LM				



BUILDING A  
**NORTH WEST PROVINCE**  
THAT **WORKS** FOR ALL

**PR84/2026**  
**ISBN: 978-1-83491-713-9**

Garona Building | Dr James Moroka Drive  
Private Bag X2060 | Mmabatho | 2735  
Tel: (018) 388 4999 | 4655  
<http://treasury.nwpg.gov.za>



WE BELONG



WE CARE



WE SERVE