

provincial treasury

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



ANNUAL PERFORMANCE PLAN 2019/20

Together we move Bokone Bophirima
Province forward.



WE BELONG



WE CARE



WE SERVE

Together we move North West Province forward.

VISION	III
MISSION	III
VALUES	III
Foreword by the Executive Authority	IV
OFFICIAL SIGN-OFF	V
LIST OF ACRONYMS	VI
PART A: STRATEGIC OVERVIEW	1
Overview of the Annual Performance Plan	1
PART B: PROGRAMME AND SUB-PROGRAMME PLANS	25
4.1 Programme 1: Administration	25
4.1 Table: STRATEGIC OBJECTIVES AND ANNUAL TARGETS 2019-2020 APP	26
4.1.1 Sub-Programme 1.1: OFFICE OF THE MEC	26
4.1.2 Sub-Programme 1.2: MANAGEMENT SERVICES (HOD)	27
4.1.2.1 Sub-Programme 1.2.1: RISK MANAGEMENT	28
4.1.3 Sub-Programme 1.3: CORPORATE SERVICES (STRATEGIC MANAGEMENT)	29
4.1.4 Sub-Programme 1.4: FINANCIAL MANAGEMENT (MANAGEMENT AND FINANCIAL ACCOUNTING)	31
4.1.4.2 Sub-Programme 1.4.2: SUPPLY CHAIN MANAGEMENT SERVICES	32
4.2 PROGRAMME 2: SUSTAINABLE RESOURCE MANAGEMENT	35
Table 4.2.1: STRATEGIC OBJECTIVES AND ANNUAL TARGETS 2019-2020 APP	37
4.2.1 Sub-Programme 2.2: ECONOMIC ANALYSIS	38
4.2.2 Sub-Programme 2.3: FISCAL POLICY	39
4.2.3 SUB-PROGRAMME 2.4: BUDGET MANAGEMENT	40
4.2.4 SUB-PROGRAMME 2.5: PUBLIC FINANCE	42
4.2.5 Sub-Programme 2.6: INFRASTRUCTURE CO-ORDINATION	44
4.2.6 SUB-PROGRAMME 2.7: MUNICIPAL FINANCIAL MANAGEMENT	45
4.3 PROGRAMME 3 – ASSET AND LIABILITIES MANAGEMENT	48
Table 4.3.1: STRATEGIC OBJECTIVES AND ANNUAL TARGETS 2019-2020 APP	49
4.3.1 Sub-Programme 3.1: ASSET MANAGEMENT	50
4.3.2 Sub-Programme 3.2: PROVINCIAL SUPPLY CHAIN MANAGEMENT	51
4.4 PROGRAMME 4: FINANCIAL GOVERNANCE	54
PROGRAMME 4: FINANCIAL GOVERNANCE	56
Table 4.4.1: STRATEGIC OBJECTIVE TARGETS FOR 2019-2020	56
4.3.4 Sub-Programme 4.2: ACCOUNTING SERVICES	57
4.3.5 Sub-Programme: 4.3 FINANCIAL SYSTEMS	58

4.3.6 Sub-Programme 4.4: PROVINCIAL RISK MANAGEMENT	59
4.3.7 Sub-Programme 4.5: PROVINCIAL INTERNAL AUDIT	60
PART C: LINKS TO OTHER PLANS	63
5. Links to the long-term infrastructure and other capital plans	63
6. Conditional grants	63
7. Public entities	63
8. Public-private partnerships	63
ANNEXURE A	64
CHANGES TO THE 2015/16 – 2019/20 STRATEGIC PLAN	64
Departmental Stakeholders	66
Technical Indicators Descriptions	68

VISION

We will be the ultimate financial management authority and adviser on fiscal matters to the Bokone Bophirima Provincial and Local Administration in pursuit of transparency, good financial management and accountability to all our stakeholders.

MISSION

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.

VALUES

The following values, which are derived from the constitution, underpin activities of the Provincial Treasury.

Fairness

Equity

Accessibility

Transparency

Accountability

Participation, and

Professionalism

Foreword by the Executive Authority

This 2019/20 Annual Performance Plan (APP) encapsulates the mandate of the Provincial Treasury, National and Provincial Priorities.

One of the seven main priorities for the next five to ten years as pronounced by the President of South Africa the honourable Cyril Ramaphosa is a capable, ethical and developmental state. In line with the pronouncement by the President, the Provincial Treasury will continue as part of its mandate to promote good governance through monitoring, evaluation and interventions in provincial departments and entities by ensuring that this annual performance plan responds to the socio-economic challenges of our communities. Consistent with the pronouncement made by the honourable Premier Job Mokgoro, the department is committed to jealously guard the resources entrusted to the Provincial Government.

As part of the department mandate as espoused in the MFM, the department will double its efforts towards changing the state of financial management in municipalities.

This Annual Performance Plan outlines key activities the Department intends delivering on its mandate and implementing priorities of the 6th Administration in line with framework for strategic plans and annual performance plans.

In order to track progress on the pronouncements made by the honourable Premier Job Mokgoro this Annual Performance Plan has captured all the pronouncements made both on the 15th February and 28th June 2019 which, inter alia, include pre-auditing of tenders above R10 million with a intention of preventing corrupt activities on procurement and tender processes, capacitating municipalities to ensure that contracts procured by municipalities are adequately managed and monitored which will result in an improved service delivery at municipalities.

Public Entities are plagued by a number of challenges which range from poor governance, accountability, high vacancy rate in senior posts and negative audit outcomes. In response to this, Provincial Treasury will on regular basis engage entities together with their parent departments of the following issues: Governance Structures, filling of critical vacant posts, organizational structures, Accounting issues, Financial systems, Revenue Management, Assets Management issues, Supply Chain Management issues, Irregular Expenditure, Cash position, Audit Action Plan amongst others.

The intention is to improve the performance and financial sustainability of Public Entities and encouraging parent department to play their role of oversight and accountability.

It is my pleasure to submit the 2019/20 Annual Performance Plan for the Provincial Treasury.



Honourable Motlalepula Rosho
MEC for Finance

Date 03/07/2019

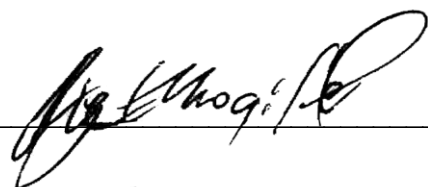
OFFICIAL SIGN-OFF

It is hereby certified that this Annual Performance Plan:

1. Was developed by the management of Provincial Treasury under the guidance of the Honourable MEC Motlalepula Rosho.
2. Was prepared in line with the mandate of Provincial Treasury.
3. Accurately reflects the performance targets which Provincial Treasury will endeavour to achieve given the resources made available in the budget for 2019/20.

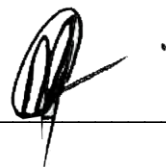
Mr. Gordon Lethogile
Director: Strategic Management

Signature: _____



Ms. M Jansen - Mwase
Chief Director: Corporate Services

Signature: _____



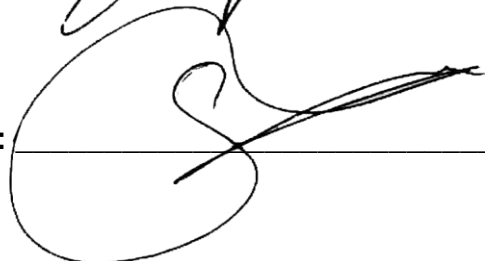
Mr. Riad Soofie
Chief Financial Officer

Signature: _____



Mr. Ndlela Kunene
Accounting Officer

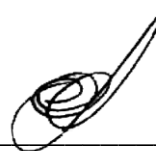
Signature: _____



Approved by:

Honourable Motlalepula Rosho
MEC for Finance

Signature: _____



LIST OF ACRONYMS

A

AEPRE	-	Adjustment Estimate of Provincial Revenue and Expenditure
AFS	-	Annual Financial Statement
AGSA	-	Auditor General of South Africa
APP	-	Annual Performance Plan

B

BAS	-	Basic Accounting System
-----	---	-------------------------

C

CFO	-	Chief Financial Officer
CPI	-	Consumer Price Index

D

DPSA	-	Department of Public Service and Administration
DORA	-	Division of Revenue Act

E

EPRE	-	Estimates of Provincial Revenue and Expenditure
ETS	-	Electronic Tendering System

F

FASSET	-	Finance and Accounting Services Sector Education and Training
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G

GAAP	-	Generally Accepted Accounting Principles
GRAP	-	Generally Recognized Accounting Practice

H

HDI	-	Human Development Index
HOD	-	Head of Department

I

ICS	-	Improvement in Conditions of Services
ICT	-	Information and Communication Technology
IDIP	-	Infrastructure Delivery Improvement Programme
IDMS	-	Infrastructure Delivery Management System
IPMP	-	Infrastructure Programme Management Plan
IRM	-	Infrastructure Reporting Model
IYM	-	In-Year Monitoring

M

MEC	-	Member of Executive Council
MFMA	-	Municipal Finance Management Act
MIG	-	Municipal Infrastructure Grant
MTEC	-	Medium Term Expenditure Committee
MTEF	-	Medium Term Expenditure Framework
MTSF	-	Medium Term Strategic Framework

N

NDP	-	National Development Plan
NWPG	-	North West Provincial Government

O

OCPO	-	Office of the Chief Procurement Officer
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P

PFMA	-	Public Finance Management Act
PMG	-	Pay Master General account
PE	-	Public Entities
PERO	-	Provincial Economic Review and Outlook

R

RAMPS	Road Asset Management Plans
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S

SCM	-	Supply Chain Management
SCOA	-	Standard Chart of Accounting
SDIP	-	Service Delivery Improvement Plan
SERO	-	Socio-Economic Review and Outlook
SIPDM	-	Standard for Infrastructure Procurement and Delivery Management
SMME	-	Small, Medium and Micro Enterprise
SMS	-	Senior Management Structure

PART A: STRATEGIC OVERVIEW

Overview of the Annual Performance Plan

1. Updated situational analysis

The 2018 mid-year population is estimated at 57, 7 million. The mid-year population estimates indicates that the North West Province, has a total population estimated at 3 979 000.

The population has grown from 3 509 953 in 2011 to 3 979 000 by mid-2018. The population has grown by 13% between 2011 and mid-2018 (Statistics South Africa – Community survey, 2016 and Mid-year population estimates 2018). Population numbers form a critical component during the process of resource distribution in any economy. It is for this reason that the South African equitable share formula also takes into consideration the population numbers by province as a variable that informs the way it is allocated amongst different regions.

The Provincial Treasury is an enabler for effective service delivery in the province. This is done by ensuring that funds are appropriated effectively and cater for the population of the province in-line with the Bokone Bophirima Provincial Priorities and funds are spent as intended to realise value for money.

The information presented in this Annual Performance Plan (APP) is as a result of incorporation of Medium Term Strategic Framework (MTSF) priorities and provincial priorities which are derived from the governing political party.

The Department will continue efforts to improve supply chain management and ensure greater value for money in public service delivery and intensify cost-containment measures. The Department strives for improved revenue collection.

The North West Provincial Treasury plays a support and oversight role to North West Provincial Government in providing services to the citizens. In contribution towards the attainment of the provincial priorities the Provincial Treasury has identified the following priorities for the next financial year to support the North West Provincial Government in achieving its goals:

MTSF OUTCOME 9: Responsive, accountable, effective and efficient Local Government

Priority: Sound financial and administration management

- Monitoring, assessing and guiding municipalities to comply with all legislative requirements relating to municipal revenue financial management and sustainability.
- Supporting measures that address the financial management and governance of municipalities.
- Institutionalizing capacity building for local government so that officials meet the prescribed minimum competency requirements and councillors are able to fulfil their governance obligations.

MTSF OUTCOME 12: An efficient, effective and development oriented public service

Priority: Efficient and effective management and operations systems

- Improving financial management in the North West Province.

Priority: Procurement systems that deliver value for money

- Department will identify areas where transversal contracts can help to reduce the procurement demands on individual departments or entities and deliver economies of scale
- Ensuring capacity building and professionalising supply chain management in Province
- Provincial Treasury will ensure that regulations and other guidelines differentiate adequately between different forms of procurement.
- Providing real-time operational support to supply chain management matters.

Each outcome has a limited number of measurable outputs with targets and it is linked to a set of activities that will help achieve the targets and contribute to the outcome.

1.1 Performance delivery environment

As the Provincial Treasury plays a vital role in ensuring that the Provincial resources are better channelled and managed, it takes into account a clear and cyclical correlation between economic growth and socio-economic outcomes (living standards).

In support of achieving improved socio-economic outcomes, the Provincial and Socio-Economic Reviews Outlook are performed to assess the Provincial budget impact in our Bokone Bophirima province. The developments in the global and national economic environment present associated risks as well as greater socio-economic challenges. These circumstances have implications for the sustainability of government resources and call for increased emphasis on efficiency, innovation and effectiveness in how we deliver goods and services to our clients. Improving governance is a further critical element in the delivery of efficient and effective public expenditure.

The following were achieved during 2017/18 financial year in line with MTSF outcome 9 and 10:

- The Department was able to obtain a clean audit opinion for the year 2017-2018, fifth time in a row.

MTSF Outcome 9: Responsive, accountable, effective and efficient developmental local government system

Sub-outcome: Sound financial and administrative management

Action: Monitoring, assessing and guiding municipalities to comply with legislative requirements relating to municipal revenue financial management and sustainability.

Finance played a vital role by facilitating payments of outstanding debts and monitoring the implementation of agreed plans between municipalities and ESKOM.

MTSF Outcome 12: An efficient, effective and development oriented public service

Sub-outcome: A public service that is a career of choice.

Department developed its Work Skills Plan (WSP) and submitted it to SETA as required by the legislation to ensure that it draws improved support mechanisms in order to develop and adequately support the skills of its employees.

Sub-outcome: Service departments implement operations management framework and methodology

Provincial Treasury successfully monitored and developed the Service Delivery Improvement Plan with the aim of ensuring that managers focus a significant proportion of their attention on addressing basic weaknesses in management and operations systems.

Sub-outcome: Efficient and effective management and operation systems

Action: Improving financial management in the departments and public entities.

The department has continuously monitored the expenditure (including the Infrastructure expenditure) of all provincial departments and produced quarterly financial performance reports to ensure that expenditure incurred relates to service delivery as required. Finance provided several trainings on accounting, financial systems, asset and supply chain management for departments' officials.

Department reviewed departments quarterly Financial Statement with the aim of improving quality of submission of financial statement at the end of the year.

Through Provincial Internal Audit unit, Finance provided Internal Audit functions to departments and public entities to ensure that they have sustainable and adequate control environment.

An oversight role was played to departments' and public entities on risk management issues to ensure compliance to Risk Management framework.

Clean audit outcomes

Provincial Treasury continued with the interventions to departments with the aim of improving audit outcomes of the departments.

During the 2018/19 financial year the Provincial Treasury continued with the following initiatives:

Review of provincial department's quarterly Financial Statement by Provincial treasury to improve the quality of submission of financial statement at the end of the year.

Monitoring of Post Audit Action Plan of departments and public entities.

Sub-outcome: Improving Supply Chain Management, including procurement.

Action: Capacity building and professionalising supply chain management.

During the 2018/19 financial year the department conducted 14 accredited training sessions to the North West provincial departments SCM officials, monitored the implementation of procurement plans of the departments and monitored 30 days payments to ensure that all procurements made by departments in the province complies with laws and regulations.

Successes on the Implementation of MPAT

The MPAT Result for the department has progressively improved since 2012 as follows:-

Departmental Performance on MPAT

Table 1

2012	2013	2014	2015	2016	2017	2018
------	------	------	------	------	------	------

Final Assessment 1.2	Final Assessment 1.3	Final Assessment 1.4	Final Assessment 1.5	Final Assessment 1.6	Final Assessment 1.7	Final Assessment 1.8
2.2	2.4	2.8	2.9	3.4	3.1	3.5

There has been a tremendous improvement from MPAT 1.2 to 1.6 version.

The positive picture depicted on the above table is as a result of commitment by department on areas where the department was not doing well.

The department dropped from an overall score of 3.4 in MPAT 1.6 to 3.1 in MPAT 1.7. Based on moderator's comments, the reason for the decline is as follows:

- Rejection of POE proof of submission (outgoing register) of quarterly reports to OTP.
- Spending of COE budget and vacancy rate not aligned then moderators assuming that the organisational structure is not fully funded.
- Departmental three year asset management strategy was not linked to department's strategic plan, annual performance plan, and budget.
- December 2016 and February 2016/17, not all invoices were paid on time although the delay in payment was as a result of the service provider not providing updated banking details.

Provincial Treasury has developed an MPAT Improvement plan in order to improve areas where the department scored less than level 4. As an indication that the department is taking MPAT seriously, the department has decided to itemise MPAT as a standing item on Departmental management committee meetings which are held on a monthly basis.

Progress towards achievement of five year Strategic Plan

Table 2

No	Strategic Objective	Five Year Target	Actual Achievement as at 31 March 2018
1	To sustain unqualified audit opinion for the next five years	5 Unqualified audit opinion for the next five years	4 Unqualified audit opinions to date.
2	To advise and support departments and public entities on budget planning and fiscal matters.	5 * Annual Provincial Estimates of Provincial Revenue and Expenditure (EPRE) compiled by 2020.	4 * Annual Provincial Estimates of Provincial Revenue and Expenditure (EPRE) compiled.
		5 * Adjustment Estimate of Provincial Revenue and Expenditure (AEPRE) compiled by 2020.	4* Adjustment Estimate of Provincial Revenue and Expenditure (AEPRE) compiled.
3	To provide support to municipalities in order for them to comply with MFMA.	13 municipalities receiving unqualified audit opinions by 2020	Unqualified audit opinions for Municipalities have been as follows since 2014/15: -2014/15: 6

No	Strategic Objective	Five Year Target	Actual Achievement as at 31 March 2018
			-2015/16: 4 -2016/17: 2 -2017/18: 1
4	To provide support to departments and public entities in order for them to comply with applicable asset management prescripts in the next five years.	8 departments and 5 public entities receiveing unqualified audit opinion on asset management in the next 5 years (by 2020).	Unqualified audit opinion on asset management for Departments and Public Entities have been as follows since 2014/15: -2014/15: 11 Depts. and 9 Public entities -2015/16: 10 Depts. and 4 Public entities -2016/17: 12 Depts. and 3 Public entities -2017/18: 9 Depts. and 8 Public entities
5	To support and monitor Departments and Public Entities in order to comply with supply chain management prescripts in the next five years.	9 departments and 6 public entities receiveing unqualified audit opinion on supply chain management prescripts in the next 5 years (by 2020).	Unqualified audit opinion on Supply Chain management for Departments and Public Entities have been as follows since 2014/15: -2014/15: 10 Depts. and 6 Public entities -2015/16: 11 Depts. and 9 Public entities -2016/17: 9 Depts. and 3 Public entities -2017/18: 2 Depts. and 10 Public entities
6	To provide support to Provincial Departments and Public Entities in order to comply with PFMA.	9 departments and 5 public entities receiveing unqualified audit opinion in the next 5 years (by 2020).	Unqualified audit opinions for Departments and Public Entities have been as follows since 2014/15: Departments -2014/15: 11 -2015/16: 8 -2016/17: 7 -2017/18: 4

No	Strategic Objective	Five Year Target	Actual Achievement as at 31 March 2018
			Public Entities -2014/15: 9 -2015/16: 8 -2016/17: 7 -2017/18: 6

Challenges encountered during service delivery

Table 3

Delivery Unit	Strategic Objective	Challenges	Remedial Action
Municipal Finance Management	To provide support to municipalities in order for them to comply with MFMA.	Municipalities not reporting their debt in terms of Sec 71 report which makes it difficult for MFM to assist with the collection of debt from government. There is regression in terms submission of correct Sec 71. There are 10 vulnerable municipalities not transacting in most modules.	Continuous engagement with system vendors as well as technical support from Provincial Treasury.
Asset Management	To provide support to departments and public entities in order for them to comply with applicable asset management prescripts in the next five years.	It is difficult to have regular compliance meetings with Public Entities, because most entities do not have dedicated asset managers. There are inadequate structures in Public Entities to perform asset management functions as a result SCM and admin officials are used to perform asset management functions. This affects the credibility of the asset register and the financial reporting is affected as these officials do not have GRAP experience.	Use of Contract workers from Provincial Accountant General's office to assist in asset management.
		Skill gap in the preparation of property, plant and equipment notes in public entities (including the performance of the year end procedures such as the assessment of Estimated Useful Life (EUL) and residual values) and capital asset notes in provincial departments.	The department will provide assistance in performing some of the functions and where required exploit the services of PFMA consultants and contractors from the office of the Accountant General.
Provincial Supply Chain Management	To support and monitor Departments and Public Entities in order to comply with supply chain management prescripts in the next five years.	Some Departments are not complying with the 30 day payment as required.	Continuous engagement with Departments and Entities on non-payment of suppliers invoice within 30 days as per Treasury

Delivery Unit	Strategic Objective	Challenges	Remedial Action
			Regulation 8.2.3
Financial Governance	To provide support to Provincial Departments and Public Entities in order to comply with PFMA.	<p>Some Departments are not in all instances implementing Internal Audit Findings</p> <p>Capacity in the Entities at the level of governance is very low</p> <p>Shortage in resources to support the Clean Audit campaign in the Provincial Departments and Entities in the Office of the Accountant General.</p> <p>Progress in the implementation of the Audit Action Plan is slow and CFO's are not taking initiatives to improve the situation</p>	<p>The Audit Committee in its reporting emphasizing the implementation of Internal Audit action plans. Furthermore, PIA performs follow up audits on implementation of action plans.</p> <p>Short Term - Provide support to the Entities Request Executive Council to allocate additional funding to the entities to develop appropriate stable structure.</p> <p>Appoint qualified contract workers who could assist the Office in this campaign. Also develop the permanent structure in the Programme to have continues availability.</p> <p>Close monitoring and support through Skills development and Consequence management</p>

The state of the economic performance in relation to the NW budget

The latest statistics show that the provincial economy has only grown by 0.19 per cent in 2018 compared to the national growth rate of 0.8 per cent which also reported a GDP decline of 3.2 per cent in the first quarter of 2019. These growth rates are lower than the planned annual growth rate of 5.6 per cent that is believed to be significant enough to half unemployment and poverty by 2030.

The provincial population is growing at an annual rate of 1.62 per cent and it is projected to increase from the current 3.85 million people to 4.06 million between now and the next two years. About 60 per cent of the population live in poverty. In addition, the province is experiencing rapid urbanisation and migration of poor people especially in the two districts of Bojanala and Dr. Kenneth Kaunda. This is creating service delivery pressures for municipalities in these affected districts.

Low income households and small businesses are severely affected by the hardships of the underperforming provincial economy. Over the years, the administered prices for commodities that are necessities for households and critical production inputs for small businesses have increased faster than the inflation rate. For instance between 2018 and 2019, the price of electricity increased by 13.8 per cent and water tariffs increased by 14.6 per cent. The average petrol price increased from R6.92 per litre to R16.57 a litre between June 2008 and June 2019 while average wage rates grew by inflation rate or lesser.

The state of the NWPG Institutions performance relating to financial and non-financial management

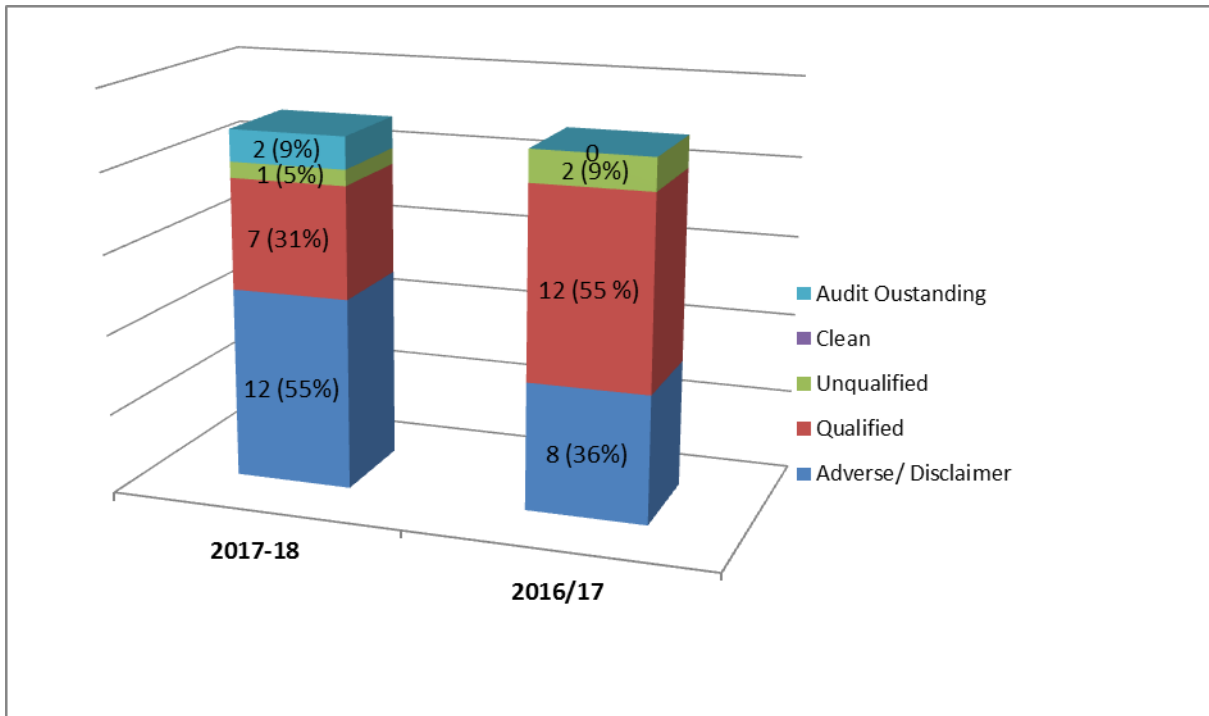
The present demand for services and challenges that need to be addressed are that most municipalities and public entities in the Province are still experiencing unfavourable or negative audit opinions. Provincial Treasury will continue to provide support to these municipalities and public entities with reducing audit queries and ultimately achieving improved audit outcomes in these municipalities and public entities.

Provincial Treasury has different support programmes which are aiming at turning the state of affairs in NWPG (North West Provincial Government) Institutions into a positive one.

Below is a summary of the audit outcomes for municipalities, provincial departments and public entities for 2017/2018 & 2016/17 financial years:

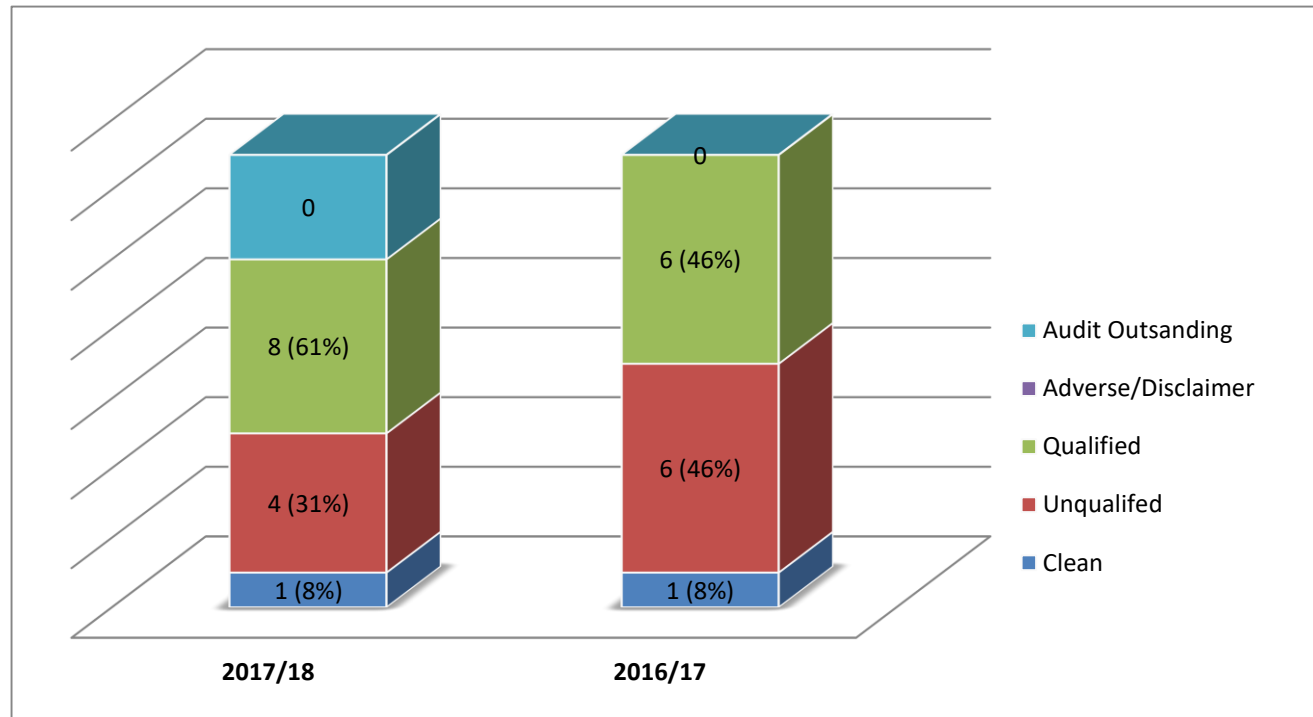
Municipalities (without entities)

Graph 1



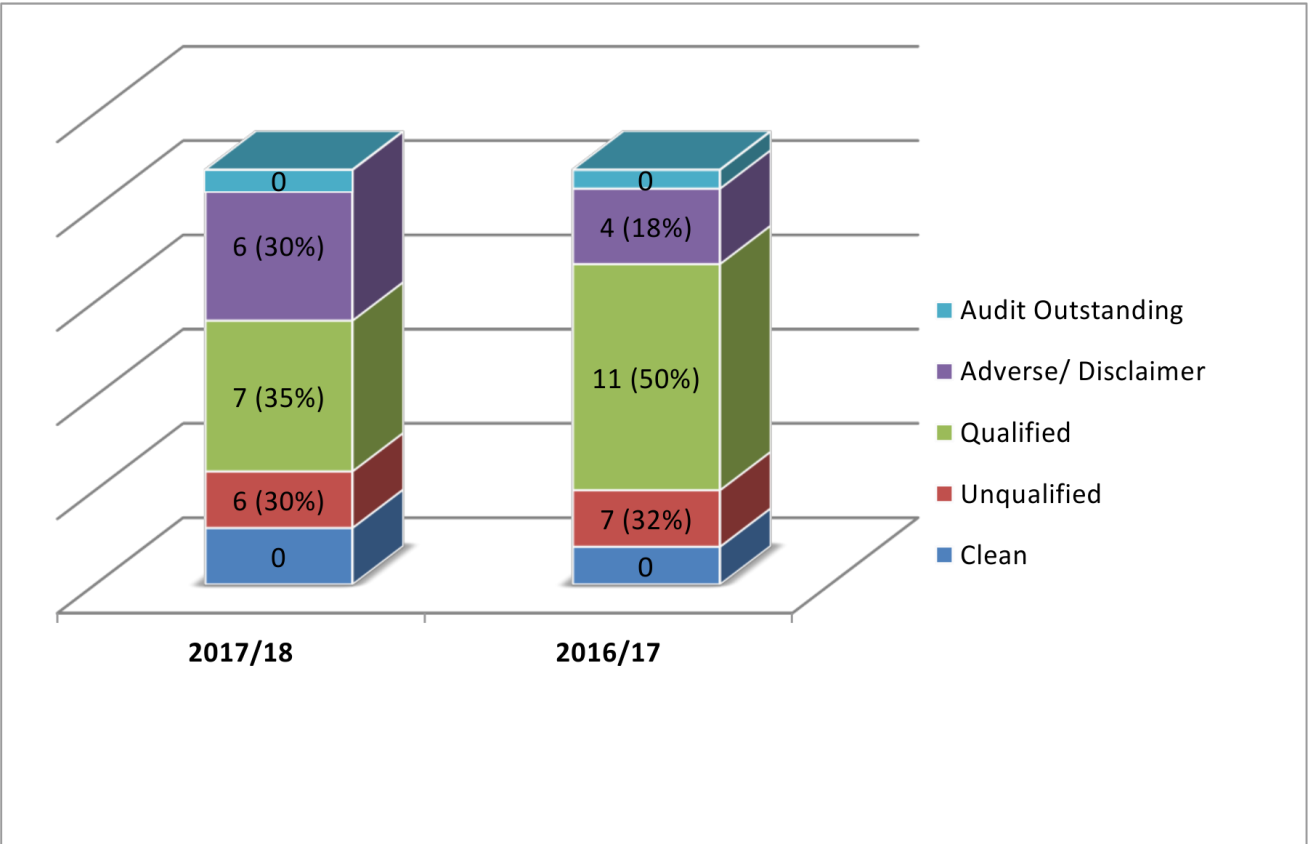
Provincial Departments

Graph 2



Public entities

Graph 3



Emerging trends are National Development Plan (NDP), Medium Term Strategic Framework (MTSF), Provincial Development Plan and provincial priorities. The department has aligned its APP to these above-mentioned strategic documents.

Despite the problems facing the Provincial departments, Public entities and municipalities, the Provincial Treasury still needs to address many challenges facing the province regarding poor financial management. Provincial Treasury will continue with the clean audit support programme in place that will assist in improving the challenge mentioned above.

These will, among other things improve the audit results of the departments, public entities and municipalities and capacitate our North West Government officials with the necessary knowledge and expertise.

The main objective is to provide support in striving for clean audit in the province, by:

- Monitoring, assessing and guiding municipalities to comply with legislative requirements relating to municipal revenue financial management and sustainability.
- Supporting measures that address the financial management and governance of municipalities through the use of municipal experts.
- Institutionalizing capacity building for local government so that officials meet the prescribed minimum competency requirements and councillors are able to fulfil their governance obligations.
- Intervening in order to reduce qualifications, adverse and disclaimer annual audit reports on the North West Provincial government departments

The above mentioned support will make it possible for the Provincial Treasury to succeed as an enabler to service delivery and replicate the success in the work of the government in achieving the intended outcome.

Despite the mentioned challenges the Department was able to sustain the clean audit opinion in the year 2017-2018. We, however, need to tirelessly and relentlessly work hard in ensuring that the clean audit is sustained and audit outcomes of other departments, public entities and municipalities are improved.

1.2 Organizational environment

The Provincial Treasury operates under 4 programmes as stated in the National Treasury Budget and Programme Structures as follows:

- Programme 1: Administration
- Programme 2: Sustainable Resource Management
- Programme 3: Assets and Liabilities Management
- Programme 4: Financial Governance

The newly approved structure was approved on the 13 June 2018 by MEC Wendy Nelson. Migration of employees to the new structure has been finalized and approved by MEC. The new structure was implemented on the 1st August 2018. Subsequent to the approved structure there was a need to relook into the Municipal Financial Management and Provincial Supply Chain Management to improve capacity in order to fully carry out mandates of these two functions. The revised structure had to be resubmitted to Minister of Department of Public Service Administration (DPSA) for concurrence, the department is still awaiting concurrence from Minister of DPSA.

1.3 Planned initiatives for 2019/20 Financial year

The following table shows the linkage between departments of Finance's initiatives and the 2015-2020 Strategic plan:

Table 4

2019 SOPA/Budget speech injunctions	Intended outcome	Responsibility/ Sector	Departmental Action/ Link to other performance indicators
Premier's SOPA Pronouncements 15 February 2019			
Hold extensive engagements with each of the four district municipalities and their respective local municipalities on challenges in their areas and how to collectively find solutions to those challenges and Incorporate long term interventions arising out of this engagements in to annual performance Plans and Integrated Development Plan for execution in the subsequent financial years. (SOPA pg 31)	To provide support to municipalities in order for them to comply with MFMA	Municipal Finance Management	<ul style="list-style-type: none"> • Analysis of the municipal Audit Reports to compile Province specific support plan (categorization of municipalities) and intervene when necessary. • Analysis of the Post audit action plans. • Review of the Interim financial Statements and feedback to municipalities. • Quarterly Monitoring of the effectiveness of the internal controls. • Implement contract management framework in all municipalities.
Conduct Monitoring & Evaluation supported by sporadic site inspections as well as interventions. (SOPA pg 32) Infrastructure site visits	To ensure value for money for identified projects	Infrastructure Coordination	<p>The injunction is linked to Indicator 4 under Infrastructure Coordination: Number of monthly consolidated expenditure reports produced against infrastructural projects</p> <ul style="list-style-type: none"> • Conduct Site Visit to infrastructure projects for validation of performance with reports. • Assess infrastructure plans for readiness to implement and alignment to allocated budgets. • Prepare monthly expenditure and performance reports to track implementation.
We have identified			The interventions listed below are

2019 SOPA/Budget speech injunctions	Intended outcome	Responsibility/ Sector	Departmental Action/ Link to other performance indicators
<p>points of service delivery across provincial and local government which are more prone to failure and thereby compromise service delivery. This are:</p> <ul style="list-style-type: none"> - Finance and Treasury Departments in Municipalities; - Finance and Supply Chain Management Units in All Provincial Departments; - (SOPA pg 33) 	<p>To provide support to municipalities in order for them to comply with MFMA</p> <p>To ensure compliance to supply chain management prescripts</p>	<p>Municipal Finance Management and Financial Governance</p> <p>Provincial Supply Chain Management</p>	<p>the same as those in item 54:</p> <ul style="list-style-type: none"> • Analysis of the municipal Audit Reports to compile Province specific support plan (categorization of municipalities) and intervene when necessary. • Analysis of the Post audit action plans. • Review of the Interim financial Statements and feedback to municipalities. • Quarterly Monitoring of the effectiveness of the internal controls. • Implement contract management framework in all municipalities. • Implementation of capacity building initiatives to municipal Budget and Treasury Office (BTO) officials.
<p>In order to curb reckless, wasteful and unauthorised expenditure in the Provincial Government systems are put in place to ensure financial discipline now and in the future. (SOPA pg 7)</p>	<p>To improve internal financial controls</p>	<p>Accounting Services</p>	<p>The injunction is linked to Indicator 3 under Accounting Services: Number of monitoring reports produced on Departments and Public Entities, on irregular, fruitless and wasteful expenditure</p> <ul style="list-style-type: none"> • Monitor March Spikes in the payments. • Review the payments for irregularity before the payments are effected. • Monitor systems (BAS & Persal) for unauthorised expenditure.
<p>Develop and implement an accounting framework for Traditional Councils to improve accountability in the use of public resources. Treasury must provide</p>	<p>To improve accountability by Tribal Authorities</p>	<p>Accounting Services</p>	<ul style="list-style-type: none"> • Finalise the Accounting Framework with other Provinces and National Treasury. • Consult with Auditor General, National CoGTA, users/preparers of financial statements.

2019 SOPA/Budget speech injunctions	Intended outcome	Responsibility/ Sector	Departmental Action/ Link to other performance indicators
necessary assistance in this regard (SOPA pg 28).			<ul style="list-style-type: none"> Implement new framework in the Traditional Authorities.
Improve audit outcomes of municipalities (SOPA pg 26)	To provide support to municipalities in order for them to comply with MFMA	Municipal Financial Management	The injunction is linked to the Strategic Objective for Municipal Finance Management Chief Directorate on pg 33
Premier's SOPA Pronouncements 28 June 2019			
<p>To curb fraud and corruption on procurement and tender awarding processes, the following will be implemented.</p> <ul style="list-style-type: none"> Pre-auditing of all tenders above R10 million by the provincial internal audit to reduce the possibilities of non-compliance with laws and regulation; Internal control unit in the departments and entities will be strengthened to manage supply chain risks such as fraud, bribes, value for money etc; and Existing controls, thresholds and procedures will be regularly reviewed and assessed for relevance, adequacy and effectiveness. (SOPA pg 8-9) 	Prevention of corrupt activities on procurement and tender processes	Provincial Internal Audit	Pre-auditing of all tenders above R10 million
The Provincial Government, through the Provincial Treasury, will implement programs that will combat and decisively deal with corrupt activities and irregular tendencies around the SCM processes which lead to irregular appointment of service	To foster adherence on supply chain management policies and procedures	Provincial Supply Chain Management	Roll out of capacity building on contract management in provincial government

2019 SOPA/Budget speech injunctions	Intended outcome	Responsibility/ Sector	Departmental Action/ Link to other performance indicators
providers. The programs will amongst others include ensuring that there is adherence to the municipal SCM policies and procedures on appointment of service providers (SOPA pg 9)			
The Provincial Treasury jointly with the Department of Co-operative Governance, Traditional Affairs and Human Settlements will capacitate municipalities to ensure that contracts procured by municipalities are adequately managed and monitored through effective contract management (SOPA pg 9)	Improved service delivery at municipalities	Municipal Financial Management	Intensification of capacity building on contract management in municipalities
Implementation of punitive measures to municipalities who fail to implement all the necessary laws, regulations, guidelines and controls which includes withholding of grants (SOPA pg 10)	Good governance at municipalities	Sustainable Resource Management and Municipal Financial Management	Assessment of municipalities against municipal laws and internal controls
To ensure that we do not lose any opportunity for job creation, during the next 100 days, the Provincial Treasury will be putting systems in place to assess all tenders that would explicitly outline labour intensive programmes, training and contractor development as a requirement, including penalty clauses for non-compliance by contractors (SOPA pg 11)	To have reputable contractors who can deliver high quality workmanship	Provincial Supply Chain Management and Infrastructure Coordination	Assessment of tenders that comply with labour intensive and related requirements. Fostering of collaboration with other departments on employment opportunities is needed
During the second 100	Job creation	Provincial Supply	Monthly monitoring of jobs

2019 SOPA/Budget speech injunctions	Intended outcome	Responsibility/ Sector	Departmental Action/ Link to other performance indicators
<p>days, the Provincial Treasury will craft a monitoring system to track all employment opportunities created where programme managers will be expected to upload employment statistic on a monthly basis including matters relating to sub-contracting. The following additional matters will be addressed:</p> <ul style="list-style-type: none"> The Provincial Treasury will develop Instruction Note that reduces the R30m threshold to R10m, sub-contracting 30% to designated groups (SOPA pg 11) 		Chain Management and Infrastructure Coordination	created
Provincial Treasury will enhance National Treasury Instruction Note on Local Content and Production for designated sectors with specific reference to businesses owned by women, youth and people with disabilities (SOPA pg 11).	Promotion of local economic development	Provincial Supply Chain Management	Development of Instruction Note to address local content and production
<p>Provincial Treasury in collaboration with National Treasury developed a Contract Management Framework to enforce, amongst others, the following:-</p> <ul style="list-style-type: none"> Uniform application in terms of contract extensions, variations, deviations and contract terms. Provincial Contract Register which emphasizes, amongst others, contract description, contract period, start date, end date, contract value, 	Enforcement of Contract Management	Provincial Supply Chain Management	Monitoring of Contract Management in the province

2019 SOPA/Budget speech injunctions	Intended outcome	Responsibility/ Sector	Departmental Action/ Link to other performance indicators
renewal, escalations etc (SOPA pg 12)			
<p>The Provincial Treasury will extend implementation of the internship programme to provide job experience in financial management to unemployed graduates and promote capacity building in municipalities throughout the North West Province, in partnership with FASSET.</p> <p>Learners will be hosted at various municipalities, and this will assist in capacitating them, thus creating a pool of skills in financial management which can be tapped into during recruitment processes.</p> <p>The Department will enter into memoranda of agreement with individual municipalities to ensure commitment, successful implementation of the internship programme and monitoring thereof (SOPA pg 12-13)</p>	Creation of job opportunities for the youth	Municipal Financial Management	Implementation of internship programme
<p>Section 154 of the Constitution put the responsibility upon provincial governments and national government to support and strengthen the capacity of the municipalities to manage its own affairs.</p> <p>The focus of this capacitation will be to</p>	Improvement of governance and financial accountability	Municipal Financial Management	Intensification of capacity building on contract management in municipalities

2019 SOPA/Budget speech injunctions	Intended outcome	Responsibility/ Sector	Departmental Action/ Link to other performance indicators
conduct work sessions on the roles and responsibilities in dealing with Municipal Finance Management Act, Section 32 & circular 68 for MPACs and Municipal Budget Treasury Offices with the aim to address Unauthorized, Irregular, Fruitless & Wasteful expenditure related findings (SOPA pg 29)			
Provincial Treasury will provide the necessary assistance to develop and implement an accounting framework for Traditional Councils to improve accountability in the use of public resources to improve records management in Traditional Councils and provide personnel capacity for Traditional Councils to address functions such as book-keeping, accounting, and general financial controls (SOPA pg 30-31)	Improved accountability on use of public resources	Accounting Services	Development of Accounting Framework for Traditional Councils
Budget Speech 5 March 2019			
Having noticed an increase in number of unnecessary deviations requested on existing tenders which poses a risk of tender corruption, the Provincial Treasury is currently reviewing all the contract to ensure compliance to regulators prescripts (Budget Speech pg 6)	Compliance to contract management policies and avoid non-compliance	Provincial SCM	Assess contracts to confirm compliance
The Provincial Treasury will work with the Department (Public Works and Roads) in	Safe and drivable road network for and access to socio economic	Infrastructure Coordination	<ul style="list-style-type: none"> Assess long term roads infrastructure plans (RAMP) for creation of long term project pipeline which will

2019 SOPA/Budget speech injunctions	Intended outcome	Responsibility/ Sector	Departmental Action/ Link to other performance indicators
preparation for Viable Business Case for alternative funding options. (Budget Speech pg 10)	needs of the citizens of North West		attract external funding.
Given the challenges in supply chain and contract management, Generally Recognised Accounting Practice (GRAP) and Municipal Standard Chart of Accounts (MSCOA) training as part of capacity building initiatives in municipalities. (Budget Speech pg 19)	To enhance capacity at municipalities in order for them to comply with MFMA and improve service delivery	Municipal Finance Management	The injunction is linked to Indicator 2 under Municipal Finance Management: Number of capacity building sessions (e.g. MSCOA, GRAP, SCM etc.) conducted to support municipalities to implement MFMA Reforms.
The Provincial Treasury will be working with the Department (Community Safety and Transport Management) on a process to determine the credibility of the budget for learner transport programme for correctness (Budget Speech pg 20)	To ensure proper implementation of learner transport programme	Provincial Internal Audit/ Sustainable Resource Management	The Provincial Treasury through the Provincial Internal Audit will undertake a comprehensive route verification for all Scholar Transport routes before end April 2019
In compliance to the Ministers directive, remuneration on overtime will be monitored on quarterly basis. The Provincial Treasury will issue a directive to departments to submit comprehensive motivations for upwards adjustment of compensation of employees above the inflation rate (Budget Speech pg 21)	To ensure adherence to Ministerial directive on payment and compensation of employees regulation	Sustainable Resource Management	Directive to be issued by 30 April 2019 Quarterly expenditure reports on overtime will be drawn from the vulindlela financial system.
The National Treasury in collaboration with Provincial Treasuries and other stakeholders in the infrastructure delivery space has	To ensure effective implementation of Provincial IDMS protocol	Sustainable Resource Management	Facilitate engagements with all provincial stakeholders to prepare a Provincial IDMS protocol for adoption by EXCO and submission to NT.

2019 SOPA/Budget speech injunctions	Intended outcome	Responsibility/ Sector	Departmental Action/ Link to other performance indicators
<p>completed the review of the Infrastructure Delivery Management System (IDMS) and the Standard for Infrastructure Procurement and Delivery Management (SIPDM) which will be published for implementation in the next financial year by the whole Government including departments, municipalities and their Entities.</p> <p>To this end the Provincial Government will review and adopt the Provincial IDMS protocol before the end of the second quarter that will guide infrastructure planning and delivery which will be enforced through a Control Framework for Infrastructure Procurement and Delivery Management (Budget Speech pg 22).</p>			
<p>In line with the current National reconfiguration process as announced by the President, Finance is currently working on the rationalization of public entities and such process will be finalized in due course (Budget Speech pg 22).</p>	<p>Implementation of National and Provincial reconfiguration process</p>	<p>Sustainable Resource Management</p>	<ul style="list-style-type: none"> • Acquire approved final recommendations to commence with the merger of the NWP &TB (North West Parks and Tourism Board) • Quarterly meetings with the GTAC (Government Technical and Advisory Committee) & all relevant stakeholders • A final report on the findings, including amalgamation or closure of individual entities or subsidiaries will be made at the end of each phase of the project (30 April 2019)

2. Revisions to legislative and other mandates

There are no revisions to legislative and other mandates

3. Overview of 2019/20 budget and MTEF estimates

3.1 Expenditure estimates

Table 3.1: Summary of payments and estimates by programme: Finance

R thousand	Outcome			Main appropriation	Adjusted appropriation 2018/19	Revised estimate	Medium-term estimates		
	2015/16	2016/17	2017/18				2019/20	2020/21	2021/22
1. Administration	136,358	129,702	141,735	143,037	151,709	149,773	153,470	161,866	170,766
2. Sustainable Resource Managerr	126,137	136,441	117,749	131,940	108,653	104,447	140,880	166,948	206,708
3. Asset And Liabilities Manageme	42,958	42,651	43,090	52,448	50,548	48,193	59,383	68,551	72,324
4. Financial Governance	120,145	143,207	161,211	156,659	169,774	176,605	174,989	192,108	202,673
Total payments and estimates	425,598	452,001	463,785	484,084	480,684	479,018	528,722	589,473	652,471

Table 3.1.1: Summary of provincial payments and estimates by economic classification: Finance

R thousand	Outcome			Main appropriation	Adjusted appropriation 2018/19	Revised estimate	Medium-term estimates		
	2015/16	2016/17	2017/18				2019/20	2020/21	2021/22
Current payments	414,234	439,166	459,757	478,046	474,349	473,671	521,766	581,917	644,504
Compensation of employees	216,255	236,449	268,116	324,465	298,718	296,079	380,925	405,685	431,638
Goods and services	197,978	202,716	191,641	153,581	175,631	177,591	140,841	176,232	212,866
Interest and rent on land	1	1	–	–	–	1	–	–	–
Transfers and subsidies to:	3,439	2,329	695	227	1,759	1,700	658	694	733
Provinces and municipalities	–	–	–	–	–	–	–	–	–
Departmental agencies and acco	–	–	–	–	–	–	–	–	–
Higher education institutions	–	–	–	–	–	–	–	–	–
Foreign governments and intern	–	–	–	–	–	–	–	–	–
Public corporations and private	–	–	–	–	–	–	–	–	–
Non-profit institutions	–	–	85	–	–	130	–	–	–
Households	3,439	2,329	610	227	1,759	1,570	658	694	733
Payments for capital assets	7,922	10,506	3,333	5,811	4,576	3,429	6,298	6,862	7,234
Buildings and other fixed structu	–	–	–	–	–	–	–	–	–
Machinery and equipment	7,922	10,506	3,333	5,811	4,576	3,429	6,298	6,862	7,234
Heritage Assets	–	–	–	–	–	–	–	–	–
Specialised military assets	–	–	–	–	–	–	–	–	–
Biological assets	–	–	–	–	–	–	–	–	–
Land and sub-soil assets	–	–	–	–	–	–	–	–	–
Software and other intangible as	–	–	–	–	–	–	–	–	–
Payments for financial assets	3	–	–	–	–	218	–	–	–
Total economic classification	425,598	452,001	463,785	484,084	480,684	479,018	528,722	589,473	652,471

Table 3.1.2: Personnel numbers and costs by programme

Personnel numbers	As at 31 March 2016	As at 31 March 2017	As at 31 March 2018	As at 31 March 2019	As at 31 March 2020	As at 31 March 2021	As at 31 March 2022
1. Administration	195	237	258	268	268	268	268
2. Sustainable Resource Management	105	123	137	123	168	168	168
3. Asset And Liabilities Management	78	55	59	66	74	74	74
4. Financial Governance	187	200	216	223	253	253	253
Direct charges	–	–	–	–	–	–	–
Total provincial personnel numbers	565	615	670	680	763	763	763
Total provincial personnel cost (R thousand)	216 255	236 449	268 116	297 619	380 925	405 685	431 638
Unit cost (R thousand)	383	384	400	438	499	532	566

3.2 Relating expenditure trends to strategic outcome oriented goals

Key assumptions

The budget for the 2019/20 MTEF is based on the departments Strategic Plan and APP which are reflective of the service delivery requirements and improvements of the department. Some of the main assumptions underpinning the MTEF budget are as follows:

- Inflation projections (CPI) as published in the 2019 Medium Term Budget Policy Statement are 5.4 per cent in 2019/20, 5.6 per cent in 2020/21 and 5.4 per cent in 2021/22;
- Provision for Improvement in Conditions of Service (ICS) is Cost of living adjustments and are as follows;
- The revised projections for the personnel budget inflation are 6.4 per cent in 2019/20, 6.6 per cent in 2020/21 and 6.4 per cent in 2021/22 financial year;
- A 1.5 per cent pay progression is included in the budget provision for personnel costs; and

Funds are allocated to support all four (4) programmes in the Provincial Treasury to achieve their goals as stipulated in the Strategic Plan and 2019-2020 Annual Performance Plan.

PROGRAMME SUMMARY

3.3 Departmental Budgeted Receipts

Summary of receipts

Table 3.3.1 below shows the sources of funding for Vote 07 over the seven-year period 2015/16 to 2021/22.

Table 3.3.1: Summary of receipts

R thousand	Outcome			Main appropriation	Adjusted appropriation 2018/19	Revised estimate	Medium-term estimates		
	2015/16	2016/17	2017/18				2019/20	2020/21	2021/22
Equitable share	344,263	339,770	335,653	348,397	344,197	344,197	386,542	439,473	494,371
Conditional grants	-	-	-	-	-	-	-	-	-
<i>Conditionanl Grant 1</i>							-	-	-
0							-	-	-
0							-	-	-
0							-	-	-
0							-	-	-
Donations	-	-	-	-	-	-	-	-	-
0									
Financing									
Departmental receipts	120,890	204,271	222,586	134,640	134,640	134,640	142,180	150,000	158,100
Total receipts	465,153	544,041	558,239	483,037	478,837	478,837	528,722	589,473	652,471

The main sources of funding for the department is Equitable Share and Own Revenue. The Equitable Share allocation for 2018/19 is 72 per cent or R348.4 million of the total departmental allocation, while Own Revenue is 28 per cent of the total allocation or R134.3 million. The departmental Equitable Share decreased by 1 per cent from 2015/16 to 2017/18, then increased by 4 per cent which amounts to R12.7 million to R348.4 million in 2018/19, then increased by 11 per cent in 2019/20 which amounts to R38.1 million, 14 per cent in 2020/21 and 12 per cent in 2021/22 financial year.

Departmental receipts collection

Table 3.3.2 below provides details of the revenue collection by this department from 2015/16 to 2021/22.

Table 3.3.2: Summary of departmental receipts collection

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2015/16	2016/17	2017/18				2019/20	2020/21	2021/22
Tax receipts	-	-	-	-	-	-	-	-	-
Casino taxes	-	-	-	-	-	-	-	-	-
Horse racing taxes	-	-	-	-	-	-	-	-	-
Liquor licences	-	-	-	-	-	-	-	-	-
Motor vehicle licences	-	-	-	-	-	-	-	-	-
Sales of goods and services of	207	156	2,339	280	280	280	295	311	328
Transfers received	-	1,047	-	-	-	-	-	-	-
Fines, penalties and forfeits	-	-	-	-	-	-	-	-	-
Interest, dividends and rent on li	120,562	203,018	220,247	134,360	134,360	134,360	141,885	149,689	157,772
Sales of capital assets	1	1	-	-	-	-	-	-	-
Transactions in financial assets	120	49	-	-	-	-	-	-	-
Total departmental receipts	120,890	204,271	222,586	134,640	134,640	134,640	142,180	150,000	158,100

The department has factored in a decline of 3 per cent in 2015/16 and a sharp growth of 69 per cent increase in 2016/17 financial years and 9 per cent in 2017/18. A decline of 40 per cent is realised in 2018/19, 6 per cent increase on anticipated revenue in 2019/20, and 6 per cent increase in collection in the 2020/21 and 5 per cent in 2021/22 financial year.

The sources of own revenue for the department are the following:

- **Sale of goods and services other than capital assets:** The revenue is mainly raised through fees charged by the department for tender documents issued. The projected collection shows a steady increase over the MTEF.
- **Interest, dividends and rent on land:** The revenue collected from this source was due to the substantial cash surpluses on the Pay Master General account (PMG) resulting from under spending in the previous financial years. The 68 per cent increase in 2016/17 is attributable on interest receivable because of under spending levels by Provincial departments. The uncertainty element inherent to this item makes it difficult to forecast future collections. There is an increase of 8 per cent in 2017/18, 39 per cent decrease on anticipated revenue in 2018/19, 6 per cent increase on collection in 2019/20, 6 per cent in 2020/21 and 7 per cent in 2021/22 financial year.
- **Sales of capital assets:** The collection in 2015/16 and 2016/17 is attributed to sales of redundant assets which were auctioned during the year.

PART B: PROGRAMME AND SUB-PROGRAMME PLANS

4.1 Programme 1: Administration

1.1	Sub-Programme:	Office of the MEC
1.2	Sub-Programme:	Management Services (HOD)
1.3	Sub-Programme:	Corporate Services
1.4	Sub-Programme:	Financial Management (Office of the CFO)

This programme provides human resource support, strategic management, communication and departmental financial management services. This programme consists of four sub-programmes, namely Office of the MEC, Management services, Corporate services and Financial management (Office of the CFO).

1.1 Office of the MEC

To render office support services and to act as linkage between the Department and the Provincial Legislature enabling the MEC to realise the Department's priorities.

1.2 Management Services (HOD)

To provide leadership in all facets of strategic and financial management in the Province

1.3 Corporate Services

This programme provides human resource, strategic management, communication and legal support.

1.4 Financial Management (Office of the CFO)

To deliver sound financial management services to the Department.

Programme 1: Administration

Strategic objectives and performance indicators annual targets for 2019-2020

4.1 Table: STRATEGIC OBJECTIVES AND ANNUAL TARGETS 2019-2020 APP

Strategic objective	Strategic Plan Target	Audited/Actual performance			Estimated performance 2018/19	Medium-term targets		
		2015/2016	2016/17	2017/18		2019/20	2020/21	2021/22
To sustain unqualified audit opinion for the next five years	5 Unqualified audit opinion for the next five years	Favourable Audit opinion	Unqualified Audit opinion	Unqualified Audit opinion	Unqualified Audit opinion	Unqualified Audit opinion	Unqualified Audit opinion	Unqualified Audit opinion

4.1.1 Sub-Programme 1.1: OFFICE OF THE MEC

Table 4.1.1.1: Annual Targets 2019-2020: Office of the MEC

No	Performance Indicator	Audited/Actual performance			Estimated performance 2018/19	Medium-term targets		
		2015/2016	2016/17	2017/18		2019/20	2020/21	2021/22
1	Number of Annual Estimate of Provincial Revenue and Expenditure tabled not later than two weeks after the tabling of the national budget	1	1	1	1	1	1	1
2	Number of Annual Reports submitted to Provincial Legislature for tabling	1	1	1	1	1	1	1

Table 4.1.1.2: Quarterly Targets 2019-2020: Office of the MEC

No	Performance indicator	Reporting period	Annual target 2019/20	Quarterly targets			
				1 st	2 nd	3 rd	4 th
1	Number of Annual Estimate of Provincial Revenue and Expenditure tabled not later than two weeks after the tabling of the national budget	Annual	1	N/A	N/A	N/A	1
2	Number of Annual Reports submitted to Provincial Legislature for tabling	Annual	1	N/A	1	N/A	N/A

4.1.2 Sub-Programme 1.2: MANAGEMENT SERVICES (HOD)

Table 4.1.2.1: Annual Targets 2019-2020: Management Services (HOD)

No	Performance Indicator	Audited/Actual performance			Estimated performance 2018/19	Medium-term targets		
		2015/2016	2016/17	2017/18		2019/20	2020/21	2021/22
1	Number of Annual performance assessment of SMS performed	1	1	1	1	1	1	1

NB: Performance indicator 1 is linked to Chapter 12 of the North West Provincial Development Plan: Sub-Heading 12.5: Human Resource Development and Management.

Table 4.1.2.2: Quarterly Targets 2019-2020: Management Services (HOD)

Performance indicator		Reporting period	Annual target 2019/20	Quarterly targets			
				1 st	2 nd	3 rd	4 th
1.	Number of Annual performance assessment of SMS performed	Annual	1	N/A	N/A	1	N/A

4.1.2.1 Sub-Programme 1.2.1: RISK MANAGEMENT

Table 4.1.2.1.1: Annual Targets 2019-2020: Risk Management

No	Performance Indicator	Audited/Actual performance			Estimated performance 2018/19	Medium-term targets		
		2015/2016	2016/17	2017/18		2019/20	2020/21	2021/22
1	Number of Strategic Risk Assessments Performed	1	1	1	1	1	1	1

Table: 4.1.2.1.2 Quarterly Targets 2019-2020: Risk Management

Performance indicator		Reporting period	Annual target 2019/20	Quarterly targets			
				1 st	2 nd	3 rd	4 th
1	Number of Strategic Risk Assessments Performed	Annual	1	1	N/A	N/A	N/A

4.1.3 Sub-Programme 1.3: CORPORATE SERVICES (STRATEGIC MANAGEMENT)

Table 4.1.3.1: Annual Targets 2019-2020: Strategic Management

No.	Performance indicator / measure	Audited/Actual performance			Estimated performance 2018/19	Medium-term targets		
		2015/2016	2016/17	2017/18		2019/20	2020/21	2021/22
1	Number of Departmental Annual Performance Plan developed and submitted to office of the HOD	1	1	1	1	1	1	1
2	Number of Annual report produced	1	1	1	1	1	1	1
3	Number of monitoring reports compiled on Service Delivery Improvement Plan	New	New	New	4	4	4	4

NB: Performance indicator no 3 is linked to MTSF Outcome 12: An Efficient, effective and development oriented public service: Sub-Outcome D: Efficient and effective management and operations systems. Key priority: Service departments implement operations management framework and methodology.

Table 4.1.3.2: Quarterly Targets 2019-2020: Strategic Management

Programme performance indicators / measure		Reporting period	Annual target 2019/20	Quarterly targets			
				1 st	2 nd	3 rd	4 th
1	Number of Departmental Annual Performance Plan developed and submitted to office of the HOD	Annual	1	N/A	N/A	N/A	1
2	Number of Annual Report produced	Annual	1	N/A	1	N/A	N/A
3	Number of monitoring reports compiled on Service Delivery Improvement Plan	Quarterly	4	1	1	1	1

4.1.4 Sub-Programme 1.4: FINANCIAL MANAGEMENT (MANAGEMENT AND FINANCIAL ACCOUNTING)

Table 4.1.4.1.1: Annual Targets 2019-2020: Management and Financial Accounting

Performance indicators		Audited/Actual performance			Estimated performance 2018/19	Medium-term targets		
		2015/2016	2016/17	2017/18		2019/20	2020/21	2021/22
1	Number of Annual Financial Statements submitted to Provincial Treasury	1 Annual AFS	1 Annual AFS	1	1	1	1	1

Table 4.1.4.1.2: Quarterly Targets 2019-2020: Management and Financial Accounting

Performance indicator		Reporting period	Annual target 2019/20	Quarterly targets			
				1 st	2 nd	3 rd	4 th
1	Number of Annual Financial Statements submitted to Provincial Treasury	Annual	1	1	N/A	N/A	N/A

4.1.4.2 Sub-Programme 1.4.2: SUPPLY CHAIN MANAGEMENT SERVICES

Table 4.1.4.2.1: Annual Targets 2019-2020: Supply Chain Management Services

No.	Performance Indicator	Audited/Actual performance			Estimated performance 2018/19	Medium-term targets		
		2015/2016	2016/17	2017/18		2019/20	2020/21	2021/22
1	Number of compliance reports on asset management submitted to Provincial Treasury	12	12	12	12	12	12	12
2	Number of Departmental Procurement Plan produced and submitted to Provincial Treasury	1	1	1	1	1	1	1
3	Number of Financial Delegation Framework reviewed	1	1	1	1	1	1	1
4	Number of reports produced reflecting that Service providers are paid within 30 days after receipt of invoices in line with National Treasury instruction No. 34.	Service providers paid within 30 days after receipt of invoices	Service providers paid within 30 days after receipt of invoices	Service providers paid within 30 days after receipt of invoices	Service providers paid within 30 days after receipt of invoices	4	4	4

NB: Performance indicator no 2, 3 & 4 is linked to MTSF Outcome 12: An Efficient, effective and development oriented public service: Sub-Outcome E: Procurement systems that deliver value for money.

Table 4.1.4.2.2: Quarterly Targets 2019-2020: Supply Chain Management Services

Performance indicator		Reporting period	Annual target 2019/20	Quarterly targets			
				1 st	2 nd	3 rd	4 th
1	Number of compliance reports on asset management submitted to Provincial Treasury	Quarterly	12	3	3	3	3
2	Number of Departmental Procurement Plan produced and submitted to Provincial Treasury	Annual	1	1	N/A	N/A	N/A
3	Number of Financial Delegation Framework reviewed	Annual	1	N/A	N/A	1	N/A
4	Number of reports produced reflecting that Service providers are paid within 30 days after receipt of invoices in line with National Treasury instruction No. 34.	Quarterly	4	1	1	1	1

4.1.5 Reconciling performance targets with the Budget and MTEF

Expenditure estimates

Table 4.1.5: Summary of payments and estimates by sub-programme: Programme 1: Administration

R thousand	Outcome			Main appropriation	Adjusted appropriation 2018/19	Revised estimate	Medium-term estimates		
	2015/16	2016/17	2017/18				2019/20	2020/21	2021/22
1. Office Of The Mec	7,850	7,815	8,894	8,962	9,822	9,831	9,487	10,007	10,557
2. Management Services	6,239	9,441	9,956	10,578	7,711	6,917	9,211	9,826	10,365
3. Corporate Services	80,747	65,253	76,352	74,529	82,937	82,607	82,416	86,801	91,574
4. Financial Management (Office O	41,522	47,193	46,533	48,968	51,239	50,418	52,356	55,232	58,270
Total payments and estimates	136,358	129,702	141,735	143,037	151,709	149,773	153,470	161,866	170,766

Table 4.1.6: Summary of payments and estimates by economic classification: Programme 1: Administration

R thousand	Outcome			Main appropriation	Adjusted appropriation 2018/19	Revised estimate	Medium-term estimates		
	2015/16	2016/17	2017/18				2019/20	2020/21	2021/22
Current payments	129,443	122,817	140,338	140,933	149,314	147,518	151,119	159,384	168,149
Compensation of employees	69,329	82,407	90,507	101,229	99,142	99,114	110,884	118,104	125,658
Goods and services	60,114	40,410	49,831	39,704	50,172	48,403	40,235	41,280	42,491
Interest and rent on land	—	—	—	—	—	1	—	—	—
Transfers and subsidies to:	1,974	1,662	295	100	456	451	184	194	205
Provinces and municipalities	—	—	—	—	—	—	—	—	—
Departmental agencies and acco	—	—	—	—	—	—	—	—	—
Higher education institutions	—	—	—	—	—	—	—	—	—
Foreign governments and intern	—	—	—	—	—	—	—	—	—
Public corporations and private	—	—	—	—	—	—	—	—	—
Non-profit institutions	—	—	85	—	—	130	—	—	—
Households	1,974	1,662	210	100	456	321	184	194	205
Payments for capital assets	4,938	5,223	1,102	2,004	1,939	1,609	2,167	2,288	2,412
Buildings and other fixed structu	—	—	—	—	—	—	—	—	—
Machinery and equipment	4,938	5,223	1,102	2,004	1,939	1,609	2,167	2,288	2,412
Heritage Assets	—	—	—	—	—	—	—	—	—
Specialised military assets	—	—	—	—	—	—	—	—	—
Biological assets	—	—	—	—	—	—	—	—	—
Land and sub-soil assets	—	—	—	—	—	—	—	—	—
Software and other intangible as	—	—	—	—	—	—	—	—	—
Payments for financial assets	3	—	—	—	—	195	—	—	—
Total economic classification	136,358	129,702	141,735	143,037	151,709	149,773	153,470	161,866	170,766

Budget Trend

The programme budget grows with 0.2 per cent in 2019/20 due to the budget reduction on goods and services and it stabilizes to 5.5 per cent respectively in 2020/21 and 2021/22.

4.2 PROGRAMME 2: SUSTAINABLE RESOURCE MANAGEMENT

2.1	Sub-Programme:	Programme support
2.2	Sub-Programme:	Economic Analysis
2.3	Sub-Programme:	Fiscal Policy
2.4	Sub-Programme:	Budget Management
2.5	Sub-Programme:	Public Finance
2.6	Sub-programme:	Infrastructure Coordination
2.7	Sub-programme:	Municipal Financial Management (MFM)

Sustainable Resource Management comprises of five sub-programmes: Programme Support including Economic Analysis, Fiscal Policy, Budget Management, Public Finance (Resource Control) and Infrastructure Coordination. Public Finance (Resource Control) will now operate as stand-alone and the former Public Finance will now be renamed to Infrastructure Coordination.

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. The programme structure is as follows:

2.1 Programme support

The objective of this sub-programme is to provide leadership through efficient and co-ordinated administration and management of the programme.

2.2. Economic Analysis - Its objective is to conduct macroeconomic analysis and render policy advice, i.e. to determine and analyse key economic variables, their interrelation and relevance to the budget, the potential for growth and development and the interaction with governmental and revenue patterns, alternative budgeting and other revenue and expenditure scenarios on selected key economic growth and development indicators.

2.3 Fiscal Policy

To develop fiscal framework aiming at expanding the revenue base to enhancing the revenue envelope in order to ensure effective provincial government service delivery.

2.4 Budget Management

To ensure an effective annual Budget Process inclusive of the medium term budget policy statement aiming at allocating resources in line with government priorities.

2.5 Public Finance (Resource Control)

Monitor the implementation of the annual budget by reporting timeously on collection of own revenue, provincial government expenditure, conditional grant, infrastructure including detailed assessment of personnel expenditure.

2.6 Infrastructure Coordination {albeit this is not a sub-programme according to regulated Budget and Programme structure the Dept felt that it should be reflected because its plans are reflected in this APP)

The objective of this sub-programme is to assess Infrastructure Plans and monitor and report on the implementation of Infrastructure Delivery Improvement Programme (IDIP) in the North West Provincial Government.

2.7. MFM

The objective of this sub programme is to ensure MFMA compliance through monitoring and reporting within municipalities.

PROGRAMME 2: SUSTAINABLE RESOURCE MANAGEMENT

Strategic objective and programme performance indicators annual targets for 2019-2020

Sub-Programme 2.1: Program support (SUSTAINABLE RESOURCE MANAGEMENT)

Table 4.2.1: STRATEGIC OBJECTIVES AND ANNUAL TARGETS 2019-2020 APP

Strategic objective	Strategic plan target	Audited/Actual performance			Estimated performance 2018/19	Medium-term targets		
		2015/2016	2016/17	2017/18		2019/20	2020/21	2021/22
To advise and support departments and public entities on budget planning and fiscal matters.	5 * Provincial Estimates of Provincial Revenue and Expenditure (EPRE) compiled by 2020.	1	1	1	1	1	1	1
	5 * Adjustment Estimate of Provincial Revenue and Expenditure (AEPRE) compiled by 2020.	1	1	1	1	1	1	1
To provide support to municipalities in order for them to comply with MFMA	13 municipalities receiving unqualified audit opinions by 2020	4 municipalities with unqualified audit opinions	2 municipalities with unqualified audit opinions	1 municipalities with unqualified audit opinions	12 municipalities with unqualified audit opinions	3 municipalities with unqualified audit opinions	4 municipalities with unqualified audit opinions	5 municipalities with unqualified audit opinions

4.2.1 Sub-Programme 2.2: ECONOMIC ANALYSIS

Table 4.2.2.1: Annual Targets 2019-2020: Economic Analysis

No	Programme performance indicator	Audited/Actual performance			Estimated performance 2018/19	Medium-term targets		
		2015/2016	2016/17	2017/18		2019/20	2020/21	2021/22
1	Number of reports compiled on the Provincial Economic Review and Outlook (PERO)	1	N/A	N/A	N/A	1	1	1
2	Number of reports compiled on the Socio-Economic Review and Outlook (SERO) for the Province	2	2	2	2	1	1	1

Table 4.2.2.2: Quarterly Targets 2019-2020: Economic Analysis

No	Performance indicator	Reporting period	Annual target 2019/20	Quarterly targets			
				1 st	2 nd	3 rd	4 th
1	Number of reports compiled on the Provincial Economic Review and Outlook (PERO)	Annual	1	N/A	1	N/A	N/A
2	Number of reports compiled on the Socio-Economic Review and Outlook (SERO) for the Province	Annual	1	N/A	N/A	N/A	1

4.2.2 Sub-Programme 2.3: FISCAL POLICY

Table 4.2.3.1: Annual Targets 2019-2020: Fiscal Policy

No	Programme performance indicator	Audited/Actual performance			Estimated performance 2018/19	Medium-term targets		
		2015/2016	2016/17	2017/18		2019/20	2020/21	2021/22
1	Number of consolidated reports produced on the implementation of revenue enhancement strategy	4	4	4	4	4	4	4
2	Number of management accounts produced on Provincial Cash flow in line with the Provincial Budget	1	1	4	4	4	4	4

Table 4.2.3.2: Quarterly Targets 2019-2020: Fiscal Policy

Performance indicator		Reporting period	Annual target 2019/20	Quarterly targets			
				1 st	2 nd	3 rd	4 th
1	Number of consolidated reports produced on the implementation of revenue enhancement strategy	Quarterly	4	1	1	1	1
2	Number of management accounts produced on Provincial Cash flow in line with the Provincial Budget	Quarterly	4	1	1	1	1

4.2.3 SUB-PROGRAMME 2.4: BUDGET MANAGEMENT

Table 4.2.4.1: Annual Targets 2019-2020: Budget Management

No	Programme Performance indicator	Audited/Actual performance			Estimated performance 2018/19	Medium-term targets		
		2015/2016	2016/17	2017/18		2019/20	2020/21	2021/22
1	Number of Quarterly assessment reports produced on actual revenue and expenditure of Public Entities.	4	4	4	4	4	4	4
2	Number of gazettes on indicative allocations per school, hospital, public entity and municipality compiled.	3	1	2	2 (1- For Allocation to school, hospital, public entity and municipalities & 1- For Allocation to municipalities)	2 (1- For Allocation to school, hospital, public entity and municipalities & 1- For Allocation to municipalities)	2 (1- For Allocation to school, hospital, public entity and municipalities & 1- For Allocation to municipalities)	2 (1- For Allocation to school, hospital, public entity and municipalities & 1- For Allocation to municipalities)
3	Number of consolidated assessment reports compiled based on MTEC hearing sessions for departments, public entities and the Provincial Legislature.	13	1	1	1	1	1	1

Table 4.2.4.2: Quarterly Targets 2019-2020: Budget Management

No	Performance indicator	Reporting period	Annual target 2019/20	Quarterly targets			
				1 st	2 nd	3 rd	4 th
1	Number of Quarterly assessment reports produced on actual revenue and expenditure of Public Entities	Quarterly	4	1	1	1	1
2	Number of gazettes on indicative allocations per school, hospital, public entity and municipality compiled.	Annual	2 (1- For Allocation to school, hospital, public entity and municipalities & 1- For Allocation to municipalities)	2 (1- For Allocation to school, hospital, public entity and municipalities & 1- For Allocation to municipalities)	N/A	N/A	N/A
3	Number of consolidated assessment reports compiled based on MTEC hearing sessions for departments, public entities and the Provincial Legislature.	Annual	1	N/A	N/A	1	N/A

4.2.4 SUB-PROGRAMME 2.5: PUBLIC FINANCE

Table 4.2.5.1: Annual Targets 2019-2020: Public Finance

No	Programme Performance indicator	Audited/Actual performance			Estimated performance 2018/19	Medium-term targets		
		2015/2016	2016/17	2017/18		2019/20	2020/21	2021/22
1	Number of Quarterly Financial reports of departments compiled (Section 32 Report)	4	4	4	4	4	4	4
2	Number of audited provincial expenditure reports compiled	1	1	1	1	1	1	1
3	Number of consolidated monthly In-Year Monitoring (IYM) reports of departments including Provincial Legislature compiled	12	12	12	12	12	12	12
4	Number of consolidated monthly expenditure assessment reports on departments including Provincial Legislature to stakeholders	New	New	New	12	12	12	12
5	Number of consolidated quarterly In-Year Monitoring (IYM) reports of Public Entities compiled	New	New	4	4	4	4	4

Table 4.2.5.2: Quarterly Targets 2019-2020: Public Finance

No	Performance indicator	Reporting period	Annual target 2019/20	Quarterly targets			
				1 st	2 nd	3 rd	4 th
1	Number of Quarterly Financial reports of departments compiled (Section 32 Report)	Quarterly	4	1	1	1	1
2	Number of audited provincial expenditure reports compiled	Annual	1	N/A	1	N/A	N/A
3	Number of consolidated monthly In-Year Monitoring (IYM) reports of departments	Quarterly	12	3	3	3	3

No	Performance indicator	Reporting period	Annual target 2019/20	Quarterly targets			
				1 st	2 nd	3 rd	4 th
	including Provincial Legislature compiled						
4	Number of consolidated monthly expenditure assessment reports on departments including Provincial Legislature to stakeholders	Quarterly	12	3	3	3	3
5	Number of consolidated quarterly In-Year Monitoring (IYM) reports of Public Entities compiled	Quarterly	4	1	1	1	1

4.2.5 Sub-Programme 2.6: INFRASTRUCTURE CO-ORDINATION

Table 4.2.6.1: Annual Targets 2019-2020: Infrastructure Co-ordination

No	Programme Performance Indicators	Audited/Actual performance			Estimated performance 2018/19	Medium-term targets		
		2015/2016	2016/17	2017/18		2019/20	2020/21	2021/22
1	Number of training sessions conducted to ensure the Sustainability of the Infrastructure Delivery Management System (IDMS) and the Roll out of the Framework for Infrastructure Delivery and Procurement Management (FIDPM) by provincial departments and municipalities within the North West	New	New	New	12	12	12	12
2	Number of assessment reports produced on department's infrastructure plans	4	12	20	16	16	16	16
3	Number of assessments reports produced on department's performance on Infrastructure conditional grants	4	7	11	3	2	2	2
4	Number of monthly consolidated expenditure reports produced against infrastructural projects	New	New	12	12	12	12	12

Table 4.2.6.2: Quarterly Targets 2019-2020: Infrastructure Coordination

No	Performance indicator	Reporting period	Annual target 2019/20	Quarterly targets			
				1 st	2 nd	3 rd	4 th
1	Number of training sessions conducted to ensure the Sustainability of the Infrastructure Delivery Management System (IDMS) and the Roll out of the Framework for Infrastructure Delivery and Procurement Management (FIDPM) by provincial departments and municipalities within the North	Quarterly	12	3	3	3	3

No	Performance indicator	Reporting period	Annual target 2019/20	Quarterly targets			
				1 st	2 nd	3 rd	4 th
	West						
2	Number of assessment reports produced on department's infrastructure plans	Quarterly	16	10	6	N/A	N/A
3	Number of assessments reports produced on department's performance on Infrastructure conditional grants	Annual	2	2	N/A	N/A	N/A
4	Number of monthly consolidated expenditure reports produced against infrastructural projects	Quarterly	12	3	3	3	3

4.2.6 SUB-PROGRAMME 2.7: MUNICIPAL FINANCIAL MANAGEMENT

Table 4.2.7.1: Annual Targets 2019-2020: Municipal Financial Management

No.	Programme Performance Indicator	Audited/Actual performance			Estimated performance 2018/19	Medium-term targets		
		2015/2016	2016/17	2017/18		2019/20	2020/21	2021/22
1	Number of monitoring reports compiled on budget Performance by municipalities.	4	4	3	12	12	12	12
2	Number of capacity building sessions (e.g. MSCOA, GRAP, SCM etc.) conducted to support municipalities to implement MFMA Reforms.	New	New	New	4	4	4	4

NB: Performance indicator is linked to MTSF Outcome 9: Responsive, accountable, effective and efficient developmental local government system: sub-outcome C: Sound Financial and Administrative management.

Table 4.2.7.2: Quarterly Targets 2019-2020: Municipal Financial Management

Performance Indicator		Reporting period	Annual target 2019/20	Quarterly targets			
				1 st	2 nd	3 rd	4 th
1	Number of monitoring reports compiled on budget Performance by municipalities.	Quarterly	12	3	3	3	3

Performance Indicator		Reporting period	Annual target 2019/20	Quarterly targets			
				1 st	2 nd	3 rd	4 th
2	Number of capacity building sessions (e.g. MSCOA, GRAP, SCM etc.) conducted to support municipalities to implement MFMA Reforms.	Quarterly	4	1	1	1	1

4.2.7 Reconciling performance targets with the Budget and MTEF

Expenditure estimates

Table 4.2.7: Summary of payments and estimates by sub-programme: Programme 2: Sustainable Resource Management

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2015/16	2016/17	2017/18				2019/20	2020/21	2021/22
1. Programme Support	1,786	50	–	3,222	–	–	2,902	3,091	33,785
2. Economic Analysis	5,197	4,456	4,351	5,165	6,246	5,979	6,703	7,023	7,409
3. Fiscal Policy	4,158	3,857	4,841	6,448	7,631	7,281	9,249	9,626	10,156
4. Budget Management	15,753	17,338	17,059	23,423	21,871	23,630	25,800	27,201	28,696
5. Public Finance	12,087	13,849	16,897	18,515	17,684	17,248	28,126	29,204	30,811
6. Municipal Finance	87,156	96,891	74,601	75,167	55,221	50,309	68,100	90,803	95,851
Total payments and estimates	126,137	136,441	117,749	131,940	108,653	104,447	140,880	166,948	206,708

Table 4.2.8: Summary of payments and estimates by economic classification: Programme 2: Sustainable Resource Management

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2015/16	2016/17	2017/18				2019/20	2020/21	2021/22
Current payments	124,825	135,361	116,499	130,621	107,464	103,533	139,566	165,559	205,244
Compensation of employees	48,282	53,114	61,629	87,806	67,526	66,681	104,911	111,700	118,844
Goods and services	76,543	82,247	54,870	42,815	39,938	36,852	34,655	53,859	86,400
Interest and rent on land	–	–	–	–	–	–	–	–	–
Transfers and subsidies to:	363	58	378	75	465	415	–	–	–
Provinces and municipalities	–	–	–	–	–	–	–	–	–
Departmental agencies and accounts	–	–	–	–	–	–	–	–	–
Higher education institutions	–	–	–	–	–	–	–	–	–
Foreign governments and international organisations	–	–	–	–	–	–	–	–	–
Public corporations and private entities	–	–	–	–	–	–	–	–	–
Non-profit institutions	–	–	–	–	–	–	–	–	–
Households	363	58	378	75	465	415	–	–	–
Payments for capital assets	949	1,022	872	1,244	724	499	1,314	1,389	1,464
Buildings and other fixed structures	–	–	–	–	–	–	–	–	–
Machinery and equipment	949	1,022	872	1,244	724	499	1,314	1,389	1,464
Heritage Assets	–	–	–	–	–	–	–	–	–
Specialised military assets	–	–	–	–	–	–	–	–	–
Biological assets	–	–	–	–	–	–	–	–	–
Land and sub-soil assets	–	–	–	–	–	–	–	–	–
Software and other intangible assets	–	–	–	–	–	–	–	–	–
Payments for financial assets	–	–	–	–	–	–	–	–	–
Total economic classification	126,137	136,441	117,749	131,940	108,653	104,447	140,880	166,948	206,708

Budget Trend

There is a decline in 2015/16 as a reflection of the completion of phase 2 and finalization of GRAP 17 implementation that is due to the reduction of consultants in the MFMA sub-programme.

The projections for all sub-programmes except municipal finance increase at a rate below 1 per cent from 2015/16. Municipal Finance decline in 2015/16 due to the reduction of consultant's costs, then increased in 2016/17, and sharply decline in 2017/18. Furthermore, 2018/19 registers a growth of R104.4 million with significant growths of R140.9 million, R166.9 million and R206.7 million over the MTEF period.

4.3 PROGRAMME 3 – ASSET AND LIABILITIES MANAGEMENT

3.1	Sub-Programme:	Programme support
3.2	Sub-Programme:	Asset Management (includes Movable and Financial assets)
3.3	Sub-Programme:	Supporting and Interlinked Financial Systems (Supply Chain Management)

This programme's aim is to provide policy direction on the following:

1. Effective asset management in the Province;
2. Implementation and monitoring of Supply Chain Management (SCM) in the Province;
3. Implementation and management of the Electronic Tendering System (ETS) in the Province.

The programme is structured into three sub-programmes:

3.1 Programme Support

To facilitate the efficient co-ordination, administration and management of the programme.

3.2 Asset Management (includes Movable and financial assets)

This sub-programme deals with policy issues pertaining to movable and financial asset.

Liabilities management

The functions pertaining to liabilities management fall under the sub-programme Accounting services under Programme 4 – Financial Governance.

3.3 Supporting and Interlinked Financial Systems (Supply Chain Management)

This sub-programme focuses mainly on **roll out and monitoring** of Supply Chain Management (SCM) to departments as well as launching of the Electronic Tendering system in the Province. It provides strategic leadership and guidance on all supply chain management activities and transversal contracts in the Province.

It is tasked with the development and monitoring of the implementation of the Provincial Treasury ' **SCM** instructions and guidelines to ensure effective supply chain management of goods and services in the Province. It will also facilitate the formation of linkages with PPP projects. The main priority of this sub-programme is also to intensify the roll out of the electronic tendering and quotation system to all Departments in the Province which will improve the overall quality of SCM processes and also to create an enabling environment for **HDI**, black, SMME businesses, particularly those in the province to have equitable access to the government procurement system.

PROGRAMME 3: ASSETS AND LIABILITIES MANAGEMENT

Strategic objective and programme performance indicators annual targets for 2019-2020

Sub-Programme: Programme Support

Table 4.3.1: STRATEGIC OBJECTIVES AND ANNUAL TARGETS 2019-2020 APP

Strategic objective	Strategic Plan Target	Audited/Actual performance			Estimated performance 2018/19	Medium-term targets		
		2015/2016	2016/17	2017/18		2019/20	2020/21	2021/22
To provide support to departments and public entities in order for them to comply with applicable asset management prescripts in the next five years	8 departments and 5 public entities receiveing unqualified audit opinion on asset management in the next 5 years (by 2020).	10 Depts. and 4 Public Entities	12 Depts. and 3 Public Entities	6 Depts. and 3 Public Entities	7 Depts. and 4 Public Entities	8 Depts. and 5 Public Entities	8 Depts. and 5 Public Entities	8 Depts. and 5 Public Entities
To support and monitor Departments and Public Entities in order to comply with supply chain management prescripts in the next five years.	9 departments and 6 public entities receiveing unqualified audit opinion on supply chain management prescripts in the next 5 years (by 2020).	10 Depts. and 6 Public Entities	9 Depts. and 3 Public Entities	2 Depts. and 10 Public Entities	8 Depts. and 5 Public Entities	9 Depts. and 6 Public Entities	9 Depts. and 6 Public Entities	9 Depts. and 6 Public Entities

4.3.1 Sub-Programme 3.1: ASSET MANAGEMENT

Table 4.3.2.1: Annual Targets 2019-2020: Asset Management

Performance Indicator		Audited/Actual performance			Estimated performance 2018/19	Medium-term targets		
		2015/2016	2016/17	2017/18		2019/20	2020/21	2021/22
1	Number of asset management capacity building interventions provided for Departments and Public Entities	New	New	New	New	4 (2 for departments and 2 for Public Entities)	4 (2 for departments and 2 for Public Entities)	4 (2 for departments and 2 for Public Entities)
2	Number of consolidated reports produced on provincial departments' and public entities' compliance to asset management prescripts	4	4	4	4	4	4	4

Table 4.3.2.2: Quarterly Targets 2019-2020: Asset Management

No	Performance indicator	Reporting period	Annual target 2019/20	Quarterly targets			
				1 st	2 nd	3 rd	4 th
1	Number of asset management capacity building interventions provided for Departments and Public Entities	Quarterly	4 (2 for departments and 2 for Public Entities)	N/A	2	N/A	2
2	Number of consolidated reports produced on provincial departments' and public entities' compliance to asset management prescripts	Quarterly	4	1	1	1	1

4.3.2 Sub-Programme 3.2: PROVINCIAL SUPPLY CHAIN MANAGEMENT

Table 4.3.3.1: Annual Targets 2019-2020: Provincial Supply Chain Management

No.	Performance indicator	Audited/Actual performance			Estimated performance 2018/19	Medium-term targets		
		2015/2016	2016/17	2017/18		2019/20	2020/21	2021/22
1	Number of accredited SCM training sessions conducted for all Departments and Public Entities	New	16	15	10	10	10	10
2	Number of monitoring reports produced on departments implementation of procurement plans	New	New	4	3	4	4	4
3	Number of monitoring reports produced on the implementation on Provincial Contract Register	New	New	New	New	2	2	2
4	Number of compliance reports produced related to invoices paid after 30 days and submitted to National Treasury	12	12	12	12	12	12	12
5	Number of SCM outreach programmes conducted on suppliers' development	New	128	139	140	120	140	140

NB: All Performance indicators for this directorate are linked to MTSF Outcome 12: sub-outcome E: Procurement System that deliver value for money. Key priorities: Differentiate between different forms of procurement, 2. Capacity building and professionalising supply chain management 3. Provide real-time operational support, 4. Ensure effective and transparent oversight.

Table 4.3.3.2: Quarterly Targets 2019-2020: Provincial Supply Chain Management

No	Performance indicator	Reporting period	Annual target 2019/20	Quarterly targets			
				1 st	2 nd	3 rd	4 th
1	Number of accredited SCM training sessions conducted for all Departments and Public Entities	Quarterly	10	3	3	2	2
2	Number of monitoring reports produced on departments implementation of procurement plans	Quarterly	4	1	1	1	1
3	Number of monitoring reports produced on the implementation on Provincial Contract Register	Bi-annual	2	N/A	1	N/A	1
4	Number of compliance reports produced related to invoices paid after 30 days and submitted to National Treasury	Quarterly	12	3	3	3	3
5	Number of SCM outreach programmes conducted on suppliers' development	Quarterly	120	30	30	30	30

4.3.3 Reconciling performance targets with the Budget and MTEF

Expenditure estimates

Table 4.3.3: Summary of payments and estimates by sub-programme: Programme 3: Asset And Liabilities Management

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2015/16	2016/17	2017/18				2019/20	2020/21	2021/22
1. Programme Support	2,501	2,458	2,133	2,426	19,462	17,881	17,344	25,617	27,027
2. Asset Management	9,414	8,967	10,826	12,601	11,178	10,576	11,106	11,848	12,498
3. Support And Interlinked Financia	31,043	31,226	30,131	37,421	19,908	19,736	30,933	31,086	32,799
Total payments and estimates	42,958	42,651	43,090	52,448	50,548	48,193	59,383	68,551	72,324

Table 4.3.4: Summary of payments and estimates by economic classification: Programme 3: Asset And Liabilities Management

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2015/16	2016/17	2017/18				2019/20	2020/21	2021/22
Current payments	41,573	41,508	42,692	51,453	49,939	47,744	58,257	67,069	70,761
Compensation of employees	27,910	24,107	26,868	35,751	30,270	30,073	41,513	44,212	47,042
Goods and services	13,663	17,401	15,824	15,702	19,669	17,671	16,744	22,857	23,719
Interest and rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies to:	878	97	-	-	214	214	181	191	202
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Departmental agencies and acco	-	-	-	-	-	-	-	-	-
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and intern	-	-	-	-	-	-	-	-	-
Public corporations and private	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	878	97	-	-	214	214	181	191	202
Payments for capital assets	507	1,046	398	995	395	212	945	1,291	1,361
Buildings and other fixed structu	-	-	-	-	-	-	-	-	-
Machinery and equipment	507	1,046	398	995	395	212	945	1,291	1,361
Heritage Assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible as	-	-	-	-	-	-	-	-	-
Payments for financial assets	-	-	-	-	-	23	-	-	-
Total economic classification	42,958	42,651	43,090	52,448	50,548	48,193	59,383	68,551	72,324

Budget Trend

The programme realised a decreased growth of R42.7 million in 2016/17 and R43.1 million in 2017/18. R10.3 million is for the implementation of gCommerce solution that was developed in response to the Supply Chain Management reforms programme initiated by the Office of the Chief Procurement Officer (OCPO) at National Treasury. A cabinet resolution instructed the OCPO to accelerate Supply Chain and purchase of computers for officials and for the training and registration of supplier's database.

The increase in 2017/18 was due to the payment of Invoice Tracking System software license. In 2018/19 the programme implemented a resolution instructed by the (OCPO) to use gCommerce with an amount of R4.2 million in 2018/19, R2.7 million in 2019/20 and R24.6 million over the MTEF.

4.4 PROGRAMME 4: FINANCIAL GOVERNANCE

4.1	Sub-Programme:	Programme support - Accountant General
4.2	Sub-Programme:	Accounting Services
4.3	Sub-Programme:	Financial Systems
4.4.	Sub-Programme:	Provincial Risk Management
4.5	Sub-Programme:	Provincial Internal Audit

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.

4.1. Programme Support - Accountant General

This sub-programme facilitates the efficient co-ordination of the administration and management of the programme and incorporate Tribal and Trust.

4.2 Provincial Accounting Services

This sub-programme assists Provincial Departments and Public Entities with the implementation of:

- Financial management discipline;
- Improved audit outcomes and
- Transition from modified cash to Accrual accounting in line with PFMA

4.3 Provincial Financial Systems {albeit this is not a sub-programme according to regulated Budget and Programme structure the Dept felt that it should be reflected because its plans are reflected in this APP)

The aim of this sub-programme is to assist Provincial Departments with:

- Stable and reliable Provincial financial systems
- Training and support on the functional use of business applications

4.4. Provincial Risk Management

This sub programme aims to facilitate the effective implementation of risk management in provincial departments and public entities.

4.5 Provincial Internal Audit

Objective of this sub-programme is to provide transversal internal audit services to all departments in the Province, with the exception of Department of Education, which has its own independent internal audit unit.

PROGRAMME 4: FINANCIAL GOVERNANCE

Strategic objective and Programme performance indicators annual targets for 2019-2020

Sub-Programme 4.4.1: Programme Support

Table 4.4.1: STRATEGIC OBJECTIVE TARGETS FOR 2019-2020

Strategic objective	Strategic Plan Target	Audited/Actual performance			Estimated performance 2018/19	Medium-term targets		
		2015/2016	2016/17	2017/18		2019/20	2020/21	2021/22
To provide support to Provincial Departments and Public Entities in order to comply with PFMA	9 departments and 5 public entities receiveing unqualified audit opinion in the next 5 years (by 2020).	8 Depts. and 8 Public Entities	7 Depts. and 7 Public Entities	4 Depts. and 6 Public Entities	9 Depts. and 5 Public Entities	9 Depts. and 5 Public Entities	9 Depts. and 5 Public Entities	9 Depts. and 5 Public Entities

4.3.4 Sub-Programme 4.2: ACCOUNTING SERVICES

Table 4.4.2.1: Annual Targets 2019-2020: Accounting Services

No	Programme Indicator	Audited/Actual performance			Estimated performance 2018/19	Medium-term targets		
		2015/2016	2016/17	2017/18		2019/20	2020/21	2021/22
1	Number of capacity building workshops conducted for Departmental CFO's and Public Entities on Accounting updates and Reforms	5	7	8	4	4	4	4
2	Number of monitoring reports produced on a plan of action on AFS audit outcomes for departments and Public Entities.	6	6	3	3	3	3	3
3	Number of monitoring reports produced on Departments and Public Entities, on irregular, fruitless and wasteful expenditure	1	1	1	1	1	1	1
4	Number of EPWP financial programme roll out to Departments and Public Entities in improving their audit outcomes	New	New	New	1	1	1	1

NB: Performance indicators 1, 2, 3 & 4 are linked to MTSF outcome 12: An efficient, effective and development oriented public service: sub-outcome: Efficient and effective management and operations systems.

Table 4.4.2.2: Quarterly Targets 2019-2020: Accounting Services

No	Performance indicator	Reporting period	Annual target 2019/20	Quarterly targets			
				1 st	2 nd	3 rd	4 th
1	Number of capacity building workshops conducted for Departmental CFO's and Public Entities on Accounting updates and Reforms	Quarterly	4	1	1	1	1
2	Number of monitoring reports produced on a plan of action on AFS audit outcomes for departments and Public Entities.	Quarterly	3	N/A	1	1	1
3	Number of monitoring reports produced on Departments and Public Entities, on irregular, fruitless and wasteful expenditure	Annual	1	N/A	N/A	N/A	1
4	Number of EPWP financial programme roll out to Departments and Public Entities in improving their audit outcomes	Annual	1	N/A	N/A	N/A	1

4.3.5 Sub-Programme: 4.3 FINANCIAL SYSTEMS

Table 4.4.3.1: Annual Targets 2019-2020: Financial Systems

No	Programme Indicators	Performance	Audited/Actual performance			Estimated performance 2018/19	Medium-term targets		
			2015/2016	2016/17	2017/18		2019/20	2020/21	2021/22
1	Number of Financial Systems training sessions conducted		new	new	118	100	100	100	100

Table 4.4.3.2: Quarterly Targets 2019-2020: Financial Systems

No	Performance indicator	Reporting period	Annual target 2019/20	Quarterly targets			
				1 st	2 nd	3 rd	4 th
1	Number of Financial Systems training sessions conducted	Quarterly	100	25	25	25	25

NB: Performance indicator no 1 is linked to MTSF Outcome 12: sub-Outcome B: Public service that is career of choice. Key priority 5: Improve the quality of training through PALAMA/School of government.

4.3.6 Sub-Programme 4.4: PROVINCIAL RISK MANAGEMENT

Table 4.4.4.1: Annual Targets 2019-2020: Provincial Risk Management

No	Programme Performance Indicators	Audited/Actual performance			Estimated performance 2018/19	Medium-term targets		
		2015/2016	2016/17	2017/18		2019/20	2020/21	2021/22
1	Number of progress reports produced on Departments' and Public Entities' compliance to Public Sector Risk Management Framework	8	8 reports (4 for depts. & 4 for Public entities)	8 reports (4 for depts. & 4 for Public entities)	8 reports (4 for depts. & 4 for Public entities)	8 reports (4 for depts. & 4 for Public entities)	8 reports (4 for depts. & 4 for Public entities)	8 reports (4 for depts. & 4 for Public entities)

Table 4.4.4.2: Quarterly Targets 2019-2020: Provincial Risk Management

Performance indicator		Reporting period	Annual target 2019/20	Quarterly targets			
				1 st	2 nd	3 rd	4 th
1	Number of progress reports produced on Departments' and Public Entities' compliance to Public Sector Risk Management Framework	Quarterly	8 reports (4 for depts. & 4 for Public entities)	1for depts. 1for Public entities	1for depts. 1for Public entities	1for depts. 1for Public entities	1for depts. 1for Public entities

4.3.7 Sub-Programme 4.5: PROVINCIAL INTERNAL AUDIT

Table 4.4.5.1: Annual Targets 2019-2020: Provincial Internal Audit

No	Programme Performance Indicator	Audited/Actual performance			Estimated performance 2018/19	Medium-term targets		
		2015/2016	2016/17	2017/18		2019/20	2020/21	2021/22
1	Number of departmental post audit action plan strategies and processes reviewed	New	New	11	11	11	11	11
2	Number of departmental risk management strategies and processes reviewed	12	11	11	11	11	11	11
3	Number of departmental ICT Governance systems reviewed	New	11	11	11	11	11	11
4	Number of departmental financial statement systems reviewed	11	11	12	11	11	11	11
5	Number of monitoring reports on pre-auditing of all tenders above R10 million	New	New	New	New	2	2	2
6	Number of departmental performance information systems and processes reviewed	11	11	11	11	11	11	11

NB: All Performance indicators are linked to MTSF outcome 12: An efficient, effective and development oriented public service sub-outcome D: Efficient and effective management and operations systems.

Table 4.4.5.2: Quarterly Targets 2019-2020: Provincial Internal Audit

No	Performance indicator	Reporting period	Annual target 2019/20	Quarterly targets			
				1 st	2 nd	3 rd	4 th
1	Number of departmental post audit action plan strategies and processes reviewed	Annual	11	N/A	N/A	N/A	11
2	Number of departmental risk management strategies and processes reviewed	Annual	11	N/A	11	N/A	N/A
3	Number of departmental ICT Governance systems reviewed	Quarterly	11	N/A	4	4	3
4	Number of departmental financial statement systems reviewed	Annual	11	11	N/A	N/A	N/A
5	Number of monitoring reports on pre-auditing of all tenders above R10 million	Bi-annual	2	N/A	1	N/A	1
6	Number of departmental performance information systems and processes reviewed	Quarterly	11	N/A	4	4	3

4.3.8 Reconciling performance targets with the Budget and MTEF

Expenditure estimates

Table 4.3.8: Summary of payments and estimates by sub-programme: Programme 4: Financial Governance

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2015/16	2016/17	2017/18				2019/20	2020/21	2021/22
1. Programme Support	8,648	8,551	8,442	7,634	12,379	22,286	7,673	8,117	8,562
2. Accounting Services	55,325	72,140	84,469	73,570	84,262	83,028	77,699	89,571	94,499
3. Norms And Standards	1,285	1,551	2,334	2,706	1,493	1,406	4,633	4,815	5,079
4. Risk Management	2,838	3,438	3,810	4,070	4,203	4,127	5,056	5,312	5,604
5. Provincial Internal Audit	52,049	57,527	62,156	68,679	67,437	65,758	79,928	84,293	88,929
Total payments and estimates	120,145	143,207	161,211	156,659	169,774	176,605	174,989	192,108	202,673

Table 4.3.9: Summary of payments and estimates by economic classification: Programme 4: Financial Governance

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2015/16	2016/17	2017/18				2019/20	2020/21	2021/22
Current payments	118,393	139,480	160,228	155,039	167,632	174,876	172,824	189,905	200,350
Compensation of employees	70,734	76,821	89,112	99,679	101,780	100,211	123,617	131,669	140,094
Goods and services	47,658	62,658	71,116	55,360	65,852	74,665	49,207	58,236	60,256
Interest and rent on land	1	1	–	–	–	–	–	–	–
Transfers and subsidies to:	224	512	22	52	624	620	293	309	326
Provinces and municipalities	–	–	–	–	–	–	–	–	–
Departmental agencies and acc	–	–	–	–	–	–	–	–	–
Higher education institutions	–	–	–	–	–	–	–	–	–
Foreign governments and intern	–	–	–	–	–	–	–	–	–
Public corporations and private	–	–	–	–	–	–	–	–	–
Non-profit institutions	–	–	–	–	–	–	–	–	–
Households	224	512	22	52	624	620	293	309	326
Payments for capital assets	1,528	3,215	961	1,568	1,518	1,109	1,872	1,894	1,997
Buildings and other fixed structu	–	–	–	–	–	–	–	–	–
Machinery and equipment	1,528	3,215	961	1,568	1,518	1,109	1,872	1,894	1,997
Heritage Assets	–	–	–	–	–	–	–	–	–
Specialised military assets	–	–	–	–	–	–	–	–	–
Biological assets	–	–	–	–	–	–	–	–	–
Land and sub-soil assets	–	–	–	–	–	–	–	–	–
Software and other intangible as	–	–	–	–	–	–	–	–	–
Payments for financial assets	–	–	–	–	–	–	–	–	–
Total economic classification	120,145	143,207	161,211	156,659	169,774	176,605	174,989	192,108	202,673

Budget Trend

The programme registered a decline of R120.1 million in 2015/16 due to a reduction in earmarked funds for PFMA support to departments. The allocation increased to R143.2 million in 2016/17, R161.2 million in 2017/18 and R176.6 million in 2018/19. The MTEF grows to R175 million, R192.1 million and R202.7 million respectively due to the provisions made and the anticipated filling of vacant funded posts for Accounting Services, Norms and Standards and Provincial Internal Audit.

PART C: LINKS TO OTHER PLANS

5. Links to the long-term infrastructure and other capital plans

None.

6. Conditional grants

None.

7. Public entities

None.

8. Public-private partnerships

PARTNER	DETAILS OF THE PARTNERSHIP
Tertiary Institutions (Universities and FET Colleges)	Bursaries
	Internships
Finance and Accounting Services Sector Education and Training (FASSET)	Learnerships
	Internships
National Treasury	<ul style="list-style-type: none">• Validation of service providers who are providing training on departmental official SCM• Identifying funders of SCM trainings
Chartered Institute of Purchasing and Supply	<ul style="list-style-type: none">• Assist in terms of registering SCM professionals on the governing body.• Generic trainings on Supply Chain Management

ANNEXURE A

CHANGES TO THE 2015/16 – 2019/20 STRATEGIC PLAN

The following tables depict changes that were made to the 2015/16 – 2019/20 Strategic Plan:

NB: asterisk represents changes made on the strategic plan

PROGRAMME 1 (ADMINISTRATION)

Strategic Objective	To sustain unqualified audit opinion for the next five years **
Objective statement	Unqualified audit opinion for the next five years**
Baseline	2013/4 clean audit opinion received by the Provincial Treasury .
Strategic Objective Target	5 Unqualified audit opinion for the next five years **
Justification	<p>The objective will contribute to efficient management and administration of the Provincial Treasury , including:</p> <ul style="list-style-type: none"> • Ensuring effective implementation of risk management, fraud prevention and internal control in the department. • Provision of effective and efficient administrative support services to the department.
Links	MTSF Outcome 12: An efficient, effective and development oriented public service.

PROGRAMME 2(SUSTAINABLE RESOURCE MANAGEMENT)

Strategic Objective	To advise and support departments and public entities on budget planning and fiscal matters. **
Objective statement	To ensure efficient allocation of Provincial Budget **
Strategic Objective Target	<p>5 * Provincial Estimates of Provincial Revenue and Expenditure (EPRE) compiled by 2020**</p> <p>5 * Adjustment Estimate of Provincial Revenue and Expenditure (AEPRE) compiled by 2020**</p>
Baseline	<p>1 * 2014/15 annual Estimates of Provincial Revenue and Expenditures compiled.</p> <p>1 * 2014/15 adjusted Provincial Revenue and Expenditures compiled.</p>
Justification	This objective will contribute towards effective and efficient allocation of the provincial resources.
Links	The objective will contribute to the Bokone Bophirima province realising its outcomes as per the National Development Plan.
Strategic Objective	To provide support to municipalities in order for them to comply with MFMA**
Objective statement	Support to municipalities to ensure compliance to MFMA**
Strategic Objective Target	13 municipalities receiving unqualified audit opinions by 2020 **
Baseline	8 unqualified audit opinions for municipalities for 2013/14
Justification	The objective will contribute to improved financial management and service delivery in Bokone Bophirima province.
Links	MTSF outcome 9: Responsive, accountable, effective and efficient local government.

PROGRAMME 3 (ASSETS & LIABILITIES MANAGEMENT)

Strategic Objective	To provide support to departments and public entities in order for them to comply with applicable asset management prescripts in the next five years. **
Objective statement	Decreasing the number of asset management qualifications**
Strategic Objective Target	8 departments and 5 public entities receiveing unqualified audit opinion on asset management in the next 5 years (by 2020) **
Baseline	11 department received unqualified opinions on asset management during 2013/14 financial year
Justification	This objective will contribute to smooth management of physical and financial assets as well as improved audit outcomes of the departments in the province.
Links	MTSF Outcome 12: An efficient, effective and development oriented public service
Strategic Objective	To support and monitor Departments and Public Entities in order to comply with supply chain management prescripts in the next five years. **
Objective statement	Decrease the number of irregular expenditures being incurred. **
Strategic Objective Target	9 departments and 6 public entities receiveing unqualified audit opinion on supply chain management prescripts in the next 5 years (by 2020) **
Baseline	11 departments have an incurred irregular expenditure in the past financial year.
Justification	This objective will contribute to the development of the SCM Centre of Excellence for the Province and improve audit outcomes of the departments in the province.
Links	MTSF Outcome 12: An efficient, effective and development oriented public service

PROGRAMME 4 (FINANCIAL GOVERNANCE)

Strategic Objective	To provide support to Provincial Departments and Public Entities in order to comply with PFMA**
Objective statement	Improved favourable audit outcomes of the provincial departments and Public Entities**
Strategic Objective Target	9 departments and 5 public entities receiveing unqualified audit opinion in the next 5 years (by 2020) **
Baseline	11 unqualified audit opinions for provincial departments in 2013/14 financial year and 6 unqualified audit opinions for public entities in 2013/14 financial year
Justification	This objective will contribute to the improved audit outcomes of the departments and public entities in the province.
Link	MTSF Outcome 12: An efficient, effective and development oriented public service

ANNEXURE D

Departmental Stakeholders

The following are the stakeholders the Provincial Treasury engage with:

- 1) National Treasury
- 2) Department of Public Service Administration
- 3) Department of Performance Monitoring and Evaluation
- 4) All Bokone Bophirima (North West) Provincial departments and Public entities.
- 5) All Bokone Bophirima (North West) municipalities (District & Local).

ANNEXURE E

Technical Indicators Descriptions

ADMINISTRATION

OFFICE OF THE MEC

MANAGEMENT SERVICES (HOD):

OFFICE OF THE HOD
RISK MANAGEMENT

CORPORATE SERVICES

STRATEGIC MANAGEMENT

FINANCIAL MANAGEMENT (CFO)

MANAGEMENT AND FINANCIAL ACCOUNTING
SUPPLY CHAIN MANAGEMENT SERVICES

SUSTAINABLE RESOURCE MANAGEMENT

ECONOMIC ANALYSIS
FISCAL POLICY
BUDGET MANAGEMENT
PUBLIC FINANCE
INFRASTRUCTURE COORDINATION
MUNICIPAL FINANCE MANAGEMENT

ASSET AND LIABILITY MANAGMENT

ASSET MANAGEMENT (INCLUDING MOVABLE AND IMMOVABLE ASSETS)
SUPPORTING AND INTERLINKED FINANCIAL SYSTEMS (SUPPLY CHAIN MANAGEMENT)

FINANCIAL GOVERNANCE

ACCOUNTING SERVICES (INCORPORATE LIABILITIES MANAGEMENT)
FINANCIAL SYSTEMS AND TRAINING
PROVINCIAL RISK MANAGEMENT
PROVINCIAL INTERNAL AUDIT

ANNEXURE E

Technical Indicators Descriptions

ADMINISTRATION

OFFICE OF THE MEC

1. Indicator title	Number of Annual Estimate of Provincial Revenue and Expenditure tabled not later than two weeks after the tabling of the national budget
Short definition	Annual Estimate of Provincial Revenue and Expenditure outlines sources of provincial revenue and the breakdown of budget allocation to departments, public entities and municipalities.
Purpose/ importance	To ensure that the province is aware of the allocation made to North West province by National.
Source/ collection of data	National Annual Budgets Guide through Section 30(3) of the PFMA. Submitted annual budget information by departments in terms of Provincial Annual Budget Guide.
Method of calculation	Simple count
Data limitations	Non or lack of attainability of political pronouncement due to budget constraints
Type of indicator	Output
Calculation type	Non-cumulative
Reporting cycle	Annual
New indicator	No
Desired performance	To table the budget within the prescribed period.
Indicator responsibility	MEC
2.Indicator title	Number of Annual Reports submitted to Provincial Legislature for tabling
Short definition	The Annual Report contains department activities which were executed throughout the year. This Report contains financial and non-financial information audited by the AGSA. This Report is submitted to Provincial Legislature for tabling in line with PFMA.
Purpose/ importance	To provide provincial legislature with the results of the department's performance
Source/ collection of data	Annual Financial Statement, Annual performance reports & Auditor's report.
Method of calculation	Simple count
Data limitations	Late compilation of the annual report by department
Type of indicator	Output
Calculation type	Non-cumulative
Reporting cycle	Annual
New indicator	No
Desired performance	To table the annual report within the prescribed period
Indicator responsibility	MEC

MANAGEMENT SERVICES

OFFICE OF THE HEAD OF DEPARTMENT

1.Indicator title	Number of Annual performance assessments of SMS performed
Short definition	SMS performance is being assessed to establish whether or not senior managers are performing their roles and responsibilities to ensure that the department achieves its goals and objectives.
Purpose/ importance	To determine if the Senior Manager are executing their duties as per the performance agreement
Source/ collection of data	Self-assessment reports from SMS
Method of calculation	Simple count
Data limitations	Non submission of self-assessment by the SMS
Type of indicator	Output
Calculation type	Non-Cumulative
Reporting cycle	Annual
New indicator	No
Desired performance	To assess and give feedback to the SMS before the end of the financial year
Indicator responsibility	Head Of Department

RISK MANAGEMENT

1. Indicator Title	Number of Strategic Risk Assessments Performed
Short Definition	Number of instances the Departments identifies and assess risks against its strategic objectives
Purpose/Importance	Assists the Department to prioritize and direct efforts to the most important risks and thus enhances the Departments ability to achieve its objectives
Source/Collection of Data	Risk assessment report will be available from the Chief Risk Officer after approval by the HOD
Method of Calculation	Simple count
Type of Indicator	Output
Calculation Type	Non-Cumulative
Reporting Cycle	Annual
New Indicator	No
Desired Performance	Achievement of the Department's objectives as appearing on the Annual Performance Plan
Indicator Responsibility	Chief Risk Officer

CORPORATE SERVICES

STRATEGIC MANAGEMENT

1. Indicator title	Number of Departmental Annual Performance Plan developed and submitted to office of the HOD
Short definition	Annual Performance Plan that outlines key measure indicators and planned outputs for the Department in a given financial year
Purpose/importance	The APP assists the department in terms of planning to achieve the mandate of the department and the government-of-the day.
Source/collection of data	Strategic plan, outcome-based planning, NDP and Annual Reports
Method of calculation	Simple count
Data limitations	None
Type of indicator	Output
Calculation type	Non- Cumulative
Reporting cycle	Annual
New indicator	No
Desired performance	Ensuring that a plan contains the mandate of the department and that of the government-of the day and is compliant with the applicable planning frameworks.
Indicator responsibility	Director :Strategic Management
2. Indicator title	Number of Annual reports produced
Short definition	A report on audited non-financial and financial data that gives an indication of how a Department has performed against its set pre-determined objectives and targets as well financial affairs.
Purpose/importance	To ensure accountability and compliance with PFMA
Source/collection of data	Annual performance report, auditor's report and Annual financial statements
Method of calculation	Simple count
Data limitations	None
Type of indicator	Output
Calculation type	Non-Cumulative
Reporting cycle	Annual
New indicator	No
Desired performance	Annual report produced for financial year 2018/19 within the prescribed time
Indicator responsibility	Director :Strategic Management
3. Indicator Title	Number of monitoring reports compiled on Service Delivery Improvement Plan (SDIP)
Short definition	This Report gives an indication on how the department is progressing with regard to implementation of its Service Delivery Improvement Plan (SDIP).
Purpose/importance	To ensure efficient implementation of the Departmental Service Delivery Improvement Plan which will improve the delivering of services within the department
Source/collection of data	Data on progress made towards achievement of key identified service delivery areas namely: Provincial Supplier Management Service, Provincial Supply Chain Performance and Supply Chain Contract Management.

Method of calculation	Simple count
Data limitations	None
Type of indicator	Output
Calculation type	Cumulative
Reporting cycle	Quarterly
New indicator	No
Desired performance	Improved the service delivery
Indicator responsibility	Chief Director: Corporate Services

FINANCIAL MANAGEMENT

MANAGEMENT AND FINANCIAL ACCOUNTING

1.Indicator title	Number of Annual Financial Statements submitted to Provincial Treasury
Short definition	Annual Financial Statements are records of the financial activities and position of the department which is compiled by the department and submitted to Provincial Treasury.
Purpose/importance	To monitor the compliance with PFMA
Source/collection of data	Monthly IYM and Quarterly Interim AFS
Method of calculation	Simple count
Data limitations	None
Type of indicator	Output
Calculation type	Non-Cumulative
Reporting cycle	Annual
New indicator	No
Desired performance	To ensure compliance with the Legislative frameworks
Indicator responsibility	Chief Financial Officer

SUPPLY CHAIN MANAGEMENT SERVICES

1.Indicator title	Number of compliance reports on asset management submitted to Provincial Treasury
Short definition	This report gives an indication of the extent to which the department complies with asset management prescripts.
Purpose/importance	To ensure complete, accurate and updated asset register
Source/collection of data	Walker / BAS
Method of calculation	Simple count
Data limitations	None
Type of indicator	Output
Calculation type	Cumulative
Reporting cycle	Quarterly
New indicator	No
Desired performance	Complete, accurate and updated asset register
Indicator responsibility	Director: Supply Chain Management
2.Indicator title	Number of Departmental Procurement Plan produced and submitted to Provincial Treasury
Short definition	A Plan outlining goods and services which the department intends procuring for the financial year
Purpose/importance	To monitor and plan the procurement of goods and services above R500 000.00
Source/collection of data	Collection of planned procurement data from different Programme Managers in a Standardised template from National/Provincial Treasury
Method of calculation	Simple Count
Data limitations	None
Type of indicator	Output
Calculation type	Non-Cumulative
Reporting cycle	Annual
New indicator	No
Desired performance	Compliance with Treasury Regulation
Indicator responsibility	Director: Supply Chain Management
3.Indicator title	Number of Financial Delegation Framework reviewed
Short definition	Compilation and annual review of the departmental financial delegations in line with the National prescripts
Purpose/importance	To ensure compliance with the National Treasury and DPSA guidelines on delegations
Source/collection of data	Departmental structure and PERSAL establishment report Standardized Financial Delegation template from National Treasury
Method of calculation	Simple count

Data limitations	Functions preceding the approved departmental structure
Type of indicator	Output
Calculation type	Non-cumulative
Reporting cycle	Annual
New indicator	No
Desired performance	Smooth and faster running of the Institution.
Indicator responsibility	Director: Supply Chain Management
4.Indicator title	Number of reports produced reflecting that Service providers are paid within 30 days after receipt of invoices in line with National Treasury instruction No. 34.
Short definition	The report gives a picture on 30 days supplier payment requirement.
Purpose/importance	To ensure suppliers are paid within 30 days after receiving the invoice in line with the Treasury Regulation and report monthly in terms of National Treasury Instruction Note 34
Source/collection of data	Invoice tracking register
Method of calculation	Simple count
Data limitations	None
Type of indicator	Output
Calculation type	Cumulative
Reporting cycle	Quarterly
New indicator	No
Desired performance	No late payments to suppliers (payments to be effected within 30 days) and all 30 day compliance reports submitted to Provincial Treasury.
Indicator responsibility	Director: Supply Chain Management

SUSTAINABLE RESOURCE MANAGEMENT

ECONOMIC ANALYSIS

1. Indicator title	Number of reports compiled on the Provincial Economic Review and Outlook (PERO)
Short definition	The PERO provides an analysis of economic status of the province and municipalities focussing at the economic sectors with the aim of providing direction to planning and resource allocation.
Purpose/importance	To outline the provincial socio-economic analysis of the province and municipalities
Source/collection of data	Statistics SA, IHS global insight, Quantec
Method of calculation	Simple count
Data limitations	None
Type of indicator	Output
Calculation type	Non-cumulative
Reporting cycle	Annual
New indicator	No
Desired performance	Ensuring that the report contains the economic analysis of the province and its municipalities and identifies economic challenges facing the province across all economic sectors.
Indicator responsibility	Director and Deputy Directors :Macro-economic analysis
2. Indicator title	Number of reports compiled on the Socio-Economic Review and Outlook (SERO) for the Province
Short definition	The SERO provides an analysis of socio-economic status of the province and its municipalities. This report provides vital socio-economic information that is required for planning purposes which assist decision makers to identify where the gaps are and give direction with regards to resource allocation.
Purpose/importance	To outline the provincial socio-economic analysis of the province and municipalities
Source/collection of data	Statistics SA, IHS global insight, Quantec
Method of calculation	Simple count
Data limitations	None
Type of indicator	Output
Calculation type	Non-cumulative
Reporting cycle	Annual
New indicator	No
Desired performance	Ensuring that the report contains the socio-economic analysis of the province and municipalities and identifies socio-economic challenges facing the province in health, education, income distribution, human development and Household infrastructural development correlation in these indicators
Indicator responsibility	Director and Deputy Directors :Macro-economic analysis

FISCAL POLICY

1.Indicator title	Number of consolidated reports produced on the implementation of revenue enhancement strategy
Short definition	This is a detailed progress report on implementation of revenue enhancement strategy by provincial departments reflecting how the departments are performing in-terms of revenue collection whether or not departments have met the targets set for revenue collection.
Purpose/importance	To report on the implementation of the provincial revenue enhancement strategy
Source/collection of data	Revenue collection registers.
Method of calculation	Simple count
Data limitations	Delay in depositing revenue on time and inadequate accountability.
Type of indicator	Output
Calculation type	Cumulative
Reporting cycle	Quarterly
New indicator	No
Desired performance	Ensuring the provincial own revenue is enhanced.
Indicator responsibility	Director : Provincial Revenue Oversight
2.Indicator title	Number of management account reports produced on Provincial cash flow in line with the Provincial Budget
Short definition	A report on evaluated, analyzed and consolidated annual cash flow forecasts/projections to be submitted to National Treasury
Purpose/importance	To evaluate, analyze and consolidate annual cash flow forecasts/projections.
Source/collection of data	Cash flow forecasts/projections from provincial departments
Method of calculation	Simple count
Data limitations	Non submission from provincial departments
Type of indicator	Output
Calculation type	Cumulative
Reporting cycle	Quarterly
New indicator	No
Desired performance	Figures agreeing to budget appropriated
Indicator responsibility	Director : Provincial Revenue Oversight

BUDGET MANAGEMENT

1.Indicator title	Number of quarterly assessment reports produced on actual revenue and expenditure of Public Entities
Short definition	A report on the monthly financial position and performance of public entities.
Purpose/ Importance	To assess in year expenditure trends and non- financial performance of the public entities and to ensure that a proactive approach is taken in addressing the anticipated over or underperformance.
Sources/collection of data	Reports from individual entities
Method of calculation	Simple count
Data limitation	Inconsistency in terms of reporting by the entities as well as lack of substantiative reasons underpinning the levels of expenditure and revenue
Type of indicator	Output
Calculation type	Cumulative
Reporting Cycle	Quarterly
New indicator	No
Desired Performance	Accurate financial reporting which fairly reflects the state of performance
Indicator responsibility	Programme Manager
2.Indicator title	Number of gazettes on indicative allocations per school, hospital, public entity and municipality compiled.
Short definition	A tool used to confirm transfers of funds to government institutions in terms of Section 29 of the Division of Revenue Act
Purpose/ Importance	To ensure that Government Institutions and Municipalities deliver the mandated services to the North West society.
Sources/collection of data	The submission of data is informed by National Treasury through DORA. Provincial departments submitting document is informed by the National Treasury guidelines
Method of calculation	Simple count
Data limitation	Inaccurate reporting by relevant stakeholder and continuous changing of plans from time to time.
Type of indicator	Output
Calculation type	Non-cumulative
Reporting Cycle	Annual
New indicator	No
Desired Performance	Maintain quality and a comprehensive document
Indicator responsibility	Programme Manager
3. Indicator title	Number of consolidated assessment reports compiled based on MTEC hearing sessions for each department, Public Entities including the Provincial Legislature.
Short definition	MTEC hearing session reports compiled to ensure the credibility of the provincial budget allocations to departments and Public Entities.
Purpose/ Importance	To conduct an in-depth analysis on departmental half yearly expenditure trends linked to performance of the plans in terms of the set targets, assess the underlying factors behind the budget proposals for ensuing years and whether the newly/ policy shifts and government priorities can find expression in the next year's budget.
Sources/collection of data	Departmental budget submissions and National/ Provincial IYM datasets
Method of calculation	Simple count

Data limitation	Inability by provincial departments to provide accurate expenditure projections, inconsistency of the reported targets as opposed to the main APP targets.
Type of indicator	Output
Calculation type	Non-cumulative
Reporting Cycle	Annual
New indicator	No
Desired Performance	Allocation of a credible budget in order to attain the desired service delivery
Indicator responsibility	Programme Manager

PUBLIC FINANCE

1.Indicator title	Number of Quarterly Financial reports of department compiled (Sec 32 report)
Short definition	Section 32 report is a three-month statement of revenue and expenditure with regards to the revenue fund which that treasury is responsible, for publication in the national Government Gazette within 30 days after the end of each prescribed period.
Purpose/importance	Analysis and reporting the actual financial performance outputs against approved budgets on all provincial departments for publication in terms of Section (32) of the PFMA.
Source/collection of data	Monthly IYM reports received from departments.
Method of calculation	Simple count
Data limitations	The credibility of the financial data depends largely on the accurate capturing and accounting of financial transactions by the provincial departments.
Type of indicator	Output
Calculation type	Cumulative
Reporting cycle	Quarterly
New indicator	No
Desired performance	Timeous submission of quarterly reports on the financial performance of provincial departments to National Treasury for the National Publication and Gazette.
Indicator responsibility	Programme manager
2.Indicator title	Number of audited provincial expenditure reports compiled
Short definition	A report detailing a provincial expenditure on SCO classification..
Purpose/importance	For national publication purposes and to inform the public of the provincial expenditure performance as per previous financial year in review.
Source/collection of data	Audited Financial Statements (AFS) of the Provincial Departments as per Auditor-General Report.
Method of calculation	Simple count
Data limitations	Late or non-submissions of the Audited Financial Statements by some Departments
Type of indicator	Output
Calculation type	Non-Cumulative
Reporting cycle	Annual
New indicator	No

Desired performance	Annual report reflecting the financial performance of provincial departments based on the Audited Financial Statements by Auditor-General.
Indicator responsibility	Programme manager
3.Indicator title	Number of consolidated quarterly In-Year Monitoring (IYM) reports of departments including Provincial Legislature compiled
Short definition	Monthly Reporting (In-Year-Monitoring IYM of departments' expenditure) on actual revenue and expenditure of all provincial departments against the approved provincial budget in terms of Section (40) of the PFMA, and prescribed by the Division of Revenue Act (DoRA).
Purpose/importance	To ensure that reporting on expenditure of all provincial departments against the approved provincial budget is done in terms of Section (40) of the PFMA and the Division of Revenue Act (DoRA).
Source/collection of data	Inputs submitted by Provincial departments obtained from Basic Accounting System (BAS), Persal and Vulindlela.
Method of calculation	Simple count
Data limitations	The accuracy, credibility and timeliness of information provided by provincial departments with regards to their actual and projected expenditure for the period under review.
Type of indicator	Output
Calculation type	Cumulative
Reporting cycle	Quarterly
New indicator	No
Desired performance	Monthly reports and tracking of the financial performance of provincial departments with the aim to address areas of departmental and provincial under spending and projected overspending in the period under review.
Indicator responsibility	Programme manager
4.Indicator title	Number of consolidated assessment reports on monthly expenditure of departments including Provincial Legislature to stakeholders
Short definition	Assessment reports on the monthly financial position and performance of departments and Provincial Legislature
Purpose/importance	To assess in year expenditure trends and financial performance of departments & Legislature and to ensure that a proactive approach is taken in addressing the anticipated over or underperformance.
Source/collection of data	Inputs submitted by Provincial departments & Legislature obtained from IYM models
Method of calculation	Simple count
Data limitations	Lack of reasons provided for deviations as well as remedial measures on submitted IYM models
Type of indicator	Output
Calculation type	Cumulative
Reporting cycle	Quarterly
New indicator	No
Desired performance	Accurate financial reporting which fairly reflects the state of expenditure performance
Indicator responsibility	Programme manager
5.Indicator title	Number of consolidated quarterly In-Year Monitoring (IYM) reports of Public Entities compiled
Short definition	Quarterly Reports on actual revenue and expenditure of Public Entities against the approved provincial budget in terms of Section (40) of the PFMA, and prescribed by the Division of Revenue Act (DoRA).
Purpose/importance	Analysis and reporting on expenditure of all public entities against the approved provincial budget in terms of Section (40) of the PFMA and the Division of Revenue Act (DoRA).
Source/collection of data	Expenditure/IYM reports from Public Entities
Method of calculation	Simple count

Data limitations	The accuracy, credibility and timeliness of information provided by public entities with regards to their actual and projected expenditure for the period under review.
Type of indicator	Outputs
Calculation type	Cumulative
Reporting cycle	Quarterly
New indicator	No
Desired performance	Quarterly reports and tracking of the financial performance of public entities with the aim to address areas of public entities under spending and projected overspending in the period under review.
Indicator responsibility	Programme manager

INFRASTRUCTURE CO-ORDINATION

1.Indicator title	Number of training sessions conducted to ensure the Sustainability of the Infrastructure Delivery Management System (IDMS) and the Roll out of the Framework for Infrastructure Delivery and Procurement Management (FIDPM) by provincial departments and municipalities within the North West
Short definition	Infrastructure implementing departments and municipalities are trained on Infrastructure methodologies and best practices.
Purpose/importance	To sustain the IDMS processes and compliance to relevant legislation (i.e. SIPDM), regulations and best practice notes by provincial departments and municipalities.
Source/collection of data	Attendance registers of officials which have attended the training
Method of calculation	Simple count
Data limitations	Non-attendance by invited stakeholders
Type of indicator	Output
Calculation type	Cumulative
Reporting cycle	Quarterly
New indicator	No
Desired performance	To have well capacitated infrastructure units within the North West Provincial Government and municipalities.
Indicator responsibility	Programme manager
2.Indicator title	Number of assessment reports produced on department's infrastructure plans
Short definition	Assessment of departmental Infrastructure plans.
Purpose/importance	Analyses and tracks compliance in terms of DoRA requirements for all Infrastructure implementing departments against the IDMS framework.
Source/collection of data	Final and draft Infrastructure plans that were submitted by departments aligned with the IDMS criteria.
Method of calculation	Simple count
Data limitations	Non submission of final and draft Infrastructure plans by departments can limit the submission of assessment reports.
Type of indicator	Outputs
Calculation type	Cumulative
Reporting cycle	Quarterly
New indicator	No
Desired performance	Assessment report reflecting compliance or non-compliance of the plans in terms of applicable guidelines
Indicator responsibility	Programme manager
3.Indicator title	Number of assessments reports produced on department's performance on Infrastructure conditional grants

Short definition	Assessment of departmental performance on Conditional Grants
Purpose/importance	Analyses and tracks infrastructure performance in terms of DoRA requirements for specified Infrastructure Conditional Grants against the Performance Based System guidelines.
Source/collection of data	Submission of End of Year Evaluation reports by departments as stated in Performance Based System Guidelines.
Method of calculation	Simple count
Data limitations	Non-compliance to the requirements for the Performance Based System guidelines by participating provincial departments can influence the Conditional Grant allocations.
Type of indicator	Outputs
Calculation type	Cumulative
Reporting cycle	Annual
New indicator	No
Desired performance	A report reflecting compliance or non-compliance with the Performance Based System guidelines leading to the realization of incentive over and above the baseline allocation.
Indicator responsibility	Programme manager
4.Indicator title	Number of monthly consolidated expenditure reports produced against infrastructural projects
Short definition	Infrastructure spending is informed by the Web Based IRM aligned to BAS in line with project budgets, implementation and Published Table B5 Project List.
Purpose/importance	Monitor performance (financial and non-financial) of infrastructure projects.
Source/collection of data	Monthly infrastructure expenditure reports from Departments against reported information on the Web Based Infrastructure Reporting Model (IRM) and Published Table B5 Project List.
Method of calculation	Simple count
Data limitations	The accuracy and credibility of the expenditure Reports is analyzed against the BAS report and depending on the credibility of reported information by the infrastructure units within the departments.
Type of indicator	Output
Calculation type	Cumulative
Reporting cycle	Quarterly
New indicator	No
Desired performance	Efficient monitoring of infrastructure projects
Indicator responsibility	Programme manager

MUNICIPAL FINANCE MANAGEMENT

1. Indicator title	Number of monitoring reports compiled on budget Performance by municipalities.
Short definition	In-year monitoring of budget performance against the SDBIP
Purpose/importance	Ensure full compliance with MFMA and Municipal Budget and Reporting Regulations
Source/collection of data	MFMA, Sec 71 reports downloaded from the Local Government financial system database
Method of calculation	Simple count
Data limitations	None in terms of available information. However limitations will vary according to municipal capacity
Type of indicator	Outcome
Calculation type	Cumulative
Reporting cycle	Quarterly
New indicator	No
Desired performance	Full compliance with the MFMA and Municipal Budget and Reporting Regulations
Indicator responsibility	Director : Director Budget and Reporting
2. Indicator title	Number of capacity building sessions (e.g. MSCOA, GRAP, SCM etc.) conducted to support municipalities to implement MFMA Reforms.
Short definition	Status quo on all of support and capacity building provided to municipalities
Purpose/importance	To capacitate budget and treasury official at municipalities with the aim of ensuring full compliance with the MFMA and Budget and Reporting Regulations by municipalities
Source/collection of data	Attendance register for trainings (GRAP, SCOA, SCM, etc) provided.
Method of calculation	Simple count
Data limitations	None
Type of indicator	Outcome
Calculation type	Cumulative
Reporting cycle	Quarterly
New indicator	No
Desired performance	Improved audit outcomes of municipalities in the province
Indicator responsibility	Director: Municipal Budget and Reporting Management

ASSETS AND LIABILITIES MANAGEMENT

ASSETS MANAGEMENT (INCLUDING MOVABLE AND IMMOVABLE ASSETS)

1. Indicator title	Number of asset management capacity building interventions provided for Departments and Public Entities
Short definition	Workshops, forums and on the job training are conducted in order to capacitate asset managers in Departments and Public Entities in the interpretation and application of asset management prescripts.
Purpose/ importance	To ensure that the Departments and Public Entities comply with asset management prescripts.
Source/ collection of data	Attendance Registers
Method of calculation	Simple count
Data limitations	None
Type of indicator	Output
Calculation type	Cumulative
Reporting cycle	Quarterly
New indicator	Yes
Desired performance	Compliance to asset management prescripts by provincial departments
Indicator responsibility	Director: Provincial Assets Management
2. Indicator title	Number of consolidated reports produced on provincial departments' and public entities' compliance to asset management prescripts
Short definition	These are Quarterly assessment reports compiled to establish whether or not provincial departments and public entities comply with asset management prescripts.
Purpose/ importance	To ensure effective asset management and that departmental and public entities asset registers are accurately captured in the system.
Source/ collection of data	Reports from the System and submission by provincial departments
Method of calculation	Simple Count
Data limitations	None
Type of indicator	Output and Outcome
Calculation type	Cumulative
Reporting cycle	Quarterly
New indicator	No
Desired performance	Complete and Accurate Asset Records
Indicator responsibility	Director: Provincial Assets Management

SUPPORTING AND INTERLINKED FINANCIAL SYSTEMS (PROVINCIAL SUPPLY CHAIN MANAGEMENT)

1. Indicator title	Number of accredited SCM training sessions conducted for all Departments and Public Entities
Short definition	Training of all SCM Practitioners and Bid Committee members in all Provincial Departments and public entities
Purpose/ importance	To capacitate SCM practitioners and bid committee members to ensure compliance to SCM Prescripts
Source/ collection of data	Attendance registers
Method of calculation	Simple count
Data limitations	Non attendance of trainees
Type of indicator	Output
Calculation type	Cumulative
Reporting cycle	Quarterly

New indicator	No
Desired performance	To improve competency in SCM and compliance
Indicator responsibility	Programme Manager
2. Indicator title	Number of monitoring reports produced on departments implementation of procurement plans
Short definition	These reports reflects whether or not departments are procuring in line with their approved procurement plans
Purpose/ importance	To ensure that departments adhere to the procurement plans
Source/ collection of data	Departments Procurement plans monitoring reports
Method of calculation	Simple count
Data limitations	Non submission of procurement information by departments
Type of indicator	Efficiency
Calculation type	Cumulative
Reporting cycle	Quarterly
New indicator	No
Desired performance	To ensure that departments procure in line within their procurement plans
Indicator responsibility	Programme Manager
3. Indicator title	Number of monitoring reports produced on the implementation on Provincial Contract Register
Short definition	Implementation on Provincial Contract Register
Purpose/ importance	Adherence to contract management principles
Source/ collection of data	Monitoring reports
Method of calculation	Simple count
Data limitations	None
Type of indicator	Outcome
Calculation type	Cumulative
Reporting cycle	Bi-annual
New indicator	Yes
Desired performance	Effective contract management
Indicator responsibility	Programme Manager
4. Indicator title	Number of compliance reports produced related to invoices paid after 30 days and submitted to National Treasury
Short definition	This report reflects whether or not the departments make payments to suppliers within 30 days after receipt of invoices from suppliers.
Purpose/ importance	To monitor non-compliance by department in relation to thirty days payments to suppliers
Source/ collection of data	Submitted reports from departments
Method of calculation	Simple count
Data limitations	Non submission of reports
Type of indicator	Outcome
Calculation type	Cumulative
Reporting cycle	Quarterly
New indicator	No
Desired performance	Payment within thirty days after receipt of invoice
Indicator responsibility	Programme Manager
5. Indicator title	Number of SCM outreach programmes conducted on suppliers' development
Short definition	This is a departmental programme aiming at providing SCM services to the suppliers and community members.
Purpose/ importance	To empower rural communities and suppliers in general on the Government procurement processes and procedures and for broad based economic empowerment
Source/ collection of data	Attendance Registers
Method of calculation	Simple count

Data limitations	Non attendance of suppliers or community members
Type of indicator	Outcome
Calculation type	Cumulative
Reporting cycle	Quarterly
New indicator	No
Desired performance	Responsive suppliers in bids and quotations
Indicator responsibility	Programme Manager

FINANCIAL GOVERNANCE

ACCOUNTING SERVICES

1. Indicator title	Number of capacity building workshops conducted for Departmental CFO's and Public Entities on Accounting updates and Reforms
Short definition	Workshops are Conducted in order to make the Departments and Public Entities CFO'S aware of the accounting updates e.g. GAAP and GRAP.
Purpose/ importance	To ensure that the Departments and Pubic Entities comply with PFMA, GAAP and GRAP financial requirements.
Source/ collection of data	Attendance Registers and Financial updates, GAAP and GRAP.
Method of calculation	Simple count
Data limitations	None
Type of indicator	Output
Calculation type	Cumulative
Quarterly	Quarterly
New indicator	No
Desired performance	Compliance with PFMA, GAAP, GRAP by provincial departments and Public Entities.
Indicator responsibility	Chief Director: Accounting Services
2. Indicator title	Number of monitoring reports produced on a plan of action on AFS audit outcomes for departments and Public Entities.
Short definition	Monitoring implementation of audit action plans on AFS audit outcomes by departments and Public Entities.
Purpose/ importance	To ensure that the Departments and Pubic Entities comply with PFMA, GAAP and GRAP financial requirements and achieve a clean audit reports.
Source/ collection of data	Audited Departmental AFS and audit reviews. Action plans from Departments.
Method of calculation	Simple count
Data limitations	None
Type of indicator	Output
Calculation type	Cumulative
Reporting cycle	Quarterly
New indicator	No
Desired performance	Compliance with PFMA, GRAP, National Treasury instructions, improved financial performance by provincial departments and Public Entities.
Indicator responsibility	Chief Director: Accounting Services
3. Indicator title	Number of monitoring reports produced on Departments and Public Entities, on irregular, fruitless and wasteful expenditure
Short definition	Reports on irregular, fruitless and wasteful expenditure by Departments compiled for submission to Provincial Legislature.
Purpose/ importance	To compile submission requesting Provincial Legislature condonement of Departmental irregular, fruitless and wasteful expenditure.
Source/ collection of data	Reports are submitted by Departments with irregular, fruitless and wasteful expenditure in their books.
Method of calculation	Simple count
Data limitations	None
Type of indicator	Output
Calculation type	Non-Cumulative
Reporting cycle	Annual
New indicator	No

Desired performance	Compliance with PFMA, GAAP, GRAP and Departments .Departments must include all information in their requests for condonement.
Indicator responsibility	Chief Director: Accounting Services
4. Indicator title	Number of EPWP financial programme roll out to Departments and Public Entities in improving their audit outcomes
Short definition	Financial programme are conducted in order to reduce audit findings by Departments and Public Entities
Purpose/ importance	To reduce audit findings by Departments and Public Entities
Source/ collection of data	Approval of the Programme roll out, Appointment letters, Programme Implementation Plan
Method of calculation	Simple count
Data limitations	None
Type of indicator	Output
Calculation type	Non-cumulative
Reporting cycle	Annual
New indicator	No
Desired performance	Reduced audit findings
Indicator responsibility	Chief Director: Accounting Services

FINANCIAL SYSTEMS AND TRAINING

1.Indicator title	Number of Financial Systems training sessions conducted.
Short definition	Training done to capacitate departmental officials on Financial Systems used in government.
Purpose/importance	All officials working on financial systems must have the knowledge to make optimal use of the systems
Source/collection of data	Attendance register (nominations from Provincial Departments)
Method of calculation	Simple count
Data limitations	Depends on nominations from Provincial Departments
Type of indicator	Output
Calculation type	Cumulative
Reporting cycle	Quarterly
New indicator	No
Desired performance	The aim is to have all staff in Provincial Departments trained on financial systems during the financial year.
Indicator responsibility	Director :Financial Systems and Training

PROVINCIAL RISK MANAGEMENT

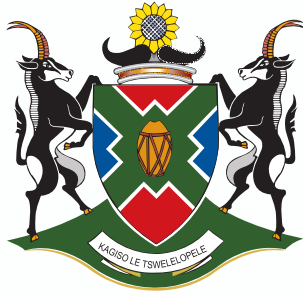
1. Indicator Title	Number of progress reports produced on Departments and Public Entities compliance to Public Sector Risk Management Framework
Short definitions	These reports reflects the extent to which departments and public entities implement Public Sector Risk Management Framework
Purpose/importance	To provide reasonable assurance that Annual Performance Plan targets will be met
Source/collection of data	Quarterly risk management progress reports from departments
Method of calculation	Simple count
Data limitations	Non-submission of quarterly risk management progress reports
Type of indicator	Output
Calculation type	Cumulative
Reporting cycle	Quarterly
New indicator	No
Desired performance	Effective and efficient implementation of risk management in the provincial departments and public entities.
Indicator responsibility	Director: Provincial Risk Management

PROVINCIAL INTERNAL AUDIT

1. Indicator title	Number of departmental post audit action plan strategies and processes reviewed
Short definition	These are the reports aimed at evaluating the extend which the departments are implementing their post audit action plans strategies and processes.
Purpose/importance	Provides assurance on adequacy and effectiveness of post audit action plans compiled by Provincial Departments
Source/collection of data	Audit reports issued
Method of calculation	Simple count
Data limitations	None
Type of indicator	Output
Calculation type	Non-cumulative
Reporting cycle	Annual
New indicator	No
Desired performance	To ensure departments have efficient audit action plans in place
Indicator responsibility	Programme manager
2.Indicator title	Number of departmental Risk Management strategies and processes reviewed
Short definition	These are audits which are aimed at determining the extent to which departments are complying to risk management strategies and processes.
Purpose/importance	Provides assurance to Provincial Departments on the adequacy and effectiveness on implemented risk management strategies and processes. Risk management assist organisations in achieving its objectives and is a high requirement in terms of government outcomes

Source/collection of data	Audit reports issued on risk management
Method of calculation	Simple count
Data limitations	None
Type of indicator	Output
Calculation type	Non-cumulative
Reporting cycle	Annual
New indicator	No
Desired performance	Provision of assurance on the adequacy of internal controls and its effectiveness on implemented risk management strategies and processes.
Indicator responsibility	Programme manager
3.Indicator title	Number of departmental ICT Governance systems reviewed
Short definition	This is an audit on the adequacy and effectiveness of departments ICT Governance systems.
Purpose/importance	Provides assurance to Provincial Departments on the adequacy and effectiveness on ICT governance systems.
Source/collection of data	Audit reports issued on ICT Governance (these audit reports provides the outcome of the assessment of each department).
Method of calculation	Simple count
Data limitations	None
Type of indicator	Output
Calculation type	Cumulative
Reporting cycle	Quarterly
New indicator	No
Desired performance	Provision of assurance on the adequacy of internal controls and its effectiveness on ICT Governance systems.
Indicator responsibility	Programme manager
4.Indicator title	Number of departmental financial statement systems reviewed
Short definition	These are audits performed on the adequacy and effectiveness of departmental financial statements and reporting systems.
Purpose/importance	Provides assurance to Provincial Departments on the adequacy and effectiveness of financial statement compilation processes. Financial reporting is one of the three key areas that needs to be addressed in terms of clean audit initiatives
Source/collection of data	Audit reports issued on financial statement processes.
Method of calculation	Simple count
Data limitations	None
Type of indicator	Output
Calculation type	Non-Cumulative.
Reporting cycle	Annual
New indicator	No
Desired performance	Provision of assurance on the adequacy of internal controls and its effectiveness of financial statement compilation processes.

Indicator responsibility	Programme manager
5. Indicator title	Number of monitoring reports on pre-auditing of all tenders above R10 million
Short definition	Pre-auditing of all tenders above R10 million
Purpose/importance	To reduce the possibilities of non-compliance with laws and regulation
Source/collection of data	Monitoring reports produced on tenders above R10 million
Method of calculation	Simple count
Data limitations	Possibility of none availability of tenders above R10 million to be audited
Type of indicator	Output
Calculation type	Cumulative
Reporting cycle	Bi-annual
New indicator	Yes
Desired performance	Compliance with laws and regulation governing tender processes
Indicator responsibility	Programme manager
6. Indicator title	Number of departmental performance information systems and processes reviewed
Short definition	These are audits performed on the adequacy and effectiveness of departmental performance information reporting systems and processes.
Purpose/importance	Provides assurance to Provincial Departments on the adequacy and effectiveness of performance reporting processes. Performance reporting is one of the three key areas that needs to be addressed in terms of clean audit initiatives
Source/collection of data	Audit reports issued on performance reporting processes.
Method of calculation	Simple count
Data limitations	None
Type of indicator	Output
Calculation type	Cumulative
Reporting cycle	Quarterly
New indicator	No
Desired performance	Provision of assurance on the adequacy of internal controls and its effectiveness of performance reporting processes.
Indicator responsibility	Programme manager



provincial treasury

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WE BELONG



WE CARE



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