provincial treasury

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

VOTE 7

4th QUARTERLY PERFORMANCE REPORT 2023-2024

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ACCOUNTING OFFICER

DATE:

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1. INTRODUCTION AND BACKGROUND

Provincial Treasury responds to the following MTSF Priority:

MTSF Priority 1: A Capable, Ethical and Developmental State

2. SITUATIONAL ANALYSIS / HIGHLIGHTS ON OTHER ACHIEVEMENTS

PROGRAMME 2: SUSTAINABLE RESOURCE MANAGEMENENT

2.2. SUB-PROGRAMME: ECONOMIC ANALYSIS AND FISCAL POLICY

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

The unit successfully held the Provincial Revenue Forum where all departments were represented. The forum focuses on sharing best practices to assist department that are struggling to meet revenue collection target with innovative means of enhancing revenue collection. To strengthen oversight the unit conducted visits to revenue collection sites.

PROGRAMME 4: FINANCIAL GOVERNANCE

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

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

- The Provincial Risk Management Unit has prepared and finalized the reports on Provincial Risk Management Maturity Model assessment results for departments (including North West Provincial Legislature) and public entities. These are reports on departments and public entities in achieving the improved risk management maturity levels
- The Provincial Risk Management Unit has reviewed and made recommendations into the risk management enabling documents of the following departments for 2024/25 financial year:
  - Department of Education;
  - Department of Health;
  - Department of Human Settlements;
  - Department of Arts, Culture, Sports and Recreation;
  - Department of Social Development;
  - Provincial Treasury;
  - Department of Cooperative Government and Traditional Affairs;
  - Department of Economic Development, Environment, Conservation and Tourism;
  - Department of Agriculture and Rural Development;
  - Department of Public Works and Roads;
  - Office of the Premier;
  - Department of Community Safety and Transport Management.

- The Provincial Risk Management Unit attended and guided Risk Management Committee meetings of the following departments:
  - ➢ Department of Economic Development, Environment, Conservation and Tourism;
  - ➢ Department of Agriculture and Rural Development;
  - ➢ Department of Community Safety and Transport Management;
  - ➢ Department of Education
- The Provincial Risk Management Unit has held the 4th quarter Provincial Risk Management Forum meeting for Departments
- The Provincial Risk Management Unit has held the 4th quarter Provincial Risk Management Forum meeting for Public Entities.

4.2. SUB-PROGRAMME: PROVINCIAL INTERNAL AUDIT

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

- Performed audits as per approved audit plan
- Performed audits of bids above R10 000 000 submitted for review.

3. KEY CHALLENGES AND RESPONSES *(per sub programmes)*

PROGRAMME 1: ADMINISTRATION

1.1. SUB-PROGRAMME: RISK MANAGEMENT

Challenge 1:
Load shedding impacted on the ability to source quotations and process payments, as the backup power provided services a few offices.

Response to challenge 1:
- Installation of a UPS in the CFO Unit to ensure that all units were able to continue with their work.
- Staff worked overtime to catch up on the processing of information.

1.3. SUB-PROGRAMME: CORPORATE SERVICES

Challenge 1:
- Network challenges for online training exacerbated by load shedding.
- Reluctance by officials to do online training.

Response to challenge 1:

- Continuously encouraging staff to register for on-line training.
- Prepared training rooms & router to enable usage of virtual platforms for training.
- Remedies to Load shedding issues are beyond the scope of the unit.

1.4. SUB-PROGRAMME: FINANCIAL MANAGEMENT (CFO)

Challenge 1:
Load shedding impacted on the ability to source quotations and process payments, as the backup power provided services a few offices.

Response to challenge 1:
- Installation of a UPS in the CFO Unit to ensure that all units were able to continue with their work.
- Staff worked overtime to catch up on the processing of information.

PROGRAMME 2: SUSTAINABLE RESOURCE MANAGEMENENT

2.2. SUB-PROGRAMME: ECONOMIC ANALYSIS AND FISCAL POLICY

<u>**Challenge 1:**</u>
About 4 departments has under collected against the 2023/24 set targets.

<u>**Response to challenge 1**</u>**:**
Department to develop and implement remedial strategies to address under performance Provincial Treasury to monitor the implementation of the strategies.

2.3. SUB-PROGRAMME: MUNICIPAL FINANCIAL MANAGEMENT

<u>**Challenge 1:**</u>
Lack of commitment and cooperation by some municipalities in terms of compliance with MFMA requirement.

<u>**Response to challenge 1**</u>**:**
Non-compliance letters were sent to municipalities that did not comply with MFMA

PROGRAMME 3: ASSETS AND LIABILITY MANAGEMENT

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

<u>**Challenge 1:**</u>
There is no service provider appointed for asset verification software

<u>**Response to challenge 1**</u>**:**

Departments to perform manual verification using walker reports. Provincial Treasury will monitor manual verification and ensure that WALKER asset register is updated

PROGRAMME 4: FINANCIAL GOVERNANCE

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

Challenge 1: Vacant Director, Assistant Director and Secretary positions **Response to challenge 1:** Motivation to fill the vacant posts submitted to HR

SUB-PROGRAMME: PROVINCIAL INTERNAL AUDIT

Challenge 1: Slow turnaround time of recruitment **Response to challenge 1:** Availed PIA resources to assist in shortlisting.

4. ACTUAL PERFORMANCE AGAINST 2023-2024 4th QUARTERLY TARGETS

PROGRAMME 1: ADMINISTRATION QUARTERLY TARGETS

Sub-Programme 1.1: Office of the MEC

No	Output Indicators	Annual target 2023-2024	Validated 3rd quarter actual outputs	4th quarter planned targets	4th quarter actual outputs	Reasons for underperformance or overachievement	Measures to address under achievements
1	Number of Annual Reports submitted to the North West Provincial Legislature for tabling	1	N/A	N/A	N/A	N/A	N/A

Sub-Programme 1.2: Risk Management

No	Output Indicators	Annual target 2023-2024	Validated 3rd quarter actual outputs	4th quarter planned targets	4th quarter actual outputs	Reasons for underperformance or overachievement	Measures to address under achievements
1	% submission of disclosures of financial interest for SMS	100%	N/A	N/A	N/A	N/A	N/A
2	% of compliance to Financial Disclosure on designated groups	100%	N/A	N/A	N/A	N/A	N/A

No	Output Indicators	Annual target 2023-2024	Validated 3rd quarter actual outputs	4th quarter planned targets	4th quarter actual outputs	Reasons for underperformance or overachievement	Measures to address under achievements
3	Number of Strategic Risk Assessment Performed	1	N/A	1	1	N/A	N/A
4	Formulation of Departmental disaster management plan	1	N/A	1	1	N/A	N/A

Sub-Programme1.3: Corporate Services

No	Output Indicators	Annual target 2023-2024	Validated 3rd quarter actual outputs	4th quarter planned targets	4th quarter actual outputs	Reasons for underperformance or overachievement	Measures to address under achievements
1	Number of officials trained in line with Work Skills Plan	100	96	15	155	Additional Seven (7) group training courses coordinated during the period under review which boosted numbers.	N/A

Sub-Programme 1.4: Financial Management (CFO)

No	Output Indicators	Annual target 2023-2024	Validated 3rd quarter actual outputs	4th quarter planned targets	4th quarter actual outputs	Reasons for underperformance or overachievement	Measures to address under achievements
1	Number of Annual financial statements without material misstatements	1	N/A	N/A	N/A	N/A	N/A
2	% of valid invoices paid within 30 days	100%	100%	100%	100%	N/A	N/A
3	Number of reports on procurement spend to Women-owned businesses produced	4	1	1	1	N/A	N/A
4	Number of reports on procurement spend to youth owned businesses produced	4	1	1	1	N/A	N/A
5	Number of reports on procurement spend to persons with disabilities owned businesses produced	4	1	1	1	N/A	N/A

PROGRAMME 2: SUSTAINABLE RESOURCE MANAGEMENT QUARTERLY TARGETS

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

No	Output Indicators	Annual target 2023-2024	Validated 3rd quarter actual outputs	4th quarter planned targets	4th quarter actual outputs	Reasons for underperformance or overachievement	Measures to address under achievements
1	Estimates of Provincial Revenue and Expenditure (EPRE)	1	N/A	1	1	N/A	N/A
2	Quarterly Financial assessments on provincial spending	4	1	1	1	N/A	N/A

Sub-Programme 2.2: Economic Analysis and Fiscal Policy

No	Output Indicators	Annual target 2023-2024	Validated 3rd quarter actual outputs	4th quarter planned targets	4th quarter actual outputs	Reasons for underperformance or overachievement	Measures to address under achievements
1	Provincial own revenue collected	R1.2 billion	N/A	R1.2 billion	R1.439 306 billion	Over achievement is due to improved strategies on collection of outstanding debts by departments.	N/A

Sub-Programme 2.3: Municipal Financial Management

No	Output Indicators	Annual target 2023-2024	Validated 3rd quarter actual outputs	4th quarter planned targets	4th quarter actual outputs	Reasons for underperformance or overachievement	Measures to address under achievements
1	Number of budget assessments conducted on adopted municipal budgets	20	N/A	N/A	N/A	N/A	N/A
2	Number of municipal capacity building interventions conducted	4	1	1	1	N/A	N/A
3	Number of assessment conducted on status of municipal internal control environment	7	N/A	N/A	N/A	N/A	N/A
4	Number of reports on technical support provided to municipalities in-line with Section 154 of the Constitution	4	1	1	1	N/A	N/A

No	Output Indicators	Annual target 2023-2024	Validated 3rd quarter actual outputs	4th quarter planned targets	4th quarter actual outputs	Reasons for underperformance or overachievement	Measures to address under achievements
5	Number of assessment reports done on municipalities in financial crisis	4	1	1	2	The additional report on assessment done on municipalities in financial crisis reported in this quarter is to address the quarter 2 under achievement.	N/A

PROGRAMME 3: ASSET AND LIABILITIES QUARTERLY TARGETS

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

No	Output Indicators	Annual target 2023-2024	Validated 3rd quarter actual outputs	4th quarter planned targets	4th quarter actual outputs	Reasons for underperformance or overachievement	Measures to address under achievements
1	Number of supply chain management (SCM) capacity building interventions provided to Departments and Public Entities	4	1	1	1	N/A	N/A
2	Number of Departments and Public Entities supported to improve audit outcomes on SCM	7	3	4	4	N/A	N/A
3	Number of assessments done on non-compliance by Departments and Public Entities on SCM regulation	4	1	1	1	N/A	N/A
4	Number of asset management capacity building interventions provided to departments and Public Entities	4	2	2	2	N/A	N/A

No	Output Indicators	Annual target 2023-2024	Validated 3rd quarter actual outputs	4th quarter planned targets	4th quarter actual outputs	Reasons for underperformance or overachievement	Measures to address under achievements
5	Number of Departments and Public Entities supported to improve audit outcomes on asset management	7	3	4	4	N/A	N/A

PROGRAMME 4: FINANCIAL GOVERNANCE QUARTERLY TARGETS

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

No	Output Indicators	Annual target 2023-2024	Validated 3rd quarter actual outputs	4th quarter planned targets	4th quarter actual outputs	Reasons for underperformance or overachievement	Measures to address under achievements
1	Number of capacity Building Interventions for Departments and Public Entities	9	2	2	4	Departments and Public Entities needed to be updated on the current updates of the reporting frameworks in preparation of the year-end and the Annual Financial Statements.	N/A
2	Number of monitoring reports on implementation of AGSA findings on the preceding financial year on departments and public entities	3	1	2	2	N/A	N/A
3	Number of key control assessments performed on departments and public entities	7 (6 D;1 PE)	7	N/A	N/A	N/A	N/A

No	Output Indicators	Annual target 2023-2024	Validated 3rd quarter actual outputs	4th quarter planned targets	4th quarter actual outputs	Reasons for underperformance or overachievement	Measures to address under achievements
4	Number of interventions provided to governance structures in Public Entities	2	0	N/A	2	Was targeted for quarter 3 but achieved in quarter 4	N/A
5	Number of departments and public entities achieving improved risk management maturity level	9 (6D; 3PE)	N/A	9 (6D; 3PE)	9 (6D; 3PE)	N/A	N/A

Sub-Programme 4.2: Provincial Internal Audit

No	Output Indicators	Annual target 2023-2024	Validated 3rd quarter actual outputs	4th quarter planned targets	4th quarter actual outputs	Reasons for underperformance or overachievement	Measures to address under achievements
1	Number of departmental post audit action plans implementation assessed.	11	N/A	11	11	N/A	N/A
2	Number of departmental risk management systems assessed	11	11	N/A	N/A	N/A	N/A
3	Number of departmental ethics systems assessed	11	N/A	N/A	N/A	N/A	N/A