provincial treasury

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

VOTE 7

1st QUARTERLY PERFORMANCE REPORT 2024-2025

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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 1: ADMINISTRATION

1.1. SUB-PROGRAMME: RISK MANAGEMENT

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

- Prepared and finalised operational and strategic risk assessments
- The Integrity Management Unit presented at the newly appointed TVET interns' induction on the following:

    a. Ethics Management
    b. Code of conduct
    c. Other Remunerative Work outside the public service
    d. Conducting Business with the State

- Received and processed 4 other remunerative work applications from officials who are conducting other remunerative work outside the public service.

PROGRAMME 2: SUSTAINABLE RESOURCE MANAGEMENENT

2.1. SUB-PROGRAMME: ECONOMIC ANALYSIS AND FISCAL POLICY

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

- The Provincial Revenue Forum was held on 24th May 2024 with Provincial Departments to discuss revenue performance and challenges.

PROGRAMME 3: ASSETS AND LIABILITY MANAGEMENT

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

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

Asset Management

- Performed a review of Annual Financial Statements capital assets and related notes
- Assisted some Departments in the correcting the findings from the reviews
- Assisted Departments with responding to auditor general findings/requests
- Performed reviews of submitted departmental policies
- Performed a pre-disposal audit of movable assets for the North West Development Corporation.

Provincial Supply Chain Management

- Provincial Supply Chain Management unit managed to provide bid committee training for Provincial Departments and Public Entities from the 4th to 7th June 2024. Attendance was generally satisfactory.
- Three (03) draft instruction notes, and two (02) circulars were developed and consulted with stakeholders from Provincial Departments and Public Entities. These will be quality assured based on the inputs received before being forwarded to the accounting officer (Provincial Treasury) for final consideration and approval.
- Some progress has been made in terms of short-listing for some critical posts of Assistant Director: SCM Policy Norms and Assistant Director: Compliance.
- The network infrastructure in the PSCM premise is still unreliable and this does not promote efficiency in terms of communication and access to key website. The unit has some few router allocated to deal with this problem. There is some progress towards ensuring a permanent solution albeit slow.

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:

- Prepared and issued HOD-to-HOD letters as well as HOD-to-CEO letters for all Departments, Provincial Legislature and Public Entities, where recommendations for improving the implementation of risk management based on challenges identified were made. This was in line with one of the responsibilities of Provincial Treasury in terms of Section 18 of the PFMA i.e. monitoring and assessing the implementation of risk management in the Province.
- Assisted in the process of appointing the Risk Management Committees for Northwest Transport Investments, North West Parks and Tourism Board and North West Housing Corporation and inducted those committees.
- Held Provincial Risk Management Forum meetings for departments and public entities

4.2. PROVINCIAL INTERNAL AUDIT

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

- Annual audit plans for 2023/24 completed in April 2024.
- Annual Internal Audit Plans 2024/25 approved.
- AFS and annual reports reviewed for 11 Departments before submission thereof the AGSA in May 2024.
- AC meetings held for quarter 4 (23/24) and AFS/AR plus CAC meeting – 22 meetings.

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

PROGRAMME 1: ADMINISTRATION

1.1 SUB-PROGRAMME: RISK MANAGEMENT

Challenge 1:

- Due to capacity constraint in the Unit caused delays in the approval of 2024/25 risk registers, policies and strategies

Response to challenge 1:

- Start reviewing policies and strategies in the last month of the 2nd quarter for the next financial year

1.3. SUB-PROGRAMME: CORPORATE SERVICES

Challenge 1:

- Network challenges for online training
- Reluctance by officials to do online training

Response to challenge 1:

- Continuously encouraging staff to register for online training.
- Prepared training rooms to enable usage of virtual platforms for training.
- More in-house training to be coordinated.

1.4. SUB-PROGRAMME: FINANCIAL MANAGEMENT (CFO)

Challenge 1:

- Capacity challenges within the SCM Unit results in officials working overtime

Response to challenge 1:

- Awareness to officials to submit requests timeously to allow for sufficient time for SCM Practitioners to process requests.

PROGRAMME 3: ASSETS AND LIABILITY MANAGEMENT

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

Challenge 1:

- No asset verification tool for provincial departments
- Valuation of investment properties still a problem in the current audit

Response to challenge 1:

- Assist through acquisition of the asset verification tool
- Intervene through the acquisition of a professional service provider to perform valuation of investment properties and Infrastructure.

Challenge 1:

- Unconducive working environment (including network problems).

Response to challenge 1:

- Temporary accommodation has been arranged to accommodate officials to allow for renovations at United Building, procurement of Wi-Fi routers and other necessities to mitigate risk of not being able to function efficiently.

PROGRAMME 4: FINANCIAL GOVERNANCE

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

Challenge 1:

- Provincial Risk Management is experiencing human resource capacity challenges i.e. director and assistant director positions have been vacant for some time, while the secretary position is filled on contract.

Response to challenge 1:

- Submissions were made to HR.

4.2. SUB-PROGRAMME: PROVINCIAL INTERNAL AUDIT

Challenge 1:

- Slow recruitment processes.

Response to challenge 1:

- Finalised recruitment for first batch of recruitment. Participating in prioritization for 2nd batch.
- Re-organised teams to provide resources to where needed.

4. ACTUAL PERFORMANCE AGAINST 2024-2025 1st QUARTERLY TARGETS

PROGRAMME 1: ADMINISTRATION QUARTERLY TARGETS

Sub-Programme 1.1: Office of the MEC

No	Output Indicators	Annual target 2024-2025	1st Quarter planned targets	1st 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	0	N/A	N/A

Sub-Programme 1.2: Risk Management

No	Output Indicators	Annual target 2024-2025	1st Quarter planned targets	1st Quarter actual outputs	Reasons for underperformance or overachievement	Measures to address under achievements
1	% submission of disclosures of financial interest for SMS	100%	100%	100%	N/A	N/A
2	% of compliance to Financial Disclosure on designated groups	100%	N/A	0	N/A	N/A
3	Number of Strategic Risk Assessment Performed	1	N/A	0	N/A	N/A

Sub-Programme1.3: Corporate Services

No	Output Indicators	Annual target 2024-2025	1st Quarter planned targets	1st Quarter actual outputs	Reasons for underperformance or overachievement	Measures to address under achievements
1	Number of officials trained in line with Work Skills Plan	150	20	60	This variance was as a result of additional trainings which had to be undertaken	N/A

Sub-Programme 1.4: Financial Management (CFO)

No	Output Indicators	Annual target 2024-2025	1st Quarter planned targets	1st 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	0	N/A	N/A
2	% of valid invoices paid within 30 days	100%	100%	100%	N/A	N/A
3	Number of reports on procurement spend to Women-owned businesses produced	4	1	1	N/A	N/A

No	Output Indicators	Annual target 2024-2025	1st Quarter planned targets	1st Quarter actual outputs	Reasons for underperformance or overachievement	Measures to address under achievements
4	Number of reports on procurement spend to youth owned businesses produced	4	1	1	N/A	N/A
5	Number of reports on procurement spend to persons with disabilities owned businesses produced	4	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 2024-2025	1st Quarter planned targets	1st Quarter actual outputs	Reasons for underperformance or overachievement	Measures to address under achievements
1	Estimates of Provincial Revenue and Expenditure (EPRE)	1	N/A	0	N/A	N/A
2	Number of quarterly financial assessment performed on provincial spending	4	1	1	N/A	N/A

Sub-Programme 2.2: Economic Analysis and Fiscal Policy

No	Output Indicators	Annual target 2024-2025	1st Quarter planned targets	1st Quarter actual outputs	Reasons for underperformance or overachievement	Measures to address under achievements
1	Amount of Provincial own revenue collected	R1.3 billion	N/A	0	N/A	N/A

Sub-Programme 2.3: Municipal Financial Management

No	Output Indicators	Annual target 2024-2025	1st Quarter planned targets	1st 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	0	N/A	N/A
2	Number of municipal capacity building interventions conducted	4	1	1	N/A	N/A
3	Number of reports on technical support provided to municipalities in-line with Section 154 of the Constitution	4	1	1	N/A	N/A
4	Number of Reports on the implementation of the Financial Recovery Plan	4	1	1	N/A	N/A

PROGRAMME 3: ASSET AND LIABILITIES QUARTERLY TARGETS

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

No	Output Indicators	Annual target 2024-2025	1st Quarter planned targets	1st 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	N/A	N/A
2	Number of Departments and Public Entities supported to improve audit outcomes on SCM	7	N/A	0	N/A	N/A
3	Number of assessments done on non-compliance by Departments and Public Entities on SCM regulations	4	1	1	N/A	N/A
4	Number of asset management capacity building interventions provided to departments and Public Entities	4	N/A	0	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 2024-2025	1st Quarter planned targets	1st 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	N/A	N/A
2	Number of monitoring reports on implementation of AGSA findings on the preceding financial year on departments and public entities	3	N/A	0	N/A	N/A
3	Number of Payment Files interfaced between the core Financial Systems	220	55	60	There was no load-shedding experienced in the quarter and the system (mainframe) has been operating efficiently.	N/A
4	Number of key control assessments performed on departments and public entities	7 (6 D;1 PE)	N/A	0	N/A	N/A
5	Number of departments and public entities achieving improved risk management maturity level	9 (6D; 3PE)	N/A	0	N/A	N/A

Sub-Programme 4.2: Provincial Internal Audit

No	Output Indicators	Annual target 2024-2025	1st Quarter planned targets	1st 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	0	N/A	N/A
2	Number of departmental risk management systems assessed	11	N/A	0	N/A	N/A