



NCPT

NORTHERN CAPE PROVINCIAL TREASURY

Annual Performance Plan

**for the MTEF Period
2021/22 - 2023/24**

We serve with passion. We deliver on time.

1. Executive Authority Statement

The annual performance plan of the department is tabled during the period where the world and the country is in the process of reconstructing and recovery of the economy after the devastating effects of the COVID-19 pandemic. This is also amidst the constrained provincial fiscal framework due to the huge reductions of the budget for the next three year that is not coupled with changes in policies.

The economic climate requires us to be innovative and change our service delivery models. Therefore, during these difficult financial times, Provincial Treasury is expected to play a pivotal role in promoting sound financial management and ensuring that services are delivered to the people of the Northern Cape in the most transparent and cost effective manner.

In our endeavour to achieve the policy priorities of the province and the department, we have aligned our plans to the budget, taking cognisance of our current service delivery demands and our strategic outcomes, which is to promote good governance and financial viability in our quest to accelerate economic growth.

We will focus our efforts on allocative and expenditure efficiency as well as introduce austerity measures to ensure that we remain within our budget without compromising the provincial policy priorities.

The department will continue to provide targeted support and advice to departments, Public entities and municipalities to improve financial management within the province. This will be coupled with the forging of partnerships and collaboration with oversight structure in pursuit of good financial governance and accountability in the province.

I hereby endorse the Annual Performance Plan of Treasury for the 2021/22 MTEF and commit to support its implementation.



Executive Authority of Provincial Treasury

2. Accounting Officer Statement

This is the second year of the implementation of the departmental five- year strategic plan. The period of implementation is accompanied by huge budget cuts due to the economic climate of the country and the fiscal consolidation by national government with the aim of reducing government spending.

Despite the budget cuts, Provincial Treasury continues to perform its mandate as per the Public Finance Management Act 1 of 1999 as amended and the Municipal Finance Management Act (MFMA) of 2003. We continue to strive for improved financial management and compliance to laws and regulations through the intervention strategies that we employ.

The department is in the final stages of finalising the organisational structure that will enable us to perform our functions optimally and to reach our MTSF targets. This will be linked with filling of the critical vacancies to ensure continuity and sustainability of the department Sustainable.

We have refined our plans taking into account the prevailing circumstances and the need to ensure improved financial management. This will be done by optimally utilising the technology solutions at our disposal and working smarter through the reengineering of our business processes and inculcating the culture of doing more with less.

Collaboration efforts with oversight structures will be strengthened throughout the year as a means of promoting accountability within the province.



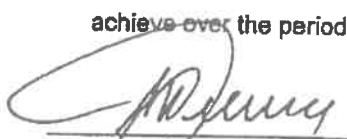
G L Bosvark

Accounting Officer of Provincial Treasury

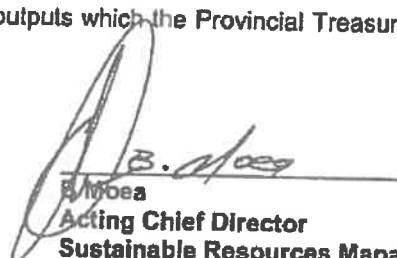
Official Sign-Off

It is hereby certified that this Annual Performance Plan:

- Was developed by the management of the Provincial Treasury under the guidance of MEC Abraham Vosloo
- Takes into account all the relevant policies, legislation and other mandates for which the Provincial Treasury is responsible.
- Accurately reflects the outcomes and outputs which the Provincial Treasury will endeavour to achieve over the period 2021 - 2024.




O Vermeulen
Acting Chief Director
Asset and Liabilities Management



B. Moea
Acting Chief Director
Sustainable Resources Management



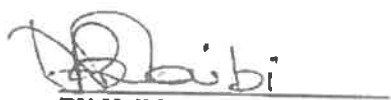
S. Rullers
Acting Chief Director
Financial Governance



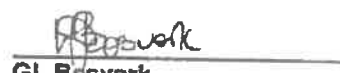
J van Tonder
Chief Director
Provincial Internal Audit



A Heugh
Acting Chief Financial Officer



BN Maibi
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GL Besvark
Acting Accounting Officer



A Vosloo MPL
Executive Authority of Provincial Treasury

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PART A: OUR MANDATE

1. Updates on the relevant legislative and policy mandates

The following are legislative and other mandates that the department is directly responsible for implementing, managing or overseeing.

1.1 Legislative mandates

Constitution Act No.108 of 1996, Chapter 13	The supreme law of the Republic, law or conduct inconsistent with it is invalid and the obligations imposed by it must be fulfilled.
Public Finance Management Act (Act 1 of 1999) as amended (PFMA)	To regulate financial management in the National Government and Provincial Governments, to ensure that all revenue, expenditure, assets and liabilities of the governments are managed efficiently and effectively; to provide for the responsibilities of persons entrusted with financial management in those governments and to provide for matters connected therewith.
Municipal Finance Management Act, 2003 (Act 56 of 2003) (MFMA)	To secure sound and sustainable management of the financial affairs of the municipalities and other institutions in the local sphere of government; to establish treasury norms and standards for the local sphere of government and to provide for matters connected therewith.
Division of Revenue Act as annually enacted	To provide for the equitable division of revenue anticipated to be raised nationally among the national, provincial and local spheres of government and the reporting requirements for allocation pursuant to such division; to permit the withholding and the delaying of payments in certain circumstances; to provide for liability for costs incurred in litigation in violation of the principles of co-operative governance and intergovernmental relations and to provide for matters connected therewith.
Treasury Regulations, March 2005 (as amended)	To regulate for the requirements for strategic planning as the basis for the preparation of budgets; to set minimum standards for financial management, clarification of roles; to instilling a culture of output measurement; to regulate and provide guidelines for the handling of property, disposal of state assets, disposal of immovable state assets and procurement.
Preferential Procurement Policy Framework Act (Act 5 of 2000)	To provide regulatory framework enabling and assisting departments and potentially disadvantaged Individuals (HDI's) in the sustainable development and implementation of preferential procurement system.
Public Service Act (Act 103 of 1994) as amended	To provide for the organization and administration of human resources management, which includes the regulation of conditions of employment, terms of office, discipline, retirement and discharge of staff and matters connected therewith.
Promotion of Access to Information Act, 2000 (Act 2 of 2000)	To give effect to constitutional right of access to any information held by the state and any information that is held by another person and that is required for the exercise or protection of any rights; and to provide for matters connected therewith.

Employment Equity Act, 1998 (Act 55 of 1998)	To regulate the process and procedures in achieving a diverse and competent workforce broadly representative of demographics of the country and eliminating unfair discrimination in employment towards implementing equity.
Labour Relations Act, 1995 (Act 66 of 1995)	To regulate and guide organisations in recognizing and fulfilling their roles in effecting labour harmony and democratization of the workplace.
Municipal Systems Act (2000) and Development facilitation Act (1995)	To support and monitor municipal Integrated Development Planning (IDP)
Broad Based Black Economic Empowerment Act 2003	To establish a legal framework for the empowerment, align the Preferential Procurement Policy Framework 2000 with the aims of Broad Based Black Economic Empowerment Act and association Codes of good practice

1.2 Policy mandates

POLICY MANDATES	PURPOSE
National Development Plan	The department should ensure that its plans are aligned to the country's development plan. This will ensure achievement of socio-economic development and growth
Medium Term Strategic Framework(MTSF) 2019 -2024	The department must develop a five year strategic plan and budget requirement taking into account the medium-term imperatives as outlined in the MTSF 2019 – 2024
Northern Cape Provincial Growth and Development Strategy (NCPGDS)	The Provincial Growth and Development Strategy (PGDS) is a critical tool to guide and coordinate the allocation of national, provincial and local resources and private sector investment to achieve sustainable development outcomes.
Integrated Development Plans	To assist in determining the credibility of Integrated Development Plans and Municipal Budgets as well as facilitate integrated planning among the three spheres of government
Human Resource Development Strategy	To maximise the potential of the people of South Africa, through the acquisition of knowledge, skills and values, to work productively and competitively in order to achieve a rising quality of life for all, and to set in place an operational plan, together with the necessary institutional arrangements, to achieve this
Implementation of the PT & COGHSTA MoU	<p>To clarify the roles and consolidate efforts between NCPT and COHGSTA in rendering support to municipalities;</p> <p>Collaborate and cross cutting issues and synchronise efforts in providing assistance to municipalities through "Back to Basics" programme</p>
Provincial strategy to support municipalities	<ul style="list-style-type: none"> • Promote credible and reliable financial reporting by enforcing; • The implementation of control activities in all financial management functional areas;

POLICY MANDATES	PURPOSE
	<ul style="list-style-type: none"> • Build financial management capacity in municipalities in a holistic approach by addressing individual institutional and organisation gaps; • Enhance control environment in municipalities to improve oversight and accountability; • Municipal financial viability through sustainable operations that will enable service delivery
Provincial Preferential Procurement Framework	<ul style="list-style-type: none"> • Set provincial targets for designated groups • Create a conducive environment for designated group business to grow within the province • Set industry targets for support to designated groups
Provincial MTEF Technical Guidelines	<ul style="list-style-type: none"> • Provides relevant information on main strategic proposals as required by the budget decision-making structures. • The Guidelines provide public institutions with guidance on how to prepare their medium-term budget submissions for the 2021 Budget • Guidance is in accordance with section 27(3) of the Public Finance Management Act (PFMA), Act No. 1 of 1999.

2. Updates to institutional policies and strategies

The department's annual performance plan has been developed in consideration of the following policies:

- Northern Cape Provincial Growth and Development Plan;
- Provincial Growth Development Plan 5-Year Implementation Plan & Monitoring Framework as per the following outcomes indicators:

Priority 1: Building a capable, ethical and developmental state

Priority 2: Economic transformation and job creation

- National Treasury Budget guidelines and budget mandate document; and
- The above legislations

The following are the key strategies that the department intends on implementing in fulfilling the requirement of the above institutional policies:

Key Drivers	Strategy to unlock key drivers in order to accomplish outcomes
Enforcement Enforcement of Legislation to improve sound governance	<p>Provide the Executive Authority with timeous and relevant information. This will empower the Executive Authority to hold organisations accountable at relevant structures.</p> <p>All non-compliance will be followed up and recommendations provided to departments for further implementation.</p> <p>Implement consequence management processes to ensure that irregular and unauthorised expenditure is reduced and deterred.</p>
Leadership (Internal & External) Leadership to create a culture of stability and accountability resulting in good governance	<p>The Executive Authority being the head of Provincial Treasury responsible for prudent financial management will:</p> <ul style="list-style-type: none"> • Issue directives on sound financial management; • Convene quarterly meetings with relevant stakeholders to outline the financial position and financial management of the province; • Ensure that key positions are filled in order to create a culture of stability and accountability, • Implement proper delegations of powers
Capacity Capable and modern state to accelerate service delivery	<p>To create a capable workforce that delivers on its mandate, Provincial Treasury will:</p> <ul style="list-style-type: none"> • Finalise the Organisational structure and ensure that it is responsive to the strategies that need to be implemented; • Empower its officials through coaching, mentoring, succession planning and address skills gaps through training initiatives including, membership to professional bodies; • Performance Agreements will be SMART – aligned to NCPT Strategic and Annual Performance Plan; • Develop information management & knowledge sharing platforms.

3. Updates to relevant court rulings

There are no current or specific court rulings that will have a significant impact or ongoing impact on the operations or service delivery obligations of the department.

PART B: OUR STRATEGIC FOCUS

1. Updated situational analysis

In order to evaluate the current service delivery environment, it is essential to reflect on the mandate of a Provincial Treasury. The Public Finance Management Act 1 of 1999 section 18 indicates that a provincial treasury must:

- (1)
 - (a) prepare the provincial budget;
 - (b) exercise control over the implementation of the provincial budget;
 - (c) promote and enforce transparency and effective management in respect of revenue, expenditure, assets and liabilities of provincial departments and provincial public entities; and
 - (d) ensure that its fiscal policies do not materially and unreasonably prejudice national economic policies.
- (2)
 - (b) must enforce this Act and any prescribed national and provincial norms and standards, including any prescribed standards of generally recognised accounting practice and uniform classification systems, in provincial departments; norms and standards;
 - (e) may assist provincial departments and provincial public entities in building their capacity for efficient, effective and transparent financial management;
 - (g) must intervene by taking appropriate steps, which may include the withholding of funds, to address a serious or persistent material breach of this Act by a provincial department or a provincial public entity;
 - (i) may do anything further that is necessary to fulfil its responsibilities effectively.

Furthermore, Provincial Treasury as a custodian of the provincial resources is required to support and promote:

- Economic growth and job creation initiatives;
- Revenue enhancement and debt collection;
- Prudent management of provincial expenditure;
- Reduction of debt and unauthorised expenditure;
- Improvement of financial governance; and
- Management of the public sector wage bill.

The COVID-19 pandemic and the current economic climate requires Provincial Treasury to be very proactive and responsive to protect the most vulnerable through the allocation of resources.

The economy of the country has been significantly affected during this period, which then requires Provincial Treasury to partner and champion the resuscitation of the economy, especially in view of the action-oriented Economic Reconstruction and Recovery plan as tabled by our honorable President.

Economic Overview

According to Statistics South Africa, the national economy contracted by 7.0 per cent in 2020 while gross debt was 80.3 per cent of GDP (for the 2020/21 financial year) according to National Treasury. It then becomes important to institute fiscal consolidation in order to realign the composition of our spending from consumption towards investment in infrastructure. National Treasury's projections indicate that the economy of the country is expected to grow by 3.3 per cent in 2021, 2.2 per cent in 2022 and 1.6 per cent in 2023.

In the fourth quarter of 2020, the national unemployment rate was 32.5 per cent. This is an increase of 1.7 percentage points from the previous quarter. The provincial unemployment rate increased by 5.6 percentage points from the previous quarter to 28.7 per cent in the fourth quarter of 2020.

Provincial Economic Overview

Our province's economy was also negatively affected due to the lockdown as there were various levels of restrictions placed on the country during this time. The slow-down in the economy resulted in an increase in the unemployment rate of the country, and the Northern Cape was also affected. Provincially, the unemployment rate increased by 1.8 percentage points from the fourth quarter of 2019 and 5.6 percentage points from the third quarter of 2020. On an annual basis, the number of people employed decreased in the majority of industries, while from the previous quarter employment only decreased in Mining and Community and social services. In addressing the challenges of poverty and unemployment the province developed a Provincial Growth and Development Strategy which has outlined pillars to enable growth of the province. This strategy will be implemented in conjunction with to the revised economic recovery plan. The economic recovery plan includes the following key measures.

- Ensure sufficient, secure and reliable energy supply within two years. The province is best placed to leverage on this initiative due to our ability to create renewable energy;
- Create and support over 800,000 work opportunities in the immediate term to respond to job losses;
- Unlock more than R1 trillion in infrastructure investment over the next 4 years;

- Reduce data costs for every South African and expand broadband access to low-income households;
- Reverse the decline of the local manufacturing sector and promote re-industrialisation through deeper levels of localisation and exports;
- Resuscitate vulnerable sectors such as tourism, which have been hard hit by the pandemic.

Service delivery demands

Provincial Treasury exercises oversight over 13 Departments, 30 municipalities and 6 public entities. The current state of financial governance necessitates a vigorous approach to ensure that accountability is institutionalised in all institutions to ensure financial sustainability.

During the 20/21 financial year the unauthorised expenditure balance was reduced from R965 million to R445 million after a thorough SCOPA process. The approval was granted by SCOPA on the condition that accountability and consequence management is adequately implemented in all institutions.

The state of national disaster which was declared due to Covid-19 disaster placed significant strain on the 2020 MTEF resulting in reprioritisation of R540 million towards Covid-19 intervention measures. This had an impact on service delivery of most departments as their budgets were cut. The budget reduction requires the prudent management of finances, reduction of consumption and redirection towards capital investment and increase of revenue collected. Provincial Treasury will require strategic partnerships to be able to ensure that the province recovers financially.

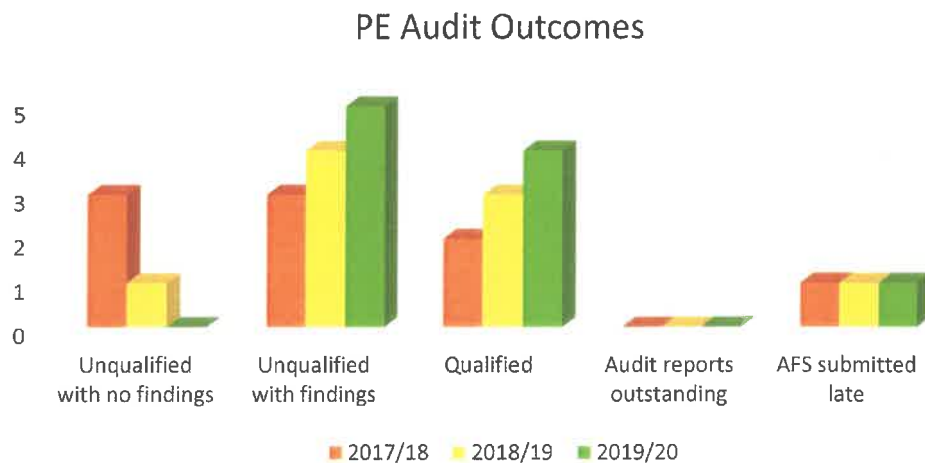
Non-compliance to laws and regulations in relation to Supply Chain Management has increased significantly, especially during the national lockdown period. Irregular Expenditure continues to increase even after preventative measures were shared with departments. This placed a great demand on Treasury to promote implementation of early warning systems to prevent non-compliance leading to incurrence of Irregular Expenditure.

The persistent non-compliance by departments and public entities significantly affects the audit outcomes. This can be depicted as follows:

Departmental Audit Outcomes



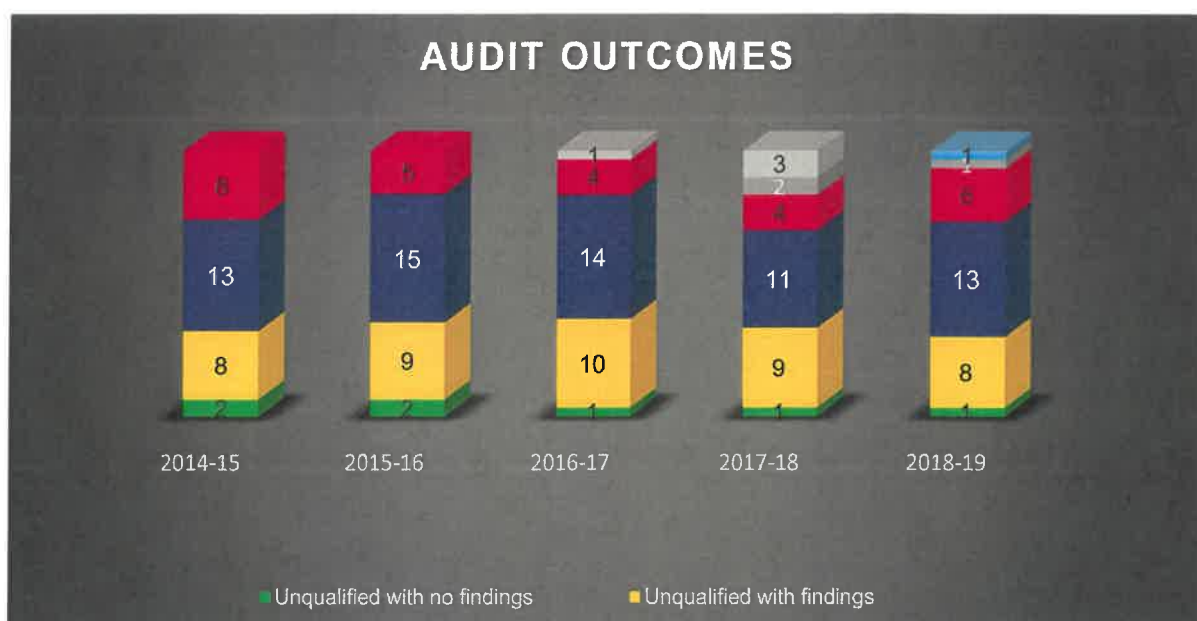
Public entities audit outcomes



The province worked hard to ensure that there are no disclaimers of opinion and to improve audit outcomes.

Municipal Audit outcomes

The province has 30 municipalities and it must be noted that over the years there minimal improvement since more than 70 per cent of the municipalities are still receiving unfavourable audit outcomes.



The Office of the Auditor General issued the following opinions for municipalities for the 2018/19 financial year:

- 1 Unqualified audit opinion with no findings – 3%
- 8 Unqualified audit opinions with findings – 27%
- 13 Qualified audit opinions – 43%
- 6 Disclaimers audit opinion – 20%
- 1 Outstanding audit
- 1 Outstanding AFS submission

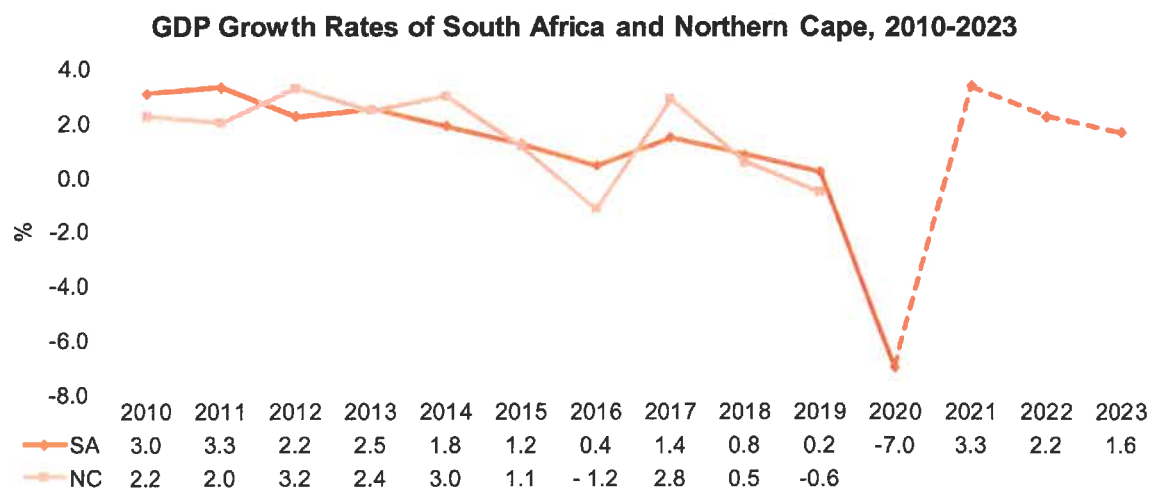
There was a slight improvement in the opinion issued by the AGSA which is attributable to the support provided by provincial government. The financial maturity level of municipalities has remained constant with little improvement, however as a province we are just below level 3, which is the required standard. In addressing all the compliance issues raised by the AGSA we shall assist our municipalities through training sessions to improve reporting and adhere to relevant prescripts.

The strategic focus of the Department over the MTEF will be to facilitate the improvement of financial management and good governance in order to ensure sustainability and financial viability of the province, thus restoring public confidence. The Municipal Finance has been established as a stand-alone programme for a more focused approach.

Our endeavours are aligned to the MTSF priorities, especially priority 1 and 2, which will ensure that we achieve the envisaged outcomes. We will continue to place much focus on municipalities as the sustainability and growth of the province significantly depends on them. We will furthermore be re-engineering our processes and repositioning ourselves to be the catalyst of good governance and sound financial management.

1.1 External Environment Analysis

The country's economic environment has deteriorated since 2011. In light of the COVID-19 pandemic, the national economy experienced a significant contraction of 7.0 per cent in 2020. This is depicted in the graph below.



2021-2023 forecasts

Constant 2010 prices

Source: Stats SA GDP, 4th Quarter 2020 (SA 2010-2020, NC 2010-2019), National Treasury Budget Review 2021 (SA 2021-2023)

The economy of the Northern Cape contracted by 0.6 per cent in 2019, while the national economy grew by a very low 0.2 per cent during the same year. Following the contraction of 2020, national growth is projected to be positive in the medium term, with positive growth of 3.3 per cent projected for 2021. The reduced economic activity has a negative impact on the expected revenue collection of government.

The table below shows the different industries' contributions to the GDP of the Northern Cape as well as their growth rates for 2018 and 2019.

Northern Cape Industry Growth and Contributions to GDP, 2018 and 2019

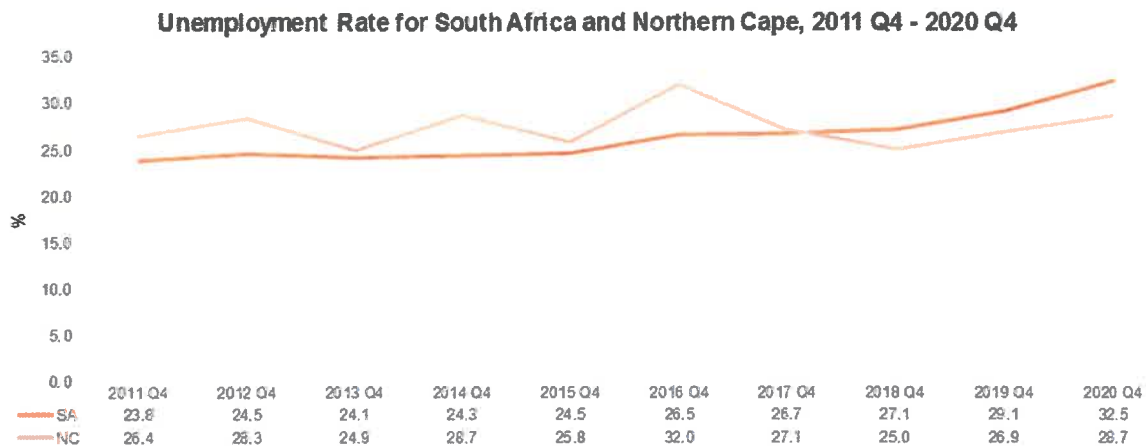
Sector	Growth Rate (%)		Contributions to GDP (%)	
	2018	2019	2018	2019
Primary sector	-0.3	-2.0	26.9	26.5
Agriculture, forestry and fishing	-5.9	-6.5	6.4	5.4
Mining and quarrying	1.1	-0.9	20.5	21.1
Secondary sector	-0.3	-1.2	9.8	9.1
Manufacturing	0.4	-0.8	3.2	3.2
Electricity, gas and water	0.3	-0.7	3.9	3.5
Construction	-1.8	-2.5	2.7	2.4
Tertiary sector	0.9	0.3	53.4	54.8
Trade, catering and accommodation	0.2	-1.4	9.5	10.3
Transport, storage and communication	0.7	-1.1	10.3	10.7
Finance, real estate and business services	1.2	2.0	12.4	12.4
Personal services	0.8	0.6	5.0	4.9
General government services	1.3	0.9	16.1	16.5
All industries at basic prices	0.3	-0.6	90.0	90.4
Taxes less subsidies on products	2.1	-0.2	10.0	9.6
GDPR at market prices	0.5	-0.6	100.0	100.0

Growth rate at constant 2010 prices, Contributions to GDP at current prices

Source: Stats SA GDP 4th Quarter 2020

Mining and quarrying remains the largest industry in the province, contributing 21.1 per cent to the provincial GDP in 2019. This is followed by General government services at 16.5 per cent and Finance, Real Estate and Business Services, contributing 12.4 per cent. The Secondary sector was the smallest of the three sectors for both years under review. As a province we need to come up with initiatives to develop this sector to further enhance the economy of the province. Manufacturing contributed only 3.2 per cent to the GDP of the province in 2019. The only industries that recorded positive growth in 2019 were Finance, real estate and business services, Personal services and General government services. Mineral beneficiation, agro-processing and other manufacturing initiatives could further help to boost the growth of the provincial economy.

Unemployment also poses a significant risk to the province. The below graph shows that the provincial unemployment rate reduced from a high of 32.0 per cent in quarter 4 of 2016 to 28.7 per cent in quarter 4 of 2020.



Source: Statistics South Africa

Although the unemployment rate of the province is below that of the country, it remains very high and efforts to reduce the unemployment rate should be intensified. The province should continue to look for labour intensive and youth employment job creation opportunities to address the high unemployment rate.

1.2 Internal environment analysis

Provincial Treasury is a human resource driven department, thus it becomes imperative to have adequate and skilled officials to execute the mandate of the department. The organisational environment of the department has been significantly stable over the past five years, however the increase in vacancies is starting to impact the level of service that can be provided to our clients.

In view of the service delivery demands placed on us, especially by the delegated municipalities, the department embarked on a process of revising and realigning the organisational structure. The revision is aligned to the generic provincial treasuries structure.

The employment stats are indicated in the table below:

R thousands	Medium-term expenditure estimate					
	2021/22		2022/23		2023/24	
	Personnel numbers ¹	Costs	Personnel numbers ¹	Costs	Personnel numbers ¹	Costs
Salary level						
1 – 6	118	26,420	118	26,839	118	27,951
7 – 10	154	82,516	154	88,157	154	92,096
11 – 12	67	62,537	65	63,874	65	68,713
13 – 16	26	46,269	26	46,987	26	49,792
Other	–	–	–	–	–	–
Total	365	217,742	363	225,857	363	238,552

Employment Equity: Total number of employees (including employees with disabilities) in each of the following occupational categories as on 31 March 2020.

Occupational Band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management	1	-	-	-	-	-	-	-	1
Senior Management	6	1	-	3	7	1	-	-	18
Professionally qualified and experienced specialists and mid-management	53	13	1	-	53	21	1	3	145
Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents	18	7	-	-	45	19	-	2	91
Semi-skilled and discretionary decision making	9	1	-	-	21	9	-	1	41
Unskilled and defined decision making	8	1	-	-	12	2	-	-	23
Total	96	23	1	3	138	52	1	6	320

PART C: MEASURING OUR PERFORMANCE

1. Institutional Performance Information

In developing the annual performance plan the department performed an extensive introspection by applying the systems thinking approach. This methodology was applied as it encompasses the following planning tools:

- a) Scenario planning and
- b) Problem and Solution tree analysis

As an oversight organisation we realised that there is no major change in the external environment due to our recommendations and strategies not being implemented adequately by the relevant stakeholders. We acknowledge that there are complicated situations that have many independent variables and perspectives, therefore, in resolving these situations we cannot apply a one size fits all approach.

The systems thinking approach allows the organisation to consider a holistic approach, whereby the whole is considered and the required interaction of various parts for the ultimate achievement of the goal.

2. Overview of 2020/21 Budget and MTEF estimates

Table 2.1 : Summary of payments and estimates by programme: Provincial Treasury

R thousand	Outcome			Main appropriation	Adjusted appropriation 2020/21	Revised estimate	Medium-term estimates		
	2017/18	2018/19	2019/20				2021/22	2022/23	2023/24
1. Administration	92,803	97,862	102,158	113,640	107,528	107,125	104,581	109,978	116,895
2. Sustainable Resource	32,428	34,335	33,973	29,190	21,634	21,844	25,771	25,873	27,113
3. Assets And Liabilities Managen	77,520	45,743	48,180	58,709	38,688	38,688	43,715	44,378	49,910
4. Financial Governance	13,883	17,928	15,315	18,295	15,697	15,433	17,723	18,127	19,000
5. Municipal Finance	43,727	44,454	49,964	69,013	46,815	46,093	69,362	70,589	72,610
6. Provincial Internal Audit	32,041	32,638	31,682	41,973	28,719	27,975	36,641	37,329	39,418
Total payments and estimates	292,402	272,960	281,272	330,820	259,081	257,158	297,793	306,274	324,746

Table 2.2 : Summary of provincial payments and estimates by economic classification: Provincial Treasury

R thousand	Outcome			Main appropriation	Adjusted appropriation 2020/21	Revised estimate	Medium-term estimates		
	2017/18	2018/19	2019/20				2021/22	2022/23	2023/24
Current payments	265,174	264,927	275,039	324,273	248,758	246,711	292,938	299,607	317,578
Compensation of employees	185,057	193,623	193,202	250,572	186,242	184,922	217,742	225,857	238,552
Goods and services	80,097	71,265	80,866	73,476	61,366	60,641	74,921	73,464	78,726
Interest and rent on land	20	39	971	225	1,148	1,148	273	286	300
Transfers and subsidies to:	21,180	562	1,494	329	3,649	3,666	315	322	338
Provinces and municipalities	20,590	-	-	-	-	-	-	-	-
Departmental agencies and accounts	13	19	29	29	29	29	29	41	43
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Non-profit institutions	60	55	75	200	80	80	186	181	190
Households	497	488	1,390	100	3,540	3,557	100	100	105
Payments for capital assets	5,819	7,471	4,739	6,218	6,676	6,781	4,542	6,345	6,830
Buildings and other fixed structures	-	-	-	-	-	-	118	345	362
Machinery and equipment	5,819	7,207	4,271	6,218	6,245	6,350	4,424	6,000	6,468
Heritage Assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	264	468	-	431	431	-	-	-
Payments for financial assets	249	-	-	-	-	-	-	-	-
Total economic classification	292,402	272,960	281,272	330,820	259,081	257,158	297,793	306,274	324,746

The above table reflects an increase of 2.8 percent in 2022/23 from the 2021/22 budget. There is an increase of 6 percent in the 2023/24. The department is a human resources driven department, thus compensation of employees constitutes 73 percent of the department's total budget allocation.

3. Institutional Programme Performance Information

3.1 Programme 1: Administration

Purpose:

To provide and maintain high quality support services to the Executive Authority and the department pertaining to sound financial management, human resource management and administration.

Sub-Programme 1.1: Office of the MEC

Purpose:

The Executive Authority provides Strategic and Political Leadership, to ensure effective and efficient utilisation of provincial resources in line with all prescripts and effective administration of the department; this is evidenced by the achievement of targets set out below in each programme.

Sub-Programme 1.2: Management Services

Purpose:

The Accounting Officer of Treasury provides strategic and administrative leadership to ensure effective and efficient utilisation of departmental resources in line with all prescripts and effective administration of the department. Furthermore, as the Head Official of Treasury strategic leadership is provided to promote accountability through substantive reflection of financial activities of the province as well as compliance with financial norms and standards in PFMA and MFMA compliant Institutions.

Outcomes, Outputs, Output Indicators and Targets

Outcome	Outputs	Output Indicators	Audited performance			Estimated performance	MTEF Targets		
			2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24
Sound financial management and good financial governance	Achievement of all Provincial Treasury's performance targets indicated in the APP	% of targets achieved	96.9% of performance targets achieved	93.6% of targets achieved	91% of targets achieved	100%	100%	100%	100%
	Risk register review sessions completed	Number of risk register review sessions completed	1	1	1	1	1	1	1
	Risk and Ethics Management committee reports issued	Number of risk and ethics management committee reports issued	4	4	4	4	4	4	4

Output indicators: Annual and Quarterly Targets

Output Indicators	Annual Targets	Q1	Q2	Q3	Q4
1.2.1 % of targets achieved	100%	100%	100%	100%	100%
1.2.2 Number of risk register review sessions completed	1	-	-	-	1
1.2.3 Number of risk and ethics management committee reports issued	4	1	1	1	1

Sub-Programme 1.3: Corporate Services

Purpose:

To render strategic management of Human Resource Management, Administrative Support and Security Management.

Outcomes, Outputs, Output Indicators and Targets

Outcome	Outputs	Output Indicators	Audited performance			Estimated performance	MTEF Targets		
			2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24
Sound financial management and good financial governance	Reduced vacancy rate	Percentage of vacant and funded posts filled	New Indicator	New Indicator	New Indicator	70%	70%	80%	80%
	Compliance with the DPSA Corporate Governance of ICT (CGICT) framework	Number of progress reports on Corporate Governance of ICT (CGICT) framework	4	4	4	-	4	4	4

Output Indicators: Annual and Quarterly Targets

Output Indicators	Annual Targets	Q1	Q2	Q3	Q4
1.3.1 Percentage of vacant and funded posts filled	70%	70%	70%	70%	70%
1.3.2 Number of progress reports on Corporate Governance of ICT (CGICT) framework	4	1	1	1	1

Sub-Programme 1.4: Financial Management

Purpose:

To provide financial and accounting management as well as supply chain management services.

Outcomes, Outputs, Output Indicators and Targets

Outcome	Outputs	Output Indicators	Audited Performance			Estimated Performance	MTEF Targets		
			2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24
Sound financial management and good financial governance	Compliance with regulatory and legislated requirements	Audit Opinion	Clean Audit Report	Clean Audit Report	Clean Audit Report	Clean Audit Report	Clean Audit Report	Clean Audit Report	Clean Audit Report

Output Indicators: Annual and Quarterly Targets

Output Indicators	Annual Targets	Q1	Q2	Q3	Q4
1.4.1 Audit Opinion	Clean Audit Report	-	-	Clean Audit Report	-

Explanation of planned performance over the medium term period

Programme 1 serves as a support function for all programmes, creating a conducive and enabling environment to ensure that programmes are able to achieve their respective targets. Thus the outputs indicated above are meant to contribute to the indicated outcomes and to ensure that the department complies with all required prescripts.

Programme Resource Considerations

Table 3.1 : Summary of payments and estimates by sub-programme: Programme 1: Administration

R thousand	Outcome			Main appropriation	Adjusted appropriation 2020/21	Revised estimate	Medium-term estimates		
	2017/18	2018/19	2019/20				2021/22	2022/23	2023/24
1. Office Of The Mec	11,785	11,661	12,176	14,045	9,739	9,739	13,006	13,346	13,986
2. Management Services	2,371	2,250	1,989	7,035	1,992	1,629	6,297	6,633	6,952
3. Corporate Services	24,721	28,639	29,378	34,379	30,935	30,571	30,884	33,232	34,828
4. Financial Management	24,901	23,119	23,921	27,445	23,236	23,577	24,306	26,421	28,125
5. Security And Records Managen	29,025	32,193	34,694	30,736	41,626	41,609	30,088	30,346	32,804
Total payments and estimates	92,803	97,862	102,158	113,640	107,528	107,125	104,581	109,978	116,695

Table 3.2 : Summary of payments and estimates by economic classification: Programme 1: Administration

R thousand	Outcome			Main appropriation	Adjusted appropriation 2020/21	Revised estimate	Medium-term estimates		
	2017/18	2018/19	2019/20				2021/22	2022/23	2023/24
Current payments	89,578	95,074	99,712	111,525	101,855	101,452	103,059	107,941	114,480
Compensation of employees	51,953	55,086	56,748	71,996	57,155	57,050	61,354	64,074	68,588
Goods and services	37,625	39,988	42,964	39,529	44,700	44,402	41,705	43,867	45,892
Interest and rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies to:	319	352	338	329	1,544	1,561	315	322	338
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	13	19	29	29	29	29	29	41	43
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisa	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Non-profit institutions	60	55	75	200	80	80	186	181	190
Households	246	278	234	100	1,435	1,452	100	100	105
Payments for capital assets	2,679	2,436	2,108	1,786	4,129	4,112	1,207	1,715	1,877
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	2,679	2,395	1,795	1,786	3,779	3,762	1,207	1,715	1,877
Heritage Assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	41	313	-	350	350	-	-	-
Payments for financial assets	227	-	-	-	-	-	-	-	-
Total economic classification	92,803	97,862	102,158	113,640	107,528	107,125	104,581	109,978	116,695

Over the MTEF the allocation increases by 5 percent in 2022/23 and 6 percent in 2023/24. Compensation of employees shows an increase of 0.4 percent in 2022/23 and 7 percent in 2023/24. Goods and services increases by 5 percent in 2022/23 due to contractual obligations, 4.6 percent in 2023/24.

3.2 Programme 2: Sustainable Resource Management

Purpose:

The aim of the programme is to enhance the effective utilisation of available fiscal resources by informing financial resource allocation, managing the provincial budgets and monitoring the implementation of provincial and entities budgets.

Outcomes, Baseline, Targets

Outcome	Outcome Indicator	Baseline	Five year target	Estimate 2020/21	Medium-term targets			
					2021/22	2022/23	2023/24	2024/25
Sound financial management and good financial governance	Reduction of unauthorised expenditure	R961 million	R434 million	R434 million	R434 million	R434 million	R434 million	R434 million
Financial Viability and Sustainability of the Province	Reduced provincial debt	R1,7 billion in accruals	R1.2 billion in accruals	R1.9 billion	R1.8 billion	R1.6 billion	R1.4 billion	R1.2 billion
		R447 million in accounts receivable	R237 million in accounts receivables	R437 million	R407 Million	R352 million	R297 Million	R237 Million

Sub-Programme 2.2: Economic Analysis

Purpose:

To provide provincial economic and social research imperatives within a provincial context.

Outcomes, Outputs, Output Indicators and Targets

Outcome	Outputs	Output Indicators	Audited Performance		Estimated Performance		MTEF Targets		
			2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24
Financial Viability and Sustainability of the Province	Socio-economic research for informed decision making	Socio-Economic Research	6	6	6	6	6	6	6
	Informed Financial resource allocation	Medium Term Budget Policy Statement (MTBPS)	1	1	1	1	1	1	1

Output Indicators: Annual and Quarterly Targets

Output Indicators	Annual Targets	Q1	Q2	Q3	Q4
2.2.1 Socio-Economic Research	6	1	1	1	3
2.2.2 Medium Term Budget Policy Statement (MTBPS)	1	-	-	1	-

Sub-Programme 2.3: Fiscal Policy

Purpose:

To optimise, enhance and expand provincial revenue estimates.

Outcomes, Outputs, Output Indicators and Targets

Outcome	Outputs	Output Indicators	Audited Performance			Estimated Performance	MTEF Targets		
			2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24
Financial Viability and Sustainability of the Province	Early warning system on revenue management risks.	Revenue Value Chain assessments	4	4	4	4	4	4	4
	Compliant Revenue Budgets	Provincial Revenue Budget Assessments	New indicator	New indicator	New indicator	2	2	2	2

Output Indicators: Annual and Quarterly Targets

Output Indicators	Annual Targets	Q1	Q2	Q3	Q4
2.3.1 Revenue Value Chain assessments.	4	1	1	1	1
2.3.2 Provincial Revenue Budget Assessments.	2	-	-	1	1

Sub-Programme 2.4: Budget Management

Purpose:

To promote effective and optimal financial resource allocation and monitor and report on financial and non-financial performance in Provincial institutions.

Outcomes, Outputs, Output Indicators and Targets

Outcome	Outputs	Output Indicators	Audited Performance			Estimated Performance	MTEF Targets		
			2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24
Sound financial management and good financial governance	Financial Resource allocation	Appropriation of Main and Adjustment MTEF Budgets.	2	2	2	3	2	2	2
	Effective usage of financial resource allocated (Value for money)	Performance Expenditure Reviews	New indicator	New indicator	New indicator	1	1	1	1

Outcome	Outputs	Output Indicators	Audited Performance			Estimated Performance	MTEF Targets		
			2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24
Financial Viability and Sustainability of the Province	Early warning system on budget risks	Provincial Budget implementation assessment	New indicator	New indicator	New indicator	4	4	4	4

Output Indicators: Annual and Quarterly Targets

Output Indicators	Annual Targets	Q1	Q2	Q3	Q4
2.4.1 Appropriation of Main and Adjustment MTEF Budgets	2	-	-	1	1
2.4.2 Performance Expenditure Reviews	1	-	-	1	-
2.4.3 Provincial Budget implementation assessment	4	1	1	1	1

Explanation of planned performance over the medium term period

As the custodian of the provincial resources it is important that we ensure sustainable resource allocation which accelerates service delivery. The current fiscal environment is significantly constrained and the debt levels continue to increase as a result of non-compliance and continuous baseline cuts. These prompt the need to implement strict austerity measures without compromising service delivery. All the above outputs have been developed to ensure that there is effective allocation and utilisation of available fiscal resources further leading to the achievement of the outcome relating to the financial viability and sustainability of the province.

Programme Resource Considerations

Table 4.1 : Summary of payments and estimates by sub-programme: Programme 2: Sustainable Resource

R thousand	Outcome			Main appropriation	Adjusted appropriation 2020/21	Revised estimate	Medium-term estimates		
	2017/18	2018/19	2019/20				2021/22	2022/23	2023/24
1. Programme Support	1,924	1,959	2,058	2,434	367	375	2,210	2,229	2,334
2. Economic Analysis	4,122	4,051	4,459	7,354	4,433	4,433	6,369	6,697	7,016
3. Fiscal Policy	14,038	15,446	15,543	6,131	6,498	6,498	5,566	5,729	6,005
4. Budget Management	12,344	12,879	11,913	13,271	10,336	10,538	11,626	11,218	11,758
Total payments and estimates	55,046	57,114	65,818	75,941	48,734	48,944	69,663	68,280	73,557

Table 4.2 : Summary of payments and estimates by economic classification: Programme 2: Sustainable Resource

R thousand	Outcome			Main appropriation	Adjusted appropriation 2020/21	Revised estimate	Medium-term estimates		
	2017/18	2018/19	2019/20				2021/22	2022/23	2023/24
Current payments	31,741	34,065	32,968	28,763	21,367	21,580	25,402	25,432	26,650
Compensation of employees	24,476	28,215	23,144	25,789	17,711	18,269	23,105	23,586	24,717
Goods and services	7,265	5,850	9,824	2,974	3,656	3,311	2,297	1,846	1,933
Interest and rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies to:	60	11	709	-	-	-	-	-	-
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	60	11	709	-	-	-	-	-	-
Payments for capital assets	627	259	296	427	267	264	369	441	463
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	627	259	296	427	267	264	369	441	463
Heritage Assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	-	-	-	-	-	-	-	-	-
Total economic classification	32,428	34,335	33,973	29,190	21,634	21,844	25,771	25,873	27,113

The table shows a decrease of 1.9 percent from 2021/22 to 2022/23 due to once off funding, an increase of 7.7 percent in 2023/24. Compensation of employees shows an increase of 2 percent from 2021/22 to 2022/23, 4.7 percent increase in 2023/24 financial year. Goods and services shows a decrease of 1.9 percent from 2021/22 to 2022/23 and 4.7 percent increase in 2023/24 financial year. There is an increase of 4.10 percent in machinery and equipment budget from 2022/23 to 2023/24.

3.3 Programme 3: Assets and Liabilities Management

Purpose:

This programme's aim is to provide policy direction, facilitating the effective and efficient management of physical assets, ensure sound supply chain management policies and procedures, maintain and manage all financial systems, Banking and Cash Flow Management and provide technical support on Infrastructure Performance Management provincial departments in the province.

Outcomes, Baseline, Targets – Measuring our outcomes

Outcome	Outcome Indicator	Baseline	Five year target	Estimate 2020/21	Medium-term targets			
					2021/22	2022/23	2023/24	2024/25
Sound financial management and good financial governance	Reduction of irregular expenditure	R11 billion	R5.8 billion	R12.5 billion	R9.3 billion	R8.1 billion	R6.9 billion	R5.8 billion
Financial Viability and Sustainability of the Province	% government set aside spend by provincial departments on Designated groups in accelerating economic growth	39% on locally based companies	60% on locally based companies	28% on locally based companies	35% on locally based companies	45% on locally based companies	55% on locally based companies	60% on locally based companies
		57% on black owned companies	60% on black owned companies	36% on black owned companies	35% on black owned companies	45% on black owned companies	55% on black owned companies	60% on black owned companies
		10% on youth owned companies	30% on youth owned companies	8% on youth owned companies	12% on youth owned companies	16% on youth owned companies	20% on youth owned companies	30% on youth owned companies
		20% on women owned companies	20% on women owned companies	18% on women owned companies	20% on women owned companies	20% on women owned companies	20% on women owned companies	20% on women owned companies
		1% on disabled owned companies		0.5% on disabled owned companies	1% on disabled owned companies	2% on disabled owned companies		5% on disabled owned companies
			5% on disabled owned companies				4% on disabled owned companies	

Sub-Programme 3.2: Asset Management

Purpose

To promote and enforce transparency and effectiveness of Supply Chain Management and Asset Management.

Outcomes, Outputs, Output Indicators and Targets

Outcome	Outputs	Output Indicators	Audited Performance			Estimated Performance	MTEF Targets		
			2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24
Sound financial management and good financial governance	Financially capable departments and Public Entities in terms of SCM and Asset Management.	Assistance provided and support plans implemented for improvement of compliance in line with audit outcomes.	New indicator	New indicator	New indicator	3	4	4	4
Financial Viability and Sustainability of the Province	Improved participation of SMME's and designated groups in the Province	Assessments on implementation of Strategic Procurement in the Province in line with Provincial Procurement Policy Framework.	New indicator	New indicator	4	4	4	4	4

Output Indicators: Annual and Quarterly Targets

Output Indicators	Annual Targets	Q1	Q2	Q3	Q4
3.2.1 Assistance provided and support plans implemented for improvement of compliance in line with audit outcomes.	4	1	1	1	1
3.3.2 Assessments on implementation of Strategic Procurement in the Province in line with Preferential Procurement Policy Framework.	4	1	1	1	1

Sub-Programme 3.3: Supporting and Interlinked Financial Systems

Purpose:

Ensure effective and efficient implementation, integration and utilisation of financial systems and build capacity in provincial departments to enhance the effective utilisation of transversal systems.

Outcomes, Outputs, Output Indicators and Targets

Outcome	Outputs	Output Indicators	Audited Performance			Estimated Performance	MTEF Targets		
			2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24
Sound financial management and good financial governance	Optimal utilisation of transversal systems	Assessment of compliance to prescribed legislation and policies relating to transversal systems	12	12	12	12	12	12	12
	Effective functional and technical support rendered to transversal systems users	Capacity building sessions conducted	60	56	53	18	19	19	19

Output Indicators: Annual and Quarterly Targets

Output Indicators	Annual Targets	Q1	Q2	Q3	Q4
3.3.1 Assessment of compliance to prescribed legislation and policies relating to transversal systems	12	3	3	3	3
3.3.2 Capacity building sessions conducted	19	9	3	4	3

Sub-Programme 3.4: Infrastructure Performance Management

Purpose:

Promote and facilitate the strengthening of infrastructure performance management within Provincial departments and by providing technical assistance and support on all Infrastructure Procurement and Delivery Management through the NCIDMS.

Outcomes, Outputs, Output Indicators and Targets

Outcomes	Outputs	Output Indicators	Audited Performance			Estimated Performance	MTEF Targets		
			2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24
Sound financial management and good financial governance	Compliance and alignment of departments to infrastructure planning and delivery management framework and prescripts	Infrastructure Technical advisory support services provided in terms of Infrastructure Delivery Management and relevant governance prescripts.	5	4	4	4	4	4	4
Financial Viability and Sustainability of the Province	Infrastructure projects aligned and spent according to priorities and budgets	Infrastructure Budget & expenditure Outcome assessments conducted to determine value for money infrastructure delivery for departments	4	4	4	4	4	4	4

Output Indicators: Annual and Quarterly Targets

Output Indicators	Annual Targets	Q1	Q2	Q3	Q4
3.4.1 Infrastructure Technical advisory support services provided in terms of Infrastructure Delivery Management and relevant governance prescripts.	4	1	1	1	1
3.4.2 Infrastructure Budget & expenditure Outcome assessments conducted to determine value for money infrastructure delivery for departments and municipalities	4	1	1	1	1

Sub-Programme 3.5: Banking and Cash Flow Management

Purpose:

To enforce effective management of provincial cash resources to ensure liquidity that enables the province to meet its financial obligations.

Outcomes, Outputs, Output Indicators and Targets

Outcome	Outputs	Output Indicators	Audited Performance			Estimated Performance	MTEF Targets		
			2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24
Sound financial management and good financial governance	Credible Provincial Revenue Fund (PRF) annual financial statements	Compilation of Annual Financial Statements of the PRF	1	1	1	1	1	1	1
Financial Viability and Sustainability of the Province	Adherence to the Provincial Cash Management Framework	Analysis of spending departments to determine compliance with cash flow requirements	1	1	1	12	12	12	12
		Positive consolidated provincial bank balance	New indicator	New indicator	New indicator	20% reduction on overdraft balance	50% reduction on overdraft balance	No overdraft	No overdraft

Output Indicators: Annual and Quarterly Targets

Output Indicators	Annual Targets	Q1	Q2	Q3	Q4
3.5.1 Compilation of Annual Financial Statements of the PRF	1	-	-	1	-
3.5.2 Analysis of spending departments to determine compliance with cash flow requirements	12	3	3	3	3
3.5.3 Positive consolidated provincial bank balance	50%	-	-	-	50%

Explanation of planned performance over the medium term period

As the institution that exercises oversight over the physical provincial assets and transversal systems of the Province, it is important that we ensure that we provide policy direction and facilitate the effective and efficient management of physical assets and transversal systems. We must further oversee the institutionalising of the Infrastructure Delivery Management System (IDMS) and subsequent frameworks and systems such as the Framework for Infrastructure Delivery Procurement Management (FIDPM) and the Infrastructure Reporting Model (IRM). Moreover we must oversee the institutionalising of the cash management framework to prohibit departments to overspend on available cash in the

Provincial Revenue Fund. The outcomes and subsequent indicators and targets in the APP is aimed at achieving a desired outcome for the activities of Program 3.

Programme Resource Considerations

Table 5.1 : Summary of payments and estimates by sub-programme: Programme 3: Assets And Liabilities Management

R thousand	Outcome			Main appropriation	Adjusted appropriation 2020/21	Revised estimate	Medium-term estimates		
	2017/18	2018/19	2019/20				2021/22	2022/23	2023/24
1. Programme Support	1,933	2,200	2,123	2,344	1,988	2,075	2,088	2,168	2,274
2. Asset Management	44,626	17,307	13,513	14,186	10,298	10,298	5,716	6,212	7,610
3. Support And Interlinked Financial Syst	23,135	18,895	22,704	23,473	17,459	17,159	21,301	20,895	24,198
4. Infrastructure Performance Manageme	3,207	3,355	3,905	11,354	3,214	3,214	8,167	8,313	8,712
5. Banking And Cashflow Management	4,619	3,986	5,935	7,342	5,729	5,942	6,443	6,790	7,116
Total payments and estimates	77,520	45,743	48,180	58,709	38,688	38,688	43,715	44,378	49,910

Table 5.2 : Summary of payments and estimates by economic classification: Programme 3: Assets And Liabilities Management

R thousand	Outcome			Main appropriation	Adjusted appropriation 2020/21	Revised estimate	Medium-term estimates		
	2017/18	2018/19	2019/20				2021/22	2022/23	2023/24
Current payments	57,108	44,650	47,040	57,770	38,057	38,057	42,709	43,814	48,110
Compensation of employees	34,597	34,041	32,962	45,379	30,826	31,286	32,999	34,500	37,760
Goods and services	22,491	10,570	13,107	12,166	6,083	5,623	9,437	8,828	11,050
Interest and rent on land	20	39	971	225	1,148	1,148	273	286	300
Transfers and subsidies to:	19,568	19	148	-	20	20	-	-	-
Provinces and municipalities	19,426	-	-	-	-	-	-	-	-
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisat	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	142	19	148	-	20	20	-	-	-
Payments for capital assets	827	1,074	992	939	611	611	1,006	764	800
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	827	1,074	992	939	611	611	1,006	764	800
Heritage Assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	17	-	-	-	-	-	-	-	-
Total economic classification	77,520	45,743	48,180	58,709	38,688	38,688	43,715	44,378	49,910

The table shows an increase of 1.5 percent in 2022/23. In the 2023/24, financial year there is an increase of 12.5 percent.

Compensation of employees increases with 4.5 percent from 2021/22 to 2022/23 financial year. In the 2023/24 financial year an increase of 9.4 percent.

Goods and services shows a decrease of 6.5 percent from 2021/22 to 2022/23. In 2023/24 financial year there is an increase of 25 percent.

3.4 Programme 4: Financial Governance

Purpose:

To promote accountability and governance through substantive reflection of financial activities of the province as well as compliance with financial norms and standards.

Outcome, Baseline, Targets – Measuring out outcome

Outcome	Outcome Indicator	Baseline	Five year target	Estimate 2020/21	Medium-term targets			
					2021/22	2022/23	2023/24	2024/25
Sound financial management and good financial governance	Provincial Audit outcomes	2 Qualified 9 unqualified 2 Clean	12 Clean Audit Opinion for Departments	3 Clean Audit Opinion for Departments	3 Clean Audit Opinion for Departments	5 Clean Audit Opinion for Departments	7 Clean Audit Opinion for Departments	12 Clean Audit Opinion for Departments
	Reduction of wasteful and fruitless expenditure	R141 million	R70.5 million	R93 million	R85.5 million	R78 million	R70.5 million	R70.5 million

Sub-programme 4.2 Accounting Services

Purpose:

To support provincial departments and public entities with implementation of accounting standards

Outcomes, Outputs, Output Indicators and Targets

Outcome	Outputs	Output Indicators	Audited Performance			Estimated Performance	MTEF Targets		
			2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24
Sound financial management and good financial governance	Improved Audit outcomes	Number of institutions supported to improved audit outcomes	New	New	New	11	12	12	12
		Consolidated annual financial information tabled timeously	1	1	0	2	2	1	1
	Improved Financial Management Capability Maturity level	Number of capacity building programmes implemented	10	7	8	5	5	6	6

Output Indicators, Annual and Quarterly Targets

Output Indicators	Annual Target	Q1	Q2	Q3	Q4
4.2.1 Number of institutions supported to improved audit outcomes	12	-	-	-	12
4.2.2 Consolidated annual financial information tabled timeously	2	1	-	1	-
4.2.3 Number of capacity building programmes implemented	5	1	1	-	3

Sub-Programme 4.3: Norms and Standards

Purpose

To manage the monitoring and enforce compliance with the PFMA

Outcomes, Outputs, Output Indicators and Targets

Outcome	Outputs	Output Indicators	Audited Performance			Estimated Performance	MTEF Targets		
			2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24
Sound financial management and good financial governance	Matured Financial Management Capability	Number of capacity development programmes implemented	8	8	11	3	3	3	3
Financial Viability and Sustainability of the Province	Improved provincial average number of days for payment of creditors within 30 days.	Reports on payment of creditors within 30 days.	New indicator	New indicator	3	4	4	4	4
	Effective Management of Expenditure and implementation of internal controls	Review of unauthorised , irregular, fruitless & wasteful expenditure trends. ¹	New indicator	New indicator	New indicator	2	1	1	1

Output Indicators: Annual and Quarterly Targets

Output Indicators	Annual Targets	Q1	Q2	Q3	Q4
4.3.1 Number of capacity development programmes implemented.	3	1	1	-	1
4.3.2 Reports on payment of creditors within 30 days.	4	1	1	1	1
4.3.3 Review of unauthorised, irregular, fruitless & wasteful expenditure trends.	1	-	-	-	1

Sub-Programme 4.4: Risk Management

Purpose:

Manage the promotion and enforce provincial Risk Management services and to facilitate, evaluate and monitor the establishment of IT Risk Management capacity and financial governance system in the province.

Outcomes, Outputs, Output Indicators and Targets

Outcome	Outputs	Output Indicators	Audited Performance			Estimated Performance	MTEF Targets		
			2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24
Sound financial management and good financial governance	Reduced Risk Management audit findings	Number of improvement plans implemented in departments and public entities	New Indicator	New Indicator	New Indicator	2	4	4	4
	Functional Governance structures	Risk Management structure performance status	4	4	5	4	4	4	4

Output Indicators: Annual and Quarterly Targets

Output Indicators	Annual Targets	Q1	Q2	Q3	Q4
4.4.1 Number of improvement plans implemented in departments and public entities	4	1	1	1	1
4.4.2 Risk Management structure performance status	4	1	1	1	1

Explanation of planned performance over the medium term period

As part of our mandate to promote good financial governance and effective utilization of resources, we remain committed towards supporting departments to improve audit outcomes. We further undertake that within our limited resources we shall continue with our interactions to address the

incurrence of unauthorised, irregular and fruitless and wasteful expenditure across the Province. Embedment of risk management principles remain key towards reduction of unwanted expenditure as well as addressing internal control deficiencies, we shall therefore in collaboration with Accounting Officers implement measures aimed at improving compliance levels.

Programme Resource Considerations

Table 6.1 : Summary of payments and estimates by sub-programme: Programme 4: Financial Governance

R thousand	Outcome			Main appropriation	Adjusted appropriation 2020/21	Revised estimate	Medium-term estimates		
	2017/18	2018/19	2019/20				2021/22	2022/23	2023/24
1. Programme Support	1,911	2,119	2,203	2,369	2,022	2,107	2,325	2,400	2,514
2. Accounting Services	4,940	5,416	5,337	6,987	5,159	5,159	6,271	5,822	6,103
3. Norms And Standards	3,383	6,004	4,121	4,608	4,574	4,225	5,144	5,311	5,566
4. Risk Management	3,649	4,389	3,654	4,331	3,942	3,942	3,983	4,594	4,817
Total payments and estimates	13,883	17,928	15,315	18,295	15,697	15,433	17,723	18,127	19,000

Table 6.2 : Summary of payments and estimates by economic classification: Programme 4: Financial Governance

R thousand	Outcome			Main appropriation	Adjusted appropriation 2020/21	Revised estimate	Medium-term estimates		
	2017/18	2018/19	2019/20				2021/22	2022/23	2023/24
Current payments	13,359	17,309	15,106	17,901	15,349	15,139	17,462	17,927	18,788
Compensation of employees	10,747	12,579	13,410	15,014	13,605	13,296	14,418	15,194	15,921
Goods and services	2,612	4,730	1,696	2,887	1,744	1,843	3,044	2,733	2,867
Interest and rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies to:	1	-	16	-	-	-	-	-	-
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	1	-	16	-	-	-	-	-	-
Payments for capital assets	518	619	193	394	348	294	261	200	212
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	518	619	193	394	348	294	261	200	212
Heritage Assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	5	-	-	-	-	-	-	-	-
Total economic classification	13,883	17,928	15,315	18,295	15,697	15,433	17,723	18,127	19,000

The table shows relatively increase of 2.2 percent from 2021/22 to 2022/23. In 2023/24 there is an increase of 4.8 percent.

Compensation of employee's increase by 5.4 percent from 2021/22 to 2022/23. In 2023/24, there is an increase of 4.8 percent.

Goods and services decreased by 1 percent in 2022/23 and increase of 4.9 percent in 2023/24.

Programme 5: Municipal Finance

Purpose:

To manage the promotion of effective and efficient performance of Municipalities and Municipal Entities and co-ordinate the provisioning of capacity building

Outcome, Outcome indicator, baseline – Measuring our outcome

Outcome	Outcome Indicator	Baseline	Five year target	Estimate 2020/21	Medium-term targets			
					2021/22	2022/23	2023/24	2024/25
Sound financial management and good financial governance	Provincial Audit outcomes	6 Disclaimed	-	5 Disclaimed	4 Disclaimed	3 Disclaimed	2 Disclaimed	0 Disclaimed
		12 Qualified	9 Qualified	13 Qualified	11 Qualified	10 Qualified	9 Qualified	9 Qualified
		8 unqualified	21 Unqualified	9 Unqualified	11 Unqualified	13 Unqualified	15 Unqualified	21 Unqualified
		1 Clean	5 Clean	1 Clean	3 Clean	5 Clean	5 Clean	5 Clean
		3 Outstanding	-	2 Outstanding	1 Outstanding	-	-	-
	Reduction of wasteful and fruitless expenditure	R259 million	R129 million	R93 million	R207 million	R 181 million	R 155 million	R 129 million
	Reduction of irregular expenditure	R1.6 billion	R810 million	R29 million	R1.2 billion	R1.1 billion	R972 million	R810 million
Financial Viability and Sustainability of the Province	Number of Municipalities that are financial viable	15 municipalities	25 municipalities	17 municipalities	19 municipalities	21 municipalities	23 municipalities	25 Municipalities

Sub-Programme 5.2: Accounting and Reporting

Purpose:

Monitor compliance with financial management and annual reporting framework and provide support to improve audit outcomes.

Outcomes, Outputs, Output Indicators and Targets

Outcome	Outputs	Output Indicators	Audited Performance			Estimated Performance	MTEF Targets		
			2017/18	2018/19	2019/20		2021/22	2022/23	2023/24
Sound financial management and good financial governance	Improved audit outcomes	Number of institutions supported to improved audit outcomes	New	New	New	29	30	30	30

Outcome	Outputs	Output Indicators	Audited Performance			Estimated Performance	MTEF Targets		
			2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24
	Improved Financial Management Capability Maturity level	Number of capacity building programmes implemented	1	1	-	1	1	1	1

Output Indicators: Annual and Quarterly Targets

Output Indicators	Annual Targets	Q1	Q2	Q3	Q4
5.2.1 Number of institutions supported to improved audit outcomes	30	-	-	-	30
5.2.2 Number of capacity building programmes implemented	1	-	-	-	1

Sub-Programme 5.3: Revenue and Budget Management

Purpose:

Ensure optimal and sustainable budget management and revenue management.

Outcomes, Outputs, Output Indicators and Targets

Outcome	Outputs	Output Indicators	Audited Performance			Estimated Performance	MTEF Period		
			2017/18	2018/19	2019/20	2020/21	2021/22	2017/18	2023/24
Financial Viability and Sustainability of the Province	Early warning system on revenue management risks.	Revenue Value Chain assessments	4	4	4	4	4	4	4
	Municipal budget compliant with legislation	Consolidated municipal budget assessment	1	1	1	2	2	2	2
	Early warning system on budget risks.	Municipal Budget implementation assessment	4	4	4	4	4	4	4

Output Indicators: Annual and Quarterly Targets

Output Indicators	Annual Target	Q1	Q2	Q3	Q4
5.3.1 Revenue Value Chain assessments.	4	1	1	1	1
5.3.2 Consolidated municipal budgets assessment	2	1	-	-	1
5.3.3 Municipal Budget implementation assessment	4	1	1	1	1

Sub-Programme 5.4: Municipal Institutional Compliance and Governance

Purpose:

To manage the monitoring and enforce compliance with the MFMA

Outcomes, Outputs, Output Indicators and Targets

Outcome	Outputs	Output Indicators	Audited Performance			Estimated Performance	MTEF Period		
			2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24
Sound financial management and good financial governance	Matured Financial Management Capability	Number of capacity development programmes implemented.	8	8	11	3	6	6	6
	Effective Management of Expenditure and implementation of internal controls	Review of unauthorised, irregular, fruitless & wasteful expenditure trends. ²	New indicator	New indicator	New indicator	2	1	1	1
	Reduced Risk Management audit findings	Number of improvement plans implemented in Municipalities (Municipal Support Strategy)	New Indicator	New Indicator	New Indicator	14	30	30	30
	Functional Governance structures	Risk Management structures performance status	4	4	5	4	4	4	4

Output Indicators: Annual and Quarterly Targets

Output Indicators	Annual Targets	Q1	Q2	Q3	Q4
5.4.1 Number of capacity development programmes implemented.	6	2	2	1	1
5.4.2 Review of unauthorised, irregular, fruitless & wasteful (UIF&W) expenditure trends.	1	-	1	-	-
5.4.3 Number of improvement plans implemented in Municipalities (Municipal Support Strategy)	30	-	-	-	30
5.4.4 Risk Management structures performance status	4	1	1	1	1

Sub-Programme 5.5: Municipal Supply Chain & Asset Management

Purpose:

Monitor effective and efficient compliance with Supply Chain and Assets management

Outcomes, Outputs, Output Indicators and Targets

Outcome	Outputs	Output Indicators	Audited Performance			Estimated Performance	MTEF Targets		
			2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24
Sound financial management and good financial governance	Financially capable Municipalities in SCM and Asset Management.	Assistance provided and support plans implemented for improvement of compliance in line with audit outcomes.	New indicator	New indicator	New indicator	3	4	4	4
Financial Viability and Sustainability of the Province	Improved participation of SMME's and designated groups in the Province	Assessments on implementation of Strategic Procurement in the Province in line with Provincial Procurement Policy Framework.	New indicator	New indicator	4	4	4	4	4
Sound financial management and good financial governance	Compliance and alignment of municipalities to infrastructure planning and delivery management framework and prescripts	Infrastructure Technical advisory support services provided in terms of Infrastructure Delivery Management and relevant governance prescripts.	5	4	4	4	4	4	4
Financial Viability and Sustainability of the Province	Infrastructure projects aligned and spent according to priorities and budgets	Infrastructure Budget & expenditure Outcome assessments conducted to determine value for money infrastructure delivery for municipalities	4	4	4	4	4	4	4

Output Indicators: Annual and Quarterly Targets

Output Indicators	Annual Targets	Q1	Q2	Q3	Q4
5.5.1 Assistance provided and support plans implemented for improvement of compliance in line with audit outcomes	4	1	1	1	1
5.5.2 Assessments on implementation of Strategic Procurement in the Province in line with Provincial Procurement Policy Framework.	4	1	1	1	1

Output Indicators	Annual Targets	Q1	Q2	Q3	Q4
5.5.3. Infrastructure Technical advisory support services provided in terms of Infrastructure Delivery Management and relevant governance prescripts.	4	1	1	1	1
5.5.4 Infrastructure Budget & expenditure Outcome assessments conducted to determine value for money infrastructure delivery for departments and municipalities	4	1	1	1	1

Explanation of planned performance over the medium term period

The role of the programme is to facilitate and co-ordinate the implementation of the MFMA, this is done to ensure that the objectives of the Local Government financial reform agenda are achieved. Key to achieving financial sustainability is functional governance structures in municipalities to strengthen monitoring and oversight over performance of municipalities such as, disciplinary boards and MPACs. Our focus areas are in line with our municipal support strategy which is directly aligned to the TCF game-changers which aims to restore stability at municipal councils and executive management, build the required capacity within municipalities, improve financial sustainability of municipalities, improve audit outcomes and improve service delivery through infrastructure management. Our strategy follows the district approach for the purpose of a more streamlined, economical and efficient delivery model, which can be used to reach the maximum potential impact.

Programme Resource Considerations

Table 7.1 : Summary of payments and estimates by sub-programme: Programme 5: Municipal Finance

R thousand	Outcome			Main appropriation	Adjusted appropriation 2020/21	Revised estimate	Medium-term estimates		
	2017/18	2018/19	2019/20				2021/22	2022/23	2023/24
1. Programme Support	4,053	4,439	9,278	20,538	8,421	8,421	7,624	7,756	8,128
2. Accounting And Reporting	7,110	7,086	4,995	9,593	7,242	7,242	8,835	9,827	10,299
3. Revenue & Budget Management	20,295	20,500	22,666	24,423	20,342	19,356	27,077	27,604	27,562
4. Municipal Institutional Compliance And Govern	9,065	8,988	9,361	9,767	7,188	7,452	9,201	9,785	10,254
5. Municipal Supply Chain & Asset Management	3,204	3,441	3,664	4,692	3,622	3,622	15,625	15,617	16,367
Total payments and estimates	43,727	44,454	49,964	69,013	46,815	46,093	69,362	70,589	72,610

Table 7.2 : Summary of payments and estimates by economic classification: Programme 5: Municipal Finance

R thousand	Outcome			Main appropriation	Adjusted appropriation 2020/21	Revised estimate	Medium-term estimates		
	2017/18	2018/19	2019/20				2021/22	2022/23	2023/24
Current payments	42,053	43,605	49,076	67,552	44,047	43,287	68,143	67,685	69,568
Compensation of employees	35,948	37,172	39,756	56,955	40,565	39,526	53,931	55,732	57,040
Goods and services	6,105	6,433	9,320	10,597	3,482	3,761	14,212	11,953	12,526
Interest and rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies to:	1,168	83	202	-	2,070	2,070	-	-	-
Provinces and municipalities	1,164	-	-	-	-	-	-	-	-
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	24	83	202	-	2,070	2,070	-	-	-
Payments for capital assets	486	766	686	1,461	698	736	1,219	2,904	3,044
Buildings and other fixed structures	-	-	-	-	-	-	118	345	362
Machinery and equipment	486	760	686	1,461	698	736	1,101	2,559	2,682
Heritage Assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	6	-	-	-	-	-	-	-
Payments for financial assets	-	-	-	-	-	-	-	-	-
Total economic classification	43,727	44,454	49,964	69,013	46,815	46,093	69,362	70,589	72,610

The programme increases by 1.8 percent in 2023/24 from the 2022/23 financial year, 2.9 percent in 2022/23.

Compensation of employee's increase by 3.3 percent from 2021/22 to 2022/23. In 2023/24, there is an increase of 2.3 percent.

Goods and services decreased by 15.9 percent in 2022/23 and increase of 4.8 percent in 2023/24.

3.6 Programme 6: Shared Internal Audit Services

Purpose:

- a) To provide internal audit service to the Northern Cape Provincial Departments and listed public entities.
- b) To ensure the provision of audit committee oversight services to the Northern Cape Provincial Departments and listed public entities.

Sub-Programme 6.1: Programme Support & Audit Committee

Purpose:

To provide and manage a shared internal audit service and audit committee oversight to provincial government departments and entities.

Outcomes, Outputs, Output Indicators and Targets

Outcome	Outputs	Output Indicators	Audited Performance			Estimated Performance	MTEF Targets		
			2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24
Sound financial management and good financial governance	Compliance with Audit Committee charter	Percentage achievement of the Audit Committee Charter	4	4	4	80%	85%	85%	85%

Output Indicators: Annual and Quarterly Targets

Output Indicators	Annual Targets	Q1	Q2	Q3	Q4
6.1.1 Percentage achievement of the Audit Committee Charter	85%	20%	40%	60%	85%

Sub-Programme 6.2: Education Cluster

Purpose:

To provide internal audit services for Departments: Education, Provincial Treasury, Economic Development & Tourism (Liquor Board, Gambling Board, Tourism Authority, NCEDA).

Outcomes, Outputs, Performance Indicators and Target

Outcome	Outputs	Output Indicators	Audited Performance			Estimated Performance	MTEF Targets		
			2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24
Sound financial management and	Improved governance, risk	Percentage achievement of internal audit	100	59	65	85%	85%	85%	85%

Outcome	Outputs	Output Indicators	Audited Performance			Estimated Performance	MTEF Targets		
			2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24
good financial governance	management and internal control	plan / revised internal audit plan							

Indicators, Annual and Quarterly Targets

Output Indicators	Annual Targets	Q1	Q2	Q3	Q4
6.2.1 Percentage achievement of internal audit plan / revised internal audit plan	85%	20%	40%	60%	85%

Sub-Programme 6.3: Health Cluster

Purpose:

To provide internal audit services for Departments: Departments: Health, OTP and Social Development

Outcome	Outputs	Output Indicators	Audited Performance			Estimated Performance	MTEF Targets		
			2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24
Sound financial management and good financial governance	Improved governance, risk management and internal control	Percentage achievement of internal audit plan / revised internal audit plan	51	27	25	85%	85%	85%	85%

Output Indicators: Annual and Quarterly Targets

Output Indicators	Annual Targets	Q1	Q2	Q3	Q4
6.3.1 Percentage achievement of internal audit plan / revised internal audit plan	85%	20%	40%	60%	85%

Sub-Programme 6.4: Agriculture Cluster

Purpose:

To provide internal audit services Departments: Agriculture, Land Reform & Rural Development, Coghsta, Sports, Arts & Culture (McGregor Museum & Kalahari Kid Corporation).

Outcomes, Outputs, output Indicators and Targets

Outcome	Outputs	Output Indicators	Audited Performance			Estimated Performance	MTEF Targets		
			2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24
Sound financial management and good financial governance	Improved governance, risk management and internal control	Percentage achievement of internal audit plan / revised internal audit plan	72	50	45	85%	85%	85%	85%

Output Indicators, Annual and Quarterly Targets

Output Indicators	Annual Targets	Q1	Q2	Q3	Q4
6.4.1 Percentage achievement of internal audit plan / revised internal audit plan	85%	20%	40%	60%	85%

Sub-Programme 6.5: DPW Cluster

Purpose:

To provide internal audit services Departments: Roads & Public Works, Environment & Nature Conservation, Transport, Safety & Liaison, NC Fleet Management Trading Entity.

Outcomes, Outputs, Output Indicators and Targets

Outcome	Outputs	Output Indicators	Audited Performance			Estimated Performance	MTEF Targets		
			2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24
Sound financial management and good financial governance	Improved governance, risk management and internal control	Percentage achievement of internal audit plan / revised internal audit plan	56	38	34	85%	85%	85%	85%

Output Indicators, Annual and Quarterly Targets

Output Indicators	Annual Target	Q1	Q2	Q3	Q4
6.5.1 Percentage achievement of internal audit plan / revised internal audit plan	85%	20%	40%	60%	85%

Explanation of planned performance over the medium term period

Audit Committees

The audit committees are a legislated imperative that provides oversight over the departments and listed entities. The four shared audit committees have been established to provide oversight in a cluster model of three departments under each audit committee.

Internal audit

The internal audit unit's strategy and operations are driven by the legislated need to conduct audits in line with an annual risk-based internal audit plan. The outputs are the internal audit reports that are issued to the accounting officer and the audit committees.

The outputs assist the institution to improve on governance, risk management and internal controls as the main reporting areas of the International Standards for the Professional Practice of Internal Auditing. Included in the audit plans of each department are follow-up assignments where internal audit reviews and provides assurance to the AC and HOD on the status of implementation of internal audit and AGSA recommendations to improve audit outcomes, internal controls, risk management and governance.

Programme Resource Considerations

Table 8.1 : Summary of payments and estimates by sub-programme: Programme 6: Provincial Internal Audit

R thousand	Outcome			Main appropriation	Adjusted appropriation 2020/21	Revised estimate	Medium-term estimates		
	2017/18	2018/19	2019/20				2021/22	2022/23	2023/24
1. Programme Support	7,359	9,654	8,339	9,039	6,038	6,038	8,017	8,013	8,695
2. Internal Audit (Education)	6,489	5,782	5,756	8,279	5,910	5,507	7,292	7,414	7,770
3. Internal Audit (Health)	6,186	6,302	6,211	8,137	5,578	5,281	7,284	7,414	7,770
4. Internal Audit (Agriculture)	5,848	5,450	5,411	8,144	5,428	5,315	6,997	7,230	7,576
5. Internal Audit (Dpw)	6,159	5,450	5,965	8,374	5,765	5,834	7,051	7,258	7,607
Total payments and estimates	32,041	32,638	31,682	41,973	28,719	27,975	36,641	37,329	39,418

Table 8.2 : Summary of payments and estimates by economic classification: Programme 6: Provincial Internal Audit

R thousand	Outcome			Main appropriation	Adjusted appropriation 2020/21	Revised estimate	Medium-term estimates		
	2017/18	2018/19	2019/20				2021/22	2022/23	2023/24
Current payments	31,335	30,224	31,137	40,762	28,081	27,196	36,161	37,008	38,984
Compensation of employees	27,336	26,530	27,182	35,439	26,380	25,495	31,935	32,771	34,526
Goods and services	3,999	3,694	3,955	5,323	1,701	1,701	4,226	4,237	4,458
Interest and rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies to:	24	97	81	-	15	15	-	-	-
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	24	97	81	-	15	15	-	-	-
Payments for capital assets	682	2,317	464	1,211	623	764	480	321	434
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	682	2,100	309	1,211	542	683	480	321	434
Heritage Assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	217	155	-	81	81	-	-	-
Payments for financial assets	-	-	-	-	-	-	-	-	-
Total economic classification	32,041	32,638	31,682	41,973	28,719	27,975	36,641	37,329	39,418

The programme increases by 5.6 percent in 2023/24 from the 2022/23 financial year.

Compensation of employees shows an increase 2.6 percent increase from 2022/23 to 2023/24.

Goods and services increased by 5.2 percent from 2022/23 to 2023/24 financial year.

Updated key risks and mitigation from the Strategic Plan

Outcome	Key Risk	Risk Mitigation
Sound financial management and good financial governance	High vacancy rate in key leadership positions	<ul style="list-style-type: none"> • Alignment of structure with mandate • Prioritising of critical posts to be filled
	Loss of Institutional Memory	<ul style="list-style-type: none"> • Review, finalising and implementation of organisational structure • Implementation and monitoring of succession plan • Compulsory handover report • Approval of delegations (Treasury related) • Implementation of knowledge management system • Development of a Knowledge Management framework
	Susceptibility to Cyber Attacks	<ul style="list-style-type: none"> • Engagements with stakeholders to implement ICT Shared Services Centre (ITSSC); • Analysis of dataline reports from SITA • VPN monitoring (Business Intelligence) • Filling of IT manager vacancy
	Ineffective processes to enable accountability in the Province"	<ul style="list-style-type: none"> • Quarterly reporting on compliance to EXCO for intervention • Enforcement of legislative prescripts • Continuous engagements with clients • Improved compliance monitoring • Improvement of Municipal Support programme modality • Strengthening (Training) of municipal oversight structures: MPAC • Consequence management
	Irrelevant municipal support interventions	<ul style="list-style-type: none"> • Integrated reporting to ensure that all KPA's are adequately addressed • EXCO for intervention • Enforcement of legislative prescripts • Strengthening (Training) of municipal oversight structures: MPACC • Non-implementation of s139 of the Constitution and s81 of the PFMA • Source alternative revenue generating sources • Initiate intervention with National Treasury to ensure compliance (withholding of funds)
Financial viability and sustainability of the Province to accelerate economic growth	Province placed under s100	<ul style="list-style-type: none"> • Enforcement of s34 of the PFMA • Budget blocking • Intervention by EXCO • Withdrawal of appointment functions on PERSAL • Strengthening of revenue collection efforts

Public Entities

Not applicable

Infrastructure Projects

Not applicable

Public-Private Partnership

The Provincial Treasury is responsible to provide the technical support to the Provincial Departments and Municipalities with regards to implementation and creation of Public Private Partnership.

Part D: Technical Indicator Descriptors (TID)

1. Administration

1.2 Management Services

1.2.1 Indicator title	% of targets achieved
Definition	Achievement of all Provincial Treasury's performance targets indicated in the APP
Source of data	Annual Report and Audit Report
Method of calculation/ Assessment	Simple Count (100% per quarter)
Means of Verification	Quarterly performance report
Assumptions	Department adequately capacitated and resourced
Disaggregation of Beneficiaries (where applicable)	N/A
Spatial Transformation (where applicable)	N/A
Calculation Type	Non-Cumulative
Reporting cycle	Quarterly
Desired performance	100 % achievement of targets
Indicator responsibility	Head of Department

1.2.2 Indicator title	Number of risk register review sessions completed
Definition	Risk register review sessions completed
Source of data	Strategic review sessions
Method of calculation/ Assessment	Simple Count (1x Report –quarter 4)
Means of Verification	Departmental Risk Register
Assumptions	Reduced risk exposure of critical risks that affect the department. Sound financial management and good financial governance in the department
Disaggregation of Beneficiaries (where applicable)	N/A
Spatial Transformation (where applicable)	N/A
Calculation Type	Non-Cumulative
Reporting cycle	Annually

1.2.2 Indicator title	Number of risk register review sessions completed
Desired performance	Risk register review sessions completed
Indicator responsibility	Head of Department

1.2.3 Indicator Title	Number of risk and ethics management committee reports issued
Definition	Risk management committee reports issued
Source of data	Minutes of risk management committee meeting, Agenda
Method of calculation/ Assessment	Simple Count (1x Report per quarter)
Means of Verification	Risk and ethics management committee reports to the Accounting Officer
Assumptions	Matured risk management processes and ethical work environment
Disaggregation of Beneficiaries (where applicable)	N/A
Spatial Transformation (where applicable)	N/A
Calculation Type	Cumulative (Year-end)
Reporting cycle	Quarterly
Desired performance	4 x Risk Management reports issued
Indicator responsibility	Deputy Director: Risk management

1.3 Corporate Services

1.3.1 Indicator title	Percentage of vacant and funded posts filled
Definition	Filling of vacant funded posts to maintain the vacancy rate under 30%.
Source of data	PERSAL report, vacancy rate reports
Method of calculation/ Assessment	Total number of permanent posts filled versus the total permanent staff establishment (70% per quarter)
Means of Verification	Vacancy rate report
Assumptions	Turnaround times will be adhered to. Adverts to be placed on time, availability of selection committees. HR and Financial resources. Approval of submissions on time.
Disaggregation of Beneficiaries (where applicable)	Women: 50% at SMS level Youth: 50% People with disabilities: 2%
Spatial Transformation (where applicable)	N/A
Calculation Type	Non-Cumulative
Reporting cycle	Quarterly
Desired performance	70% of vacant funded posts filled

1.3.1 Indicator title	Percentage of vacant and funded posts filled
Indicator responsibility	Director: HRM

1.3.2 Indicator title	Number of progress reports on Corporate Governance of ICT (CGICT) framework
Definition	To show progress on compliance with the DPSA Corporate Governance of ICT (CGICT) framework.
Source of data	Quarter 1 : IT Strategic Plan IT Implementation Plan IT Steering Committee Minutes Provincial GITO Forum Minutes Quarter 2 : Operational Plan Procurement Plan IT Steering Committee Minutes Provincial GITO Forum Minutes Quarter 3: IT Steering Committee Minutes Provincial GITO Forum Minutes Quarter 4: IT Steering Committee Minutes Provincial GITO Forum Minutes
Method of calculation/ Assessment	Simple Count (1x Report per quarter)
Means of Verification	CGICT quarterly report
Assumptions	A Deputy Director: IT/GITO is permanently appointed
Disaggregation of Beneficiaries (where applicable)	N/A
Spatial Transformation (where applicable)	N/A
Calculation Type	Cumulative (Year-end)
Reporting cycle	Quarterly
Desired performance	4 Corporate Governance of ICT reports issued
Indicator responsibility	Director: Corporate Support

1.4 Financial Management

1.4.1 Indicator title	Audit Opinion
Definition	Adherence to policies and procedures as per PFMA, Treasury Regulations continuous monitoring of systems and internal controls within department.
Source of data	Audit Report 3 compliance reports per quarter 3 IFS (quarter 1,2,3) 1 x AFS 3rd quarter
Method of calculation/ Assessment	Simple Count (Audit opinion report – 3 rd quarter)

1.4.1 Indicator title	Audit Opinion
Means of Verification	AG Signed Report
Assumptions	Adequate Financial and Human Resources. Adherence to policies and procedures
Disaggregation of Beneficiaries (where applicable)	N/A
Spatial Transformation (where applicable)	N/A
Calculation Type	Non-cumulative
Reporting cycle	Annually
Desired performance	Compliance with regulatory and legislated requirements
Indicator responsibility	Chief Financial Officer

3. Sustainable Resource Management

2.2 Economic Analysis

2.2.1 Indicator title	Socio-Economic Research
Definition	Provincial economic and social research and analysis that informs decision-making.
Source of data	IHS Markit, Statistics South Africa, International Monetary Fund, World Bank and some departmental and municipal information or other sources as required.
Method of calculation/ Assessment	Quarter 1: 1 x Policy Brief Quarter 2: 1 x Policy Brief Quarter 3: 1 x Policy Brief Quarter 4: 1 x Policy Brief 1 x Provincial Socio-Economic Review 1 x Municipal Comparative Report
Means of Verification	4 x Policy Brief 1 x Provincial Socio-Economic Review 1 x Municipal Comparative Report
Assumptions	Availability and credibility of data
Disaggregation of Beneficiaries (where applicable)	N/A
Spatial Transformation (where applicable)	N/A
Calculation Type	Cumulative (year-end)
Reporting cycle	Quarterly
Desired performance	Research for informed decision making
Indicator responsibility	Director: Economic Analysis

2.2.2 Indicator title	Medium Term Budget Policy Statement (MTBPS)
Definition	An assessment of the fiscal position and policy priorities of the Northern Cape in order to inform future planning and resource allocation
Source of data	IHS Markit, Statistics South Africa, National Treasury, IMF, Departmental APPs, other units within NCPT and other relevant sources as required.
Method of calculation/ Assessment	Simple Count (1 x MTBPS in quarter 3)
Means of Verification	MTBPS book
Assumptions	Availability and credibility of data
Disaggregation of Beneficiaries (where applicable)	N/A
Spatial Transformation (where applicable)	N/A
Calculation Type	Non-Cumulative
Reporting cycle	Annually
Desired performance	MTBPS produced and tabled
Indicator responsibility	Director: Economic Analysis

2.3 Fiscal Policy

2.3.1 Indicator title	Revenue Value Chain assessments.
Definition	<ul style="list-style-type: none"> ➤ Quarterly revenue report assessing provincial own revenue performance, debt collection status of departments, Monitoring, evaluating and reporting on the progress of departments in terms of: <ul style="list-style-type: none"> ➤ achieving own revenue collection targets, ➤ status of debt collection, ➤ status of tariff reviews by departments, ➤ assessing indigent management policy
Source of data	<ul style="list-style-type: none"> ➤ Data file-IYM reports; BAS reports. ➤ Bank statements and information received from debt collectors. ➤ Tariff submissions from the departments.
Method of calculation/ Assessment	1 x revenue report per quarter
Means of Verification	1 revenue report per quarter for departments
Assumptions	Credible data received
Disaggregation of Beneficiaries (where applicable)	N/A
Spatial Transformation (where applicable)	N/A
Calculation Type	Cumulative (year-end)
Reporting cycle	Quarterly
Desired performance	4 reports on revenue value chain

2.3.1 Indicator title	Revenue Value Chain assessments.
Indicator responsibility	Director: Fiscal Policy

2.3.2 Indicator title	Provincial Revenue Budget Assessments.
Definition	A report on provincial revenue budgets.
Source of data	Databases from departments.
Method of calculation/ Assessment	1 x report in quarter 3 1 x report in quarter 4
Means of Verification	Revenue budget assessment report
Assumptions	Accurate information
Disaggregation of Beneficiaries (where applicable)	N/A
Spatial Transformation (where applicable)	N/A
Calculation Type	Cumulative (year-end)
Reporting cycle	Quarterly
Desired performance	2 x revenue budget assessment reports
Indicator responsibility	Director: Fiscal Policy

2.4 Budget Management

2.4.1 Indicator title	Appropriation of Main and Adjustment MTEF Budgets
Definition	Coordination and consolidation of the Main and Adjustment budgets (respectively) of Departments that is tabled by the MEC of Finance.
Source of data	National Treasury allocation data, Treasury Guidelines and Databases from Provincial Departments
Method of calculation/ Assessment	Q3: Adjusted EPRE 2021/22 Q4: EPRE 2022/23
Means of Verification	Adjusted EPRE 2021/22 book EPRE 2022/23 book
Assumptions	Compliance to budget formats Accurate information
Disaggregation of Beneficiaries(where applicable)	N/A
Spatial Transformation (where applicable)	N/A
Calculation Type	Cumulative (year-end)
Reporting Cycle	Quarterly
Desired performance	2 budget books tabled in the year

2.4.1 Indicator title	Appropriation of Main and Adjustment MTEF Budgets
Indicator responsibility	Director: Budget Management

2.4.2 Indicator title	Performance Expenditure Reviews
Definition	Expenditure review working paper on selected expenditure items based on policy priorities both provincially and nationally (financial information).
Source of data	Transversal systems (BAS, PERSAL, LOGIS, Vulindlela), consultations / engagement with stakeholders
Method of calculation/ Assessment	Q3: Annual Performance Expenditure Review
Means of Verification	Performance Expenditure Review Report
Assumptions	Credible data, cooperation / availability of stakeholders
Disaggregation of Beneficiaries(where applicable)	N/A
Spatial Transformation (where applicable)	N/A
Calculation Type	Non-Cumulative
Reporting Cycle	Annually
Desired performance	Performance Expenditure Review Report
Indicator responsibility	Director: Budget Management

2.4.3 Indicator title	Provincial Budget implementation assessment
Definition	Reports submitted to EXCO on the performance of the implementation of the provincial budget
Source of data	In Year Monitoring (IYM) reports, Transversal Systems, performance reports, consultation / engagement with stakeholders
Method of calculation/ Assessment	1 x consolidated reports per quarter
Means of Verification	Consolidated Budget Implementation report
Assumptions	Accurate data, IYM submission and cooperation / availability of stakeholders
Disaggregation of Beneficiaries(where applicable)	N/A
Spatial Transformation (where applicable)	N/A
Calculation Type	Cumulative (year-end)
Reporting Cycle	Quarterly
Desired performance	4 x consolidated budget implementation reports
Indicator responsibility	Director: Budget Management

3. Asset & Liabilities Management

3.2 Asset Management

3.2.1 Indicator Title	Assistance provided and support plans implemented for improvement of compliance in line with audit outcomes
Definition	Compliance with Supply Chain Management and Asset Management prescripts
Source of data	Results of the Financial Management Capability Maturity assessment on Asset Management and Supply Chain Management submitted by Provincial Departments Audit outcomes Documented support plans implemented addressing the Gaps for: <ul style="list-style-type: none"> ➤ Supply Chain Management & Asset Management Support plans will be in relation to: <ul style="list-style-type: none"> • Contract management • SCM compliance • Asset Registers • SCM Policy and Standard Operating Procedures
Method of Calculation / Assessment	1 x SCM report and Asset Management report per quarter
Means of verification	Progress Report Support Plans
Assumptions	Departments and Public Entities have capable officials to perform Asset Management and SCM functions. FMCMM to form the basis of support interventions.
Disaggregation of Beneficiaries (where applicable)	N/A
Spatial Transformation (where applicable)	N/A
Calculation Type	Cumulative (year- end)
Reporting Cycle	Quarterly
Desired performance	Compliance with SCM and Asset Management prescripts
Indicator Responsibility	Director: Asset Management

3.2.2 Indicator Title	Assessments on implementation of Strategic Procurement in the Province in line with Provincial Procurement Policy Framework.
Definition	Monitor the implementation of Strategic Procurement in the Province in line with Preferential Procurement Policy Framework
Source of data	Preferential Procurement Policy Framework; Central Supplier Data Base (CSD) and LOGIS Reports
Method of Calculation / Assessment	Simple Count [1 x PPPF report per quarter]
Means of verification	System generated Spend Analysis on designated group report
Assumptions	Departments and Public Entities have capable officials to align procurement targets with Local Preferential Procurement Policy Framework (designated Groups).

3.2.2 Indicator Title	Assessments on implementation of Strategic Procurement in the Province in line with Provincial Procurement Policy Framework.
Disaggregation of Beneficiaries (where applicable)	Preferential Procurement Policy Framework: ✓ 30% Youth ✓ 20% Women ✓ 5% Disability ✓ 5% Co-operatives
Spatial Transformation (where applicable)	N/A
Calculation Type	Cumulative (year – end)
Reporting Cycle	Quarterly
Desired performance	Improve the participation of SMME's and designated groups in the Province
Indicator Responsibility	Director: Asset Management

3.3 Support Interlinked & Financial Systems

3.3.1 Indicator Title	Assessment of compliance to prescribed legislation and policies relating to transversal systems
Definition	To ensure that all transversal system users are compliant to prescribed legislation and policies. Departments to comply with legislation and policies and also assist oversight units to fulfil their monitoring role
Source of data	System generated reports
Method of calculation / Assessment	3 x consolidated reports: PERSAL; BAS; LOGIS reports per quarter
Means of verification	PERSAL Management Reports BAS vs LOGIS Utilization Reports LOGIS Management Reports
Assumptions	Availability of transversal systems
Disaggregation of Beneficiaries (where applicable)	N/A
Spatial Transformation (where applicable)	N/A
Calculation Type	Cumulative (Year-end)
Reporting Cycle	Quarterly
Desired Performance	Effective Utilisation of Transversal Systems
Indicator Responsibility	Director: Supporting & Interlinked Financial Systems

3.3.3 Indicator Title	Capacity building sessions conducted
Definition	Transversal systems training sessions and user forums conducted to enhance the skills of employees
Source of Data	Nomination forms Training manuals Training schedule Invitation to departments via e-mail

3.3.3 Indicator Title	Capacity building sessions conducted
Method of Calculation / Assessment	Q1: 1 X BAS; 2 X PERSAL; 2 X LOGIS; 4 User Forums Q2: 1 X BAS; 1 X PERSAL; 1 X LOGIS Q3: 4 User Forums Q4: 1 X BAS; 1 X PERSAL; 1 X LOGIS
Means of verification	Training sessions: ✓ Attendance Registers Forums: ✓ E-mail to the departments ✓ Agenda ✓ Attendance Register
Assumptions	Collaboration/virtual meeting platform (Presenters) Stable internet/network connection (Presenters & Delegates) Capable device (video and audio capabilities)
Disaggregation of Beneficiaries (where applicable)	N/A
Spatial Transformation (where applicable)	N/A
Calculation Type	Cumulative (Year-end)
Reporting Cycle	Quarterly
Desired Performance	Capable transversal system users
Indicator Responsibility	Director: Supporting & Interlinked Financial Systems

3.4 Infrastructure Performance Management

3.4.1 Indicator Title	Infrastructure Technical advisory support services provided in terms of Infrastructure Delivery Management and relevant governance prescripts.
Definition	Provide Technical advisory support and capacitation and training sessions in a bid to facilitate and institutionalize the revised Framework for Infrastructure Delivery and Procurement Management, to provincial departments to ensure effective and efficient infrastructure delivery management in line with provincial and local government infrastructure delivery management standard.
Source of data	PFMA: DORA Frameworks, U-AMP, IPMP, EOY Reports, IYM (section 40 projections), ECE, CPS and PIC progress meetings
Method of Calculation / Assessment	Simple Count [1 x consolidated report per quarter (PFMA.)]
Means of verification	<ul style="list-style-type: none"> • Estimates of Capital Expenditure 2020/21 (ECE) and the publication of the Provincial Infrastructure Plan. • Infrastructure Procurement Policies and Gateway review Reports • Report on capacitation sessions
Assumptions	<ul style="list-style-type: none"> • Provision of infrastructure in an way that ensures that service are delivered to the community ensuring economic growth and social upliftment. • Compliance to the prescripts of infrastructure procurement.
Disaggregation of Beneficiaries (where applicable)	Preferential Procurement Policy Framework: <ul style="list-style-type: none"> ✓ 30% Youth ✓ 20% Women ✓ 5% Disability

3.4.1 Indicator Title	Infrastructure Technical advisory support services provided in terms of Infrastructure Delivery Management and relevant governance prescripts.
Spatial Transformation (where applicable)	NSDF Sub Frames 3 &4 <ul style="list-style-type: none"> ➤ National Connecting and Movement Infrastructure ➤ National Ecological Infrastructure and Natural Resource Base
Calculation Type	Cumulative (Year-end)
Reporting Cycle	Quarterly
Desired performance	<ul style="list-style-type: none"> • Four assessment reports on effective and efficient integrated planning and performance on provincial infrastructure. • Two provincial capacitation sessions that would ensure capacitated stakeholders to ensure institutionalisation of FIDPM methodologies
Indicator Responsibility	Director: Infrastructure Performance Management

3.4.2 Indicator Title	Infrastructure budget & expenditure outcome assessment conducted to determine value for money infrastructure delivery for departments
Definition	Contribute to the implementation of annual evaluation of infrastructure projects/ programmes in terms of in year reporting & related financial aspects; Monitor & report on compliance with relevant Infrastructure Grant section and conditional grant frameworks as performed by infrastructure stakeholders and assess progress and value for money in terms of the delivery of infrastructure through the optimal utilisation of the allocated infrastructure budgets and to facilitate/ensure proper alignment to initial plans and budget allocation
Source of data	PFMA: End of Year reports Infrastructure Progression Model IRM & IYM submitted to Provincial Treasury and monthly PIC meetings and progress reports; Project Status reports submitted Provincial Treasury, PIC meetings, progress report, assessment meetings, site visit conducted
Method of Calculation / Assessment	Simple Count [1 x consolidated report per quarter (PFMA. & MFMA.)]
Means of verification	IRM & IYM reports and Analysis report produced; Project Status reports and information extracted from IRM and LG Data base systems Site Visit reports, Site Visits Programme; Attendance Register and Memorandums
Assumptions	Factors that are accepted as true and certain to happen without proof; Completion of project on time and within budget
Disaggregation of Beneficiaries (where applicable)	Preferential Procurement Policy Framework: <ul style="list-style-type: none"> ✓ 30% Youth ✓ 20% Women ✓ 5% Disability
Spatial Transformation (where applicable)	N/A
Calculation Type	Cumulative (Year- end)
Reporting Cycle	Quarterly
Desired performance	Expenditure Analysis that Identifies whether actual performance that is higher or lower than targeted performance is desirable. 4 Quarterly site visits assessment reports on the Value for Money in terms of the delivery of infrastructure by departments
Indicator Responsibility	Director: Infrastructure Performance Management

3.5 Banking and Cashflow Management

3.5.1 Indicator title	Compilation of Annual Financial Statements of the PRF
Definition	Maintain effective and efficient Revenue Fund financial accounting transactions in line with Modified Cash Standard
Source / Collection of data	Annual Reports of departments, Basic Accounting System (BAS),
Method of calculation/ assessment	1x PRF Annual Financial Statement
Means of verification	Bank reconciliations, Accurate classification of transactions on BAS
Assumptions	Skilled personnel, BAS Budget
Disaggregation of Beneficiaries (where applicable)	N/A
Spatial transformation (where applicable)	N/A
Calculation type	Non- Cumulative
Reporting cycle	Annually
Desired performance	Unqualified Audit Opinion
Indicator responsibility	Director: Banking Services and CashFlow Management

3.5.2 Indicator title	Analysis of spending departments to determine compliance with cashflow requirements
Definition	Analysis of weekly spending of departments to determine compliance with cash flow requirements
Source / Collection of data	Bank Accounts, Basic Accounting System (BAS) reports, Persal Reports
Method of calculation/ assessment	3 x CashFlow report per quarter.
Means of Verification	Bank reconciliations, Accurate classification of transactions on BAS
Assumptions	Skilled personnel, BAS, Budget
Disaggregation of Beneficiaries (where applicable)	N/A
Spatial transformation (where applicable)	N/A
Calculation type	Cumulative (year-end)
Reporting cycle	Quarterly
Desired performance	Compliant with cash flow requirements
Indicator responsibility	Director: Banking Services and CashFlow Management

3.5.3 Indicator title	Positive consolidated provincial bank balance
Definition	Effective cash management and accurate forecasting to ensure liquidity requirements
Source / Collection of data	Bank Accounts of Departments, BAS reports of department, Reserve Bank
Method of calculation/ assessment	1 x consolidated report annually (4 th quarter)
Means of Verification	Report on Debt redemption strategy to facilitate 20% reduction of overdraft bank balance at 4 th quarter (baseline is bank balance as at 31 March 2019)
Assumptions	Skilled personnel, systems, Access to internet banking facility, budget allocation
Disaggregation of Beneficiaries (where applicable)	N/A
Spatial transformation (where applicable)	N/A
Calculation type	Non- Cumulative
Reporting cycle	Annually
Desired performance	Positive consolidated bank balance for the province
Indicator responsibility	Director: Banking Services and CashFlow Management

4. Financial Governance

4.2: Accounting Services

4.2.1 Indicator Title	Number of institutions supported to improved audit outcomes
Definition	Accounting practises that promotes the improvement of audit outcomes
Source of data	Audit reports of all departments in the Northern Cape
Method of Calculation / Assessment	Simple count of audit issues raised Monitoring tool, Compliance certificates, audit action plans
Means of verification	Audit report of institutions (departments)
Assumptions	Availability of resources (human and funding) Cooperation and support from all stakeholders Quality, accuracy, timeliness and completeness of information submitted by the department and public entities.
Disaggregation of Beneficiaries (where applicable)	N/A
Spatial Transformation (where applicable)	N/A
Calculation Type	Cumulative (year-end)
Reporting Cycle	Quarterly – Q3 and Q4
Desired performance	Reduction in the number of unfavourable audit outcomes
Indicator Responsibility	Director: Accounting Services

4.2.2 Indicator title	Consolidated annual financial information tabled timeously
Definition	To table the consolidated financial statements of the Province as required by Section 19 of the PFMA
Source of data	Annual financial statement received from legislature, departments, revenue fund and public entities
Method of calculation/ Assessment	(2 Consolidated Financial Information (CFI)) – Quarter 1 & 3 Consolidated financial statements tabled one month after receipt of audit report
Assumptions	Good quality, accuracy, timeliness and completeness of information submitted by the legislature, departments, revenue fund and public entities
Calculation type	Cumulative
Reporting cycle	Quarterly
Desired performance	Tabling the Consolidated Financial Statements inclusive of all departments and entities within the legislated timeframe
Indicator responsibility	Director: Accounting Services

4.2.3 Indicator title	Number of capacity building programmes implemented
Definition	To share information and best practices and to capacitate financial practitioners on accounting frameworks and latest developments
Source of data	Results of FCMCM and audit reports, Practice notes, Frameworks, Circulars; guides and templates issued by the Office of the Accountant – General; GRAP Standards from the Accounting Standards Board as well as agenda inputs from departments.
Method of calculation/ Assessment	1 x CFO forum - quarter 1 1 x CFO forum - quarter 2 2 x Workshops and 1 forum - Quarter 4
Assumptions	Credibility of the completed FCMCM models and the involvement of financial practitioners and CFO's in identification of the training needs, availability of information on latest developments.
Calculation type	Cumulative
Reporting cycle	Quarterly
Desired performance	Informed and skilled officials
Indicator responsibility	Director: Accounting Services

Sub-Programme 4.3: Norms and Standards

4.3.1 Indicator Title	Number of capacity development programmes implemented
Definition	Implementing programmes that aims to improve individual and organisational capacity and build an enabling environment for good Public Finance Management (PFM) practice.
Source of data	Invitation, video and audio recording of online /virtual sessions.
Method of Calculation / Assessment	Quantitative calculation of Specify in which quarters will these be achieved Quantitative calculation of Specify in which quarters will these be achieved ✓ Q1 - 1 x PFMA related capacity building sessions ✓ Q2 - 1 x PFMA related capacity building session ✓ Q4 - 1 x PFMA related capacity building session
Means of verification	Documented training programmes implemented. ✓ PFMA related workshops

Assumptions	Commitment that attendees will participate and make use of the information shared.
Disaggregation of Beneficiaries (where applicable)	N/A
Spatial Transformation (where applicable)	N/A
Calculation Type	Cumulative (year-end)
Reporting Cycle	Quarterly
Desired performance	Continuous training and development is necessary for any institution for individual and organisation performance enhancement and compliance improvement. Increase professionalisation of Public Finance Management (PFM) within all spheres of government.
Indicator Responsibility	Director: Norms & Standards

4.3.2 Indicator Title	Report on payment of creditors within 30 days.
Definition	Monitoring payment of creditors within 30 days as per National Treasury Instruction note 34 in line with the Programme of Action target. The provincial target is within 30 days
Source of data	Instruction note 34 - submitted by departments Register of payment data
Method of Calculation / Assessment	Quantitative 1 x Report per quarter
Means of verification	Signed-off submission by Accounting Officers with attached verification reports from SIFS directorate.
Assumptions	Departments are keeping invoice tracking system, which validate the invoice receipt date accurately. All departments are paying creditors within 30 days
Disaggregation of Beneficiaries (where applicable)	N/A
Spatial Transformation (where applicable)	N/A
Calculation Type	Cumulative (year-end)
Reporting Cycle	Quarterly
Desired performance	Payment of creditors within 30 days.
Indicator Responsibility	Director: Norms & Standards

4.3.3 Indicator Title	Review of unauthorised, irregular, fruitless & wasteful expenditure trends
Definition	Monitoring progress with the reduction of unwanted expenditures based on the implementation of applicable framework.
Source of data	Accumulated Unauthorised, Irregular, Fruitless & Wasteful Expenditure figures as disclosed in the AFS In-year Monitoring Reports submitted by PFMA compliant institutions. Irregular, Fruitless & Wasteful Expenditure registers submitted by compliant institutions

4.3.3 Indicator Title	Review of unauthorised, irregular, fruitless & wasteful expenditure trends
Method of Calculation / Assessment	Quantitative calculation <ul style="list-style-type: none"> PFMA 2020/21 audited (Q4)
Means of verification	Comparative figures as per 2020/21 Audited Annual Financial Statements (PFMA)
Assumptions	<ul style="list-style-type: none"> Provincial Treasury apply legislated mandate Provincial Departments apply legislated mandate
Disaggregation of Beneficiaries (where applicable)	N/A
Spatial Transformation (where applicable)	N/A
Calculation Type	Cumulative (year-end)
Reporting Cycle	Bi -annual
Desired performance	Effective implementation of prescripts regarding financial misconduct. Full compliance with Norms & Standards Effective Management of Expenditure and implementation of internal controls.
Indicator Responsibility	Director: Norms & Standards

Sub- Programme: 4.4. Risk Management

4.4.1 Indicator Title	Number of improvement plans implemented in departments and public entities
Definition	To address root causes of risk management audit findings
Source of data	Compliance assessment tools (e.g. FMCMM, Risk Management assessment tool) Audit action plans of departments and public entities Internal and external audit reports of departments and public entities
Method of Calculation / Assessment	Consolidated report on the progress of the implementation of improvement plans in departments and public entities Quarterly reports
Means of verification	Progress of the implementation of improvement plans in departments and public entities
Assumptions	Availability of audit action plans and audit reports Cooperation from departments and public entities
Disaggregation of Beneficiaries (where applicable)	N/A
Spatial Transformation (where applicable)	N/A
Calculation Type	Cumulative (year-end)
Reporting Cycle	Quarterly
Desired performance	Risk management audit findings addressed
Indicator Responsibility	Director: Provincial Risk Management

1.3 Indicator Title	Risk Management structure performance status
Definition	To monitor the establishment and functionality of Governance structure (Risk Management Unit, Risk Management Committee and Audit Committees)
Source of data	Risk Management structure compliance monitoring and assessment tool
Method of Calculation / Assessment	Number of compliance monitoring reports (1x per quarter)
Means of verification	Compliance monitoring and assessment reports 1 x report per quarter
Assumptions	Credibility of information captured in the compliance monitoring and assessment tool Departments and Public Entities will provide management responses to compliance monitoring reports
Disaggregation of Beneficiaries (where applicable)	N/A
Spatial Transformation (where applicable)	N/A
Calculation Type	Cumulative (year-end)
Reporting Cycle	Quarterly
Desired performance	Improvement in compliance rate of Risk Management matters
Indicator Responsibility	Director: Provincial Risk Management

5. Municipal Finance

5.2: Accounting and Reporting

5.2.1 Indicator Title	Number of institutions supported to improved audit outcomes
Definition	Accounting practises that promotes the improvement of audit outcomes
Source of data	Audit reports of all 30 municipalities Support programme on addressing Financial Accounting issues
Method of Calculation / Assessment	Simple count (30 municipalities –quarter 4) of audit issues raised Monitoring tool, Compliance certificates, audit action plans
Means of verification	Audit report of institutions
Assumptions	Availability of resources (human and funding) Cooperation and support from all stakeholders Quality, accuracy, timeliness and completeness of information submitted by the municipalities.
Disaggregation of Beneficiaries (where applicable)	N/A
Spatial Transformation (where applicable)	N/A
Calculation Type	Cumulative (year-end)
Reporting Cycle	Annually
Desired performance	Reduction in the number of unfavourable audit outcomes

5.2.1 Indicator Title	Number of institutions supported to improved audit outcomes
Indicator Responsibility	Director: Accounting Services

5.2.2 Indicator title	Number of capacity building programmes implemented
Definition	To share information and best practices and to capacitate financial practitioners on accounting frameworks and latest developments
Source of data	Results of FMCMM and audit reports, Practice notes, Frameworks, Circulars; guides and templates issued by the Office of the Accountant – General; GRAP Standards from the Accounting Standards Board as well as agenda inputs from departments.
Method of calculation/ Assessment	1 x Training/workshop- quarter 4
Assumptions	Credibility of the completed FMCMM models and the involvement of financial practitioners and CFO's in identification of the training needs, availability of information on latest developments.
Calculation type	Cumulative
Reporting cycle	Annually
Desired performance	Informed and skilled officials
Indicator responsibility	Director: Accounting Services

5.3: Revenue and Budget Management

5.3.1 Indicator title	Revenue Value Chain assessments.
Definition	<ul style="list-style-type: none"> ➤ Quarterly revenue report assessing provincial own revenue performance, debt collection status of Municipalities, Monitoring, evaluating and reporting on the progress of departments in terms of: <ul style="list-style-type: none"> ➤ achieving own revenue collection targets, ➤ status of debt collection, ➤ status of tariff reviews by departments, ➤ assessing indigent management policy
Source of data	<ul style="list-style-type: none"> ➤ Section 71 reports. ➤ Training and support intervention report provided to municipalities.
Method of calculation/ Assessment	1 x revenue report per quarter
Means of Verification	1 revenue report per quarter
Assumptions	Credible data received
Disaggregation of Beneficiaries (where applicable)	N/A
Spatial Transformation (where applicable)	N/A
Calculation Type	Cumulative (year-end)
Reporting cycle	Quarterly
Desired performance	Four reports on revenue value chain

5.3.1 Indicator title	Revenue Value Chain assessments.
Indicator responsibility	Director: Fiscal Policy

5.3.2 Indicator title	Consolidated municipal budget assessment.
Definition	Annual consolidated report on draft main budget and adjusted budget for municipalities in the province for sustainability.
Source of data	Municipal budgets
Method of calculation/ Assessment	2 x consolidated assessment reports on municipal budgets – Quarters 1 and 4
Means of Verification	Consolidated assessment reports on municipal budgets
Assumptions	Accurate data, municipal budget submission and cooperation / availability of stakeholders.
Disaggregation of Beneficiaries (where applicable)	N/A
Spatial Transformation (where applicable)	N/A
Calculation Type	Cumulative
Reporting cycle	Quarterly
Desired performance	2 x consolidated assessment reports on municipal budgets
Indicator responsibility	Director: Municipal Finance

5.3.3 Indicator title	Municipal Budget implementation assessment
Definition	Monitor implementation of budget, trends and risks
Source of data	Local Government Database/Input by municipalities
Method of calculation/ Assessment	1 x Consolidated municipal budget report per quarter
Means of Verification	Consolidated Municipal Budget Implementation report
Assumptions	Accurate data, Section 71 submission and cooperation / availability of stakeholders.
Disaggregation of Beneficiaries (where applicable)	N/A
Spatial Transformation (where applicable)	N/A
Calculation Type	Cumulative (Year-end)
Reporting cycle	Quarterly
Desired performance	4 x Consolidated Municipal Budget Implementation report
Indicator responsibility	Director: Municipal Finance

Sub-Programme 5.4: Municipal Institutional Compliance and Governance

5.4.1 Indicator Title	Number of capacity development programmes implemented
Definition	Implementing programmes that aims to improve individual and organisational capacity and build an enabling environment for good Public Finance Management (PFM) practice.
Source of data	Invitation, video and audio recording of online /virtual sessions.
Method of Calculation / Assessment	Quantitative calculation of Specify in which quarters will these be achieved <ul style="list-style-type: none"> ✓ Q1 – 2 x MFMA related capacity building sessions ✓ Q2 – 2 x MFMA related capacity building session ✓ Q3 – 1 x MFMA related building session ✓ Q4 – 1 X MFMA related capacity building session
Means of verification	Documented training programmes implemented. <ul style="list-style-type: none"> ✓ MFMA related workshop
Assumptions	Confirmation from municipalities that sessions will be attended virtually. Commitment that attendees will participate and make use of the information shared.
Disaggregation of Beneficiaries (where applicable)	N/A
Spatial Transformation (where applicable)	N/A
Calculation Type	Cumulative (year-end)
Reporting Cycle	Quarterly
Desired performance	Continuous training and development is necessary for any institution for individual and organisation performance enhancement and compliance improvement. Increase professionalisation of Public Finance Management (PFM) within all spheres of government.
Indicator Responsibility	Director: Norms & Standards

5.4.2 Indicator Title	Review of unauthorised, irregular, fruitless & wasteful expenditure trends
Definition	Monitoring progress with the reduction of unwanted expenditures based on the implementation of applicable framework.
Source of data	Accumulated Unauthorised, Irregular, Fruitless & Wasteful Expenditure figures as disclosed in the AFS Irregular, Fruitless & Wasteful Expenditure registers submitted by MFMA compliant institutions
Method of Calculation / Assessment	Quantitative calculation <ul style="list-style-type: none"> • 1 x MFMA 2019/20 audited (Q2)
Means of verification	Comparative figures as per 2019/20 Audited Annual Financial Statements (MFMA)
Assumptions	Provincial Treasury apply legislated mandate Municipalities apply legislated mandate
Disaggregation of Beneficiaries (where applicable)	N/A

5.4.2 Indicator Title	Review of unauthorised, irregular, fruitless & wasteful expenditure trends
Spatial Transformation (where applicable)	N/A
Calculation Type	Cumulative (year-end)
Reporting Cycle	Bi -annual
Desired performance	Effective implementation of prescripts regarding financial misconduct. Reduction of unwanted expenditures. Effective Management of Expenditure and implementation of internal controls.
Indicator Responsibility	Director: Norms & Standards

5.4.3 Indicator Title	Number of improvement plans implemented in Municipalities (Municipal Support Strategy)
Definition	To address Municipal performance failures in the 30 prioritized Municipalities.
Source of data	Compliance monitoring tools (e.g. Local Government FMCMM, Risk Management assessment)
Method of Calculation / Assessment	1 x report per Municipality in quarter 4
Means of verification	Report on the support provided to the 30 Municipalities prioritized in the Municipal Support Strategy
Assumptions	Credibility of the results from the Local Government FMCMM assessment Cooperation from municipalities
Disaggregation of Beneficiaries (where applicable)	N/A
Spatial Transformation (where applicable)	N/A
Calculation Type	Cumulative (year-end)
Reporting Cycle	Annually
Desired performance	Improved municipal performance
Indicator Responsibility	Director: Provincial Risk Management

1.3 Indicator Title	Risk Management structure performance status
Definition	To monitor the establishment and functionality of Governance structure (Risk Management Unit, Risk Management Committee, Local Government Internal Audit and Audit Committees)
Source of data	Risk Management structures compliance monitoring and assessment tool
Method of Calculation / Assessment	Number of compliance monitoring reports (1x per quarter)
Means of verification	Compliance monitoring and assessment reports 1 x report per quarter
Assumptions	Credibility of information captured in the compliance monitoring and assessment tool Municipalities will provide management responses to compliance monitoring reports

1.3 Indicator Title	Risk Management structure performance status
Disaggregation of Beneficiaries (where applicable)	N/A
Spatial Transformation (where applicable)	N/A
Calculation Type	Cumulative (year-end)
Reporting Cycle	Quarterly
Desired performance	Improvement in compliance rate of Risk Management matters
Indicator Responsibility	Director: Provincial Risk Management

Sub-Programme 5.5: Municipal Supply Chain & Asset Management

5.5.1 Indicator Title	Assistance provided and support plans implemented for improvement of compliance in line with audit outcomes
Definition	Compliance with Supply Chain Management and Asset Management prescripts
Source of data	Results of the Financial Management Capability Maturity assessment on Asset Management and Supply Chain Management submitted by Municipalities. Audit outcomes Documented support plans implemented addressing the Gaps: Support plans will be in relation to: <ul style="list-style-type: none"> • Contract management • SCM compliance • Asset Registers • SCM Policy and Standard Operating Procedures
Method of Calculation / Assessment	1 x SCM report and 1 x Asset Management report for quarter 2-4
Means of verification	Progress Report Support Plans
Assumptions	Municipalities have capable officials to perform Asset Management and SCM functions. FMCMM to form the basis of support interventions.
Disaggregation of Beneficiaries (where applicable)	N/A
Spatial Transformation (where applicable)	N/A
Calculation Type	Cumulative (year- end)
Reporting Cycle	Quarterly
Desired performance	Improvement on Financial Maturity Capability level 3 and above on compliance with SCM and Asset Management
Indicator Responsibility	Director: Asset Management

5.5.2 Indicator Title	Assessments on implementation of Strategic Procurement in the Province in line with Provincial Procurement Policy Framework.
Definition	Monitor the implementation of Strategic Procurement in the Province in line with Preferential Procurement Policy Framework
Source of data	Preferential Procurement Policy Framework; Central Supplier Data Base (CSD) and LOGIS Reports
Method of Calculation / Assessment	Simple Count [1 x PPPF report per quarter]
Means of verification	System generated Spend Analysis on designated group report
Assumptions	Municipalities have capable officials to align procurement targets with Local Preferential Procurement Policy Framework (designated Groups).
Disaggregation of Beneficiaries (where applicable)	Preferential Procurement Policy Framework: <ul style="list-style-type: none"> ✓ 30% Youth ✓ 20% Women ✓ 5% Disability ✓ 5% Co-operatives
Spatial Transformation (where applicable)	N/A
Calculation Type	Cumulative (year – end)
Reporting Cycle	Quarterly
Desired performance	Improve the participation of SMME's and designated groups in the Province
Indicator Responsibility	Director: Asset Management

5.5.3 Indicator Title	Infrastructure Technical advisory support services provided in terms of Infrastructure Delivery Management and relevant governance prescripts.
Definition	Provide Technical advisory support and capacitation and training sessions in a bid to facilitate and institutionalize the revised Framework for Infrastructure Delivery and Procurement Management, to municipalities to ensure effective and efficient infrastructure delivery management in line with provincial and local government infrastructure delivery management standard.
Source of data	MFMA: DORA Frameworks, A1 Schedules (Table 36 a, b, c, IDP, SDF, MFMA Budget Circular <ul style="list-style-type: none"> • Assessment against the NC IDMS and FIDPM Methodologies and National best practices. Reports of capacitation sessions held; • Knowledge Management COP meetings (Attendance Register and Minutes) Case Studies and Best Practice methodologies developed and recorded in accordance with KM guidelines,
Method of Calculation / Assessment	Simple Count [1 x consolidated report per quarter (MFMA.)]
Means of verification	<ul style="list-style-type: none"> • Estimates of Capital Expenditure 2020/21 (ECE) and the publication of the Provincial Infrastructure Plan. • Infrastructure Procurement Policies and Gateway review Reports • Report on capacitation sessions
Assumptions	<ul style="list-style-type: none"> • Provision of infrastructure in an integrated way that ensures that service are delivered to the community ensuring economic growth and social upliftment. • Compliance to the prescripts of infrastructure procurement.

5.5.3 Indicator Title	Infrastructure Technical advisory support services provided in terms of Infrastructure Delivery Management and relevant governance prescripts.
Disaggregation of Beneficiaries (where applicable)	Preferential Procurement Policy Framework: <ul style="list-style-type: none"> ✓ 30% Youth ✓ 20% Women ✓ 5% Disability
Spatial Transformation (where applicable)	NSDF Sub Frames 3 &4 <ul style="list-style-type: none"> ➤ National Connecting and Movement Infrastructure ➤ National Ecological Infrastructure and Natural Resource Base
Calculation Type	Cumulative (Year-end)
Reporting Cycle	Quarterly
Desired performance	<ul style="list-style-type: none"> • Four assessment reports on effective and efficient planning and performance on provincial infrastructure. Two provincial and two municipal capacitation sessions that would ensure capacitated stakeholders to ensure institutionalisation of FIDPM methodologies
Indicator Responsibility	Director: Infrastructure Performance Management

5.5.4 Indicator Title	Infrastructure budget & expenditure outcome assessment conducted to determine value for money infrastructure delivery for municipalities
Definition	Contribute to the implementation of annual evaluation of infrastructure projects/ programmes in terms of in year reporting & related financial aspects; Monitor & report on compliance with relevant Infrastructure Grant section and conditional grant frameworks as performed by infrastructure stakeholders and assess progress and value for money in terms of the delivery of infrastructure through the optimal utilisation of the allocated infrastructure budgets and to facilitate/ensure proper alignment to initial plans and budget allocation
Source of data	MFMA: <p>Municipal Finance Sec.71 & 72 Reports; MFMA LG Database</p> <p>Monthly assessment meetings and expenditure analysis conducted. mSCOA MIG Expenditure reports; Monthly Human Settlements DoRA Reports</p> <p>Section 72 &71 reports , transferring sector reports, mSCOA, Project Information Template</p>
Method of Calculation / Assessment	Simple Count [1 x consolidated report per quarter (MFMA.)]
Means of verification	IRM & IYM reports and Analysis report produced; Project Status reports and information extracted from IRM and LG Data base systems Site Visit reports, Site Visits Programme; Attendance Register and Memorandums
Assumptions	Factors that are accepted as true and certain to happen without proof; Completion of project on time and within budget
Disaggregation of Beneficiaries (where applicable)	Preferential Procurement Policy Framework: <ul style="list-style-type: none"> ✓ 30% Youth ✓ 20% Women ✓ 5% Disability
Spatial Transformation (where applicable)	N/A
Calculation Type	Cumulative (Year- end)
Reporting Cycle	Quarterly

5.5.4 Indicator Title	Infrastructure budget & expenditure outcome assessment conducted to determine value for money infrastructure delivery for municipalities
Desired performance	Expenditure Analysis that Identifies whether actual performance that is higher or lower than targeted performance is desirable. 4 Quarterly site visits assessment reports on the Value for Money in terms of the delivery of infrastructure by municipalities
Indicator Responsibility	Director: Infrastructure Performance Management

6. Internal Audit

6.1 Audit Committee

5.1.1 Indicator Title	Percentage achievement of the Audit Committee Charter
Definition	The Audit Committee Charter is a requirement of the PFMA and governs the operations and functioning of the Audit Committees.
Source of data	The Audit Committee Charter maintained by the Audit Committee Secretariat.
Method of Calculation/ Assessment	Calculate the percentage of the number of Audit Committee functions achieved divided by the number of Audit Committee function as stipulated by the Audit Committee charter
Means of Verification	Audit Committee Charter assessment tool that lists the Audit Committee functions as stipulated in the Audit Committee Charter.
Assumptions	Existence of an approved Audit Committee Charter.
Disaggregation of Beneficiaries (where applicable)	N/A
Spatial Transformation (where applicable)	N/A
Calculation Type	Cumulative (Year-to-date)
Reporting Cycle	Quarterly
Desired performance	Full compliance to the Audit Committee Charter.
Indicator Responsibility	Chief Audit Executive

6.2 Internal Audit

5.2.1 Indicator Title	Percentage achievement of internal audit plan / revised internal audit plan
Definition	Achieving the planned internal audit assignments for the year as per the initial
Source of data	Secretary of the respective sub-programs maintains filing of signed audit reports collected quarterly from the Director Internal Audit in charge of the respective sub-programs.
Method of Calculation/ Assessment	Calculate the percentage of the number of signed internal audit reports divided

5.2.1 Indicator Title	Percentage achievement of internal audit plan / revised internal audit plan
Means of Verification	Calculation sheet that supports the quarterly performance report that is underpinned by the approved / revised internal audit plans and the signed internal audit reports.
Assumptions	Internal audit unit is fully capacitated. Clients will provide cooperation in provision of information requests and management comments on findings.
Disaggregation of Beneficiaries (where applicable)	N/A
Spatial Transformation (where applicable)	N/A
Calculation Type	Cumulative (Year-to-date)
Reporting Cycle	Quarterly
Desired performance	Actual performance that is higher than targeted performance is desirable.
Indicator Responsibility	Director: Education, Health, Agriculture, DPW

Annexure A: Amendments to the Strategic Plan

MTSF Priority 4: Spatial Integration, Human Settlements & Local Government MTSF Priority 6: A Capable, Ethical & Developmental State					
Original Targets				Revised Target	
Outcome	Outcome Indicators	Baseline	Five year target	Five year target	Reasons for revision
Sound Financial Management and good governance	Number of municipalities that are financial viable	15	30	25	The operations have been affected rigorously in terms visibility and financially
	Provincial Audit outcomes	2 Qualified 9 Unqualified 2 Clean Audit for departments	13 Clean Audit for departments	12 Clean Audit for departments	Amalgamation of two departments into one

Annexure B: Conditional Grants

Not applicable

Annexure C: Consolidated Indicators

Not applicable

Annexure D: District Development Model

Not applicable