

NCPT

NORTHERN CAPE PROVINCIAL TREASURY

Annual Performance Plan for the year 2023/24

Table of Contents

EXECUTIVE AUTHORITY STATEMENT	4
ACCOUNTING OFFICER STATEMENT	5
PART A: OUR MANDATE	9
1. Updates on the relevant legislative and policy mandates	9
2. Updates to institutional policies and strategies	11
3. Updates to relevant court rulings	11
PART B: OUR STRATEGIC FOCUS	13
1. Vision	13
2. Mission	13
3. Values	13
4. Updated situational analysis	14
4.1 Economic Overview	15
4.2 External Environment Analysis	17
4.3 Internal environment analysis	21
4.4 Departmental strategic priorities and levers.....	23
PART C: MEASURING OUR PERFORMANCE	27
1. Institutional programme performance Information	27
1.1 Programme 1 – Administration.....	30
1.2 Programme Resource Considerations	33
2.1 Programme 2: Sustainable Fiscal Resource Management	35
2.2 Programme Resource Considerations	39
3.1 Programme 3: Supply Chain Management, Assets and Liabilities	40
3.2 Programme Resource Considerations	44
4.1 Programme 4: Financial Governance	45
4.2 Programme Resource Considerations	48
5.1 Programme 5 – Municipal Financial Management	49
5.2 Programme Resource Considerations	55
6.1 Programme 6 – Provincial Internal Audit	57
6.2 Programme Resource Considerations	60
7. Updated key risks and mitigation plan	61
PART D: TECHNICAL INDICATOR DESCRIPTORS (TIDs)	64
1. Administration	64
2. Sustainable Finance Resource Management	68
3. Supply Chain Management, Assets & Liabilities.....	74
4. Financial Governance.....	78
5. Municipal Financial Management	83
6. Provincial Internal Audit	89
PART E: ANNEXURES	91
ANNEXURE A: AMENDMENTS TO THE STRATEGIC PLAN	92
ANNEXURE B: CONDITIONAL GRANTS.....	93
ANNEXURE C: CONSOLIDATED INDICATORS	93
ANNEXURE D: DISTRICT DEVELOPMENT MODEL.....	93



NORTHERN CAPE PROVINCIAL TREASURY

ANNUAL PERFORMANCE PLAN

2023/24

*"After climbing a great hill, one only finds
that there are many more hills to climb."*

Nelson Mandela



EXECUTIVE AUTHORITY STATEMENT

Economic distress is not only a statistic but a very tangible and often painful reality. The aftermath of the Covid-19 pandemic has wreaked havoc and still continues to do so as measured through high cost of living risk due to job losses and the rising inflation rate. In addition, the current energy crisis experienced by the country further exacerbates our already ailing and vulnerable economy and service delivery landscape.

During this planning period Provincial Treasury, commits to providing leadership in the management of public resources for efficient, effective and economic service delivery. Key amongst, the drivers in the monitoring eco-system, Provincial Treasury anticipates to promote and advocate for effective financial management practices and good governance in all provincial departments, public entities and municipalities.

In contributing meaningfully to promotion of good financial governance and accountability within the Northern Cape Provincial Government, we will maintain our clean audit status, while we simultaneously share best practice and various datasets to all stakeholders. This will compel us as a Department to strengthen and improve our monitoring and support strategies for identified Departments within the Province towards the attainment of clean audits.

In furtherance of our stakeholder relations, the Northern Cape Provincial Treasury will continue to uphold principle stakeholder engagements in a manner that is aligned to the government communication framework underpinned by the democratic principles of transparency, accountability, consultation and participation. This will be pursued with the full implementation of the approved organisational structure towards ensuring adequate capacity to achieve our predetermined objectives and targets as reflected in our Annual Performance Plan.

It is my humble honour and a special privilege to present the Northern Cape Provincial Treasury 2023/2024 Annual Performance Plan. As the year ahead marks the penultimate of the 6th Administration tenure, the synergism between management, its employees and stakeholders is key towards great improvements and achievements to be amassed by this organisation. The Northern Cape Provincial Treasury remain resolute, dedicated and committed to the execution of all its programmes and in contributing meaningfully to realising "A modern, growing and successful province" for Northern Cape and her people.



A. VOSLOO MPL

EXECUTIVE AUTHORITY

ACCOUNTING OFFICER STATEMENT

Provincial Treasury as mandated by the Public Finance Management Act section 18, and the Municipal Finance Management Act section 5, has critical enabling, supportive and oversight roles to play in both the provincial and municipal spheres of Government and facilitates strategic relationships with the national Government.

As the custodians of good governance and financial management, it is imperative that the Department has the necessary skills and competencies to fulfil its legislative mandate. To this end the Department received concurrence for the revised organisational structure from the Department of Public Service and Administration (DPSA). The approved structure will assist the Department to create an enabling environment to support municipalities in a structured and coordinated manner. Despite the prolonged vacancy rate, the institutional depth and resilience of the Provincial Treasury has enabled it to respond rapidly to changes in the operating environment while sustaining delivery of our core business activities.

The Department has identified critical levers that will support the priorities of the 6th Administration and strengthen the institutional capability of the Provincial Treasury in the longer term. This focused approach compels Provincial Treasury to intensify collaboration efforts with key stakeholders in the oversight ecosystem to mitigate the inherent risk of slow or non-achievement of our targets. Stakeholder relations is central to us accelerating our intervention and support initiatives, some of which are already underway whilst others are planned for.

Irregular expenditure remains a concern to the Northern Cape Provincial Treasury. The revised Preferential Procurement Regulations 2022, as announced by the Minister of Finance calls for thorough roll-out and monitoring, especially in our fight against the incurrence of unwanted expenditures such as Irregular Expenditure and Fruitless and Wasteful Expenditure by Provincial Departments.

Changing the trajectory in the local government sphere is central to our reorganising and restructuring process. Our support in municipalities is aimed at improving governance, financial viability, and audit outcomes to empower them to achieve their service delivery objectives. Provincial Treasury continues to witness the far reaching effects of low revenue generation in the Province, more so in the local government sphere. It is therefore imperative that we explore various own revenue generating streams to strengthen our fiscus thus resulting in service delivery objectives being enhanced.

Our commitment to enforce our legislative mandate for the betterment of our communities through effective monitoring and support initiatives is embedded in our vision of being the heartbeat of sound financial management that supports economic growth and development by implementing sound fiscal policy.




DR. MOSES GASELA
ACCOUNTING OFFICER

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 2022 - 2025.

DL Sebolai
Acting Director: Governance, Strategy and Executive Support




Signature

Ms B Mashobao
Chief Financial Officer



Signature

Ms ML Mooki
Acting Chief Director: Corporate Services



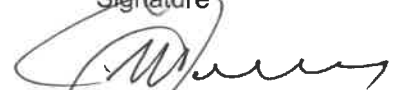
Signature

Mr B Moea
Chief Director: Sustainable Resource and Fiscal Policy




Signature

Mr O Vermeulen
Chief Director: Assets and Liabilities




Signature

Ms GL Bosvark
Chief Director: Financial Governance




Signature

Ms B Mgaguli
Acting Chief Director: Municipal Finance



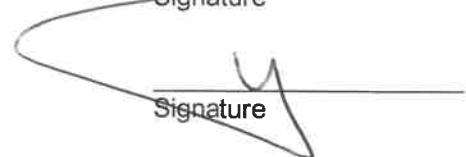
Signature

Mr J van Tonder
Chief Director: Provincial Internal Audit



Signature

Dr MM Gasela
Accounting Officer



Signature

Approved:



A VOSLOO
EXECUTIVE AUTHORITY



PART A: OUR MANDATE



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

National Development Plan

To regulate and guide organisations in recognizing and fulfilling their roles in effecting labour harmony and democratization of the workplace.

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 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

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

To clarify the roles and consolidate efforts between NCPT and COHGSTA in rendering support to municipalities; Collaborate and cross cutting issues and synchronise efforts in providing assistance to municipalities through "Back to Basics" programme

Provincial strategy to support municipalities

- Promote credible and reliable financial reporting by enforcing;
- The implementation of control activities in all financial management functional areas;
- 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

- 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

- 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:

- Provincial vision
- Northern Cape Provincial Growth and Development Plan;
- Provincial Growth Development Plan 5-year Implementation Plan & Monitoring Framework as per the following relevant 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 all other policies mentioned above

3. Updates to relevant court rulings

The Preferential Procurement Regulation of 2017, which was declared invalid by the Constitutional Court effective from 16 February 2022. The Minister of Finance issued the revised Preferential Procurement Regulations, 2022, which came into effect on 16 January 2023.



PART B: OUR STRATEGIC FOCUS



PART B: OUR STRATEGIC FOCUS

Provincial Treasury's Vision, Mission and professed Values are as follows:

1. Vision

To be the heartbeat of sound financial management that supports economic growth and development.

2. Mission

We strive to promote sound fiscal policy that enables financial sustainability and supports economic development.

3. Values

The core values that the Northern Cape Provincial Treasury espouses are:

- Batho Pele
- Integrity
- Excellence
- Professionalism
- Agility

4. Updated situational analysis

Provincial Treasury as a strategic enabler for the effective implementation of the priorities of government and the achievement of the National Development Plan (NDP) 2030 goals plays a pivotal role in supporting and monitoring provincial and local government within the Northern Cape. The Department has considered various internal and external opportunities, threats, strengths and weaknesses (SWOT analysis) to deal with existing and emerging pressures.

Mainstreaming of gender, empowerment of youth and people with disabilities has become a national and provincial priority which must be integrated into our Departmental processes and activities. Provincial Treasury will therefore focus on strategic interventions that is embedded in the mandate of the Department and will enhance specific service delivery goals related to:

- Improving financial management capability and developing programmes to strengthen the supply chain management, procurement and asset management systems in the public sector.
- Taking measures to eliminate unauthorised, irregular and fruitless and wasteful expenditure in the public sector.
- Strengthened integration of the monitoring ecosystem which will result in the achievement of provincial priorities thereby improving service delivery initiatives.
- Monitoring implementation of the Gender, Youth and Disability responsive planning, budgeting, monitoring evaluation and auditing framework.

In line with government's commitment to stabilise public finance, Provincial Treasury's strategic focus for the remainder of the MTSF period will be on fiscal sustainability and improved financial governance and accountability in both provincial and local government. This will include revenue enhancement, efficient and effective use of resources as well as prudent management of compensation of employees. Furthermore, there will be greater emphasis on the annual financial statements, irregular expenditure, fruitless and wasteful as well as unauthorised expenditure and supply chain management compliance aimed at improving audit outcomes.

Building and maintaining strong strategic relationships is a key theme to ensure that we achieve our objectives. The Department relies on the political and administrative leadership of provincial departments, public entities and municipalities to implement prudent financial management systems and ensure compliance with legislative requirements which will enhance accountability and the quality of financial reporting.

The Department of Human Settlements, Cooperative Governance and Traditional Affairs and the South African Local Government Association (SALGA) are considered key role-players in enhancing financial management at local government level. The memorandum of understanding between COGHSTA and Provincial Treasury must thus be finalized as it will outline the oversight responsibilities and functions of both institutions to municipalities.

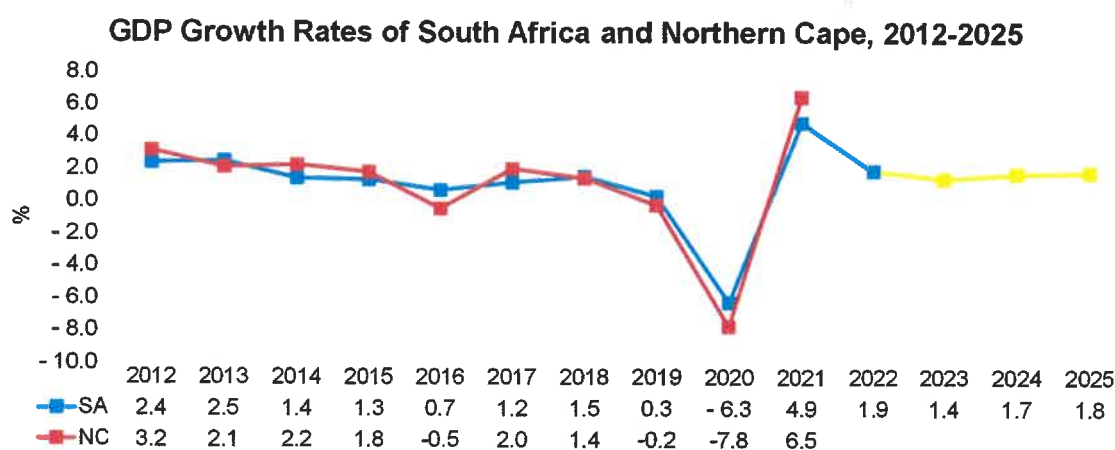
The current governance context within which we operate is considered to be volatile, uncertain, complex and ambiguous, hence, our drive to achieve clean audit compels us to work closely with the Auditor General of South Africa (AGSA) and the Portfolio Committee on Public Accounts and Finance with regard to ensuring financial accountability. Heightened emphasis is therefore placed on ethical and effective leadership which will ensure that we support with excellence in good governance practices and financial management.

4.1 Economic Overview

Following a contraction of 6.3 per cent in 2020, the national economy showed some recovery after growing by 4.9 per cent in 2021. The national economy is expected to have grown by 1.9 per cent in 2022 and has forecasted growth of 1.4 per cent for 2023, 1.7 per cent for 2024 and 1.8 per cent for 2025. Low economic growth translates into low revenue collection through taxes. This puts more strain on the fiscus and a larger emphasis on the importance of efficient resource allocation and spending of limited resources.

The following graph shows the growth rate of the gross domestic product (GDP) for South Africa for the period from 2012 to 2025 and for the Northern Cape for the period from 2012 to 2021.

GDP Growth Rates of South Africa and Northern Cape, 2012-2025



2022 estimate, 2023-2025 forecasts

Source: Stats SA GDP 3rd Quarter 2022 (SA 2011-2021), National Treasury MTBPS 2022 (SA 2022-2025), IHS Markit, 2023 (Regional eXplorer, Version 2340) for Northern Cape (2012-2021)

It is estimated that the Northern Cape economy contracted by a very significant 7.8 per cent in 2020 and the national economy contracted by a slightly lower, but also very significant, 6.3 per cent following the economic and health crisis brought about by the COVID-19 pandemic. Both the provincial and national economies started to bounce back in 2021, growing by 6.5 and 4.9 per cent respectively.

The following table provides the estimated industry growth and contributions to the total industries of the province for 2020 and 2021.

Sector	Growth Rate (%)		Contributions to Total Industries (%)	
	2020	2021	2020	2021
Primary sector	-9.4	14.7	27.6	32.6
Agriculture	13.4	7.7	7.8	7.2
Mining	-17.3	18.1	19.8	25.4
Secondary sector	-11.5	5.0	8.5	8.2
Manufacturing	-12.7	9.2	3.5	3.4
Electricity	-5.6	5.7	3.1	3.1
Construction	-18.6	-2.7	1.9	1.7
Tertiary sector	-5.3	3.3	63.9	59.3
Trade	-13.2	4.8	9.7	9.6
Transport	-16.0	5.0	9.0	8.4
Finance	0.4	2.1	17.6	16.1
Community services	-1.2	2.8	27.6	25.2
Total industries	-7.0	6.6	100.0	100.0

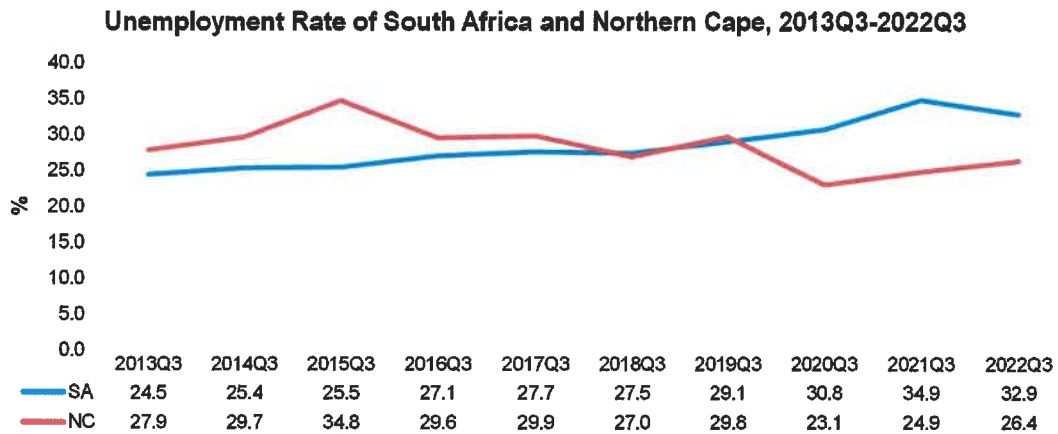
*Growth rate at constant 2015 prices, Contributions to GDP at current prices
Source: IHS Markit, 2023 (Regional eXplorer, Version 2340)*

The *Tertiary sector* remained the largest sector in the Northern Cape, accounting for 63.9 per cent towards the total industries of the province in 2020 and 59.3 per cent in 2021. The largest industry in the province in 2020 was *Community services*, contributing 27.6 per cent to the total industries of the province, while *Mining* was the largest industry in 2021, with an estimated contribution of 25.4 per cent. *Construction* remained the smallest industry, contributing only 1.9 per cent in 2020 and 1.7 per cent in 2021.

The estimated growth of the *Tertiary sector* for 2021 was 3.3 per cent, compared to a large contraction of 5.3 per cent in 2020. The *Primary sector* grew by 14.7 per cent in 2021, after a significant contraction of 9.4 per cent in 2020. The *Secondary sector* grew by 5.0 per cent in 2021 following an 11.5 per cent contraction in 2020. *Mining* recorded the highest growth rate in 2021, growing by an estimated 18.1 per cent while *Construction* was the only industry to record a contraction in 2021, contracting by 2.7 per cent.

The slow reduction of the unemployment rate is of a national and provincial concern as it places a strain on the economy and ultimately on government. Unemployment may also lead to youth vulnerability further expounding social and security problems which further threaten the cost of living of families. The below figure illustrates the unemployment rate of the third quarters of 2013 to 2022 for South Africa and the Northern Cape:

Unemployment Rate of South Africa and Northern Cape, 2013Q3-2022Q3



Source: Stats SA QLFS 3rd Quarter 2022 (QLFS trends)

From quarter three of 2013 until quarter three of 2017, the unemployment rate of the Northern Cape was at a higher level than the national unemployment rate. Thereafter, the national unemployment rate was higher than the provincial rate, with the exception of 2019. In the third quarter of 2022, the unemployment rate of the Northern Cape was 6.5 percentage points lower than the national unemployment rate. The provincial unemployment rate was 1.5 percentage points higher in the third quarter of 2022 as compared to a year before.

4.2 External Environment Analysis

An in-depth analysis on our role within the current and envisaged service delivery context and economic environment was conducted to determine the extent to which our services will be deemed impactful by our clients. Our analyses revealed that we must assert ourselves and have a focused approach in executing our legislative mandate. Our efforts will therefore be directed towards achieving the following outcomes:

- Good financial governance; and
- Financial viability of the province to accelerate economic growth.

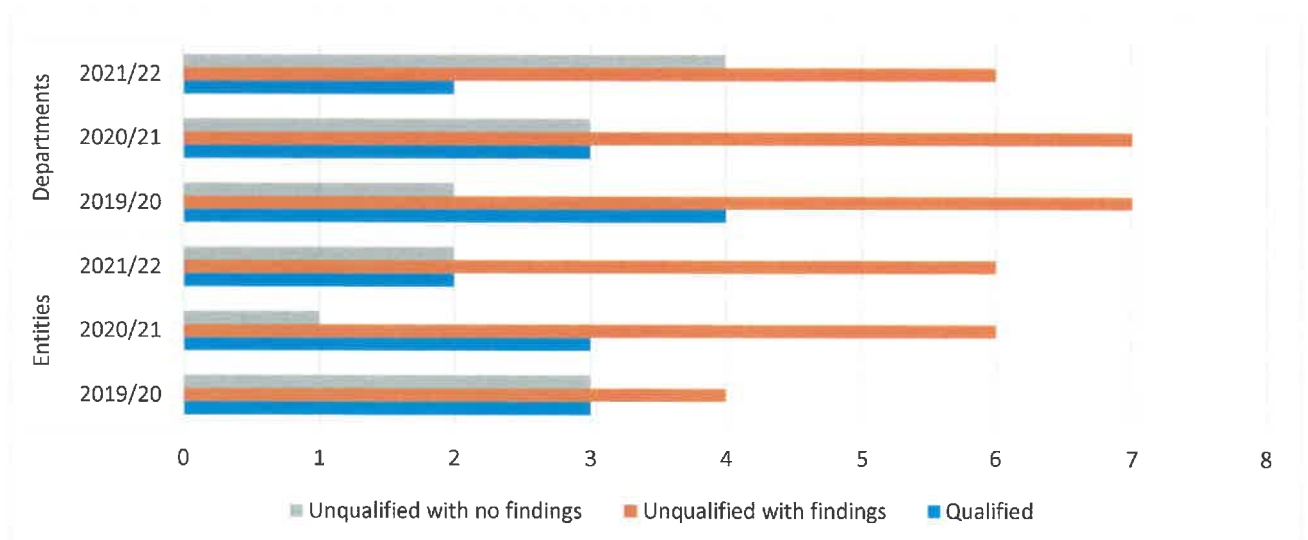
Non-compliance to laws and regulations continues to be a growing threat within the Northern Cape Provincial Government. This is evidenced by the growth in irregular expenditure in the 2021/22 financial year from R18,1 billion to R20,9 billion, despite the measures that were implemented to reduce such unwanted expenditures. This obligated Provincial Treasury to reconsider the current support measures thereby escalating and intensifying its strategy to be preventative rather than corrective. Provincial Treasury will make a concerted effort to ensure that the new Procurement Regulations are included in departmental policies and implemented as stipulated. This advocacy will assist our attempts to be proactive and preventative when dealing with any potential and possible incurrence of Irregular Expenditure.

Public procurement is a powerful driver of development and economic growth and is one of the best examples of how communities, businesses, and government can collaborate for the common good of citizens. Apart from the direct impact that spending has on every South African, it also provides opportunities to contribute to inclusive economic growth, advancement of government's social objectives and in general, is at the heart of service delivery to the people of the country.

The Minister of Finance released the revised Preferential Procurement Regulations 2022 on 04 November 2022 whereupon Organs of State in the province have embarked on a process to review existing SCM policies in accordance with the framework provided for in the Preferential Procurement Policy Framework Act and the PPR, 2022. There will be a great responsibility on Accounting Officers and Authorities to develop policies that will enhance procurement from historically disadvantaged groups and to identify and achieve goals that will contribute to economic growth and other societal objectives including job creation and reduction of unemployment and poverty.

Clean Administration is one of the key pillars of the 6th Administration for a Modern, Growing and Successful Province in the Northern Cape Provincial Government. Through the collaboration between the Office of the Premier and Provincial Treasury significant contributions were made toward the drive to obtain improved audit outcomes. This coordinated effort to improve financial management and promote good governance must be intensified in the 2023/24 financial year to ensure that there is consistent improvement in the audit outcomes.

2021/22 Public Finance Management Act (PFMA) audit outcomes (Departments and Public Entities):



Common areas of non-compliance identified by the Auditor General include amongst others:

- Poor quality of financial statements submitted resulting in material adjustments;
- Lack of preventative controls to prevent unauthorised, irregular and fruitless and wasteful expenditure;
- Control deficiencies in procurement and contract management. (Uncompetitive and unfair procurement processes);
- Policies and procedures not updated; and
- Poor IT governance.

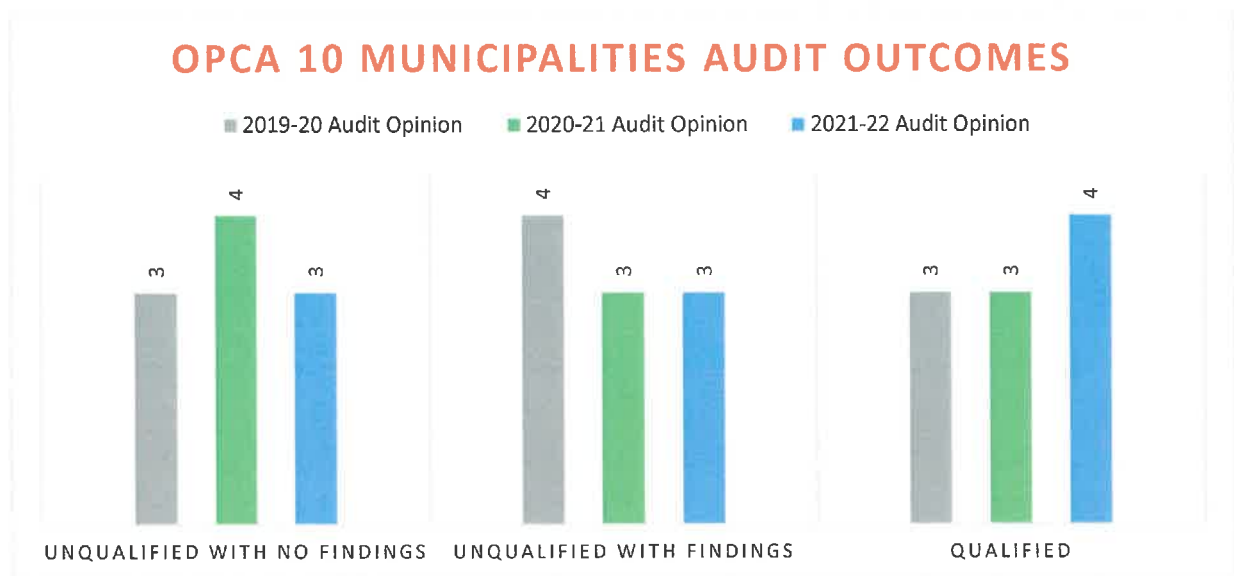
The state of local government remains a concern for the Northern Cape Provincial Administration as there were still municipalities that experienced challenges in submitting financial statements on time. The following challenges threaten our efforts to turn-around the current trajectory in municipalities:

- None implementation of recommendations by stakeholders and oversight structures by municipalities. This includes none implementation and monitoring of audit action plans for improvement of financial management and audit outcomes;
- Poor and lack of oversight by local government oversight structures i.e. audit committees, council committees; disciplinary structures
- Poor and or lack of internal controls in municipalities;
- Lack of consequence management;
- High reliance on consultants by municipalities with no traceable transfer of skills.
- Continuous adoption of unfunded budgets which is in contravention of the MFMA
- Low spending on Conditional Grants, which suggest that service delivery it's not taking place as planned (IDP) which also has direct impact on job creation
- Lack of revenue drives or new ways of optimising revenue streams
- Limited involvement of councillors in their respective wards.

Notwithstanding the challenges outlined above, we are determined to institute the necessary corrective measures to ensure that we deliver on our legislative mandate by fast tracking the implementation of the approved organisational structure which will enable us to have a coordinated approach in supporting municipalities. Furthermore, intensifying our stakeholder relations with the Cogesta and Salga to ensure alignment of the programme of action to include all the activities which will assist the achievement of targets. Strategic platforms of engagement should thus be established to ensure:

- Enforcement of the Operation Clean Audit Reports (OPCA) Forum resolutions;
- Establishment of a District OPCA Forum;
- Intensify capacity building of council oversight committees to enable them to perform their oversight function effectively

The vastness and peculiarity of the province poses serious challenges for service delivery. These inherent dynamics further poses challenges regarding the provision of oversight and support services to the various municipalities by Provincial Treasury, Department of Cooperative Governance, Human Settlement and Traditional Affairs (COGHSTA) and South African Local Government Association (SALGA). There municipal audit outcomes for the period 2019/20 to 2020/21 can thus be depicted as follows:



The continued reductions on the equitable share continue to pose a serious risk for the sustainability of the fiscal framework in the province; however, the current measures implemented to mitigate these risks have proven to be effective towards maintaining a balance budget despite these identified risks. The efficiencies implemented by Provincial Treasury ensured core government programmes were protected despite the budget cuts enabling support provided to municipalities, the Department of Health and Education, respectively.

Following the economic instability brought about by the Covid-19, the collection of revenue drastically decreased which necessitated the province to explore new revenue sources, and to enhance existing measures to optimise own revenue generation. Provincial own revenue streams are limited but play an important role in supplementing national transfers thus resourcing provincially determined priority outcomes. During the 2021/22 financial year, the province under collected the provincial revenue budget by 0.9 per cent (R3.973 million). The

provincial own revenue collection contributes between 2 and 3 per cent of the total receipts of the province, while national transfers account for the rest.

Payment of suppliers within 30 days is a provincial priority given the role that government procurement plays in the empowerment of SMMEs. By the end of the third quarter of the 2022/23 financial year the province had 3 961 invoices to the value of R 385,347,028.42 that were older than 30 days. A combination of factors has been reported to contribute to the challenge of paying suppliers within the prescribed timeframe of 30 days.

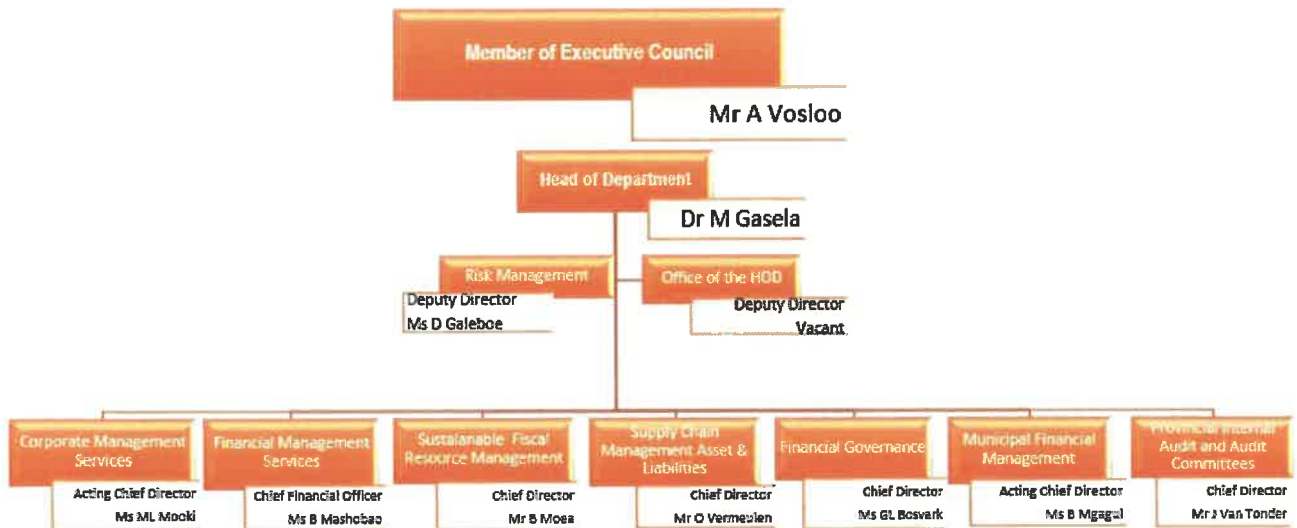
The “cost-of-living crisis” has been ranked as the most severe global risk with inflationary pressures disproportionately hitting those that can least afford it. Even before the COVID-19 pandemic, the price of basic necessities such as food and housing, were on the rise. The persistence of a global cost-of-living crisis could result in a growing proportion of the most vulnerable parts of society being priced out of access to basic needs, fuelling unrest and political instability. The severity of the cost of living risk could further fuel interest rate hikes, thus raising the risk of debt distress, a prolonged economic downturn and a vicious cycle for fiscal planning.

4.3 Internal environment analysis

The Northern Cape Provincial Treasury has a legislative responsibility in terms section 18 of the Public Finance Management Act (PFMA) and section 5 of the Municipal Management Act (MFMA) to oversee and manage the provincial budget and to render support to all Departments, Municipalities and Public Entities. The key objective being to promote and enforce prudent fiscal and financial governance, through embedding good financial governance and integrated service delivery practices across the Province.

Provincial Treasury has reviewed the organisational structure which was approved by the Executive Authority for Provincial Treasury in April 2022. In response to the rapidly changing landscape, Provincial Treasury reviewed the organisational structure and established Programme 5 (Municipal Finance), which entails combining all oversight units. The role of the programme is to facilitate and coordinate the implementation of the MFMA, this is done to ensure that the objectives of the Local Government financial reform agenda are achieved.

The diagram below depicts the high level organisational structure of the Department with the Programme responsible for Municipal Finance.



The Department has a vacancy rate of 32 per cent, mainly attributed to the structure re-engineering process. In pursuit of a modern, growing and successful province, the department has prioritised the filling of key and critical vacant positions for maximum efficiency and optimal performance.

The Strategic Planning Unit has been duly capacitated to enhance integrated policy, planning and budgeting processes and monitoring of our initiatives, furthermore, this will also assist the Department to perform the necessary evaluations to ensure continued improvement of our services.

Departmental employment stats for the MTEF cycle:

Salary levels	2022/2023	2023/2024	2024/2025
	Personnel Numbers	Personnel Numbers	Personnel Numbers
1 - 7	119	121	124
8 – 10	121	129	132
11 – 12	69	73	77
13 – 16	21	25	25
Total	330	348	358

Departmental Employment Equity stats (including employees with disabilities) in each of the occupational bands:

Occupational Band	MALE				FEMALE				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top management (SR15-16)	1	1							2
Senior management (SR 13-14)	5	1		3	8	1		1	19
Professionally qualified and experienced specialists and mid-management (SR 9-12)	52	11	1		54	20	1	2	141
Skilled technical and academically qualified workers, junior management, supervisors, foremen, and superintendents (SR 6-8)	19	4			39	17		1	80
Semi-skilled and discretionary decision making (SR 3-5)	12	2			32	8	1	1	56
Unskilled and defined decision making	10				17	5			32
TOTAL	99	19	1	3	150	51	2	5	330

The Department received an unqualified with no findings (“clean”) audit opinion for the past seven consecutive years. Risk management processes have been institutionalised, thus the Department can monitor performance and implement mitigating actions in time to ensure achievement of objectives.

4.4 Departmental strategic priorities and levers

Provincial Treasury has reprioritised and intensified some of the existing initiatives to give expression to the vision of the 6th Administration of a modern, growing and successful Province. The focus of our strategic levers is on those initiatives that can be implemented without significant additional resources and that can be delivered upon rapidly.

Provincial Treasury will continue to direct its efforts to attain the following specific strategic thrusts for the remainder of the MTSF:

- Eight (8) Public Finance Management Act (PFMA) clean audits;
- Ten (10) Municipal Finance Management Act MFMA clean audits; inclusive of Sol Plaatje municipality which is a non-delegated municipality;
- Reduction of the legacy irregular expenditure by more than 50%;

- Improved financial management at local government attributable to focussed municipal support;
- Improved “own revenue” streams in light of the ever diminishing equitable share from the fiscus;
- Improvement in the payment of suppliers, with a special focus, on the Departments of Health and Education respectively;
- Support to the Department of Health on the agreed upon focus areas.

Non-compliance to laws and regulations in relation to supply chain management is a growing concern to this Administration as Irregular Expenditure continues to increase. This places a great demand on Treasury to promote implementation of early warning systems to prevent non-compliance which will result the incurrence of unwanted expenditure (Unauthorised, Fruitless & Wasteful and Irregular Expenditure). The condonation of Irregular Expenditure will require Provincial Treasury to accelerate and intensify collaboration with the Office of the Premier in the investigation of Irregular Expenditure. Heads of Departments and Chief Financial Officers of the respective Departments are key stakeholders in the process of preventing, managing, detecting and correcting all forms of unwanted expenditure, thus their cooperation becomes the bedrock upon which we build our interventions.

Provincial Treasury will table a positive fiscal outlook for the 2023/24 MTEF underpinned by additional allocations mostly in the Departments of Health and Education respectively. This will allow these Departments to provide additional resources in respect of frontline services including the appointment of additional nurses and teachers. This will also allow Departments to consider the appointment of critical administrative posts in support of frontline services.

It is therefore imperative to stabilise the own revenue collection in the province by optimising the existing revenue enhancement initiatives and by implementing new and innovative plans and interventions. The Department is committed to taking definite and concrete steps to enhance revenue collection over the next five years. These steps are anchored by the revenue strategy which will require proper reporting and monitoring to ensure enhanced revenue collection. For the 2023/24 and 2024/25 financial years, the aim is for departments to collect own revenue of R 486.087 million and R 519.089 million by the respective departments.

Municipalities in the province reported to have generated total revenue of R3.8 billion or 42% of the total adopted operating revenue budgets of R9.0 billion. However, factoring out grant allocations and considering huge increase in outstanding debtors, the assumption would be that minimal fiscal effort has been applied by municipalities to generate revenue.

The programme of action for the newly formed Municipal Finance programme within Treasury will look at targeted support provided to each municipalities across the following focus areas:

- Sustainable budgets and revenue management
- Improved MFMA Compliance
- GRAP compliance in terms of Asset Management and Supply Chain Management
- Improved audit outcomes
- Reduction of UIF&W expenditure

These are the focus areas where specific actions have been put in place to assist municipalities and improve their current position.



**PART C: MEASURING OUR
PERFORMANCE**



PART C: MEASURING OUR PERFORMANCE

1. Institutional programme performance Information

The Annual Performance Plan reflects the key priorities that were identified by the Executive Authority and Head of Department for the 2023/24 MTEF period.

Our strategic thrusts and focus areas for Provincial Treasury will be on improving financial management in municipalities through our support initiatives and in strengthening corporate governance. Whilst there has been a reported increase in the provincial Irregular Expenditure in the 2021/22 financial year, the province's compliance with legislation improved over the term of the administration, with fewer supply chain management findings, but deficiencies in the procurement process persisted, including a lack of required quotation or tender processes, proper contract extension processes, and valid contracts.

Support initiatives that are specific to each department will be compiled for implementation at various departments. A recommendation has been proposed to the Office of the Premier for the inclusion of all the targets affecting the broader strategy of the province in the Annual Performance Plans of the various departments, i.e.

- Attaining of a clean audit
- Reduction of Unauthorised, irregular and fruitless & wasteful expenditure
- Payments of suppliers within 30 days

The Accounting Officers of respective institutions have been entrusted with the responsibility to exercise financial discipline which will ensure that positive audit outcomes are realized and sustained. Provincial Treasury will continue to support and emphasize the fiduciary responsibility of Accounting Officers who are, in terms of the PFMA, required to maintain and ensure effective, efficient, and transparent systems of financial management and internal controls.

As an oversight organisation we realised that there is no major change in the external environment due to the non-implementation of recommendations from Provincial Treasury and the Auditor General. We acknowledge that there are complicated situations that have many independent variables and perspectives, therefore, in resolving these situations we must customise our plans to accommodate our clients.

Overview of 2023/24 Budget and MTEF estimates

The department shows an erratic expenditure trend from 2019/20 to 2021/22 financial years. This trend is mainly due to the budget cuts in respect of the provincial response to the Covid-19 pandemic and lockdown restrictions. The increase in 2022/23 Adjusted Appropriation relates to additional funds to cater for the identified priorities in respect of municipalities. This was a once off- allocation during the adjustment budget.

Over the MTEF the table 1.1 below reflects an increase of 3 per cent in 2023/24 from the 2022/23 budget, 3 per cent in 2024/25 and 5 per cent in the 2025/26 financial year by Programme:

Table 1.1 Estimates by Programme

R thousand	Outcome			Main appropriation	Adjusted appropriation 2022/23	Revised estimate	Medium-term estimates		
	2019/20	2020/21	2021/22				2023/24	2024/25	2025/26
1. Administration	102 158	95 312	102 281	107 826	114 571	116 888	131 196	127 922	133 579
2. Sustainable Fiscal Resource Management	37 878	30 338	31 838	41 662	40 435	36 594	35 568	41 003	42 832
3. Supply Chain Management, Assets & Liabilities	44 275	33 873	38 748	35 494	32 503	32 116	34 721	38 924	40 667
4. Financial Governance	15 315	23 807	26 340	18 127	18 827	21 686	25 158	25 891	27 447
5. Municipal Financial Management	49 964	26 218	32 445	62 750	75 850	69 801	45 348	47 387	49 509
6. Provincial Internal Audit	31 682	28 203	31 141	36 739	36 739	34 664	38 683	38 261	39 972
Total payments and estimates	281 272	237 751	262 793	302 598	318 925	311 749	310 674	319 388	334 006

The department is a human resources driven department, thus compensation of employees constitutes 76 per cent of the department's total budget allocation for the 2023/24 financial year. The decrease in the 2022/23 Revised Estimate as depicted in table 1.2 below can be ascribed to delays in the filling of critical posts. The increase over the MTEF is due to the anticipation of filling of the vacant funded critical posts and the 1.5 per cent pay progression.

Table 1.2 Summary of payments by economic classification

R thousand	Outcome			Main appropriation	Adjusted appropriation 2022/23	Revised estimate	Medium-term estimates		
	2019/20	2020/21	2021/22				2023/24	2024/25	2025/26
Current payments	275 039	231 652	251 831	295 731	306 557	300 590	297 717	312 766	327 089
Compensation of employees	193 202	184 035	190 050	222 181	222 435	215 807	235 527	251 678	263 347
Goods and services	80 866	47 262	61 508	73 264	83 836	84 497	62 010	60 816	63 458
Interest and rent on land	971	355	273	286	286	286	180	272	284
Transfers and subsidies to:	1 494	1 082	2 933	522	1 365	1 365	2 223	2 122	2 217
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	29	16	29	41	41	41	42	42	44
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Non-profit institutions	75	15	186	181	171	171	181	180	188
Households	1 390	1 051	2 718	300	1 153	1 153	2 000	1 900	1 985
Payments for capital assets	4 739	5 017	8 029	6 345	11 003	9 794	10 734	4 500	4 700
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	4 271	4 462	7 229	6 345	7 603	6 384	10 734	4 500	4 700
Heritage Assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	468	555	800	-	3 400	3 400	-	-	-
Payments for financial assets	-	-	-	-	-	-	-	-	-
Total economic classification	281 272	237 751	262 793	302 598	318 925	311 749	310 674	319 388	334 006

The goods and services budget decreases by R21.8 million or 26 per cent when compared to the adjusted appropriation of 2022/23 financial year. This is mainly due to baseline reduction and once off funding allocated during the Adjustment Estimates period.

Transfers and subsidies shows an inconsistent expenditure trend and over the MTEF period due to higher than anticipated staff exit costs and the executive authority discretionary fund.

Machinery and equipment fluctuates over the seven-year period largely due to actual requirements in respect of equipment. The increase in 2022/23 Adjustment Appropriation relates to capital equipment requirements, such as furniture and equipment for newly appointed staff and the replacement of redundant equipment, this explains the fluctuating trend. In the outer two years of the MTEF the budget is projected to increase in line with the inflation.

1.1 Programme 1 – Administration

Programme description

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

Ministerial Support

- **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

Executive Support and Stakeholder Management

- **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.

Sub-Programme 1.3

Corporate Management Services

- **Purpose:**

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

Sub-Programme 1.4

Financial Management Services

- **Purpose:**

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

Outcomes, Outputs, Output Indicators and Targets

Outcome	No	Outputs	Output Indicators	Audited performance			Estimated performance	MTEF Targets							
				2019/20	2020/21	2021/22	2022/23	2023/24	Reporting Period	Q1	Q2	Q3	Q4	2024/25	2025/26
SUB-PROGRAMME 1.2: EXECUTIVE SUPPORT AND STAKEHOLDER SERVICES															
	1.2.1	Approved Strategic Risk Register	Strategic risk register review sessions conducted	1	1	1	1	1	Annually	-	-	-	1	1	1
	1.2.2	Risk and Ethics Management Committee Reports	Functional risk and ethics committee	4	4	4	4	4	Quarterly	1	1	1	1	4	4
SUB-PROGRAMME 1.3: CORPORATE MANAGEMENT SERVICES															
	1.3.1	Reduced vacancy rate	% of vacant and funded posts filled	New Indicator	New Indicator	81%	70%	80%	Quarterly	65%	70%	75%	80%	80%	80%
	1.3.2	Improved Employment Equity compliance	% of women appointed at SMS level	New indicator	New indicator	New indicator	New indicator	50%	Quarterly	50%	50%	50%	50%	50%	50%
	1.3.3	Compliance with the DPSA Corporate Governance of ICT (CGICT) framework	Number of progress reports on IT Implementation plan	New indicator	New indicator	New indicator	New indicator	4	Quarterly	1	1	1	1	4	4
SUB-PROGRAMME 1.4: FINANCIAL MANAGEMENT SERVICES															
	1.4.1	Compliance with regulatory and legislated requirements	Clean Audit Report	1	1	1	1	1	Annually	-	-	1	-	1	1
	1.4.2		% of valid supplier invoices paid within 30 days.	New Indicator	New Indicator	New Indicator	New Indicator	100%	Quarterly	100%	100%	100%	100%	100%	100%

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.

Administration is the custodian of all contractual obligations within the department, as the facilities and records management unit fall within this programme, hence the sub-programme has a larger than usual budget allocation.

Strategic Management

Provincial Treasury identified and provided for the need of a dedicated Strategic Planning and Monitoring and Evaluation unit in the newly approved organisational structure. The Strategic Planning unit will serve as a coordination instrument which will provide the following services:

- Quality Assurance
- Monitoring and Evaluation
- Policy Formulation

Information Technology

Provincial Treasury is progressively strengthening the IT environment by capacitating the unit to meet the needs the respective Programmes. Digital transformation is a critical enabling factor to ensure efficiency and optimal performance in our endeavours to support our clients. Our key strategic focus as a strategic enabler is the implementation of the Corporate Governance of Information and Communication and Technology Policy Framework (CGICTF).

Human Resource Management

Human Resource Management is a key strategic partner responsible to enable Programmes achieve their targets. The newly approved organisational structure will ensure that all Programmes are adequately capacitated, thereby creating a conducive work environment. Change management processes were undertaken to ensure that there is a seamless transition when implementing the new structure, therefore, our main driver for this MTEF will be to ensure that all key and critical vacant funded posts have been filled. The structure caters for Regional Offices to have a focused and well-coordinated approach when overseeing municipalities and implementing our support initiatives.

The Departments has progressed well with regard to the review of delegations in terms of the PFMA and the Public Service Act to assign responsibility and accountability to the Head of Department and relevant officials at the appropriate level.

Financial Management

Financial governance is key to producing reports that are compliant to relevant regulations, legislations and related financial prescripts. The Department attained unqualified audit outcomes with no findings for the seventh consecutive year, mainly attributable to a strong internal control and governance environment, consistent leadership and management principles and excellent team work.

1.2 Programme Resource Considerations

The department just recently had the organisational structure approved, thus an overall increase in compensation with the broader aim of being capacitated to support our clients in departments and municipalities.

Table 1.2.1 Administration

R thousand	Outcome			Main appropriation	Adjusted appropriation 2022/23	Revised estimate	Medium-term estimates		
	2019/20	2020/21	2021/22				2023/24	2024/25	2025/26
1. Ministerial Support	12,176	11,190	13,132	13,085	14,285	15,388	15,713	16,544	17,211
2. Executive Support And Stakeholder	1,989	1,241	3,276	4,583	4,593	3,790	5,847	6,580	6,876
3. Corporate Management Services	64,072	60,422	61,567	64,254	67,589	70,151	80,603	74,470	77,806
4. Financial Management Services	23,921	22,459	24,306	25,904	28,104	27,559	29,033	30,328	31,686
Total payments and estimates	102,158	95,312	102,281	107,826	114,571	116,888	131,196	127,922	133,579

R thousand	Outcome			Main appropriation	Adjusted appropriation 2022/23	Revised estimate	Medium-term estimates		
	2019/20	2020/21	2021/22				2023/24	2024/25	2025/26
Current payments	99,712	92,071	99,437	105,589	107,089	110,263	121,371	122,931	128,365
Compensation of employees	56,748	56,915	57,931	61,922	63,422	65,261	79,251	85,824	89,669
Goods and services	42,964	35,156	41,506	43,667	43,667	45,002	42,120	37,107	38,696
Interest and rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies to:	338	662	395	522	1,067	1,089	2,223	2,122	2,217
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	29	16	29	41	41	41	42	42	44
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Non-profit institutions	75	15	186	181	171	171	181	180	188
Households	234	631	180	300	855	877	2,000	1,900	1,985
Payments for capital assets	2,108	2,579	2,449	1,715	6,415	5,536	7,602	2,869	2,997
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	1,795	2,105	2,449	1,715	5,015	4,136	7,602	2,869	2,997
Heritage Assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	313	474	-	-	1,400	1,400	-	-	-
Payments for financial assets	-	-	-	-	-	-	-	-	-
Total economic classification	102,158	95,312	102,281	107,826	114,571	116,888	131,196	127,922	133,579

Over the MTEF the allocation increases by 22 per cent in 2023/24, -2 per cent in 2024/25 and 4 per cent in 2024/25. The trend depicted is as a result of the budget for goods and services which consists mainly out of operational costs and is also associated with contractual obligations which resides under Corporate Management Services.

Goods and services decreased by 4 per cent in 2023/24 due to reprioritisation to fund vacant posts, 12 per cent in 2024/25 and increases 4 per cent in 2025/26 financial year. Machinery and equipment increased in the 2023/24, due to once-off procurement of IT equipment and security enhancement projects. Furthermore, Compensation of Employees shows an increase of 28 per cent in 2023/24 and 8 per cent in 2024/25 and 4 per cent in 2025/26 financial year due to the implementation of the new approved structure.

This is also the Programme which is responsible for special programmes within the Department and outreach programmes with communities. Projects such as the Department of Health Data Cleansing will also be catered for by Programme 1.

2.1 Programme 2: Sustainable Fiscal Resource Management

Programme description

Purpose: The purpose of the programme is to enhance the effective utilisation of fiscal resources.

Sub-Programme 2.2

Economic and Fiscal Oversight

- **Purpose:**

To provide socio-economic research that informs resource allocation within the province and to optimise provincial own revenue.

Sub-Programme 2.3

Budget, Public Finance & Data Management

- **Purpose:**

To promote sustainable management of fiscal resources through planning and budget implementation

Sub-Programme 2.4

Infrastructure Performance Management

- **Purpose:**

Promote and facilitate the strengthening of infrastructure performance management within Provincial and Local government by providing technical assistance and support on all Infrastructure Procurement and Delivery Management methodologies.

Outcomes, Outputs, Output Indicators and Targets

Outcome	No	Outputs	Output Indicators	Audited performance			Estimated performance	MTEF Targets							
				2019/20	2020/21	2021/22	2022/23	2023/24	Reporting Period	Q1	Q2	Q3	Q4	2024/25	2025/26
SUB-PROGRAMME 2.2: ECONOMIC AND FISCAL OVERSIGHT															
Financial Viability and Sustainability of the Province	2.2.1	Socio-economic research for informed decision making	Number of Provincial research publications conducted	6	6	6	6	6	Quarterly	1	1	1	3	6	6
	2.2.2	Informed Financial resource allocation	Number of Provincial Medium Term Budget Policy Statement tabled	1	1	1	1	1	Annually	-	-	1	-	1	1
	2.2.3	Improved status on revenue performance	Number of Revenue collection assessment reports produced	4	4	4	4	4	Quarterly	1	1	1	1	4	4
SUB-PROGRAMME 2.3: BUDGET, PUBLIC FINANCE & DATA MANAGEMENT															
Sound financial management and good financial governance	2.3.1	Financial Resource allocation	Number of Adjustment Budget tabled	1	1	4	2	1	Annually	1	1	1	1	1	1
	2.3.2	Compliance with the DPSA Corporate Governance of ICT (CGICT) framework	Number of Main Budget tabled	1	1	1	1	1	Annually	1	1	1	1	1	1
Financial Viability and Sustainability of the Province	2.3.3	Early warning system on budget risks	Number of Provincial Budget implementation assessment reports	New Indicator	New Indicator	4	4	4	Quarterly	1	1	1	1	4	4

Outcome	No	Outputs	Output Indicators	Audited performance		Estimated performance	MTEF Targets								
				2019/20	2020/21	2021/22	2022/23	2023/24	Reporting Period	Q1	Q2	Q3	Q4	2024/25	2025/26
SUB-PROGRAMME 2.4: INFRASTRUCTURE PERFORMANCE MANAGEMENT															
Sound financial management and good financial governance	2.4.1	Compliance and alignment of departments to infrastructure planning and delivery management framework and prescripts	Number of assessment reports on compliance to infrastructure methodologies and prescripts	4	4	4	2	2	Quarterly	-	-	1	1	2	2
	2.4.2	Effective usage of financial resources allocated to infrastructure projects are aligned (Value for Money)	Number of Infrastructure Budget & expenditure outcome assessments reports	4	4	4	4	4	Quarterly	1	1	1	1	4	4

Explanation of planned performance over the medium term period

2.1 Economic and Fiscal Oversight

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 prompts 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.

The key focus areas of the directorate are to continue to conduct socio-economic research to guide planning and resource allocation; to continue to support departments to enhance the own revenue of the province and the finalisation and support for implementation of the Provincial Revenue Enhancement Strategy. This will assist in accelerating and optimising own revenue collection so as to continue to support the priorities of the province. The programme will conduct deeper analysis of departmental own revenue baselines to ensure that the province has a more credible and attainable own revenue baseline. This is focused more intensively on the Departments of Transport, Safety and Liaison (DTSL) and Health (DOH),

in order to ensure that these two departments (who are the largest contributors to own revenue in the province) have attainable budgets.

2.2 Budget, Public Finance & Data Management

During the 2024 MTEF budget process, we will engage National Treasury on the review of the Provincial Equitable Share formula. This programme will also explore ways to create a provincial disaster fund for unforeseen and unavoidable expenditure, due to disasters that cannot be accommodated in the immediate relief of grants. This will enable the province to act faster in response to disasters while awaiting approved disaster relief funding from National Treasury.

The budget constraints have escalated over the past decade, prompting government to introduce another strategic budget reform that will assist the fiscus in moving towards a recovery trajectory. This programme will closely monitor the implementation of the budget in the current financial year and intervene with a project management perspective. Focus will also be put on Zero Based Budgeting (ZBB) through Spending Reviews (Methodology), to align spending with growth enhancing programmes as pronounced t the Minister of Finance in 2021.

This programme will also facilitate payment of settlement amount to Sol Plaatje Municipality within the next two years or sooner, depending on the availability of funds, while we enforce plans that compel departments to pay for municipal services monthly.

2.3 Infrastructure Performance Management

As the champion and custodian of the infrastructure procurement and delivery management system, it is incumbent upon the infrastructure unit to ensure that there is alignment and compliance to the infrastructure prescripts encapsulated in the system. The planned targets have been captured to ensure that the methodologies are institutionalised in the internal controls of stakeholders to ensure that immovable assets are managed and maintained effectively and efficiently thus ensuring value for money.

Monitor the respective programmers in conjunction with the National Sectors at the respective municipalities to ensure budgets are spent and that they eradicate the current water challenges they are facing. Facilitate financial plans that entail the development of alternative electricity supply to boost the economy in the Northern Cape considering the load shedding crisis in the country.

2.2 Programme Resource Considerations

There has been a decrease of 15 per cent from 2022/23 to 2023/24 in Programme 2 due to the reconfiguration of sub-programmes and re-alignment of officials from one sub-programme to the other, and an increase of 15 per cent in 2024/25 and 4 per cent in 2025/26 financial year as depicted in table 2.1 below:

Table 2.1 Sustainable Fiscal Budget Management

R thousand	Outcome			Main appropriation	Adjusted appropriation 2022/23	Revised estimate	Medium-term estimates		
	2019/20	2020/21	2021/22				2023/24	2024/25	2025/26
1. Programme Support	2,058	379	1,289	2,229	2,089	2,225	2,172	2,450	2,560
2. Budget, Public Finance & Data Man	11,913	10,650	11,626	12,391	11,550	12,627	13,583	14,187	14,823
3. Economic Analysis & Fiscal Oversight	20,002	12,673	11,156	12,426	12,234	11,641	9,391	11,900	12,427
4. Infrastructure Management	3,905	6,636	7,767	14,616	14,562	10,101	10,422	12,466	13,022
Total payments and estimates	37,878	30,338	31,838	41,662	40,435	36,594	35,568	41,003	42,832

R thousand	Outcome			Main appropriation	Adjusted appropriation 2022/23	Revised estimate	Medium-term estimates		
	2019/20	2020/21	2021/22				2023/24	2024/25	2025/26
Current payments	36,800	30,017	30,896	40,962	39,696	35,703	35,128	40,641	42,454
Compensation of employees	26,295	26,540	26,991	35,522	34,256	31,066	29,410	34,436	35,973
Goods and services	10,505	3,477	3,905	5,440	5,440	4,637	5,718	6,205	6,481
Interest and rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies to:	709	-	94	-	93	92	-	-	-
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Departmental agencies and account	-	-	-	-	-	-	-	-	-
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and internatio	-	-	-	-	-	-	-	-	-
Public corporations and private ente	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	709	-	94	-	93	92	-	-	-
Payments for capital assets	369	321	848	700	646	799	440	362	378
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	369	321	848	700	646	799	440	362	378
Heritage Assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	-	-	-	-	-	-	-	-	-
Total economic classification	37,878	30,338	31,838	41,662	40,435	36,594	35,568	41,003	42,832

Compensation of employees shows a decrease of 17 per cent from 2022/23 to 2023/24, an increase of 17 per cent in 2024/25 and 4 per cent in 2025/26 financial year.

Goods and services shows an increase of 5 per cent from 2022/23 to 2023/24, 9 per cent increase in 2024/25 and an increase of 4 per cent in 2025/26 financial year. Transfers and subsidies to: Households caters for staff exit costs which is difficult to anticipate hence the erratic expenditure over the period. This explains the non-provision over the MTEF.

Payments for capital assets caters for the purchase of equipment and the replacement and upgrading of equipment. Over the MTEF there is a decrease of 37 per cent in machinery and equipment budget from the 2022/23 to 2023/24 financial year.

3.1 Programme 3: Supply Chain Management, Assets and Liabilities

Programme description

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 to provincial departments.

Sub-Programme 3.2

Provincial Supply Chain and Asset Management

- **Purpose:**

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

Sub-Programme 3.3

Financial Information Management System (FIMS)

- **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 in Institutions.

Sub-Programme 3.4

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	No	Outputs	Output Indicators	Audited performance			Estimated performance	MTEF Targets								
				2019/20	2020/21	2021/22	2022/23	2023/24	Reporting Period	Q1	Q2	Q3	Q4	2024/25	2025/26	
SUB-PROGRAMME 3.2: PROVINCIAL SUPPLY CHAIN AND ASSET MANAGEMENT																
Sound financial management and good financial governance	3.2.1	Financially capable departments and Public Entities in terms of SCM and Asset Management.	Support plans implemented for improvement of compliance in line with Supply Chain Management and Asset Management prescripts.	New Indicator	4	4	4	4	Quarterly	1	1	1	1	4	4	
	3.2.2	Improved participation of SMME's and designated groups in the Province	Number of capacity building sessions provided to SMME's and Departments	New Indicator	4	4	4	4	Quarterly	1	1	1	1	4	4	
	SUB-PROGRAMME 3.3 FINANCIAL INFORMATION MANAGEMENT SYSTEMS (FIMS)															
	3.3.1	Optimal utilisation of transversal systems	Assessment of compliance to prescribed legislation and policies relating to transversal systems		12	12	12	12	12	Quarterly	3	3	3	3	12	12
	3.3.2	Effective functional and technical support rendered to transversal systems users	Capacity building sessions conducted		53	18	18	25	28	Quarterly	-	14	-	14	28	28
	SUB-PROGRAMME 3.4 BANKING AND CASH FLOW MANAGEMENT															
	3.5.1	Credible Provincial Revenue Fund (PRF) annual financial	Compilation of Annual Financial Statements of the PRF		1	1	1	1	1	Quarterly	-	-	1	-	1	1

Outcome	No	Outputs	Output Indicators	Audited performance			Estimated performance	MTEF Targets							
				2019/20	2020/21	2021/22	2022/23	2023/24	Reporting Period	Q1	Q2	Q3	Q4	2024/25	2025/26
Financial Viability and Sustainability of the Province	3.5.2	Adherence to the Provincial Cash Management Framework	Analysis of spending departments to determine compliance with cash flow requirements	1	12	12	12	12	Quarterly	3	3	3	3	12	12
	3.5.3	Adherence to the Provincial Cash Management Framework	Positive consolidated provincial bank balance	New Indicator	20% reduction on overdraft balance	50% reduction on overdraft balance	No overdraft	No overdraft	Annually	-	-	-	0%	No overdraft	No overdraft

Explanation of planned performance over the medium term period

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, and maintain and manage all financial systems, Banking and Cash Flow Management.

Provincial SCM and Asset Management

SCM non-compliance is a major contributor to irregular expenditure in the province. Support plans implemented for improvement of compliance in line with Supply Chain Management and Asset Management prescripts have been identified as a mechanism to reduce the phenomenon of SCM non-compliance. Support plans should identify and outline the areas of improvement within SCM, focussing on implementing standing operating procedures to prevent and detect SCM non-compliance in departments.

Public procurement accounts for a significant share of Gross Domestic Product (GDP), hence the important role it plays in local, regional and national development. Small and medium sized enterprises (SMEs) form a significant part of the South African economy contributing largely to the GDP. One way of addressing the triple challenge that are plaguing the economy namely, inequality, unemployment and poverty is to include the SME sector in public procurement opportunities. It can unlock the potential of SMEs and provide livelihood for thousands of citizens.

The Northern Cape Provincial Government have identified doing business with provincial SMMEs and designated groups including, women, youth, people with disabilities as a key to bolstering growth and employment and to eradicate discrimination. Public procurement is therefore an important policy lever to secure societal objectives related to economic inclusion.

Provincial SCM will play a crucial role in supporting SMMEs to register on the Central Supplier Database (CSD) as prescribed by National Treasury. It will furthermore assess and quantify participation in public procurement opportunities of Provincial Government. Provincial SCM will work in conjunction with other role players such as the Department of Economic Development and Tourism to facilitate capacity building regarding public procurement processes as deemed necessary.

As the institution that exercises oversight over the physical provincial assets and transversal systems in the Province, it is critical to ensure that policy direction is provided and the effective and efficient management of physical assets and transversal systems are facilitated through capacity building programmes.

Financial Information Management Systems (FIMS)

Information is the lifeline of the economy and society and maintaining it is crucial for government. Credible information is key to sound financial management and therefore assessment of compliance to prescribed legislation and policies relating to transversal systems is required. Functional support to use systems in an optimal manner is expedient to ensure proper operations and reporting.

Information management is a key success factor in any organisation. Transactional data has to be stored, retrieved and analysed to have meaning. Commissioning of information management technology such as data warehousing, databases, software, analytics tools and cloud computing are aspects that are facilitated by the FIMS unit in order to provide information in a transversal manner to other programs.

As the custodians of transversal systems in the provincial government, the FIMS unit is responsible to build capacity amongst users of the system and to maintain required security standards.

Banking and Cash Flow Management

Sound management of the Provincial Revenue Fund (PRF) is of crucial importance to protect the financial asset portfolio of the province. The institutionalising of the relevant legislation, prescripts and the cash management framework to prohibit departments from overspending on available cash in the Provincial Revenue Fund must be managed in order to maintain a positive bank balance year on year.

The outcomes and subsequent indicators and targets in the APP are aimed at achieving a desired and intended outcome for the activities of Program 3.

3.2 Programme Resource Considerations

Programme 3, entrusted with the responsibility to promote compliance with relevant prescripts and for the management of the Provincial transversal systems indicates a decreasing expenditure trend from R44.275 million in 2019/20 to R32.116 million in 2022/23 Revised Estimate. The Infrastructure Management budget moved from this to programme to Programme 2: Sustainable Fiscal Resource Management. For the 2024/25 financial year there is an increase of 12 per cent and a further increase of 4 per cent in 2025/26 financial year.

Table 2.1 SCM, Assets and Liabilities

R thousand	Outcome			Main appropriation	Adjusted appropriation 2022/23	Revised estimate	Medium-term estimates		
	2019/20	2020/21	2021/22				2023/24	2024/25	2025/26
1. Programme Support	2,123	2,054	1,020	2,134	2,176	2,176	2,162	2,221	2,320
2. Provincial Supply Chain & AssetMa	13,513	10,165	11,584	6,114	6,572	9,620	9,177	9,498	9,923
3. Financial Information Management S	22,704	16,536	20,301	20,564	16,919	13,484	15,851	19,070	19,925
4. Banking And Cashflow Management	5,935	5,118	5,843	6,682	6,836	6,836	7,531	8,135	8,499
Total payments and estimates	44,275	33,873	38,748	35,494	32,503	32,116	34,721	38,924	40,667

R thousand	Outcome			Main appropriation	Adjusted appropriation 2022/23	Revised estimate	Medium-term estimates		
	2019/20	2020/21	2021/22				2023/24	2024/25	2025/26
Current payments	43,208	33,428	35,891	34,889	31,844	31,516	33,789	38,442	40,164
Compensation of employees	29,811	28,190	28,725	28,131	28,131	28,020	30,329	33,516	35,018
Goods and services	12,426	4,883	6,893	6,472	3,427	3,210	3,280	4,654	4,862
Interest and rent on land	971	355	273	286	286	286	180	272	284
Transfers and subsidies to:	148	19	85	-	-	-	-	-	-
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Departmental agencies and account	-	-	-	-	-	-	-	-	-
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and internatio	-	-	-	-	-	-	-	-	-
Public corporations and private ente	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	148	19	85	-	-	-	-	-	-
Payments for capital assets	919	426	2,772	605	659	600	932	482	503
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	919	426	1,972	605	659	600	932	482	503
Heritage Assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	800	-	-	-	-	-	-
Payments for financial assets	-	-	-	-	-	-	-	-	-
Total economic classification	44,275	33,873	38,748	35,494	32,503	32,116	34,721	38,924	40,667

Compensation of employees is increasing by 8 per cent from 2022/23 to 2023/24 financial year. In the 2024/25 financial year an increase of 11 per cent. The programme has vacant funded positions anticipated to be filled in the 2023/24 financial year.

Goods and services shows a decrease of R12.426 million from 2019/20 to R6.893 million in 2021/22. The decrease in 2022/23 Adjusted Appropriation is due to reprioritisation of funds to defray excess expenditure on transfers and subsidies as well as payments for capital assets in Programme 1: Administration to make provision for the procurement of the Oracle database in order to enhance the ICT databases in the department.

4.1 Programme 4: Financial Governance

Programme description

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

Sub-Programme 4.2

Provincial Accounting Services

- **Purpose:**

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

Sub-Programme 4.3

Norms and Standards

- **Purpose:**

To manage the monitoring and enforce compliance with the PFMA

Sub-Programme 4.4

Provincial Risk Management

- **Purpose:**

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

Outcomes, Outputs, Output Indicators and Targets

Outcome	No	Outputs	Output Indicators	Audited performance		Estimated performance		MTEF Targets							
				2019/20	2020/21	2021/22	2022/23	2023/24	Reporting Period	Q1	Q2	Q3	Q4	2024/25	2025/26
				SUB-PROGRAMME 4.2: PROVINCIAL ACCOUNTING SERVICES											
Sound financial management and good financial governance	4.2.1	Improvement in financial reporting	Number of departments supported on accounting related matters	0	0	12	11	11	Annually	-	-	-	11	11	11
	4.2.2		Consolidated annual financial information tabled	0	1	2	3	2	Quarterly	1		1	-	1	1
	4.2.3		Number of capacity building programmes	8	2	5	6	6	Quarterly	1	1	1	3	6	6
SUB-PROGRAMME 4.3: NORMS AND STANDARDS															
	4.3.1	Improved compliance with prescripts	Number of PFMA forum conducted.	11	3	3	3	4	Quarterly	1	1	1	1	4	4
	4.3.2	Improved provincial average number of days for payment of creditors within 30 days	Number of reports compiled on payment of creditors within 30 days	4	4	4	4	4	Quarterly	1	1	1	1	4	4
	4.3.3	Effective Management of Expenditure and implementation of internal control	Number of departments guided to address Unauthorised, Irregular, Wasteful and Fruitless expenditure.	New indicator	2	1	11	11	Annually	-	-	-	11	11	11
SUB-PROGRAMME 4.4: PROVINCIAL RISK MANAGEMENT															
	4.4.1	Reduced Risk Management Audit Findings	Number of departments supported to implement the Public Sector Risk Management Framework	New indicator	2	4	11	11	Annually	-	-	-	11	11	11

Outcome	No	Outputs	Output Indicators	Audited performance		Estimated performance	MTEF Targets								
				2019/20	2020/21	2021/22	2022/23	2023/24	Reporting Period	Q1	Q2	Q3	Q4	2024/25	2025/26
4.4.2	Reduced Risk Management Audit Findings	Number of public entities supported to implement the Public Sector Risk Management Framework	New indicator	2	4	4	4	Annually	-	-	-	4	4	4	
4.4.3	Functional Risk Management structure	Number of Risk Management structure reports	4	5	4	4	4	Quarterly	1	1	1	1	4	4	
4.4.4	Functional Risk Management structure	Number of Risk Management Forums conducted	New indicator	New indicator	New indicator	4	1	Annually	-	-	1	-	1	1	

Explanation of planned performance over the MTEF period

The programme is mandated to promote good financial governance and accountability in provincial departments and public entities. Over the MTEF period the programme will embark on initiatives aimed improving financial reporting and compliance to financial norms and standards that will culminate in reduced fruitless and wasteful expenditure as well as improved audit outcomes.

Accounting and Reporting will continue to provide training, support and advice on application of applicable accounting standards to all provincial departments and entities to improve the quality of financial statements by provincial departments and public entities.

Compliance monitoring and risk management

Compliance remain to be the challenge within the province and this has a negative impact on the audit outcomes of the province. We have identified capacity building as a catalyst towards improved financial governance. Capacity building initiatives will be implemented to build risk management and financial compliance capabilities. The programme will continue to monitor compliance departments in managing accounts payables to creditors to influence compliance and reduce the credit risk of departments. Departments and entities will be support with the implementation of the new compliance framework and any new reforms.

4.2 Programme Resource Considerations

R thousand	Outcome			Main appropriation	Adjusted appropriation 2022/23	Revised estimate	Medium-term estimates		
	2019/20	2020/21	2021/22				2023/24	2024/25	2025/26
1. Programme Support	2,203	2,116	2,383	2,400	2,400	2,258	2,464	2,627	2,745
2. Provincial Accounting Services	5,337	7,136	8,158	5,822	5,822	6,523	9,354	9,378	9,799
3. Norms And Standards	4,121	7,878	8,474	5,311	6,011	7,109	6,720	7,351	8,075
4. Provincial Risk Management	3,654	6,677	7,325	4,594	4,594	5,796	6,620	6,535	6,828
Total payments and estimates	15,315	23,807	26,340	18,127	18,827	21,686	25,158	25,891	27,447

R thousand	Outcome			Main appropriation	Adjusted appropriation 2022/23	Revised estimate	Medium-term estimates		
	2019/20	2020/21	2021/22				2023/24	2024/25	2025/26
Current payments	15,106	23,369	25,799	17,927	18,325	21,454	23,781	25,598	27,141
Compensation of employees	13,410	22,337	22,658	15,194	14,919	18,250	20,978	22,466	23,870
Goods and services	1,696	1,032	3,141	2,733	3,406	3,204	2,803	3,132	3,271
Interest and rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies to:	16	35	63	-	-	-	-	-	-
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Departmental agencies and account	-	-	-	-	-	-	-	-	-
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and internatio	-	-	-	-	-	-	-	-	-
Public corporations and private ente	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	16	35	63	-	-	-	-	-	-
Payments for capital assets	193	403	478	200	502	232	1,377	293	306
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	193	403	478	200	502	232	1,377	293	306
Heritage Assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	-	-	-	-	-	-	-	-	-
Total economic classification	15,315	23,807	26,340	18,127	18,827	21,686	25,158	25,891	27,447

The programme indicates an inconsistent trend over the period. This trend relates to the changes made to the structure i.e. shifting of the municipal related functions from programme 4: Financial Governance to programme 5: Municipal Financial Management which has affected the baseline hence the increase of 39 per cent from 2022/23 Revised Estimate and 2023/24.

The above table shows that compensation of employee's increase by 38 per cent from 2022/23 to 2023/24. In 2024/25, there is an increase of 7 per cent. A further increase of 6 per cent is realised in 2025/26 financial year. Goods and services indicate an erratic expenditure trend over the period as a result of budget cuts in response of covid-19 and lockdown restrictions. Over the MTEF the baseline shows a minimal increase of 3 per cent in 2023/24, 12 per cent in 2024/25 and a further increase of 4 per cent in 2025/26 financial year. Transfers and subsidies to: Households caters for staff exit costs which is difficult to anticipate, hence there's no provision over the MTEF.

5.1 Programme 5 – Municipal Financial Management

Purpose:

To promote effective and efficient performance of Municipalities and co-ordinate the provisioning of capacity building in the below areas:

- Accounting and Reporting
- Revenue and Budget Management
- Municipal Institutional Compliance and Governance
- Supply Chain and Asset Management

Sub-Programme 5.1

Programme Support and MFM

• Purpose

- To promote sound budgeting, accountability, good governance and compliance with financial norms and standards.

Sub-Programme 5.2

Cluster 1: ZF Mqcawu & Namaqua District Office

• Purpose:

- To promote sound budgeting, accountability, good governance and compliance with financial norms and standards.

Sub-Programme 5.3

Cluster 2: Pixley Ka Seme District Office

• Purpose:

- To promote sound budgeting, accountability, good governance and compliance with financial norms and standards.

Sub-Programme 5.4

Cluster 3: John Taolo Gaetsewe & Frances Baard District Office

• Purpose:

- To promote sound budgeting, accountability, good governance and compliance with financial norms and standards.

Outcomes, Outputs, Output Indicators and Targets

Outcome	No	Outputs	Output Indicators	Audited performance		Estimated performance	MTEF Targets								
				2019/20	2020/21	2021/22	2022/23	2023/24	Reporting Period	Q1	Q2	Q3	Q4	2024/25	2025/26
SUB-PROGRAMME 5.1: PROGRAMME SUPPORT MFM															
Sound financial management and good financial governance	5.1.1	Improvement in governance, compliance and reporting	Number of capacity building programmes implemented	11	4	7	7	8	Quarterly	2	2	2	2	8	8
	5.1.2	Status on budget implementation	Consolidated Municipal Budget implementation assessments	4	4	4	4	4	Quarterly	1	1	1	1	4	4
	5.1.3	Compliant municipal budgets	Consolidated municipal budgets assessments	1	1	2	2	2	Quarterly	1	-	-	1	2	2
	SUB-PROGRAMME 5.2: CLUSTER 1 – ZF MGCAMU & NAMAQUA DISTRICT OFFICE														
	5.2.1	Improvement in financial reporting	Number of municipalities supported on accounting related matters	New indicator	2	6	10	10	Annually	-	-	-	10	10	10
	5.2.2	Status on budget and revenue performance	Number of municipalities supported on revenue and budget management	New indicator	New indicator	New indicator	8	10	Annually	-	-	-	10	10	10
	5.2.3	Effective Management of Expenditure and implementation of internal controls	Number of municipalities guided to address Unauthorised, irregular, Wasteful and Fruitless expenditure	New indicator	1	1	5	5	Annually	-	-	-	5	5	5
	5.2.4	Improved compliance with Supply Chain and Asset Management prescripts	Number of municipalities supported on Supply Chain and Asset Management related matters	New indicator	New indicator	New indicator	New indicator	10	Annually	-	-	-	10	10	10

Outcome	No	Outputs	Output Indicators	Audited performance			Estimated performance	MTEF Targets						
				2019/20	2020/21	2021/22	2022/23	2023/24	Reporting Period	Q1	Q2	Q3	Q4	2024/25
5.2.5	Reduced Risk Management audit findings	Number of municipalities supported to implement the Local Government Risk Management Framework	New Indicator	4	9	10	10	Annually	-	-	-	10	10	10
5.2.6	Functional Risk Management structure report	Number of Risk Management structures report	1	1	2	2	4	Quarterly	1	1	1	1	4	4
5.2.7	Reduced findings on Internal Audit and Audit Committee matters	Number of Municipalities supported to implement the Internal Audit Framework	New Indicator	New Indicator	New Indicator	9	10	Annually	-	-	-	10	10	10
5.2.8	Functional Internal Audit structures	Number of Internal Audit structures report	New Indicator	New Indicator	New Indicator	1	4	Quarterly	1	1	1	1	4	4
SUB-PROGRAMME 5.3: CLUSTER 2 – PIXLEY KA SEME DISTRICT OFFICE														
5.3.1	Improvement in financial reporting	Number of municipalities supported on accounting related matters	New indicator	2	7	10	10	Annually	-	-	-	10	10	10
5.3.2	Status on budget and revenue performance	Number of municipalities supported on revenue and budget management	New indicator	New indicator	New indicator	8	10	Annually	-	-	-	10	10	10
5.3.3	Effective Management of Expenditure and implementation of internal controls	Number of municipalities guided to address Unauthorised, irregular, Wasteful and Fruitless expenditure	New indicator	New indicator	-	3	5	Annually	-	-	-	5	5	5

Outcome	No	Outputs	Output Indicators	Audited performance			Estimated performance	MTEF Targets							
				2019/20	2020/21	2021/22	2022/23	2023/24	Reporting Period	Q1	Q2	Q3	Q4	2024/25	2025/26
5.3.4	Improved compliance with Supply Chain and Asset Management prescripts	Number of municipalities supported on Supply Chain and Asset Management related matters	New indicator	New indicator	New indicator	New indicator	10	Annually	-	-	10	-	10	10	
5.3.5	Reduced Risk Management audit findings	Number of municipalities supported to implement the Local Government Risk Management Framework	New indicator	4	9	10	10	Annually	-	-	-	10	10	10	
5.3.6	Functional Risk Management structure	Number of Risk Management structures report	1	-	2	1	4	Quarterly	1	1	1	1	4	4	
5.3.7	Reduced findings on Internal Audit and Audit Committee matters	Number of Municipalities supported to implement the Internal Audit Framework	New Indicator	New Indicator	New Indicator	9	9	Annually	-	-	-	9	9	9	
5.3.8	Functional Internal Audit structures	Number of Internal Audit structures reports	New Indicator	New Indicator	New Indicator	1	4	Quarterly	1	1	1	1	4	4	
SUB-PROGRAMME 5.4: CLUSTER 3 – JOHN TAOLO GAETSEWE & FRANCES BAARD DISTRICT OFFICE															
5.4.1	Improvement in financial reporting	Number of municipalities supported on accounting related matters	New indicator	3	7	10	10	Annually	-	-	-	10	10	10	
5.4.2	Status on budget and revenue performance	Number of municipalities supported on revenue and budget management	New Indicator	New Indicator	New Indicator	9	10	Annually	-	-	-	10	10	10	

Outcome	No	Outputs	Output Indicators	Audited performance		Estimated performance	MTEF Targets								
				2019/20	2020/21		2021/22	2022/23	2023/24	Reporting Period	Q1	Q2	Q3	Q4	2024/25
				Sound financial management and good financial governance	5.4.3	Effective Management of Expenditure and implementation of internal controls	Number of municipalities guided to address Unauthorised, irregular, Wasteful and Fruitless expenditure	New indicator	-	-	2	5	Annually	-	-
5.4.4	Improved compliance with Supply Chain and Asset Management prescripts	Number of municipalities supported on Supply Chain and Asset Management related matters	New indicator		New indicator	New indicator	New indicator	10	Annually	-	-	-	10	10	10
5.4.5	Reduced Risk Management audit findings	Number of municipalities supported to implement the Local Government Risk Management Framework	New indicator		4	9	10	10	Annually	-	-	-	10	10	10
5.4.6	Functional Risk Management structure	Number of Risk Management structures report	-		1	1	1	4	Annually	1	1	1	1	4	4
5.4.7	Reduced findings on Internal Audit and Audit Committee matters	Number of Municipalities supported to implement the Internal Audit Framework	New Indicator		New Indicator	New Indicator	9	10	Annually	-	-	-	10	10	10
5.4.8	Functional Internal Audit structures	Number of Internal Audit structures report	New Indicator		New Indicator	New Indicator	2	4	Quarterly	1	1	1	1	4	4

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, to ensure that the objectives of the Local Government financial reform agenda are achieved. To achieve financial sustainability in municipalities there must be functional governance structures such as, disciplinary boards and MPACs, to strengthen monitoring and oversight in those institutions. Our focus areas are thus in line with the TCF game-changers which aim 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 in the below areas:

- **Accounting and Reporting**

Continuous training on the Generally Recognised Accounting Principles (GRAP) updates as well as the web-enabled audit action plan will be provided to municipalities. We will facilitate the development of a C-Drive to ensure the sharing of reports and information.

- **Revenue and Budget Management**

Support will be provided to municipalities with unfunded budgets through compilation and implementation of budget funding plans, which will assist municipalities to move from an unfunded to funded position over a specified period. Municipalities will be supported with debt restructuring especially regarding debt owed to Eskom and Waterboards. Furthermore, municipalities will be assisted to enter into affordable repayment agreements with their creditors.

- **Municipal Institutional Compliance and Governance**

Continuous guidance will be provided to municipalities on the implementation MFMA circulars and policies for the reduction of Unauthorized, Irregular Fruitless and Wasteful expenditures. To enhance compliance in municipalities, Disciplinary boards and MPAC's will be capacitated through training on the investigation of UIF&W.

- **Supply Chain and Asset Management**

Non-compliance with SCM prescripts is the main contributor toward Irregular Expenditure and one of our key strategic levers. Provincial Treasury will provide continuous guidance on SCM and asset management related prescripts.

- **Risk Management and Internal Audit**

Assist municipalities with implementation of the Local Government Risk Management Framework and the Internal Audit Framework and provide audits and risk related training to strengthen governance structures within the municipality. Provide assistance with state of readiness for internal auditors (Quality Assurance Review)

5.2 Programme Resource Considerations

The programme has been established recently in line with the new generic structure for all Provincial Treasuries. The objective is to make provision for an integrated structure in respect of the municipal finance management programme. Municipal finance functions that were previously performed by other programmes are incorporated under this programme, this includes personnel.

Table 5.1 Municipal Finance

R thousand	Outcome			Main appropriation	Adjusted appropriation 2022/23	Revised estimate	Medium-term estimates		
	2019/20	2020/21	2021/22				2023/24	2024/25	2025/26
1. Programme Support	9,278	–	2,924	7,599	8,005	9,505	13,288	11,038	11,533
2. Cluster 1: Zf Mgcawu & Namaqua D	4,995	–	2,681	9,627	8,373	7,672	11,866	12,399	12,954
3. Cluster 2: Pixley Ka Seme District	22,666	26,218	25,141	27,043	36,543	35,043	8,299	10,708	11,188
4. Cluster 3: John Taolo Gaetsewe & F	13,025	–	1,699	18,481	22,929	17,581	11,895	13,242	13,834
Total payments and estimates	49,964	26,218	32,445	62,750	75,850	69,801	45,348	47,387	49,509

R thousand	Outcome			Main appropriation	Adjusted appropriation 2022/23	Revised estimate	Medium-term estimates		
	2019/20	2020/21	2021/22				2023/24	2024/25	2025/26
Current payments	49,076	25,441	29,150	59,946	73,431	67,543	45,018	46,893	48,993
Compensation of employees	39,756	24,183	25,810	49,231	49,716	42,494	40,321	40,179	41,980
Goods and services	9,320	1,258	3,340	10,715	23,715	25,049	4,697	6,714	7,013
Interest and rent on land	–	–	–	–	–	–	–	–	–
Transfers and subsidies to:	202	325	2,293	–	15	8	–	–	–
Provinces and municipalities	–	–	–	–	–	–	–	–	–
Departmental agencies and account	–	–	–	–	–	–	–	–	–
Higher education institutions	–	–	–	–	–	–	–	–	–
Foreign governments and internatio	–	–	–	–	–	–	–	–	–
Public corporations and private ente	–	–	–	–	–	–	–	–	–
Non-profit institutions	–	–	–	–	–	–	–	–	–
Households	202	325	2,293	–	15	8	–	–	–
Payments for capital assets	686	452	1,002	2,804	2,404	2,250	330	494	516
Buildings and other fixed structures	–	–	–	–	–	–	–	–	–
Machinery and equipment	686	452	1,002	2,804	404	250	330	494	516
Heritage Assets	–	–	–	–	–	–	–	–	–
Specialised military assets	–	–	–	–	–	–	–	–	–
Biological assets	–	–	–	–	–	–	–	–	–
Land and sub-soil assets	–	–	–	–	–	–	–	–	–
Software and other intangible assets	–	–	–	–	2,000	2,000	–	–	–
Payments for financial assets	–	–	–	–	–	–	–	–	–
Total economic classification	49,964	26,218	32,445	62,750	75,850	69,801	45,348	47,387	49,509

The programme decreases by 28 per cent between 2022/23 and 2023/24 financial year due to the Municipal infrastructure budget being moved to programme 2: Sustainable Fiscal Resource Management. A further reduction of 4 per cent in 2024/25 is realised and 4 per cent increase in

2025/26 financial year. This further explains the baseline decrease between 2022/23 and 2023/24 financial years.

Compensation of employees is decreasing by 18 per cent from 2022/23 to 2023/24 financial years. In 2025/26 financial year there is an increase of 4 per cent. This is due to the implementation of the new organizational structure. Goods and services is decreasing by 56 per cent between 2022/23 to 2023/24 and thereafter the baseline is projected to increase by 43 per cent and 4 per cent in the outer year of the MTEF.

Transfers and subsidies to: Households caters for staff exit costs which is difficult to anticipate, hence there's no provision over the MTEF. Payments for capital assets caters for the purchase of equipment and the replacement and upgrading of equipment. Over the MTEF, the baseline shows a reduction.

6.1 Programme 6 – Provincial Internal Audit

Purpose: To provide internal audit service 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

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)

Sub-Programme 6.3

Health Cluster

• **Purpose:**

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

Sub-Programme 6.4

Agriculture Cluster

• **Purpose:**

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

Sub-Programme 6.5

DPW CLUSTER

• **Purpose:**

To provide internal audit services Department: Roads & Public Works, Transport, Safety & Liason, NC Fleet Management Trading Entity

Outcomes, Outputs, Output Indicators and Targets

Outcome	No	Outputs	Output Indicators	Audited performance			Estimated performance	MTEF Targets							
				2019/20	2020/21	2021/22	2022/23	2023/24	Reporting Period	Q1	Q2	Q3	Q4	2024/25	2025/26
Sound financial management and good financial governance	SUB-PROGRAMME 6.1: PROGRAMME SUPPORT & AUDIT COMMITTEE														
	6.1.1	Compliance with Audit Committee Charter	Percentage achievement of the Audit Committee Charter	4	99%	85%	85%	85%	Annually	20%	40%	60%	85%	85%	85%
	SUB-PROGRAMME 6.2: EDUCATION CLUSTER														
	6.2.1	Improved governance, risk management and internal control	Percentage achievement of Internal audit plan / revised internal audit plan	59	66	89%	89%	85%	Quarterly	20%	40%	60%	85%	85%	85%
	SUB-PROGRAMME 6.3: HEALTH CLUSTER														
	6.3.1	Improved governance, risk management and internal control	Percentage achievement of Internal audit plan / revised internal audit plan	27	25	85%	85%	85%	Quarterly	20%	40%	60%	85%	85%	85%
	SUB-PROGRAMME 6.4: AGRICULTURE CLUSTER														
	6.4.1	Improved governance, risk management and internal control	Percentage achievement of the Audit Committee Charter	50	45	91%	85%	85%	Quarterly	20%	40%	60%	85%	85%	85%
SUB-PROGRAMME 6.5: DPW CLUSTER															
6.5.1	Improved governance, risk management and internal control	Percentage achievement of Internal audit plan / revised internal audit plan	38	34	89%	86%	85%	Quarterly	20%	40%	60%	85%	85%	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. The legislative and audit committee charter mandate is discharged by conducting quarterly meetings.

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 audit committees and accounting officers on the status of implementation of internal audit and AGSA recommendations to improve audit outcomes.

6.2 Programme Resource Considerations

Table 3 Internal Audit and Audit Committees

R thousand	Outcome			Main appropriation	Adjusted appropriation 2022/23	Revised estimate	Medium-term estimates		
	2019/20	2020/21	2021/22				2023/24	2024/25	2025/26
1. Programme Support	8,339	6,462	6,471	7,866	7,809	7,287	7,331	7,195	7,516
2. Cluster 1: Education	5,756	5,326	6,269	7,297	7,270	6,768	7,932	7,861	8,212
3. Cluster 2: Health	6,211	5,409	6,084	7,297	7,342	6,886	7,882	7,787	8,135
4. Cluster 3: Agriculture	5,411	5,201	5,183	7,116	7,116	6,696	7,896	7,821	8,171
5. Cluster 4: Roads & Public Works	5,965	5,805	7,134	7,143	7,202	7,027	7,642	7,597	7,938
Total payments and estimates	31,682	28,203	31,141	36,739	36,739	34,664	38,683	38,261	39,972

R thousand	Outcome			Main appropriation	Adjusted appropriation 2022/23	Revised estimate	Medium-term estimates		
	2019/20	2020/21	2021/22				2023/24	2024/25	2025/26
Current payments	31,137	27,326	30,658	36,418	36,172	34,111	38,630	38,261	39,972
Compensation of employees	27,182	25,870	27,935	32,181	31,991	30,716	35,238	35,257	36,837
Goods and services	3,955	1,456	2,723	4,237	4,181	3,395	3,392	3,004	3,135
Interest and rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies to:	81	41	3	-	190	176	-	-	-
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Departmental agencies and account	-	-	-	-	-	-	-	-	-
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and internatio	-	-	-	-	-	-	-	-	-
Public corporations and private ente	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	81	41	3	-	190	176	-	-	-
Payments for capital assets	464	836	480	321	377	377	53	-	-
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	309	755	480	321	377	377	53	-	-
Heritage Assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	155	81	-	-	-	-	-	-	-
Payments for financial assets	-	-	-	-	-	-	-	-	-
Total economic classification	31,682	28,203	31,141	36,739	36,739	34,664	38,683	38,261	39,972

The programme shows a decrease in the 2022/23 Revised Estimate which can be ascribed to vacant funded posts not yet filled. The programme increases by 5 per cent between 2022/23 and 2023/24 financial years and 4 per cent in the outer year of the MTEF.

Compensation of employees shows an increase of 9 per cent increase between 2022/23 and 2023/24 financial years and 4 per cent in the outer year of the MTEF. This baseline you see it stabilising over the MTEF due stabilisation in the vacant and funded posts. Goods and services shows a decrease of 20 per cent between 2022/23 and 2023/24 financial year due to reprioritisation in respect of rates and taxes. The baseline is projected to increase by 4 per cent in the outer year of the MTEF. Machinery and equipment decreased in the 2023/24 financial year due to once off procurement of laptops.

7. Updated key risks and mitigation plan

Outcome	Key Risk	Risk Mitigation
Sound financial management and good financial governance	High vacancy rate in the Department	<ul style="list-style-type: none"> • Alignment of structure with mandate • Prioritising of critical posts to be filled • Advertise posts within 6 months and fill the post within a year in line with the Regulations
	Inadequate Knowledge Management	<ul style="list-style-type: none"> • Review Records Management Policy • Approved Departmental file plan (Compliance with Archives Act: Referencing system, centralising of records management) • Set up Disaster Recovery Site • Implementation and quarterly monitoring of Succession Plan • Development and implementation of the Knowledge Management Strategy
	Inadequate IT Security	<ul style="list-style-type: none"> • Develop Departmental ICT Security Policy • Engagements with stakeholders to implement ICT Shared Services Centre • Analysis of dataline reports from SITA • Implementation of Provincial Firewall • Monitoring of VPN Reports (Business Intelligence) • Build institutional capacity in the ICT Unit (training and development)
	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 at strategic level to address non-compliance (SCOPA,, Municipal, National and Provincial Departments) • Continuous engagements with clients • Improved compliance monitoring • Improvement of Municipal Support programme modality • Strengthening (Training) of municipal oversight structures: MPAC • Consequence management • Service Delivery Agreements to ensure that municipalities build internal capacity • Issue and ensure compliance with Provincial Treasury Instructions to prevent incurrence of Irregular Expenditure.
Financial viability and sustainability of the Province	Failure to enforce compliance in terms of s18 of the PFMA	<ul style="list-style-type: none"> • Issue and ensure compliance with Provincial Treasury Instructions to prevent incurrence of Unauthorised Expenditure • Issue and ensure compliance with Instruction note on optimal utilisation of systems by Departments • Report quarterly implementation of the Provincial Budget to the Portfolio Committee, HOD Forum and CFO, OTP to timeously highlight risks facing the province in this regard • Monthly meetings with Dept of Health given the risk identified in the departments, other departments too as and when the need arises • Make provisions for Institutions in the Debt Redemption Strategy for the authorising of unauthorised expenditure • Enforcement of s34 of the PFMA • Budget blocking • Monitor the compliance of Chapter 4 of the PFMA on Provincial Budget and report to EXCO, PC and SCOPA • 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)**



Part D: Technical Indicator Descriptors (TIDs)

1. Administration

1.2 Executive Support and Stakeholder Management

Indicator number	1.2.1
Indicator title	Strategic risk register review sessions conducted
Definition	Coordinate and support the institutional risk management processes (identifying and assessing potential risks and governance weakness) in line with the public sector risk management framework.
Source of data	Strategic Plan Annual Report Annual Performance Plan
Method of calculation/ Assessment	Simple Count (1 x Strategic Risk Register)
Means of Verification	Departmental Risk Register
Assumptions	Institutionalisation of risk management concepts and principles Risk averse culture
Disaggregation of Beneficiaries (where applicable)	N/A
Spatial Transformation (where applicable)	N/A
Calculation Type	Non-Cumulative
Reporting cycle	Annual
Desired performance	Attainment of Departmental objectives Reduced exposure of critical risks that affect the department.
Indicator responsibility	Deputy Director: Risk Management

Indicator number	1.2.2
Indicator title	Functional Risk and Ethics Management Committee (REMC)
Definition	The REMC will be considered functional if 4 quarterly meetings were conducted
Source of data	Approved Strategic Risk Register Approved Fraud and Ethics Risk Register Approved REMC Charter
Method of calculation/ Assessment	Simple Count: 1 x Report per quarter which indicate the functionality committee
Means of Verification	1 x Risk and Ethics Management Committee reports per quarter
Assumptions	Matured risk management processes and ethical work environment
Disaggregation of Beneficiaries (where applicable)	N/A
Spatial Transformation (where applicable)	N/A
Calculation Type	Non-Cumulative
Reporting cycle	Quarterly
Desired performance	To achieve 100% compliance with the risk register and ensure that all programmes are aware and mitigate all potential risks.
Indicator responsibility	Director

1.3 Corporate Management Services

Indicator number	1.3.1
Indicator title	Percentage of vacant and funded posts filled
Definition	Filling of vacant funded posts to maintain the vacancy rate under 20%.
Source of data	PERSAL report, vacancy rate reports
Method of calculation/ Assessment	Percentage: 1 x Vacancy rate report per quarter (Total number of permanent posts filled versus the total permanent staff establishment (80% per quarter)
Means of Verification	1 x Vacancy rate report per quarter
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	Cumulative
Reporting cycle	Quarterly
Desired performance	80% of vacant funded posts filled
Indicator responsibility	Director: HRM

Indicator number	1.3.2
Indicator title	% of women appointed at SMS level
Definition	The indicator refers to the percentage of women appointed at senior management positions in the department
Source of data	Establishment report extracted from Persal
Method of calculation/Assessment	Percentage: 1 x Persal report per quarter (The total number of women on SMS level vs total number of permanent SMS appointed) (50% per quarter)
Means of Verification	Persal report
Assumptions	The target achievement will vary depending on, whether there are any resignations and the status of the recruitment process to fill in vacant posts during the reporting period
Disaggregation of Beneficiaries (where applicable)	Women
Spatial Transformation (where applicable)	Not applicable
Calculation Type	Cumulative
Reporting cycle	Quarterly
Desired performance	To meet the 50% women representation as per the Gender mainstreaming Framework, however the actual target will depend on any vacancies in the structure and recruitment process.
Indicator responsibility	Director: HRM

Indicator number	1.3.3
Indicator title	Number of progress reports on IT Implementation plan
Definition	To show progress on compliance with the DPSA Corporate Governance of ICT (CGICT) framework by implementing key IT projects.
Source of data	IT Implementation Plan Provincial GITO Forum Minutes
Method of calculation/ Assessment	Simple Count (1 x Implementation report per quarter)
Means of Verification	1 x IT implementation report per quarter
Assumptions	IT unit is adequately capacitated Sufficient financial resources are available
Disaggregation of Beneficiaries (where applicable)	N/A
Spatial Transformation (where applicable)	N/A
Calculation Type	Non-Cumulative
Reporting cycle	Quarterly
Desired performance	Digitalisation of operations within the Department. Efficient monitoring and support services rendered to clients.
Indicator responsibility	Director: Corporate Support Services

1.4 Financial Management Services

Indicator number	1.4.1
Indicator title	Clean Audit Report
Definition	Adherence to policies and procedures as per PFMA, Treasury Regulations and continuous monitoring of systems and internal controls within department leading to clean audit
Source of data	Audit Report Annual Financial Statements Audited Performance Information Corporate Services Information Audit Committee Report Risk Management Report
Method of calculation/ Assessment	Simple Count: Annual report – quarter 3
Means of Verification	Annual report
Assumptions	Adherence to policies and procedures Adequate Financial and Human Resources.
Disaggregation of Beneficiaries (where applicable)	N/A
Spatial Transformation (where applicable)	N/A
Calculation Type	Non-cumulative
Reporting cycle	Annual
Desired performance	Compliance with regulatory and legislated requirements
Indicator responsibility	Chief Financial Officer

Indicator number	1.4.2
Indicator title	% valid supplier invoices paid within 30 days
Definition	This indicator refers to the percentage of suppliers who have been paid within 30 days after the department has received the correct invoice
Source of data	Invoice from client / service provider
Method of calculation/Assessment	Simple count
Means of Verification	Quarterly reports on invoices not paid within 30 days (1 report per quarter)
Assumptions	All invoices submitted for payment have been captured
Disaggregation of Beneficiaries (where applicable)	Not applicable
Spatial Transformation (where applicable)	Not applicable
Calculation Type	Non-cumulative
Reporting cycle	Quarterly
Desired performance	100% of supplier payments paid within 30 days after receipt of final and correct invoice
Indicator responsibility	CFO: Financial Management Services

2. Sustainable Finance Resource Management

2.2 Economic and Fiscal Oversight

Indicator number	2.2.1
Indicator title	Number of Provincial research and economic publications conducted
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	Simple Count: Quarter 1, 2 & 3: 1 x Research paper Quarter 4: 1 x Research paper ; 1 x Provincial Socio-Economic Review 1 x Comparative Analysis for District Municipality
Means of Verification	4 x Research papers 1 x Provincial Socio-Economic Review 1 x Comparative Analysis for District Municipality
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 and Fiscal Oversight

Indicator number	2.2.2
Indicator title	Number of Policy and Budget statements tabled
Definition	1 Annual statement outline of the Provincial and departmental achievements and priorities in line with allocated budget
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 statement tabled in Provincial Legislature)
Means of Verification	Provincial 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	Annual
Desired performance	Provincial MTBPS book produced
Indicator responsibility	Director: Economic and Fiscal Oversight

Indicator number	2.2.3
Indicator title	Percentage own revenue collected within the Province
Definition	Quarterly revenue report assessing provincial own revenue performance of departments, in terms of: <ul style="list-style-type: none"> • Own revenue collection targets and • Status of tariff reviews by departments.
Source of data	<ul style="list-style-type: none"> • Data file-IYM reports; BAS reports. • Bank statements and reports from departments. • Tariff submissions from the departments.
Method of calculation/ Assessment	Simple Count: 1 x report per quarter
Means of Verification	1 x revenue collection assessment report per quarter
Assumptions	Credible Information
Disaggregation of Beneficiaries (where applicable)	N/A
Spatial Transformation (where applicable)	N/A
Calculation Type	Cumulative (year-end)
Reporting cycle	Quarterly
Desired performance	Improved revenue collection
Indicator responsibility	Director: Economic and Fiscal Oversight

2.3 Budget Management

Indicator number	2.3.1
Indicator title	Number of adjustment budget prepared
Definition	Coordination and consolidation of the adjustment budget of the Province that is tabled by the MEC of Finance.
Source of data	National and Provincial Treasury Allocation Letters
Method of calculation/ Assessment	Simple Count: Q3: Adjusted EPRE 2023/24
Means of Verification	Q3: Adjusted EPRE 2023/24 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	Bi-annual
Desired performance	Table budget within prescribed timeframes, according to the PFMA
Indicator responsibility	Director: Budget Management

Indicator number	2.3.2
Indicator title	Number of main budget prepared
Definition	Coordination and consolidation of the main budget of the Province that is tabled by the MEC of Finance.
Source of data	National and Provincial Treasury Allocation Letters
Method of calculation/ Assessment	Simple Count: Q4: EPRE 2024/25
Means of Verification	Q4: EPRE 2024/25 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	Bi-annual
Desired performance	Table budget within prescribed timeframes, according to the PFMA
Indicator responsibility	Director: Budget Management

Indicator Number	2.3.3
Indicator title	Number of Provincial Budget implementation assessment reports
Definition	Assessment on 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	Simple Count: 1 x reports per quarter (Provincial budget implementation assessment)
Means of Verification	1 x reports per quarter (Provincial budget implementation assessment)
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	Reduction of unauthorised expenditure and effective implementation of provincial budget
Indicator responsibility	Director: Budget Management

2.4 Infrastructure Performance Management

Indicator Number	2.4.1
Indicator Title	Number of Infrastructure Technical advisory report
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 and municipalities to ensure effective and efficient infrastructure delivery management in line with provincial and local government infrastructure delivery management standard.
Source of data	<p>PFMA: DORA Frameworks, U-AMP, IPMP, EOY Reports, IYM (section 40 projections), ECE, CPS and PIC progress meetings</p> <p>MFMA: DORA Frameworks, A1 Schedules (Table 36 a, b, c, IDP, SDF, MFMA Budget Circular</p> <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 report per quarter (PFMA & MFMA)
Means of verification	1 x report per quarter (PFMA & MFMA)
Assumptions	<ul style="list-style-type: none"> • Provision of infrastructure in a way that ensures that services are delivered to the community ensuring economic growth and social upliftment. • Compliance to the prescripts of infrastructure procurement.
Disaggregation of Beneficiaries (where applicable)	N/A
Spatial Transformation (where applicable)	<p>NSDF Sub Frames 3 &4</p> <p>National Connecting and Movement Infrastructure National Ecological Infrastructure and Natural Resource Base</p>
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 and Local Government 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

Indicator Number	2.4.2
Indicator Title	Number of Performance expenditure review reports
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	Simple Count: 1 x Expenditure Review report – qrt 3
Means of Verification	1 x 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	Annual
Desired performance	Performance expenditure review to HOD for informed decisions
Indicator responsibility	Director: Infrastructure Performance Management

Indicator Number	2.4.3
Indicator Title	Number of Infrastructure Budget & expenditure outcome assessments reports
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. MFMA: Municipal Finance Sec.71 & 72 Reports; MFMA LG Database; Monthly assessment meetings and expenditure analysis conducted. Mscoa; MIG Expenditure reports; Monthly Human Settlements DoRA Reports; Section 72 &71 reports, transferring sector reports, mSCOA, Project Information Template
Method of Calculation / Assessment	Simple Count: 1 x report per quarter (PFMA & MFMA)
Means of verification	1 x report per quarter (PFMA & MFMA)
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)	N/A

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 and municipalities
Indicator Responsibility	Director: Infrastructure Performance Management

3. Supply Chain Management, Assets & Liabilities

3.2 Provincial Supply Chain and Asset Management

Indicator Number	3.2.1
Indicator title	Number of support plans implemented to improve compliance with SCM and Asset management prescripts by Provincial departments
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 Documented support plans implemented addressing gaps for 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	Simple Count: 1 x report per quarter (SCM and Asset Management)
Means of verification	1 x report per quarter (SCM and Asset Management)
Assumptions	Departments and Public Entities have capable officials to perform Asset Management and SCM functions.
Disaggregation of Beneficiaries	N/A
Spatial Transformation	N/A
Calculation Type	Cumulative (year- end)
Reporting Cycle	Quarterly
Desired performance	Improved compliance with SCM and Asset Management prescripts
Indicator Responsibility	Director: Asset Management

Indicator Number	3.2.2
Indicator Title	Number of capacity building sessions provided to SMME's and Departments
Definition	Total number of SMME's registered and assisted on CSD and training provided to SMME's on tender and procurement processes. Providing departments with their spent analysis to enhance designated spending
Source of data	Preferential Procurement Policy Framework; Central Supplier Data Base (CSD) and LOGIS Reports
Method of Calculation / Assessment	Simple Count: 1 x report per quarter
Means of verification	1 x report and attendance registers
Assumptions	Departments and their Public Entities have capable officials to align procurement targets with Local Preferential Procurement Policy Framework.
Disaggregation of Beneficiaries	All SMMEs and designated groups
Spatial Transformation	N/A
Calculation Type	Cumulative (year – end)
Reporting Cycle	Quarterly
Desired performance	Improve Strategic Provincial Procurement
Indicator Responsibility	Director: Asset Management

3.3 Financial Information Management Systems (FIMS)

Indicator Number	3.3.1
Indicator title	Number of transversal systems assessments reports produced
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 (PERSAL, BAS, LOGIS reports)
Method of calculation / Assessment	Simple Count: 3 x reports per quarter (PERSAL, BAS, LOGIS)
Means of verification	3 x assessment reports per quarter (PERSAL, BAS, LOGIS)
Assumptions	Availability of transversal systems
Disaggregation of Beneficiaries	N/A
Spatial Transformation	N/A
Calculation Type	Cumulative (Year-end)
Reporting Cycle	Quarterly
Desired Performance	Effective Utilisation of Transversal Systems
Indicator Responsibility	Director: Supporting & Interlinked Financial Systems

Indicator Number	3.3.2
Indicator title	Number of capacity building sessions conducted on transversal systems
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
Method of Calculation / Assessment	Simple Count: Bi-annual Apr – Sept 4 x Forums; 10 x Training (4 x BAS, 6 x PERSAL, 4 x LOGIS) Oct – Mar 4 x Forums; 10 x Training (4 x BAS, 6 x PERSAL, 4 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	N/A
Spatial Transformation	N/A
Calculation Type	Cumulative (Year-end)
Reporting Cycle	Bi-Annual
Desired Performance	Capable transversal system users
Indicator Responsibility	Director: Supporting & Interlinked Financial Systems

3.4 Banking and Cash Flow Management

Indicator Number	3.4.1
Indicator title	Number of annual statements of the Provincial Revenue Fund compiled
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	Simple Count: 1 x PRF Annual Financial Statement
Means of verification	1 x PRF Annual Financial Statement – 3 rd quarter
Assumptions	Skilled personnel, BAS Budget
Disaggregation of Beneficiaries (where applicable)	N/A
Spatial transformation (where applicable)	N/A
Calculation type	Non- Cumulative
Reporting cycle	Annual
Desired performance	Unqualified Audit Opinion
Indicator responsibility	Director: Banking Services and Cash Flow Management

Indicator Number	3.4.2
Indicator title	Analysis of spending by departments to determine compliance with cash flow 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	Simple Count: 3 x spending analysis reports per quarter.
Means of Verification	3 x spending analysis reports per quarter
Assumptions	Skilled personnel
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 Cash Flow Management

Indicator Number	3.4.3
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	Simple Count: 1 x consolidated report per year (4 th qrt)
Means of Verification	1 x consolidated report per year (4 th qrt)
Assumptions	Skilled personnel, systems, Access to internet banking facility, budget allocation
Disaggregation of Beneficiaries	N/A
Spatial transformation	N/A
Calculation type	Non- Cumulative
Reporting cycle	Annual
Desired performance	Positive consolidated bank balance for the province
Indicator responsibility	Director: Banking Services and Cash Flow Management

4. Financial Governance

4.2 Provincial Accounting Services

Indicator Number	4.2.1
Indicator title	Number of departments supported on Accounting related matters
Definition	To provide support in accounting related matters with the objective of improving audit outcomes.
Source of data	Audit reports for departments. Compliance certificates received from departments. Audit Action plans for departments.
Method of Calculation / Assessment	Simple count: Number of department supported
Means of verification	Proof of support to 11 departments - 4 th qrt
Assumptions	Availability of resources (human and funding) Cooperation and support from all stakeholders Quality, accuracy, timeliness and completeness of information submitted by the departments
Disaggregation of Beneficiaries	N/A
Spatial Transformation	N/A
Calculation Type	Non-Cumulative
Reporting Cycle	Annual
Desired performance	Improved audit outcomes by departments.
Indicator Responsibility	Director: Accounting Services

Indicator Number	4.2.2
Indicator title	Consolidated annual financial information tabled
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	Simple Count: 3 x Consolidated Financial Information (CFI) – 1 x qrt 1, 1 x qrt 2 & 1 x qrt 3
Means of verification	3 x Consolidated Financial Information (CFI)
Assumptions	Good quality, accuracy, timeliness and completeness of information submitted by the legislature, departments, revenue fund and public entities
Disaggregation of Beneficiaries	N/A
Spatial Transformation	N/A
Calculation type	Cumulative (year –end)
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

Indicator Number	4.2.3
Indicator title	Number of capacity building programmes
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 Workshops and 1 x CFO forum - qrt 1 1 x CFO forum - qrt 2 & qrt 3 1 x Workshops and 1 forum - qrt 4
Means of verification	Attendance Register; Minutes; Invitations
Assumptions	Cooperation, commitment and the involvement of financial practitioners and CFO's in identifying training needs, availability of information on latest reforms.
Disaggregation of Beneficiaries	N/A
Spatial Transformation	N/A
Calculation type	Cumulative (year-end)
Reporting cycle	Quarterly
Desired performance	Informed and skilled officials
Indicator responsibility	Director: Accounting Services

4.3: Norms and Standards

Indicator Number	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. Attendance registers
Method of Calculation / Assessment	Simple Count: 3 x PFMA related capacity building session(1 x qrt 1, 1 x qrt 2 & 1 x qrt 4)
Means of verification	Invitation, video and audio recording of online /virtual sessions; Attendance registers
Assumptions	Commitment that attendees will participate and make use of the information shared.
Disaggregation of Beneficiaries	N/A
Spatial Transformation	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, compliance improvement and financial maturity. Increase professionalisation of Public Finance Management (PFM) within all spheres of government
Indicator Responsibility	Director: Norms & Standards

Indicator Number	4.3.2
Indicator title	Number of reports on payment of creditors within 30 days
Definition	Monitoring payment of creditors within 30 days as per National Treasury Instruction note 34 and report on the compliance status.
Source of data	Instruction note 34 - submitted by departments Register of payment data
Method of Calculation / Assessment	Simple count: 4 x Reports on payment of creditors within 30 days 1 x report compiled in April (qrt 1); July (qrt 2); October (qrt 3) and January (qrt 4)
Means of verification	1 x reports on payments of creditors within 30 days per quarter.
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	N/A
Spatial Transformation	N/A
Calculation Type	Cumulative (year-end)
Reporting Cycle	Quarterly
Desired performance	Improved provincial average number of days for payment of creditors within 30 days.
Indicator Responsibility	Director: Norms & Standards

Indicator Number	4.3.3
Indicator title	Number of departments guided to address Unauthorised, Irregular, Wasteful and Fruitless expenditure.
Definition	To provide guidance to departments on how to address Unauthorised, Irregular, Wasteful and Fruitless expenditure 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 2021/22 AFS In-year Monitoring Reports submitted by PFMA compliant institutions.
Method of Calculation / Assessment	Simple count of: Number of departments guided on how to address Unauthorised, Irregular, Wasteful and Fruitless expenditure.
Means of verification	Proof of support per department (11 departments)
Assumptions	Provincial Treasury apply legislated mandate ; Provincial Departments apply legislated mandate
Disaggregation of Beneficiaries	N/A
Spatial Transformation	N/A
Calculation Type	Non-cumulative
Reporting Cycle	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

4.4. Provincial Risk Management

Indicator Number	4.4.1
Indicator title	Number of departments supported to implement the Public Sector Risk Management Framework
Definition	To address root causes of risk management audit findings
Source of data	Engagements with Risk Management Practitioners Audit action plans of departments Internal and external audit reports of departments
Method of Calculation / Assessment	Simple count: Number of departments supported to implement the Public Sector Risk Management Framework
Means of verification	Proof of support per department - 11 departments
Assumptions	Availability of audit action plans and audit reports Cooperation from departments
Disaggregation of Beneficiaries	N/A
Spatial Transformation	N/A
Calculation Type	Non-Cumulative
Reporting Cycle	Annual
Desired performance	Risk management audit findings addressed
Indicator Responsibility	Director: Provincial Risk Management

Indicator Number	4.4.2
Indicator title	Number of public entities supported to implement the Public Sector Risk Management Framework
Definition	To address root causes of risk management audit findings
Source of data	Engagements with Risk Management Practitioners Internal and external audit reports of public entities
Method of Calculation / Assessment	Simple count: Number of public entities supported to implement the Public Sector Risk Management Framework (NCLB, NCGB, NCTA and NCEDA)
Means of verification	Proof of support per public entity – 4 th qrt
Assumptions	Availability of audit reports Cooperation from public entities
Disaggregation of Beneficiaries	N/A
Spatial Transformation	N/A
Calculation Type	Non-Cumulative
Reporting Cycle	Annual
Desired performance	Risk management audit findings addressed
Indicator Responsibility	Director: Provincial Risk Management

Indicator Number	4.4.3
Indicator title	Number of Risk Management structures reports
Definition	To monitor the establishment and functionality of Risk Management Units and Risk Management Committees
Source of data	Compliance monitoring and assessment
Method of Calculation / Assessment	Simple count: 1 x report per quarter
Means of verification	Quarterly report that demonstrates the support, assistance and guidance provided
Assumptions	Credibility of information provided through compliance monitoring and assessment
Disaggregation of Beneficiaries	N/A
Spatial Transformation	N/A
Calculation Type	Cumulative (year-end)
Reporting Cycle	Quarterly
Desired performance	Improvement in Risk Management compliance
Indicator Responsibility	Director: Provincial Risk Management

Indicator Number	4.4.4.
Indicator title	Number of Risk Management Forums conducted
Definition	To build capacity for Risk Management Practitioners
Source of data	Invitation letters, presentations, attendance registers
Method of Calculation / Assessment	Simple count: 1 x Risk Management forum per quarter
Means of verification	Invitation letters, presentations, attendance registers
Assumptions	Commitment from Risk Management Practitioners
Disaggregation of Beneficiaries	N/A
Spatial Transformation	N/A
Calculation Type	Cumulative (year-end)
Reporting Cycle	Quarterly
Desired performance	Improvement in skills set Increase in Knowledge Management
Indicator Responsibility	Director: Provincial Risk Management

5. Municipal Financial Management

5.1 Programme Support:

Indicator Number	5.1.1
Indicator title	Number of capacity building programmes implemented
Definition	To share information and best practices and to capacitate financial practitioners on compliance, governance, accounting frameworks and latest developments
Source of data	Results of audit reports, Practice notes, Frameworks, Circulars, Monitoring tools; GRAP Standards from the Accounting Standards Board.
Method of calculation / Assessment	2 x Training/workshop/forums – per quarter
Means of verification	Agenda; Attendance Registers Invitations Presentations
Assumptions	Involvement of the designated officials, availability of information on latest developments.
Disaggregation of Beneficiaries	N/A
Spatial Transformation	N/A
Calculation type	Non-Cumulative
Reporting cycle	Quarterly
Desired performance	Informed and skilled officials Implementation of skills
Indicator responsibility	Chief Director: Municipal Finance

Indicator Number	5.1.2
Indicator title	Consolidated municipal budget assessments
Definition	Annual consolidated report on draft and adjusted budgets for municipalities in the province.
Source of data	Municipal budgets and assessment reports from clusters
Method of calculation/ Assessment	Simple Count: Qrt 1: 1 x consolidated municipal budget assessment for the draft budgets for 2023/24 Qrt 4: 1 x consolidated municipal budget assessment for the adjustment budgets for 2023/24
Means of Verification	1 x consolidated municipal budget assessment report on draft budgets for 2023/24 1 x consolidated municipal budget assessment report on adjustment budgets for 2023/24
Assumptions	Accurate data, municipal budget submission and cooperation / availability of stakeholders.
Disaggregation of Beneficiaries	N/A
Spatial Transformation	N/A
Calculation Type	Bi-Annual
Reporting cycle	Quarterly
Desired performance	Compliant Municipal budgets
Indicator responsibility	Chief Director: Municipal Finance

Indicator Number	5.1.3
Indicator Title	Consolidated Municipal Budget Implementation Assessments
Definition	Monitor status of implementation of municipal budgets.
Source of data	Local Government Database, consolidated assessment reports from clusters
Method of calculation/ Assessment	Simple Count: 4 x Reports on municipal budget implementation assessments within 45 days after the end of each quarter as follows: 1 x consolidated report compiled in May 2023 (Qrt 1); August 2023 (Qrt 2); November 2023 (Qrt 3); February 2024 (Qrt 4)
Means of Verification	1 x Consolidated municipal budget implementation report per quarter.
Assumptions	Credible data.
Disaggregation of Beneficiaries	N/A
Spatial Transformation	N/A
Calculation Type	Non- cumulative
Reporting cycle	Quarterly
Desired performance	Improved budget implementation
Indicator responsibility	Chief Director: Municipal Finance

5.2 Clusters: ZF Mqcawu and Namaqua, Pixley, JT Gaetsewe and Frances Baard

Indicator Number	5.2.1
Indicator Title	Number of municipalities supported on accounting related matters
Definition	To provide support in accounting related matters with the objective of improving audit outcomes.
Source of data	Audit reports, Monitoring tool, audit action plans, AFS preparation plan, Draft AFS of municipalities
Method of Calculation / Assessment	Simple count: One report on the number of municipalities supported on accounting related matters
Means of verification	Reports, attendance registers
Assumptions	Availability of resources (human and financial) Cooperation and support from all stakeholders Quality, accuracy, timeliness and completeness of information submitted by the municipalities.
Disaggregation of Beneficiaries	N/A
Spatial Transformation	N/A
Calculation Type	Non-Cumulative
Reporting Cycle	Annual
Desired performance	Improved audit outcomes by municipalities
Indicator Responsibility	Chief Director: Municipal Finance

Indicator Number	5.2.2
Indicator title	Number of municipalities supported on budget and revenue management
Definition	To provide guidance to municipalities on budget and revenue management based on the applicable legislation.
Source of data	Local Government Database and reports from municipalities
Method of calculation/ Assessment	Simple count: 1 x report on the number of municipalities supported on budget and revenue management
Means of Verification	Reports, attendance registers
Assumptions	Availability of resources (human and financial) Cooperation and support from all stakeholders Quality, accuracy, timeliness, and completeness of information submitted by the municipalities.
Disaggregation of Beneficiaries	N/A
Spatial Transformation	N/A
Calculation Type	Non-Cumulative
Reporting cycle	Annual
Desired performance	Effective Budget and Revenue Management
Indicator responsibility	Chief Director: Municipal Finance

Indicator Number	5.2.3
Indicator Title	Number of municipalities guided to address Unauthorised, Irregular, Wasteful and Fruitless expenditure
Definition	To provide guidance to municipalities on how to address Unauthorised, Irregular, Wasteful and Fruitless expenditure 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 2020/21 audited AFS UIF&W reduction strategy per municipality
Method of Calculation / Assessment	Simple count of: 1 x report per cluster on the municipalities guided on how to address UIF&W expenditure on the top five contributors.
Means of verification	Report on guidance provided to municipalities to address Unauthorised, Irregular, Fruitless & Wasteful Expenditure figures.
Assumptions	Municipalities implement legislative prescripts Adoption and implementation of relevant circulars Provincial Treasury capacitated (human and financial resources)
Disaggregation of Beneficiaries	N/A
Spatial Transformation	N/A
Calculation Type	Non-cumulative
Reporting Cycle	Annual
Desired performance	Reduction of UIF & W expenditures Effective Management of Expenditure and implementation of internal controls.
Indicator Responsibility	Chief Director: Municipal Finance

Indicator Number	5.2.4
Indicator Title	Number of municipalities supported on Supply Chain and Asset Management related matters
Definition	To provide guidance on SCM and Asset Management related matters to improve audit outcomes
Source of data	Audit Reports and audit action plans
Method of Calculation / Assessment	Simple Count: 1 x report on the number of municipalities supported on SCM and Asset Management related matters
Means of verification	Reports, attendance registers
Assumptions	Municipalities have capable officials to perform Asset Management and SCM functions. Quality, accuracy, timeliness and completeness of information submitted by the municipalities. Provincial Treasury capacitated (human and financial resources)
Disaggregation of Beneficiaries	N/A
Spatial Transformation	N/A
Calculation Type	Non-Cumulative
Reporting Cycle	Annual
Desired performance	Improved compliance with SCM and Asset Management prescripts and reduction in number of audit findings
Indicator Responsibility	Chief Director: Municipal Finance

Indicator Number	5.2.5
Indicator Title	Number of municipalities supported to implement the Local Government Risk Management Framework
Definition	To provide guidance on the implementation of the Local Government Risk Management Framework (LGRMF)
Source of data	Risk Management Policy and Strategy, Risk Management Implementation Plan, Risk Registers Audit action plans Internal and external audit reports
Method of Calculation / Assessment	Simple count: 1 Annual report on support rendered
Means of verification	Report and attendance registers
Assumptions	Availability of audit action plans and audit reports Cooperation from municipalities Provincial Treasury capacitated (human and financial resources)
Disaggregation of Beneficiaries	N/A
Spatial Transformation	N/A
Calculation Type	Non-Cumulative
Reporting Cycle	Annual
Desired performance	Reduction of risk management audit findings Compliance with the LGRMF
Indicator Responsibility	Chief Director: Municipal Finance

Indicator Number	5.2.6
Indicator Title	Number of Risk Management structures reports
Definition	To monitor the establishment and functionality of Risk Management Units and Risk Management Committees
Source of data	Compliance monitoring and assessment tool
Method of Calculation / Assessment	Simple count: 1x report per quarter per Cluster
Means of verification	1 x report per quarter – 4 x reports
Assumptions	Credible information provided through compliance monitoring and assessment tools Provincial Treasury capacitated (human and financial resources)
Disaggregation of Beneficiaries (where applicable)	N/A
Spatial Transformation (where applicable)	N/A
Calculation Type	Non-Cumulative
Reporting Cycle	Quarterly
Desired performance	Institutionalisation and Risk Management Maturity
Indicator Responsibility	Chief Director: Municipal Finance

Indicator Number	5.2.7
Indicator Title	Number of municipalities supported to implement the Internal Audit Framework
Definition	To provide guidance on the implementation of the Internal Audit Framework
Source of data	Internal Audit Manual, Internal Audit Plans, Internal Audit Charter Internal Audit reports Audit action plans AGSA general reports
Method of Calculation / Assessment	Simple count: 1 x report per Cluster on the number of municipalities supported
Means of verification	Reports which provide evidence of support provided to municipalities
Assumptions	Availability of audit action plans and audit reports Cooperation from municipalities Provincial Treasury capacitated (human and financial resources)
Disaggregation of Beneficiaries	N/A
Spatial Transformation	N/A
Calculation Type	Non-Cumulative
Reporting Cycle	Annually
Desired performance	Reduced findings on Internal Audit and Audit Committees Compliance with the Internal Audit Framework
Indicator Responsibility	Chief Director: Municipal Finance

Indicator Number	5.2.8
Indicator Title	Number of Internal Audit structures report
Definition	To monitor the establishment and functionality of Internal Audit Units and Audit Committees
Source of data	Compliance monitoring and assessment tool
Method of Calculation / Assessment	Simple count: 1x report per quarter per Cluster
Means of verification	1 x report per quarter (4 x quarterly reports)
Assumptions	Implementation of recommendations Provincial Treasury capacitated (human and financial resources)
Disaggregation of Beneficiaries	N/A
Spatial Transformation	N/A
Calculation Type	Non-cumulative
Reporting Cycle	Quarterly
Desired performance	Functional and effective Internal Audit Units and Audit Committees
Indicator Responsibility	Chief Director: Municipal Finance

6. Provincial Internal Audit

6.1 Programme Support PIA & AC

Indicator Number	6.1.1
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 and the Audit Committee Charter assessment tool maintained by the Audit Committee Secretariat.
Method of Calculation/ Assessment	Calculate the percentage of the number of Audit Committee functions achieved per the assessment tool divided by the number of Audit Committee function as stipulated by the Audit Committee Charter and listed in the Audit Committee Charter assessment tool.
Means of Verification	Audit Committee Charter assessment tool that lists the Audit Committee functions as stipulated in the Audit Committee Charter – per quarter.
Assumptions	Existence of an approved Audit Committee Charter and appointed Audit Committees.
Disaggregation of Beneficiaries	N/A
Spatial Transformation	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 Clusters – Education, Health, Agriculture and DPW

Indicator Number	6.2.1
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 latest approved internal audit plan.
Source of data	<ul style="list-style-type: none"> Approved internal audit plans from the Director Internal Audit in charge of the respective sub-programs. 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. Calculation sheet that stipulates the planned audits against the actual audits completed 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 by the number of audit reports in the latest approved internal audit plan.
Means of Verification	Calculation sheet that supports the quarterly performance report that is underpinned by the latest approved /internal audit plans and the signed internal audit reports – per quarter.
Assumptions	Internal audit unit is fully capacitated. Clients will provide cooperation in provision of information requests and management comments on findings.
Disaggregation of Beneficiaries	N/A
Spatial Transformation	N/A
Calculation Type	Cumulative (Year-to-date)

Indicator Number	6.2.1
Indicator Title	Percentage achievement of internal audit plan / revised internal audit plan
Reporting Cycle	Quarterly
Desired performance	Actual performance that is higher than targeted performance is desirable.
Indicator Responsibility	Director Internal Audit of the clusters: Education, Health, Agriculture, DPW.



PART E: ANNEXURES



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	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
Financially Viable Province	-	-	-	Financial viability and sustainability of the Province	Typing error
Financially Viability and sustainability of the Province to accelerate economic growth					

Annexure B: Conditional Grants

Not applicable

Annexure C: Consolidated Indicators

Not applicable

Annexure D: District Development Model

Not applicable

