



LIMPOPO
PROVINCIAL GOVERNMENT
REPUBLIC OF SOUTH AFRICA

PROVINCIAL TREASURY

Annual Performance Plan 2020/21

DATE OF TABLING

24 March 2020

EXECUTIVE AUTHORITY STATEMENT



Annual Performance Plans continues to guide the Department in its service delivery, particularly responding to government's priority outcomes, and holding the Departments accountable for its performance.

The Annual Performance Plans have contributed to a good level of standardisation for the creation of a shared point of departure for intergovernmental planning and coordination. Hence our Annual Performance Plans will also ensure a continued alignment between Provincial Treasury and other department's plans".

In the 2020/2021 accounting period, our plans will ensure:

1. Clear reference to the relevant medium-term outcomes of the Department's plan, with a tightly structured budget programme;
2. Clear indicators pitched at the output level and meaningful for understanding the link to outcomes; and
3. Committing reasonable resources to management information systems which will better substantiate our performance reports which are SMART.

The following broad policy mandates will remain key to our Department in our endeavour to achieve our legislative mandate:

- i. National Development Plan
- ii. Medium Term Strategic Framework (2019 – 2024)
- iii. National Spatial Development Perspective
- iv. National Industrial Policy Framework
- v. Broad Based Black Economic Empowerment

Priority No.1 of the Medium-Term Strategic Framework requires building “**A Capable, Ethical and Developmental State**”, hence we have mandated all our branches to identify it as the one priority that the Department is contributing towards in terms of MTSF 2019 – 2024 strategic objectives.

To this end, Limpopo Provincial Treasury will continue to oversee the implementation of the Public Finance Management Act and Municipal Finance Management Act in Provincial departments, public entities as well as Municipalities and municipal entities respectively.

Our work on strengthening support to departments, entities, and Municipalities will be tailor-made to ensure a targeted approach based on the financial status and need of each organisation.

Our stringent approach will indeed help the Department to continue to be prudent in the utilization of resources without compromising on government priorities and the monitoring of expenditure, especially of conditional grants and infrastructure in Municipalities, as well as the disbursements on the 6th Administration's apex priorities during this planning cycle.



SC Sekoati (MPL)

Executive Authority

Limpopo Provincial Treasury

ACCOUNTING OFFICER STATEMENT



The Provincial Treasury is mandated in terms of s18 of the Public Finance Management Act (PFMA), Act 1 of 1999, as amended, and in terms of s5 of the Municipal Finance Management Act (MFMA), Act 56 of 2003, as amended, to fulfil its responsibilities in management of the provincial financial resources.

The department will strive towards ensuring that its vision of excellence in public resource management for sustainable socio – economic development is attained through strengthening good governance and sound public resource management in provincial and local government for sustainable service delivery.

During 2015/16 to 2018/19 financial years Provincial Treasury managed to allocate and monitor the appropriated provincial budget of all departments. The province is still faced with a high percentage of the provincial budget that is been spent on Compensation of Employees (COE), however the province has put in place measures to reduce the COE spend and has managed to stabilise the COE spending at 68% of the budget and will continue with the plans to further reduce the COE expenditure in this strategic plan term.

Provincial Treasury has provided focused support to Municipalities in the province and where a need has been identified, also seconded officials to Departments in an endeavour to improve financial management in our institutions. Provincial Treasury will continue with these efforts in order to further improve the audit outcomes during this term.

Provincial Treasury's organisational structure was reviewed and approved by the Department of Public Service and Administration in April 2018 and all our employees were successfully placed in the new structure. In 2019/20 and beyond the Department will to fill all key funded posts and endeavour to strengthen our support role to departments and municipalities in the province.

During the year, Limpopo Treasury was successfully approved by the South African Institute of Chartered Accountants (SAICA) as an accredited training office for the purpose of training prospective Chartered Accountants (SA) and will see 5 new prospective trainees on-boarded every year over the next three financial years commencing on or before 1 April 2020. This will enable Treasury to build and enhance professional capacity to proficiently execute the PFMA's Section 18 responsibilities in

the medium term.

The department remains committed to implementing the 2020/21 to 2025/26 Strategic Plan by ensuring that the limited provincial resources are distributed towards service delivery programmes in provincial departments as outlined in the 2019/2024 Medium Term Strategic Framework (MTSF) and the National Development Plan (NDP).



GC Pratt CA (SA)

Accounting Officer

Limpopo Provincial Treasury

OFFICIAL SIGN-OFF

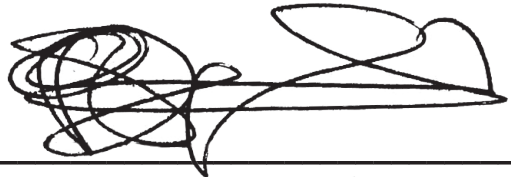
It is hereby certified that this Annual Performance Plan:

- Was developed by the management of Limpopo Provincial Treasury under the guidance of the Honourable MEC SC Sekoati.
- Takes into account all relevant policies, legislations and other mandates for which Limpopo Provincial Treasury is responsible.
- Accurately reflects the Outcomes and Outputs which Limpopo Provincial Treasury will endeavour to achieve over 2020/21 financial year.

Ms L Ebrahim
Deputy Director General
Corporate Management Services



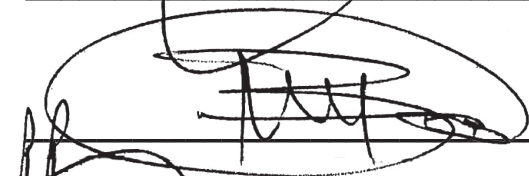
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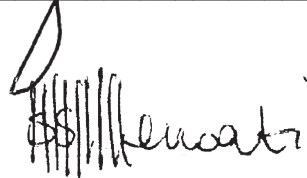


Mr GC Pratt CA (SA)
Accounting Officer



Approved by:

Hon. SC Sekoati (MPL)
Executive Authority





PROVINCIAL TREASURY

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Figure 1: GDP Average annual growth (Constant 2010 Prices).

Figure 2: Five Year Period Audit Opinions.

LIST OF ACRONYMS

Acronym	Description
AC	Audit Committee
ACL	Audit Command Language
AFS	Annual Financial Statement
ALSCM	Asset, Liabilities and Supply Chain Management
AMD	Accounting Manual for Departments
APP	Annual Performance Plan
AR	Annual Report
BAS	Basic Accounting System
BAUD	Bar Coded Asset Audit
CAM	Combined Assurance Model
CFO	Chief Financial Officer
COE	Compensation of Employees
COGHSTA	Co-Operative Governance, Human Settlement and Traditional Affairs
CPSI	Centre for Public Service Innovation
DPSA	Department of Public Service and Administration
DPME	Department of Planning, Monitoring and Evaluation
DORA	Division of Revenue Act
EE	Employment Equity
EMC	Executive Management Committee
EPRE	Estimated Provincial Revenue and Expenditure
EXCO	Executive Council
FG	Financial Governance
FMIS	Financial Management Information Systems
GAAL	Gateway Airport Authority Limited
GDP	Gross Domestic Product
GITO	Government Information Technology Office
GRCC	Government Risk Control and Compliance
GTAC	Government Technical Advisory Council

HOD	Head of Department
HR	Human Resource
HRM	Human Resource Management
ICT	Information and Communication Technology
IDMS	Infrastructure Development Management System
IFS	Intergrated Financial Systems
IRM	Infrastructure Reporting Model
ISPH	Infrastructure Strategic Planning Hub
IAT	Internal Audit Technician
IT	Information Technology
ITMC	Infrastructure Technical Management Committee
IYM	In Year Monitoring
LDP	Limpopo Development Plan
LEDA	Limpopo Economic Development Agency
LOGIS	Logistics Information System
LPT	Limpopo Provincial Treasury
MCS	Modified Cash Standards
MEC	Member of the Executive Council
MFIP	Municipal Finance Improvement Programme
MFMA	Municipal Finance Management Act
MIG	Municipal Infrastructure Grant
MM	Municipal Manager
MPAT	Management Performance Assessment Tool
MTBS	Medium Term Budget Policy Statement
MTEF	Medium Term Expenditure Framework
MTSF	Medium Term Strategic Framework
NDP	National Development Plan
NSG	National School of Governance
OTP	Office of the Premier
PERSAL	Personnel Salary
PESTEL	Political, Economic, Social, Technological, Environment and Legal

PFM	Public Finance Management
PFMA	Public Finance Management Act
PMDS	Performance Management and Development System
PPMC	Provincial Personnel Management Committee
PPP	Public Private Partnership
PPPFA	Preferential Procurement Policy Framework Act
PRF	Provincial Revenue Fund
PSA	Public Service Act
PSR	Public Service Regulations
QAIP	Quality Assurance Improvement Programme
RMC	Risk Management Committee
SAICA	South African Institute of Chartered Accountants
SAQA	South African Qualifications Authority
SCM	Supply Chain Management
SCOPA	Standing Committee on Public Accounts
SDIP	Service Delivery Improvement Plan
SIAS	Shared Internal Audit Services
SITA	State Information Technology Agency
SMME	Small, Medium and Micro – Sized Enterprise
SMS	Senior Management Service
SP	Strategic Plan
SRM	Sustainable Resource Management
SWOT	Strength, Weakness, Opportunities and Threats



PART A: OUR MANDATE

PART A: OUR MANDATE

Limpopo Provincial Treasury has been established in terms of section 17 of the **Public Finance Management Act 1 of 1999** (as amended by Act 29 of 1999). The functions and powers of the provincial treasury are provided in the Act under section 18 (1) and (2).

The organisation is directly responsible for implementing, managing or overseeing the following legislation and their relevant regulations:

- Public Finance Management Act of 1999 (as amended by Act 29 of 1999);
- Municipal Finance Management Act 56 of 2003;
- Annual Division of Revenue Act
- Appropriation Act
- Adjustments Appropriation Act
- Preferential Procurement Policy Framework Act

1. CONSTITUTIONAL MANDATE

The Provincial Treasury is responsible for assisting the National Treasury in enforcing compliance with the measures established in terms of section 216 (1) of the Constitution.

2. LEGISLATIVE AND POLICY MANDATES

The functions and powers of the provincial treasury as provided by the PFMA are as follows:

Section	Function and powers
18 (1)	A Provincial treasury must:
(a)	Prepare the provincial budget
(b)	Exercise control over the implementation of the provincial budget
(c)	Promote and enforce transparency and effective management in respect of revenue, expenditure, assets and liabilities of provincial departments and provincial public entities; and
(d)	Ensure its fiscal policies do not materially and unreasonably prejudice national economic policies.
18 (2)	A provincial treasury
(a)	Must issue provincial instructions not inconsistent with the Act;
(b)	Must enforce the PFMA and any prescribed national and provincial norms and standards, including any prescribed standards of generally recognized accounting practice and uniform classification systems, in provincial departments
(c)	Must comply with annual DORA and monitor and assess the implementation of that Act in public entities;

(d)	Must monitor and assess implementation in provincial public entities of national and provincial national norms and standards
(e)	May assist provincial departments and provincial public entities in building their capacity for efficient, effective and transparent financial management;
(f)	May investigate any system of financial management and internal control applied by a provincial department or public entity
(g)	Must intervene by taking appropriate steps to address a serious and persistent material breach of the PFMA by a provincial department or a provincial public entity, including withholding of funds.
(h)	Must promptly provide National Treasury with any information required in terms of the PFMA
(i)	May do anything further that is necessary to fulfil its responsibilities effectively

The Provincial Treasury is also mandate by section 5 of **the Municipal Finance Management Act** 56 of 2003 and the functions and powers are tabled below:

Section	Function and powers
3	A provincial treasury must in accordance with a prescribed framework:
(c)	Assist the National Treasury in enforcing compliance with the measures established in terms of section 216(1) of the Constitution, including those established in terms of this Act.
4	To the extent necessary to comply with subsection (3), a provincial Treasury
(a)	Must monitor: (i) compliance with the MFMA by municipalities and municipal entities in the province; (ii) the preparation by municipalities in the province of their budgets; (iii) the monthly outcome of those budgets; and (iv) the submission of reports by municipalities in the province as required in terms of this Act;
(b)	May assist municipalities in the province in the preparation of their budgets;
(c)	May exercise any powers and must perform any duties delegated to it by the National Treasury in terms of this Act; and
(d)	May take appropriate steps if a municipality or municipal entity in the province commits a breach of this Act.

POLICY MANDATES

The following broad policy mandates are key to the department in its endeavour to achieve its legislative mandate:

- National Development Plan.
- Medium Term Strategic Framework (2019 – 2024).
- National Spatial Development Perspective.
- National Industrial Policy Framework.
- Broad Based Black Economic Empowerment.

3. INSTITUTIONAL POLICIES AND STRATEGIES GOVERNING THE FIVE YEAR PLANNING PERIOD

The Limpopo Provincial Treasury will continue to oversee the implementation of the Public Finance Management Act and Municipal Finance Management Act in Provincial departments, public entities as well as municipalities and municipal entities.

The focus in the next five years will be to strengthen support to municipalities to ensure sound financial management for effective and efficient service delivery. The support will not be a one-size-fit-all approach, but a targeted approach based on the financial status and need of each municipality.

In view of the economic environment, focus will continue to be on prudent utilization of resources without compromising on government priorities and therefore monitoring of expenditure, especially on conditional grants and infrastructure, will be key initiatives during this planning cycle.

The transfer of the Performance Monitoring function to Office of the Premier from 2015/16 will ensure alignment of functions with that of National government.

4. RELEVANT COURT RULINGS

None



PART B: OUR STRATEGIC FOCUS

PART B: OUR STRATEGIC FOCUS

1. VISION

Excellence in public resource management for sustainable socio – economic development.

2. MISSION

Strengthening good governance and sound public resource management in provincial and local government for sustainable service delivery.

3. VALUES

- Integrity.
- Transparency.
- Accountability.
- Fairness.
- Professionalism.

4. SITUATIONAL ANALYSIS

The Provincial Treasury embarked on a strategic planning exercise to review the strategic position and environment of the department where 2015 – 2020 Strategic Plan and 2019/20 Annual Performance Plan were reviewed. The situational analysis was conducted during two preparatory strategic planning sessions that took place for two days each. The first strategic planning preparatory session was held by all four core branches on the 7th to the 8th of August 2019 and the second session was held by Administration branch on the 13th and 14th of August 2019. McKinsey 7s model was used to analyze the internal environment and PESTEL was used to analyze the external environment. The focus was on analyzing 7 key internal elements namely: strategy, structure, systems, shared values, style, staff and skills, in order to review the overall strategic position of the department and its environment. PESTEL analysis was used to identify the macro (external) forces facing the organisation. The acronym PESTEL stands for Political, Economic, Social, Technological, Environmental and Legal.

The Branches also conducted strategic mandate analysis by identifying relevant goals from the Sustainable Development Goals and African Union 2063 that the department is contributing towards. Medium Term Strategic Framework Priorities were also analysed to identify relevant priorities, outcomes and outputs that are relevant to Limpopo Provincial Treasury to ensure alignment to the 2020 to 2025 strategic plan.

MTSF Priority number 1 of “A Capable, Ethical and Developmental State” was identified by all branches as the one priority that Department is contributing towards in terms of MTSF 2019 – 2024.

Problem Statements were formulated based on the identified focal problems by each branch and

problem analysis conducted for each problem and interventions to deal with identified problems were also indicated. Action Plans were also developed to address the identified problems by indicating how the proposed interventions will be implemented over the strategic plan term.

Impact Statement was crafted by each branch making reference to MTSF priority number one (1) outcomes and outputs. The crafted impact statements were subjected to a Theory of change exercise in order to complete the Logic model by identifying all the levels of results from the identified impact statements to outcomes, outputs, activities and inputs using “If and then” principle to test their relevance. The outcome of this exercise assisted all branches to craft proposed 2020 to 2025 Strategic Plans and 2020/21 Annual Performance Plans that were discussed and adopted during the Departmental Strategic Planning session held on the 15th to 17th of September 2019.

5. EXTERNAL ENVIRONMENTAL ANALYSIS

OPPORTUNITIES

PESTEL was utilized to identify opportunities that the department may capitalize on to maximise the departmental performance. Provincial Treasury identified an opportunity to recruit a younger generation after implementation of DPSA Directive on Early Retirement without penalisation of pension benefits. Provincial Treasury transversal branches also identified an opportunity of sharing best practices across other provincial treasuries in the country. There is an opportunity on maximising the National Treasury GTAC support and MFIP to beef-up Provincial Treasury support to municipalities. Utilization of Enterprise Development Fund from banking institutions is an opportunity to develop SMMEs and grow the local economies.

THREATS

Identified threats may hinder the department from achieving the desired outputs and outcomes as set out in the Strategic Plan and Annual Performance Plan if they are not addressed. Shrinking provincial budgets pose a serious threat on allocation of budget to national and provincial priorities and service delivery in the province as this has implications on potential growth of COE budget. Influx of foreign nationals pose a serious threat on putting severe pressure on limited resources. Litigations in Public Service also pose a serious threat where resources meant for services delivery are deviated to fund litigations. Poor IT infrastructure networks in the province, coupled with the risk of IT systems being hacked are also a threat.

An action plan to minimize the impact of identified threats and maximise the identified opportunities has been developed covering the medium term. Progress on implementation of these action plans and the opportunity registers serve quarterly in EXCOM meetings. The interventions to address SWOT outcomes in the action plan and the opportunity register will be monitored separately from the Strategic Plan and Annual Performance Plan as they are operational in nature.

Table 1: Stakeholder Analysis

Stakeholder	Reason for collaboration	Collaboration Description	Challenges	Proposed interventions
SITA	Custodians of IT Service in Government as per SITA Act	<p>Implementation of new systems.</p> <p>Hosting of transversal systems.</p> <p>Maintenance of Transversal systems.</p> <p>IT technical Skills.</p> <p>IT Project Management Skills.</p>	<p>Non adherence to SLA's.</p> <p>Budgetary Constraints.</p> <p>Involvement of additional Stakeholders from SITA in the process</p>	<p>Effect penalty clauses as per SLA.</p> <p>Lobby for additional funding during MTEF hearings.</p> <p>Increase in FMIS capacity</p> <p>Update own SLA to incorporate usage of third parties by SITA.</p>
All Departments	Effective Utilization of transversal systems	Adherence to transversal user accounts management policies.	<p>Non adherence to user accounts management policy.</p> <p>System Controllers are incorrectly placed as per generic structure of CFO's office.</p>	<p>Revoke ID's of non-complying System Controllers.</p> <p>Centralise the function of System Controllers in Limpopo Treasury.</p>
All Departments and Public Entities	Effective Budget Planning and implementation	Compliance with budget guideline framework and performance reporting standards	Poor implementation of infrastructure and procurement plans	Capacity building and consequence management – issuing of noncompliance letters and financial performance analysis reports
National Treasury	<p>Custodians of PFMA and its prescripts</p> <p>Custodian of Transversal Systems</p>	<p>Financial Reporting Frameworks</p> <p>Risk Management framework</p> <p>Annual Reporting Framework</p> <p>Instruction Notes and Guidelines</p> <p>Systems policies and Procedures</p> <p>Transversal system support</p>	<p>Reporting Templates are not error free</p> <p>AMD and MCS are not aligned to the templates</p> <p>Outdated Frameworks</p> <p>None</p> <p>Limited training capacity</p>	<p>Automation of the reporting template</p> <p>Alignment of templates to AMD and MCS</p> <p>Regular review of the frameworks</p> <p>None</p> <p>Capacitate Financial Training Capacity Building Directorate</p>

National Treasury	Custodians of PFMA and its prescripts	Budget planning and financial reporting frameworks. Treasury Instruction Notes and Guidelines.	Budget cuts and tight deadlines on budget submissions.	Strengthen measures to contain provincial costs, maximise own revenue; and capacitate Province to be proactive in budget planning.
CoGHSTA	CoGHSTA is responsible for MPRA, DoRA, Systems Act and other sections of the MFMA.	CoGHSTA is responsible for Municipal Property Rates Act which affects revenue, DoRA on conditional grants, Systems Act on revenue by-laws and appointment of officials, MFMA on non-adoption of the budgets, reporting on UIF and annual financial statements.	Weak integration of work performed by both departments.	Strengthen governance structures.
Municipalities	Improvement of municipal audit outcomes.	Compliance with Provincial Treasury budget planning; reporting standards; and financial management prescripts in line with MFMA, DORA and other legislations.	Financially unsustainable municipalities.	Enhance capacity building strategies. Escalation of non-compliance to highest authority.

PERFORMANCE DELIVERY ENVIRONMENT

Limpopo Provincial Treasury monitors and supports Provincial Departments, Public Entities, Municipalities and Municipal Entities on implementation of the PFMA and MFMA. The Provincial Institutions that are monitored and supported by Limpopo Provincial Treasury in line with the PFMA and MFMA are as follows:

Table 2: List of Public Institutions supported by Limpopo Provincial Treasury.

Provincial Departments	Public Entities	Municipalities (27)
Office of the Premier (OtP).	Limpopo Gambling Board (LGB).	Capricorn District Municipality
Education (DoE).	Limpopo Economic Development Agency (LEDA).	Molemole Local Municipality.

Agriculture and Rural Development (DARD).	Road Agency Limpopo (RAL).	Blouberg Local Municipality.
Provincial Treasury (LPT).	Gateway Airport Authority Limited (GAAL).	Lepelle Nkumpi Local Municipality.
Economic Development, Environment and Tourism (LEDET).	Limpopo Tourism Agency (LTA).	Polokwane Local Municipality (Not delegated).
Health (DoH).		Sekhukhune District Municipality
Transport and Community Safety (DTCS).		Elias Motsoaledi Local Municipality
Public Works, Roads and Infrastructure (DPW&I).		Ephraim Mogale Local Municipality
Co-operative Governance, Human Settlements & Traditional Affairs (CoGHSTA).		Makhuduthamaga Local Municipality
Social Development (DSD).		Fetakgomo Tubatse Local Municipality
Sport, Arts and Culture (DSAC).		Mopani District Municipality
		Maruleng Local Municipality
		Ba-Phalaborwa Local Municipality
		Tzaneen Local Municipality
		Giyani Local Municipality
		Letaba Local Municipality
		Vhembe District Municipality
	Makhado Local Municipality	
	Musina Local Municipality	
	Thulamela Local Municipality	
	Collins Chabane Municipality	
	Waterberg District Municipality	
	Mogalakwena Local Municipality	
Thabazimbi Local Municipality		
Lephalale Local Municipality		
Modimolle Mookgophong Local Municipality		
Bela-Bela Local Municipality		

FISCAL POLICY ANALYSIS (REVENUE)

Provincial own revenue collection remains vital in augmenting the Provincial Share of Revenue given the underperforming national revenue collection which results from weak economic growth and tax administration concerns. To this end, the Limpopo Provincial Revenue Enhancement and Retention Strategy has been introduced to ensure maximization and sustainability of provincial own revenue; and to provide incentives to departments and public entities that enhance and effectively manage their own revenue collection, and thereby continuously improving the management of own revenue. Quarterly

Revenue Enhancement Bilateral Meetings are held to support Departments and Public Entities on the identification of revenue enhancement projects / new sources, and to monitor the implementation of such projects.

Over a five-year period, Provincial Own Revenue collected a total amount of R6.793 billion which reflect an average collection of R1.359 billion per annum. The revenue collection has since improved as compared to R586.5 million in 2011/12 and R844.4 million in 2013/14. The increased collection had contributed positively to the Provincial Revenue Fund and was utilised to augment the Provincial Share of Revenue to enhance service delivery in the Province. Departments of Transport; Health and LEDET are potential revenue generating departments through Revenue Enhancement Allocation. Provincial interest revenue is not a reliable source of revenue owing to its volatility nature. Also, DPWR&I remains a challenge in optimally collecting for house rentals fees from tenants. Provincial Treasury provide support to DPWR&I to ensure the development of an effective Rental Collection Turnaround Strategy; and to enter into SLA's with implementing collection agencies (Departments) to enhance property rental collection.

INTERVENTIONS OVER THE MEDIUM TERM PERIOD

Facilitate the implementation of the reviewed Provincial Revenue Enhancement and Retention Strategy with more emphasis on the identification and implementation of the Revenue Enhancement projects.

MACRO-ECONOMIC ANALYSIS

The role of the Macro-Economic Analysis unit is to perform research and provide economic intelligence to influence the budget allocation on Provincial Level. The difficult economic conditions on global, national and provincial levels are being analyzed. The quarterly economic bulletin highlights the most recent economic developments on a quarterly basis and also provide inputs on relevant economic topics of the day like the importance of the informal sector in addressing the challenge of unemployment and further highlights the importance of climate change. Other topics dealt with included inclusive growth and the role of rating agencies amongst others. The tight fiscal situation on national level is expected to continue with negative consequences for the provincial budget allocation.

Except for the documents produced as part of the APP the unit is also conducting research on other topics like explaining the expanded definition of unemployment and the evaluation of the extension services at the Department of Agriculture in Limpopo.

LIMPOPO ECONOMY

The growth performance of the Limpopo economy is very important to determine the potential to address the triple challenge of unemployment, poverty and inequality. According to IHS Markit, the Limpopo's economy grew by 2.1 percent in 2017 compared to -0.6 percent in 2016. The growth performance of the Province is still heavily dependent on the mining industry.

Figure 1: GDP Average annual growth (Constant 2010 Prices).



IHS Markit Regional eXplorer version 1479.

Much of the growth was propelled by Sekhukhune and Waterberg district of which the performance emanates from the primary sector (Mining and Agriculture). In 2016, all districts experienced economic contraction except Capricorn that recorded positive growth of 1.2 percent mainly because of growth in the Finance sector while the growth in the district in 2017 can be attributed to growth in the Agricultural sector.

Table 3: GDP Average annual growth (Constant 2010 Prices) by Districts.

Years	2013	2014	2015	2016	2017
Mopani	2.8%	0.8%	1.4%	-1.6%	1.3%
Vhembe	1.9%	1.4%	0.9%	-0.1%	1.5%
Capricorn	2.7%	2.4%	2.4%	1.2%	1.3%
Waterberg	3.4%	0.4%	3.5%	-1.6%	2.4%
Sekhukhune	2.9%	0.1%	1.7%	-1.7%	4.3%

IHS Markit Regional eXplorer version 1479.

Given the above economic outlook, it is important that all efforts should be exerted to ensure that the provincial economy reach higher levels of economic growth since this is a pre-requisite to address the challenges of unemployment and poverty. It is also important that the inclusive growth takes place to ensure that all citizens benefits from the expected improvement in economic growth. Furthermore, it is important that all spheres of government embrace fiscal discipline that will translate into government deriving value for money.

PROVINCIAL BUDGET MANAGEMENT

The department provides support to departments and public entities in order to ensure tabling of a credible budget, however; departments and public entities submit incomplete budget submissions and this hinders the credibility of the budget. First and second Draft budgets are analysed for credibility and

feedback is given to departments to improve the final budget submissions. Provincial Equitable Shares decreases year on year against the increasing cost for goods and services (budget reduction versus expenditure growth). There is a challenge of inability of Public Entities (3D) to self-sustain resulting in reliant on Provincial Grants. Departments and entities are assisted to explore other revenue sources in order to be financially self-sustainable.

INTERVENTIONS OVER THE MEDIUM TERM PERIOD

- Prioritise allocation of budget to economic stimulating projects.

PUBLIC FINANCE MANAGEMENT

Provincial Treasury monitors and supports departments and entities to ensure that spending is in line with set targets through quarterly bilateral meetings that are held to determine areas of focus which requires close monitoring and support to institutions to improve service delivery. Site visits are also conducted to monitor the economic use of financial resources. The ultimate aim is to achieve improved provincial budget planning and implementation; enhanced oversight on service delivery by the departments and public entities and improved communication and working relations with departments and public entities. On a monthly basis performance by departments is being reported to National treasury through In-year monitoring report and a detailed report is prepared for discussion during Head of departments forum and Executive Council meetings. These monitoring mechanism resulted into improved spending by the province from 99.1 percent in 2017/18 financial year to 99.2 percent in 2018/19. The public finance ascertain that Public Entities report quarterly in line with the PFMA without failure.

INTERVENTIONS OVER THE MEDIUM TERM PERIOD

- Ensure effective expenditure reporting by both departments and public entities.
- Conduct quarterly detailed cash flow analysis for provincial departments and public entities.

INFRASTRUCTURE MANAGEMENT AND PPP

Departments are supported through institutional arrangements forums and monthly IRMs analysis on a monthly basis to improve infrastructure planning and spending. The performance of departments in terms of infrastructure plans, IRM and IYM alignment, and reporting still remain a challenge. The capacity of departments to deliver infrastructure is at various levels and the GTAC Phase one (1) support has been used to leverage the non-performance grants departments. The proposed Infrastructure Strategic Planning Hub Operationalisation model will sustain the capacity beyond GTAC support. The Provincial Treasury designed the GTAC Phase two (2) support programme to Local Government (LG) to optimise Municipal Infrastructure Grant (MIG) performance. The Department of Cooperative Governance Human Settlement and Traditional Affairs and municipalities including Sekhukhune, Thulamela, Vhembe, Mopani, Polokwane, Capricorn and Ba-Phalaborwa municipalities are participating and provided with requisite management and technical support in order that MIG is spent efficiently and effectively.

INTERVENTIONS OVER THE MEDIUM TERM PERIOD

- Coordinate the Operationalisation of the Infrastructure Strategic Planning Hub model which will sustain the infrastructure planning and implementation capacity beyond GTAC support.
- Continuous provision of requisite management and technical support to Municipalities in order to ensure that MIG is spent efficiently and effectively.

PROVINCIAL ASSET MANAGEMENT

There are currently nine (9) provincial departments (DoT, LPT, CoGHSTA, OtP, DARD, DoE, LEDET, DSD and DCS) out of twelve (12) that are complying with Asset Management prescripts at 90% and above. The remaining three (3) Departments were qualified mostly on transfers (s42) and valuation.

Asset Management assessment reports findings indicates that challenges leading to high rate of non – compliance in departments and public entities includes among other things; inability to complete verification in time, emerging R1.00 assets that are not fair-valued, disposal of assets in the system that are still in existence and lack of capacity (skills and personnel) in departments and public entities.

Identified Challenge	Intervention over the medium term period	Nature or level of intervention	Collaboration needed
Departments were qualified mostly on transfers (s42) and valuation	Benchmarking with other provinces and training	Operational	Engagement with National Treasury and Public Works
Inability to complete verification in time	Development of Asset Verification Strategy	Operational	None
Emerging R1.00 assets that are not fair-valued	Strengthen Consequence Management	Operational	Audit Committee
Disposal of assets in the system that are still in existence	Asset reinstatement and continuous training	Operational	None
Lack of capacity (skills and personnel) in departments and public entities.	Formal training	Operational	None

BANKING AND CASH MANAGEMENT

In the 1st quarter of the current year all departments are below 90% in compliance with Banking, Cash and Liabilities Management prescripts. 10 departments range from 84% to 89% while Departments of Agriculture, Education and Social Development are staggering at 62%, 77% and 79% compliance rates respectively.

Banking, Cash and Liabilities Management assessment findings indicates that challenges leading to this average compliance rates in departments includes among other things; growing level of claims against state, departments allowing debtors' books to grow with less effort to create, collect and prevent

occurrence of debts, and ill-disciplined departments could easily overspend and overdraw accounts without following due processes. Departments are also growing tendencies of inefficiencies in payment processing resulting in high levels of recalls with potential risk of recovery and loss of public funds.

Identified Challenge	Intervention over the medium term period	Nature or level of intervention	Collaboration needed
Growing level of claims against state	Advising State Attorney through departmental Legal Services to establish departmental committees that are going to deal with claims against the state.	Operational	None
Departments allowing debtors' books to grow with less effort to create, collect and prevent occurrence of debts.	Advising State Attorney through departmental Legal Services to establish departmental committees (Loss Control Committees) that are going to deal with debts recovery.	Operational	None
Overspending and overdrawing of accounts.	Training on cash flow planning, regular monitoring and consequence management on negligence in the whole value chain.	Operational	None
High levels of payment recalls with potential risk of recovery and loss of public funds	Training on payments processing, regular monitoring and consequence management on negligence in the whole value chain.	Operational	None

PROVINCIAL SUPPLY CHAIN MANAGEMENT

The Provincial Departments achieved the following audit outcomes for the financial year 2018/19: Two (2) Clean Audits, six (6) Unqualified Audits, and five (5) Qualified Audits, Provincial Treasury and Community Safety recorded a clean audit. Improvements were reported in two (2) Departments from Qualified to Unqualified – LEDET, and from unqualified to Clean – Community Safety. 1 regression was reported for the Department of Social Development

The Public entities achieved the following audit outcomes: Three (3) unqualified Audits; two (2) Qualified Audits, and no regression during the financial year under consideration.

Supply Chain Management audit outcome as reflected in AGSA 2018/19 Report indicated challenges relating to high rate of non – compliance to prescripts by departments and public entities, which includes among others; non adherence to Procurement Plans, inadequate Market Research, unwarranted deviations from normal SCM processes, inadequate Contract Management, poor records management, awards to suppliers in the service of the state, employees doing business with government without prior approvals, services rendered without official orders, general non-compliance to SCM Prescripts which resulted in Irregular Expenditure.

Identified Challenge	Intervention over the medium term period	Nature or level of intervention (Operational or strategic)	Collaboration needed
Non adherence to Procurement Plans,	Bi-annual bilateral with departments and public entities.	Operational	Expected commitment from departments and entities.
Inadequate Market Research.	Provide training departments and entities.	Operational	Expected commitment from departments and entities.
Unwarranted deviations from normal SCM processes.	Provide training departments and entities.	Operational	Expected commitment from departments and entities.
Inadequate Contract Management	Facilitate the approval of the Contract management framework, train contract managers, monitor and evaluate performance.	Operational.	National Treasury to fast-track the approval of the framework.
Poor records management	Provide training on audit trail for procurement transactions.	Operational	Expected commitment from departments and entities.
Awards to suppliers in the service of the state, employees doing business with government without prior approvals,	Increase awareness, and monitor compliance Public Service Management Act.	Operational.	Auditor General SA to assist in accessing the system used to detect government employees doing business with government.
Services rendered without official orders	Provide training departments and entities.	Operational	Expected commitment from departments and entities.

AG AUDIT OUTCOMES

The role of Limpopo Provincial Treasury in supporting and monitoring provincial departments, public entities and municipalities will ensure improved management of financial resources and good governance in the province.

AG OUTCOMES FOR PROVINCIAL DEPARTMENTS

The support provided by Provincial Treasury in 2017/18 resulted in improvement by two (2) votes, which is Limpopo Economic Development, Environment and Tourism and Community Safety, where LEDET moved from Qualified Audit opinion in 2017/18 to Unqualified Audit opinion in 2018/19 and DCS moved from Unqualified Audit Opinion in 2017/18 to Clean Audit in 2018/19. Limpopo Provincial Government achieved two Clean Audits in 2018/19 from Community Safety and Provincial Treasury. There is still a need for continuous monitoring and support to ensure that these trends are improved and sustained.

The current status of the province's financial management position in relation to audit outcomes is represented in the information that follows.

Table 4: Audit Outcomes for Provincial Departments.

Vote No	DEPARTMENT	2014/15	2015/16	2016/17	2017/18	2018/19	TREND
1	Premier	CL	UQ	UQ	UQ	UQ	↔
2	Legislature	UQ	UQ	UQ	UQ	UQ	↔
3	Education	D	D	Q	Q	Q	↔
4	Agriculture & rural Development	UQ	UQ	Q	UQ	UQ	↔
5	Treasury	UQ	UQ	CL	CL	CL	↑
6	Economic Development	UQ	Q	Q	Q	UQ	↔
7	Health	UQ	Q	Q	Q	Q	↔
8	Transport	UQ	UQ	UQ	UQ	UQ	↔
9	Public Works , Roads & Infrastructure	Q	Q	Q	Q	Q	↔
10	Community Safety	UQ	UQ	UQ	UQ	CL	↑
11	Co-Operative Governance, Housing Settlements & Traditional Affairs	UQ	UQ	Q	UQ	UQ	↔
12	Social Development	UQ	UQ	UQ	UQ	Q	↓
13	Sport, Arts & Culture	Q	Q	Q	Q	Q	↔

AG OUTCOMES FOR PUBLIC ENTITIES.

There is consistent performance in audit outcome performance of public entities where all public entities audit outcomes for 2016/17 and 2017/18 are the same. Gateway Airport Authority Limited and Limpopo Development Agency are still qualified and requires continuous monitoring and support to ensure improvement to unqualified audit opinions in 2018/19 financial year. The department will also continue to provide support to the three public entities (Limpopo Tourism Agency, Gambling Board and Road Agency Limpopo) so that they can improve from Unqualified Audit opinions to Clean Audit.

Table 5: AG outcomes for Public Entities

Vote No	PUBLIC ENTITY	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	TREND
1	Limpopo Economic Development Agency (LEDA)	UQ	UQ	UQ	Q	Q	Q	↔
2	Limpopo Tourism Agency (LTA)	Q	Q	Q	UQ	UQ	UQ	↔
3	Limpopo Gambling Board (LGB)	UQ	UQ	UQ	CL	UQ	UQ	↔
4	Roads Agency Limpopo (RAL)	A	A	Q	UQ	UQ	UQ	↔
5	Gateway Airport Authority Limited (GAAL)	D	Q	Q	UQ	Q	Q	↔

Identified Challenge	Intervention over the medium term period	Nature or level of intervention	Collaboration need
Material misstatements in financial statements not identified (negative audits) due to:- Non/late submission by clients especially in Public Entities Incomplete IFS Suspense accounts not cleared timely Key officials not attending reviews of FS	Establishment of Financial Accounting and Reporting Forum (FARF) to address technical accounting and reporting matters Regular reporting to CFO's Forum for support and intervention Timely escalation of noncompliances	Strategic at Provincial Level	Provincial Internal Audit Unit Departmental Internal Control Unit
PRF financial statements not up to date	Engagement with AGSA to complete audits of the financial years submitted for audit and Branch 3 for PRF financial statements	Operational at Departmental and Branch Level	AGSA and Branch 3
Lack of / poor IT infrastructure in districts that results in cancellation of planned courses	Upgrading of IT infrastructure in districts	Operational	Departmental GITO
Inadequate trainers that lead to poor training outcomes	Request additional trainers through structure review committee	Strategic Departmental Level	Corporate Services
Inappropriate use of systems as a result of non – attendance of forum meetings by system controllers	Centralisation of Syscons in Treasury	Strategic Provincial Level	EXCO
Inability to focus on planned projects during the financial year due to adhoc requests for implementation of systems.	Engage SITA to make provision for provincial projects in their plans in terms of resources and plans	Strategic Departmental Level	SITA
SITA Technical Skill Dependency	Review the SLA entered with SITA	Strategic Departmental Level	SITA

AG OUTCOMES FOR MUNICIPALITIES

There was a regression of audit outcomes from 2016/17 to 2017/18 from 9 to 8 unqualified audit opinions by municipalities in the 2017/18 financial year. The audit outcome performance of the three municipal entities has remained at unqualified audit opinions for 2015/16, 2016/17 and 2017/18 financial years, which shows consistent acceptable performance by these entities. Twelve (12) municipalities were identified to have made illegal investments with a mutual bank which poses a financial risk to the municipalities. The Provincial Executive took a decision to put Modimolle-Mookgophong and Fetakgomo-Tubatse municipalities under administration due to sustained financial and governance failures. A cash flow analysis of municipalities revealed that 10 municipalities are at a risk of immediate cash flow crisis should they not receive their funding from National Treasury. The major cause of these

challenges is lack of consequence management, non-compliance with laws and regulations and high turnover rate in management positions and ineffective governance structures.

Identified Challenge	Intervention over the medium term period	Nature or level of intervention	Collaboration need
Non-compliance with laws and regulations	Strengthening of governance structures	Strategic	NT, CoGHSTA, SALGA, and AGSA

Table 6: Five (5) Year analysis of Municipal Audit Outcomes

Audit Opinion	2014/15	2015/16	2016/17	2017/18	2018/19
Disclaimed	5	3	5	4	1
Adverse	1	2	3	2	0
Qualified	14	12	10	13	17
Unqualified	10	13	9	8	6
Clean Audit	0	0	0	0	1
Outstanding	0	0	0	0	2
TOTAL	30	30	27	27	27

Figure 2: Five Year Period Audit Opinions

No	MUNICIPALITIES	2013/14	2014/15	2015/16	2016/17	2017/18	TREND
1	Vhembe District	D	A	D	D	D	↔
2	Makhado	UQ	Q	Q	A	Q	↑
3	Musina	UQ	UQ	UQ	UQ	Q	↓
4	Mutale	Q	Q	Q	N/A	N/A	↔
5	Colins Chabane	N/A	N/A	N/A	Q	D	↓
6	Thulamela	UQ	UQ	UQ	UQ	Q	↔
7	Waterberg District	UQ	UQ	UQ	Q	Q	↔
8	Bela-bela	UQ	UQ	UQ	Q	Q	↔
9	Lephalale	UQ	UQ	UQ	UQ	Q	↓
10	Modimolle	Q	Q	Q	D	D	↔
11	Mogalakwena	UQ	D	A	A	A	↔
12	Mookgophong	Q	Q	Q	N/A	N/A	↔
13	Thabazimbi	D	D	D	D	D	↔
14	Capricorn District	UQ	UQ	UQ	UQ	UQ	↔
15	Aganang	Q	Q	Q	N/A	N/A	↔
16	Blouberg	UQ	Q	Q	Q	Q	↔
17	Lepelle–Nkumpi	Q	Q	Q	Q	Q	↔
18	Molemole	Q	UQ	UQ	UQ	UQ	↔
19	Polokwane	Q	UQ	UQ	Q	Q	↔
20	Mopani District	A	D	A	D	A	↑
21	Ba-Phalaborwa	D	Q	D	D	Q	↑

22	Greater Giyani	Q	Q	Q	A	Q	↑
23	Greater Letaba	Q	Q	Q	Q	UQ	↑
24	Greater Tzaneen	Q	Q	UQ	UQ	Q	↓
25	Maruleng	UQ	Q	UQ	UQ	UQ	↔
26	Sekhukhune District	UQ	UQ	UQ	UQ	UQ	↔
27	Elias Motsoaledi	Q	Q	Q	Q	UQ	↑
28	Fetagomo	D	Q	UQ	N/A	N/A	↔
29	Ephraim Mogale	D	D	Q	Q	UQ	↑
30	Tubatse	D	D	Q	Q	Q	↔
31	Makhudutamaga	UQ	UQ	UQ	UQ	Q	↓

30 DAYS PAYMENT OF INVOICES

The percentage of invoices paid in the province within the prescribed 30 days of receipt is reflected in Table 1. During the month of January 2020, compliance to section 38 (1) (f) of the PFMA is 88.44%. The 88.44% compliance rate is 11.56% below the 100% compliance rate set for all departments for the period 2019/20. The 88.44% compliance rate is also informed by invoices older 30 days which were on hand and not paid at the end of January 2020. See Table 2 below.

Only LEDET, Treasury and Premier have achieved the 100% compliance rate for January 2020.

CUMMULATIVE COMPLIANCE RATE TO SECTION 38 (1) (F) OF THE PFMA

Table 7 – COMPLIANCE RATE (Apr - January 2020): 92.41%

Count of INVOICE AMOUNT Row Labels	Column Labels					Grand Total	Paid in excess of 30 days	Compliance rate %
	0 - 30	31 - 60	61 - 90	91 - 120	> 120			
LP: AGRICULTURE & RURAL DEVELOPM	11 765	22	2	1	4	11 794	29	99,75%
LP: COMMUNITY SAFETY	1 061	10	1			1 072	11	98,97%
LP: CO-OP GOV;HUM SET; TRAD AFF	8 330	146	8		4	8 488	158	98,14%
LP: ECON DEV; ENVIRONM & TOURISM	9 168	1	1	3		9 173	5	99,95%
LP: EDUCATION	35 130	855	58	13	25	36 081	951	97,36%
LP: HEALTH	63 846	9 494	2 027	895	1 578	77 840	13 994	82,02%
LP: OFFICE OF THE PREMIER	3 764					3 764	0	100%
LP: PROVINCIAL TREASURY	3 113	1				3 114	1	99,97%
LP: PUBLIC WORKS;ROADS & INFRAST	27 932	495	43	4	12	28 486	554	98,06%
LP: SOCIAL DEVELOPMENT	18 556	10			1	18 567	11	99,94%
LP: SPORT;ARTS & CULTURE	4 959	52	7	5	1	5 024	65	98,71%
LP: TRANSPORT	5 744	100	4	1	2	5 851	107	98,17%
Grand Total	193 368	11 186	2 151	922	1 627	209 254	15 886	
	92,41%	5,35%	1,03%	0,44%	0,78%	100%	7,59%	

THE INTERNAL AUDIT PROCESS

Necessarily the internal audit process entails implementing the approved internal audit plan. Internal audit findings emerge from a process of:

- i. having to compare the desired state, i.e. the criteria, with the current conditions or state;
- ii. commendation is given where the current condition/s meets or exceed the criteria;
- iii. However, where the contrary is observed, internal audit findings will accordingly be communicated to Client Auditee Management.

THE INTERNAL AUDIT REPORT

The eventual output of the internal audit process is the Internal Audit Report. Such reports are intended to provide client management as well as stakeholders, such as the Audit Committee and Executive Authority, with reliable and credible information for decision making. In this regard, implementing recommendations to internal findings assist client Department in improving their governance, risk management, internal control and compliance processes resulting in improved audit outcomes.

The table below provides a summary of internal audit findings and the resolution status. As it may be observed from the table below, the Departments of Education, Public Works Roads & Infrastructure and Health need relatively more attention.

COMBINED ASSURANCE APPROACH

SIAS recognises that there are other role-players within LPT as well as client departments that also provide assurance/compliance or consulting/support services. Such role-players include LPT and OtP Transversal function as well as Department, Internal Control/Compliance and Risk Management functions. The potential for duplication/s resulting in “assurance fatigue” is genuine. – Hence, the need to enhance the Provincial Combined Assurance Model

Table 8: Status of Report of Unresolved Findings.

Dept.	Unresolved Findings for Financial Years					Not Followed up by LSIAS	Total Findings over 5 Years	Total Findings Resolved at 30 June	Total Unresolved Findings at 30 June	% Resolved
	2014/15	2015/16	2016/17	2017/18	2018/19					
EDU	290	205	90	160	180		925	620	305	67%
OTP	4	15	1	2	10		32	32	0	100%
DSD		74	60	114	89		337	272	65	81%
Cluster 1	294	294	151	276	279	0	1294	924	370	71%
CoG	80	43	37	51	66		277	225	52	81%
PRI	189	178	119	98	288		872	673	199	77%
SAC		84	39	56	46		225	176	49	78%
Cluster 2	269	305	195	205	400	0	1374	1074	300	78%
HEA			19	85	18	24	146	51	95	35%
LPT		1	2	8	11		22	11	11	50%
DSC				4	7	6	17	4	13	24%
Cluster 3	0	1	21	97	36	30	185	66	119	36%
AGR				6	25		31	15	16	48%
DOT		1	3	5	70		79	58	21	73%
EDET		3	2	10	53		68	15	53	22%
Cluster 4		4	5	21	148	0	178	88	90	49%
Total	563	604	372	599	863	30	3031	2152	879	
% of Findings over 5 years	19%	20%	12%	20%	28%	1%	100%	71%	29%	

Table 9: Transversal Repeat Internal Audit Finding

The following critical internal audit findings are pervasive in most of the Provincial Departments for the past 3 year period:	
1	Interim Financial Statement Audits - Misstatement of AFS/IFS
2	HR Management
2.1	Irregular appointments made at the Department
2.2	High vacancy rate in Supply Chain Management
3	Asset Management
3.1	Assets could not be traced to AR; Assets not found in location
3.2	Asset Register not updated
3.3	Assets not recorded in the assets register
4.	Supply Chain Management
4.1	Bid Evaluation and Adjudication Committee Minutes not signed/ Not located
4.2	Department deviated from the prescribed procurement processes without justifiable reason/ deviation not recorded in the register
5	Expenditure Management
5.1	Budget not confirmed/checked prior to procurement of goods/measures used to check budget not appropriate
5.2	Late payment of service providers /suppliers
6	Vehicle Management and Maintenance
6.1	Long turnaround time for repairs of state vehicle
6.2	Accidents on vehicles not investigated/accidents not investigated
7	Monitoring of State Owned Entities - Department not adequately monitoring entities

CHALLENGES IN THE PERFORMANCE DELIVERY ENVIRONMENT

- The requirement for the establishment of an Internal Audit System/Function in a Department is in terms of the PFMA 38 (a) (ii). Instead, the previous Executive Council (EXCO) opted for a Shared Internal Audit Service model in terms of paragraph 3.2.3 of the Treasury Regulations (TR). There is a possibility that the current Executive Council may decide to have Departmental in-house internal audit functions as a result of requests from the, particularly larger Departments.
- Technological changes brought about through the Fourth Industrial Revolution provides indeed a number of opportunities. Nevertheless, the downside of such changes may affect SIAS performance delivery environment in that staff members may not be adequately capacitated to deal with the changes.
- Over the years, SIAS has observed that there is a high staff turnover rate of particularly of operational staff members in time when the economy is flourishing. Now that the economy is slowing down the turnover of operational staff appears to be stable. Given that SIAS invests a substantial amount of resources in training and capacitating staff, the challenge is that it may not be able to retain operational staff when the economy in the country improves. In general, it has been observed that SIAS operational staff members are attracted by better opportunities in other provinces.

2020/21 TO 2024/25 PLANNED INTERVENTIONS TO ADDRESS

CHALLENGES

- Conduct client satisfaction surveys and respond to concerns by providing Client Departments with improved quality of internal audit services;
- Review the analysis of findings of exit interviews obtained from the Human Resources component and respond to findings through the development of an action plan;
- Review a Quality Assurance and Improvement Policy and communicated to all Internal Audit staff;
- Develop an Internal Audit Methodology that will enable an integrated report on Departmental GRCC processes;
- Develop integrated skills development programme and plan focusing on the core skills competency requirements of the Branch and guided by the IIA'S Global Internal Audit Competency Framework;
- Review the organisational structure to optimize functionality of Internal Audit function;
- Review the Provincial Combined Assurance Model/Framework;
- Facilitate the evaluation of the IAT Programme.

6. INTERNAL ENVIRONMENTAL ANALYSIS.

STRENGTHS

The department acknowledges the availability of committed, innovative, competent, professional and technically skilled workforce that is able to work as a team towards achievement of a common goal. Brand "Provincial Treasury" is also acknowledged as a strength that earns Limpopo Provincial Treasury officials respect by Provincial Departments, Public Entities and Municipalities. Sound stakeholder engagements and strengthened support functions have also demonstrated confidence from the service recipients and oversight structures. The department acknowledges the democratic style of leadership where effective communication is encouraged between management and employees.

WEAKNESSES

Implementation of the Department's Employment Equity plan is identified as a weakness. Absence of integrated procurement system is identified as a weakness within the department and the province. Inability to enforce consequence management for non-compliance by public institutions is also a weakness identified that must be urgently addressed. Inability to fill funded vacant posts due to reliance on external approval processes.

PERFORMANCE DELIVERY ENVIRONMENT.

DEPARTMENTAL MPAT PERFORMANCE.

The Management Performance Assessment tool (MPAT) has been used for the past eight years by the Department of Performance Monitoring and Evaluation (DPME) in the Office of the Presidency to measure and assess management practices in four Key Performance Areas (Strategic Management, Governance & Accountability, Human Resource and Financial Management) in order to improve performance and service delivery in the public service. However, in a communique dated 29 March

2019, DPME decided to discontinue with the implementation of MPAT programme in departments.

Following this communique from DPME, EXCOM took a decision to continue with the implementation of the programme as a tool to monitor Limpopo Provincial Treasury departmental performance against the four KPAs. Strategic Management Services Directorate has been mandated to establish internal processes and systems to ensure proper implementation of MPAT programme in the department.

Limpopo Provincial Treasury was rated a score of 3.28 on MPAT 1.8, which was 0.52 below the Strategic Objective target for the 2018/19 financial year. The department continuously monitors the implementation of MPAT improvement plans with special focus on KPA 3 (Human Resource Management) and PMDS standards in particular.

LIMPOPO PROVINCIAL TREASURY AG AUDIT OUTCOMES.

Provincial Treasury received an unqualified audit opinion without findings for the 2016/17, 2017/18 and 2018/19 financial years, also referred to as a Clean Audit. The department incurred fruitless and wasteful expenditure amounting to R 0, 1m in 2018/19 financial year. Treasury has developed procedures and put in systems to prevent and detect unwanted expenditures.

The support environment has been performing fairly well in terms of compliance related matters, where branches are performing adequately in the implementation of their risk registers/action plans where risk management forming part of its business processes. The department has however identified a need to improve in the risk appetite of the department. The department experienced delays in filling of vacant posts and currently has a high vacancy rate. Factors associated with the delays include the migration processes into the approved organisational structure as well as Provincial Personnel Management Committee (PPMC) prolonged assessment processes.

The programme is also encountering operational challenges that includes amongst others: -

- EE Target not reached at SMS level
- Loss of Institutional Memory (as a result of ageing workforce)
- Non-compliance to submissions and poor financial planning e.g. unspent funds, non-alignment of budget.

2020/21 TO 2024/25 PLANNED INTERVENTIONS TO ADDRESS CHALLENGES

- Empower females at MMS level.
- Encourage people from the designated groups to apply for posts.
- Strengthen relations with stakeholders.
- Implement Knowledge Management Strategy and Policy.
- Review HR Plan
- Implement consequence management. E.g. withhold budget allocation to affected directorates, suspend procurement of goods and services.

ORGANISATIONAL ENVIRONMENT

Limpopo Provincial Treasury has migrated into the approved organisational structure, however, there will be a need to review the approved organisational structure to ensure alignment to the five-year strategic plan in an effort to create operational efficiency. The current organisational structure makes provision for 535 posts of which 408 are filled and 127 are vacant. The department has received approval to advertise and fill critical posts which will support the department in achieving its mandates and objectives.

The Department will continuously implement the turnaround strategy on performance management in the department which has yielded positive results thus far by improving submission statistics and overall compliance to policy and directives. The submission rate stands at 90% which means that employees have contracted on their performance, they are being assessed both for mid-term and annual performance and performance is being rewarded and areas of development are being attended to.

The Department conducted a climate survey to determine the satisfaction levels of employees and based on the outcomes developed and implemented an action plan to address areas of concern. A follow – up climate survey will need to undertake during the strategic plan term.

Eleven (11) Senior Management Service officials were enrolled and graduated with Wits School of Governance in August 2018. Furthermore, twelve (12) Senior Management Service officials were enrolled in 2019 for Programme and Project Management, Public Finance, Leadership and Risk Management programmes. Ninety - one (91) officials were registered for various qualifications (from Undergraduate to Doctoral studies) with various institutions of higher learning in the academic year 2019. Sixty – one (61) graduates were placed on internship programme in 2018/2019 and 2019/2020 financial years. Twenty (20) graduates were placed on Internal Audit Technician Learning Programme in 2018/2019 financial year. The Department will implement the Chartered Accountancy Academy Programme in 2019/2020 FY. Five (5) trainee Chartered Accountants will be enrolled on the Programme.

The core business units of the department implemented the identified three key service areas, namely: support and monitor departments to improve on their expenditure, support municipalities to improve audit outcomes for 27 municipalities and manage payment of invoices within 30 days for the 12 departments. The department will undertake a review of Service Delivery Improvement Plan to assess the three key services areas and consider maintenance or development of new key service areas.

The Service Delivery Model will be reviewed to ensure alignment to 2020 – 2025 Strategic Plan in an effort to determine the alternative service delivery mechanisms and operational improvement for each area of service. In addition, information technology requirements, HR and general capacity requirements and risks and mitigation plans will be reviewed.



PART C: MEASURING OUR PERFORMANCE

PART C: MEASURING OUR PERFORMANCE

1. Institutional programme performance information

1.1. Programme 1: Corporate Manager Services

1.1.1. Purpose

The purpose of the programme is to manage and monitor the implementation of corporate management services.

The programme has the following sub-programmes namely:

- MEC Support Services which is responsible for:
 - Providing support to the MEC.

- HOD Support Services which is responsible for:
 - Providing strategic and administrative support to the HOD.
 - Corporate Management Services which is responsible for:
 - Managing and monitor the implementation of corporate management services.

- Enterprise Risk Management which is responsible for:
 - Providing enterprise risk management services.

- Financial Management (Office of the CFO) which is responsible for:
 - Providing internal financial management support services

1.1.2. Programme 1: Outcomes, outputs, performance indicators and targets

Outcomes	Outputs	Output Indicators	Annual Targets									
			Audited Performance			Estimated Performance	MTEF Period					
			2016/17	2017/18	2018/19		2019/20	2020/21	2021/22	2022/23		
Sustainable Support Services and Good Governance.	Awareness Sessions on Anti -Corruption Strategies conducted.	Number of Awareness Sessions on Anti – Corruption.	New Output Indicator	New Output Indicator	New Output Indicator	New Output Indicator	2	3	4			
	Capacity Building Programmes Implemented.	Number of Capacity Building Programmes.	New Output Indicator	New Output Indicator	New Output Indicator	New Output Indicator	4	6	8			
	Institutional Arrangements Monitored.	Number of Institutional Arrangements Assessment reports presented at EXCOM.	New Output Indicator	New Output Indicator	New Output Indicator	New Output Indicator	4	4	4			
Departmental Unqualified Audit Outcomes.	Successful Financial Management Services.	Number of Budget documents compiled and submitted. % of Supplier's valid invoices paid within 30 days.	4	4	4	4	4	4	4	100%	100%	100%
		Number of Financial Statements compiled and submitted for review by Provincial Treasury in line with the reporting framework.	4	4	4	4	4	4	4	4	4	4

1.1.3. Programme 1: Output indicators, annual and quarterly targets

Output Indicators	Annual Targets	Q1	Q2	Q3	Q4
1 Number of Awareness Sessions on Anti – Corruption.	2	0	1	0	1
2 Number of Capacity Building Programmes.	4	1	1	1	1
3 Number of Institutional Arrangements Assessment reports presented at EXCOM.	4	1	1	1	1
4 Number of Budget documents compiled and submitted.	4	-	1	2	1
5 % of Supplier's valid invoices paid within 30 days.	100%	100%	100%	100%	100%
6 Number of Financial Statements compiled and submitted for review by Provincial Treasury in line with the reporting framework.	4	1	1	1	1

1.1.4. Explanation of planned performance over the medium term period.

- (a) The contribution of its outputs to achieving the intended outcomes and impact in the Strategic Plan and the institution's mandate including, where applicable, priorities in relation to women, youth and people with disabilities.**

By increasing awareness on anti–corruption strategies, implementing institutional arrangements and undertaking capacity-building programmes, the department is enabled to achieve the outcome of sustainable support services and good governance. By implementing successful financial management programmes through effective budget management programmes, timeous payment of suppliers and credible and timeous reporting on budget implementation, the department will be able to maintain a clean audit outcome. By implementing the Provincial Procurement Strategy, set targets will be allocated to support women, youth and people with disabilities.

- (a) A description of planned performance in relation to the programme's outputs.**

- (i) The department will conduct two (2) Anti – Corruption awareness sessions in the second and fourth quarters of 2020/21 financial year to internal staff to increase awareness to internal employees on fraud and corruption
- (ii) Four (4) capacity building programmes will be implemented by the department annually, where one programme will be implemented quarterly to build capacity to internal employees with the intention to professionalise the public service.
- (iii) Institutional arrangements framework will be monitored by the Departmental Executive Management Committee on quarterly basis to ensure compliance by all governance structures.
- (iv) 2021/22 1st Draft, 2nd Draft and Final Budget as well as the Adjustment Budget will be compiled and submitted to Provincial Treasury
- (v) 100% of valid supplier invoices received by the department will be paid within 30 days.
- (vi) Financial Statements will be compiled and submitted for review by Provincial Treasury in line with the reporting framework on quarterly basis.

1.1.5. Programme resource consideration

Table 9: Budget Allocation for programme1 and sub – programmes as per ENE and / or EPRE.

Table 5.3 (b) : Summary of payments and estimates by economic classification : Programme 1: Administration

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2016/17	2017/18	2018/19				2019/20	2020/21	2021/22
Current payments	170 006	149 785	159 076	182 347	185 302	185 302	198 235	197 731	212 201
Compensation of employees	94 815	97 937	104 432	112 432	120 054	120 054	121 957	131 567	137 883
Goods and services	75 191	51 848	54 644	69 915	65 248	65 248	76 278	66 164	74 318
Interest and rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies to:	6 380	5 960	7 446	5 602	5 850	5 850	3 500	1 593	1 669
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Departmental agencies and acc	-	-	-	-	-	-	-	-	-
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and intern	-	-	-	-	-	-	-	-	-
Public corporations and private	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	6 380	5 960	7 446	5 602	5 850	5 850	3 500	1 593	1 669
Payments for capital assets	7 536	6 730	6 621	4 693	5 088	5 088	8 615	6 223	4 619
Buildings and other fixed struct	-	-	-	-	-	-	-	-	-
Machinery and equipment	7 536	6 730	6 621	4 693	5 088	5 088	8 615	6 223	4 619
Heritage Assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible as	-	-	-	-	-	-	-	-	-
Payments for financial assets	12	-	-	-	-	-	-	-	-
Total economic classification	183 934	162 475	173 143	192 642	196 240	196 240	210 350	205 547	218 489

There is an overall increase of 9.2 percent from R192.6 million in 2019/20 to R210.3 million in 2020/21.

Compensation of Employees: There is an increase of 8.5 percent in 2020/21 financial year and this is due to reprioritisation of budget done within the department to accommodate placement of staff due to new structure implementation.

Goods and Services: There is an increase of 9.1 percent from R69.9 million 2019/20 to R76.2 million in 2020/21 financial year and the increase is due to contractual obligations within Records & Auxiliary, Information Communication Technology as well as Security Services being funded fully whilst funds were also set aside for training officials transferred from other branches due to the implementation of the new structure. Funds are also earmarked to pay for the lease of office buildings, security services, microsoft licence renewals, legal and audit fees amongst others.

Transfers and subsidies: There is a substantial decrease from R5.6 million in 2019/20 to R3.5 million in 2020/21 as a result of not awarding any new external bursaries in the 2019/20 financial year as well as the reduction of bursaries intake. The funds are meant for paying bursaries for existing external bursary students as well as leave gratuities for employees who will be within the retirement age in the 2020/21.

Payments for capital assets: There is an increase from R4.7 million in 2019/20 to R8.6 million in 2020/21 and it is as a results of new furniture to be procured for Finance House as well as procuring

Laptop tracking device.

1.1.6. Updated key risks and mitigations from the SP

Programme 1: Corporate Management Services		
Outcomes	Key risks	Risk mitigations
Sustainable Support Services and Good Governance.	<ul style="list-style-type: none"> Inability to perform optimally due to non-approval for filling of vacant posts by PPMC leading to Poor departmental performance. Disruption to Business process due to Disasters - Natural & manmade [both predictable and unpredictable] and poor turn-around time in system recovery leading to down-time of critical services. Communication network failure due to ICT Infrastructure challenges leading to loss of data and communication and service delivery being compromised. 	<ul style="list-style-type: none"> Strengthen engagement with the PPMC. Improve capacity (training and development) to the existing employees for more diversity. Monitor the implementation of the BCP Strategy and Plan. Continuous Replication of Systems and Periodic Recovery Tests. Implement ICT Infrastructure improvement plans and monitoring thereof.
Departmental Unqualified Audit Outcomes.	<ul style="list-style-type: none"> Compromised service delivery due to decline in budget leading into inability to meet the set targets. 	<ul style="list-style-type: none"> Intensify budget cuts on non-core items (venues and facilities, catering, travel and subsistence)

1.2. Programme 2: Sustainable Resource Management

1.2.1. Purpose

The purpose of this programme is to provide sustainable resource management services to the provincial departments and provincial public entities.

The programme comprises of the following sub-programmes:

- Economic and Fiscal Policy Oversight which is responsible for:
 - Managing the development and implementation of economic and fiscal policy framework.

- Budget and Public Finance Management which is responsible for:
 - Developing and managing the implementation of budget and public finance.

- Infrastructure Management & Private Public Partnership (PPP) is responsible for:
 - Enhancing and monitor infrastructure management and PPP.

- Municipal Finance and Governance which is responsible for:
 - Promoting sound financial management and effective governance in the local government sphere.

1.2.2. Programme 2: Outcomes, outputs, performance indicators and targets

Outcomes	Outputs	Output Indicators	Annual Targets						
			Audited Performance			Estimated Performance	MTEF Period		
			2016/17	2017/18	2018/19		2019/20	2020/21	2021/22
Sustainable Fiscal Policy for the Province by 2025	Improved Economic Research.	Number of Research documents produced to align the Provincial Fiscal Policy.	7	7	7	7	7	7	
	Increased Provincial Own Revenue.	Number of Revenue Assessments conducted to ensure collection of set target.	New Output Indicator	New Output Indicator	4	4	4	4	
	Credible EPRE.	Number of Budget documents tabled in line with the set standards and National Treasury.	2	2	2	2	2	2	
	Improved Provincial Spending.	Number of consolidated In Year Monitoring reports in line with section 32 of PFMA.	12	New Output Indicator	12	12	12	12	
Improved alignment of Infrastructure Plans and Spending.	Improved alignment of Infrastructure Plans and Spending.	Number of Infrastructure Reporting Model assessments communicated to infrastructure departments.	New Output Indicator	New Output Indicator	108	108	108	108	
	Improved Municipal Infrastructure Grant Performance.	Number of infrastructure assessments on support to local government to optimize MIG performance communicated to municipalities.	New Output Indicator	New Output Indicator	New Output Indicator	4	4	4	

Outcomes	Outputs	Output Indicators	Annual Targets				Estimated Performance	MTEF Period		
			Audited Performance		2018/19	2019/20		2020/21	2021/22	2022/23
			2016/17	2017/18						
Unqualified Audit Outcomes of provincial departments, public entities and municipalities.	Strengthened municipal governance structures.	Number of Municipal Governance Structures coordinated.	New Output Indicator	New Output Indicator	New Output Indicator	4	4	4	4	4

1.2.3. Programme 2: Output indicators, annual and quarterly targets

Output Indicators	Annual Targets	Q1	Q2	Q3	Q4
1 Number of Research documents produced to align the Provincial Fiscal Policy.	7	1	1	2	3
2 Number of Revenue Assessments conducted to ensure collection of set target.	4	1	1	1	1
3 Number of Budget documents tabled in line with the set standards and National Treasury.	2	0	0	1	1
4 Number of consolidated In Year Monitoring reports in line with section 32 of PFMA.	12	3	3	3	3
5 Number of Infrastructure Reporting Model assessments communicated to infrastructure departments	108	27	27	27	27
6 Number of infrastructure assessments on support to local government to optimize MIG performance communicated to municipalities.	4	1	1	1	1
7 Number of Municipal Governance structures coordinated	4	2	1	1	0

1.2.4. Explanation of planned performance over the medium term period

(a) The contribution of its outputs to achieving the intended outcomes and impact

- (i) Improved economic research; budget planning and implementation; and revenue maximization will sustain the fiscal policy for the province thereby contributing to attainment of a capable and accountable government.
- (ii) Strengthening of governance structures that include the LPT's MEC, HOD, municipal Mayors, and MMCs for Finance and the Accounting Officers allows municipalities to account on financial performance and non-compliance with laws and regulations, which will improve accountability and eventually audit outcomes.

(b) A description of planned performance in relation to the programme's outputs.

- (i) Four quarterly Economic Bulletin; one (1) Medium Term Budget Policy Statement (MTPBS) and one (1) Socio-Economic Review and Overview will be produced to align the Provincial Fiscal Policy.
- (ii) Four (4) quarterly revenue assessments will be conducted to ensure collection of set target.
- (iii) Two (2) Budget documents (main appropriation and adjusted Estimates of Provincial revenue and expenditure) to be tabled in line with the set standards and National Treasury guidelines.
- (iv) Twelve (12) In Year Monitoring reports to be compiled in line with section 32 of PFMA.
- (v) Twenty-seven (27) infrastructure Reporting Model assessments to be conducted and feedback communicated to infrastructure departments to improve infrastructure planning and reporting.
- (vi) Twenty-six (26) municipal budget assessment conducted and feedback provided to improve municipal audit outcomes.

1.2.5. Programme resource consideration

Table 10: Budget Allocation for programme 2 and sub – programmes as per ENE and / or EPRE.

Table 5.4 (b) : Summary of payments and estimates by economic classification: Programme 2: Sustainable Resource Management

R thousand	Outcome			Main appropriation	Adjusted appropriation 2019/20	Revised estimate	Medium-term estimates		
	2016/17	2017/18	2018/19				2020/21	2021/22	2022/23
Current payments	69 446	67 426	79 604	103 966	93 637	93 637	99 130	89 373	95 814
Compensation of employees	50 819	54 899	54 364	68 438	58 629	58 629	78 657	74 635	78 217
Goods and services	18 627	12 527	25 240	35 518	34 808	34 808	20 273	14 738	17 597
Interest and rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies to:	90	324	197	291	331	331	601	634	665
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Departmental agencies and entities	-	-	-	-	-	-	-	-	-
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private entities	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	90	324	197	291	331	331	601	634	665
Payments for capital assets	-	-	-	-	-	-	-	-	-
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	-	-	-	-	-	-	-	-	-
Heritage Assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	24 980	20 000	-	-	-	-	-	-	-
Total economic classification	94 516	87 450	79 801	104 247	93 968	93 968	99 731	90 007	96 479

The budget for Sustainable Resource Management decreases by 4.3 percent from R104.2 million in 2019/20 main appropriation to R99.7 million in 2020/21.

Compensation of Employees: There is an increase of 15.2 percent from R68.4 million in 2019/20 to R78.8 million in 2020/21, and this is due to earmarked funding allocated to capacitate Municipal finance and Infrastructure support in the Treasury.

Goods and Services: There is a decrease from R35.5 million to R20.3 million or 42.9 percent on goods and services due to two percent baseline reduction implemented in the departmental allocation. Within the budget there is part of an amount for Municipal capacity building equivalent to R2.2 million as well as R10 million Provincial Priorities (GTAC).

1.2.6. Updated key risks and mitigations from the SP

Programme 2: Sustainable Resource Management		
Outcomes	Key risks	Risk mitigations
Sustainable Fiscal Policy for the Province by 2025.	<ul style="list-style-type: none"> Financing of uncoordinated infrastructure plans in the province due to inadequate capacity to deliver infrastructure projects in the province, Non-alignment of budget to LDP targets leading to compromised service delivery and slow economic growth. 	<ul style="list-style-type: none"> Implementation of the infrastructure hub. Capacitate provincial infrastructure Unit. Enforcement of alignment of LDP targets to budget and monitoring thereof.
	<ul style="list-style-type: none"> Low initiative on PPP model from departments, public entities and municipalities due to capacity constrain leading limited implementation of PPP to projects. Limited resources for Service delivery due to high Provincial COE cost leading to compromised service delivery. 	<ul style="list-style-type: none"> Capacitate PPP directorate. Implementation of PPP manual. Awareness to departments and municipalities. Treasury to encourage departments to appoint dedicated PPP champions. Continue to implement the Provincial Personnel Plan Framework to reduce the Provincial COE
Unqualified Audit Outcomes of provincial departments, public entities and municipalities.	<ul style="list-style-type: none"> Unsustainable municipalities due to non-implementation of Treasury recommendation, lack of consequence management, non-compliance to legislation leading to compromised service delivery, collapse of municipalities, negative audit outcomes. 	<ul style="list-style-type: none"> Submit municipal assessment reports with specific recommendations to oversight bodies (i.e. Legislature, National Treasury, etc.). Focused Capacity Building on areas of concern be prioritised.

1.3. Programme 3: Asset, Liabilities and Supply Chain Management

1.3.1. Purpose

The purpose of the programme is to oversee the management of assets, liabilities and supply chain management to provincial departments and public entities.

The programme is comprised of the following sub-programmes:

- Asset and Liabilities Management which is responsible for:
 - Monitoring and support the effective management of assets and liabilities.

- Provincial Supply Chain Management which is responsible for:
 - Monitoring and supporting the effective implementation of the SCM framework, transversal contracts and SCM client support for provincial departments and public entities.

1.3.2. Programme 3: Outcomes, outputs, performance indicators and targets

Outcome	Outputs	Output Indicators	Annual Targets						
			Audited Performance				Estimated Performance	MTEF Period	
			2016/17	2017/18	2018/19	2019/20		2020/21	2021/22
Unqualified Audit Outcomes of provincial departments, public entities and municipalities.	Improved Compliance levels on Assets and SCM by Departments and Public Entities.	Number of asset management assessments communicated to Provincial Public Institutions	New Output Indicator	New Output Indicator	New Output Indicator	68	64	64	64
			New Output Indicator	New Output Indicator	New Output Indicator	72	68	68	68
Increased economic participation of youth, Military Veterans, women and persons with disability (SMMEs).	Increased provincial procurement spend towards youth, Military Veterans, women and persons with disabilities	Number of cash management assessments communicated to votes and public entities.	New Output Indicator	New Output Indicator	New Output Indicator	68	64	64	64
			New Output Indicator	New Output Indicator	New Output Indicator	68	64	64	64
Increased economic participation of youth, Military Veterans, women and persons with disability (SMMEs).	Increased provincial procurement spend towards youth, Military Veterans, women and persons with disabilities	Number of SCM assessments communicated in Provincial Public Institutions	New Output Indicator	New Output Indicator	New Output Indicator	68	64	64	64
			New Output Indicator	New Output Indicator	New Output Indicator	68	64	64	64
Increased economic participation of youth, Military Veterans, women and persons with disability (SMMEs).	Increased provincial procurement spend towards youth, Military Veterans, women and persons with disabilities	Number of assessments communicated to provincial public institutions on strategic procurement targets of Limpopo Procurement Strategy	New Output Indicator	New Output Indicator	New Output Indicator	68	64	64	64
			New Output Indicator	New Output Indicator	New Output Indicator	68	64	64	64

1.3.3. Programme 3: Output indicators, annual and quarterly targets

Output Indicators	Annual Targets	Q1	Q2	Q3	Q4
1 Number of asset management assessments communicated to Provincial Public Institutions	64	16	16	16	16
2 Number of cash management assessments communicated to votes and public entities	68	17	17	17	17
3 Number of SCM assessments communicated in Provincial Public Institutions.	64	16	16	16	16
4 Number of assessments communicated to provincial public institutions on strategic procurement targets of Limpopo Procurement Strategy	64	16	16	16	16

1.3.4. Explanation of planned performance over the medium term period

(a) **The contribution of its outputs to achieving the intended outcomes and impact in the Strategic Plan and the institution's mandate including, where applicable, priorities in relation to women, youth and people with disabilities.**

- (i) Improved Compliance levels on Assets, Liabilities and SCM by Public Institutions through training, workshops, bi-laterals, forums, action plans, regular monitoring and evaluation, as well as escalation of non-compliances to relevant stakeholders, will contribute towards achievement of favorable audit outcomes by 2024 and **strengthen capability and accountability of provincial departments, public entities and municipalities by 2030.**
- (ii) Increased provincial procurement spent towards youth, military veterans, women and Persons with disability will increase participation of these designated groups in the in the provincial economy, which will also contribute towards MTSF priorities in relation to women, youth and people with disability.

(b) **A description of planned performance in relations to the programs outputs.**

- (i) There will be branch bilateral twice in a year with the CFO's offices, mid-year and in the last quarter to review progress and to prepare for the next financial year.
- (ii) On quarterly basis there will be assessment reports based on the findings identified on visits conducted with public institutions on their compliance with prescripts in the implementation process.
- (iii) There will be an in-service training provided for officials on quarterly basis on the topics identified through monitoring visits and other quality assurance stakeholders
- (iv) There will be information sharing sessions held in a form of fora as per institutional arrangements as well as per appointments when there is a need and reported to the relevant platforms for intervention.

1.3.5. Programme resource consideration

Table 11: Budget Allocation for programme 3 and sub – programmes as per ENE and / or EPRE.

Table 5.5 (b): Summary of payments and estimates by economic classification: Programme 3: Assets, Liabilities And Supply Chain Management

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2016/17	2017/18	2018/19				2019/20	2020/21	2021/22
Current payments	83 979	93 061	59 600	60 117	52 395	52 395	55 187	59 296	62 134
Compensation of employees	52 391	57 000	44 213	52 875	45 153	45 153	47 607	52 213	54 719
Goods and services	31 588	36 051	15 387	7 242	7 242	7 242	7 580	7 073	7 415
Interest and rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies to:	1 097	296	2 140	-	420	420	-	-	-
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Departmental agencies and etc	-	-	-	-	-	-	-	-	-
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and intern	-	-	-	-	-	-	-	-	-
Public corporations and private	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	1 097	296	2 140	-	420	420	-	-	-
Payments for capital assets	-	-	-	-	-	-	-	-	-
Buildings and other fixed struc	-	-	-	-	-	-	-	-	-
Machinery and equipment	-	-	-	-	-	-	-	-	-
Heritage Assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible as	-	-	-	-	-	-	-	-	-
Payments for financial assets	16	6	-	-	-	-	-	-	-
Total economic classification	85 092	93 363	61 740	60 117	52 815	52 815	55 187	59 296	62 134

The budget for the branch decrease by 8.2 percent from R60.1 million in 2019/20 to R55.2 million in 2020/21.

Compensation of Employees: There is a decrease of 10 percent from R52.8 million in 2019/20 to R47.6 million in 2020/21 and it is as a result of structure implementation which resulted in the movement of personnel from the branch to other branches.

Goods and Services increase from R7.2 million to R7.5 million or 4.7 percent, and the funds will mainly be used to pay for provincial bank charges, face value documents, travel and accommodation costs for provincial supply chain and asset management personnel while performing their duties in the districts.

1.3.6. Updated key risks and mitigations from the SP

Programme 3: Assets, Liabilities and Supply Chain Management		
Outcomes	Key risks	Risk mitigations
Unqualified Audit Outcomes of provincial departments, public entities and municipalities.	<ul style="list-style-type: none"> Non-compliance to SCM prescripts by public institutions due to inadequate skills leading to increase in irregular expenditure and service delivery being compromised. 	<ul style="list-style-type: none"> Identify and evaluate the challenges from clients. Review and implement Action Plan to address non-compliance issues. Train public institutions on job specific challenges identified.
Increased Economic participation of Youth, Military Women Veterans and Persons with Disability (SMMEs).	<ul style="list-style-type: none"> Non participation of the designated groups in the relevant service categories due to lack of information and interest leading to unequal distribution of wealth in the province. 	<ul style="list-style-type: none"> Increase awareness focusing more on the designated groups on the government procurement plan and processes.

1.4. Programme 4: Financial Governance

1.4.1. Purpose

The purpose of the programme is to promote accountability and compliance with financial norms and standards as contained in the Public Finance Management Act.

The programme is comprised of the following sub-programmes:

- Accounting Services which is responsible for:
 - Providing support on appropriate accounting practices and to build financial management capacity.

- Financial Management Information Systems which is responsible for:
 - Managing the implementation and provide support of financial management information systems.

- Transversal Risk Management which is responsible for:
 - Monitoring and providing support on the implementation of transversal risk management.

- Governance, Monitoring and Compliance which is responsible for:
 - Monitoring and providing support on compliance with the provisions of the PFMA and prescribed norms and standards.

1.4.2. Programme 4: Outcomes, outputs, performance indicators and targets

Outcome	Outputs	Output Indicators	Annual Targets					Estimated Performance	MTEF Period		
			Audited Performance		MTEF Period				2020/21	2021/22	2022/23
			2016/17	2017/18	2018/19	2019/20	2020/21		2021/22	2022/23	
Unqualified Audit Outcomes of provincial departments, public entities and municipalities.	Effective Utilization of Financial Systems	Number of Courses conducted on Transversal Systems.	89	111	107	85	84	84	84		
	Accurate and Timely Financial Statements	Number of financial statements assessments communicated to provincial departments	New Output Indicator	New Output Indicator	68	48	44	44			
	Improved Oversight over Governance Reporting of Departments by Audit Committee.	Number of Audit Committee Meetings supported to improve governance in Departments.	89	65	85 (65 votes & 20 public entities)	65	60	60	60		
	Improved Provincial Performance	Number of assessment reports on provincial risk profile communicated to HOD's forum	New Output Indicator	New Output Indicator	3	2	2	2	2		
		Number of public sector risk management framework compliance assessments communicated to departments.	New Output Indicator	New Output Indicator	68	68	64	64	64		
		Number of financial system utilization assessments communicated to departments.	New Output Indicator	New Output Indicator	48	48	44	44	44		
	Improved Asset Management	Number of Libraries that implemented RFID System in DSAC	New Output Indicator	New Output Indicator	New Output Indicator	30	30	36	30		

1.4.3. Programme 4: Output indicators, annual and quarterly targets

Output Indicators	Annual Targets	Q1	Q2	Q3	Q4
1 Number of Courses conducted on Transversal Systems.	84	17	27	22	18
2 Number of financial statements assessments communicated to provincial departments	44	11	11	11	11
3 Number of Audit Committee Meetings supported to improve governance in Departments.	60	12	24	12	12
4 Number of assessment reports on provincial risk profile communicated to HOD's forum	2	0	1	0	1
5 Number of public sector risk management framework compliance assessments communicated to departments.	64	16	16	16	16
6 Number of financial system utilization assessments communicated to departments.	44	11	11	11	11
7 Number of Libraries that implemented RFID System in DSAC.	30	0	0	0	30

1.4.4. Explanation of planned performance over the medium term period

(a) The contribution of its outputs to achieving the intended outcomes and impact in the Strategic Plan and the institution's mandate including, where applicable, priorities in relation to women, youth and people with disabilities.

The outcome of unqualified audit outcomes will contribute to MTSF priority no 6 of "Capable, Ethical and Developmental State". In order to achieve the desired unqualified audit outcomes, we will ensure good governance through:

- ✓ Regular Audit committee meetings
- ✓ Incorporation audit outcomes in the performance agreements of top management
- ✓ Monitoring the effectiveness of audit steering committee meetings
- ✓ Monitoring the capacity and stability of the CFOs' offices
- ✓ Capacitate CFO's office adequately in terms of relevant skills
- ✓ Facilitate professionalisation of staff in CFOs' offices
- ✓ Analyse audit outcomes and develop capacity building initiatives to address identified skills gaps
- ✓ review interim and annual financial statements and recommend improvements.
- ✓ Review compliance with reporting templates.
- ✓ Assessment of risk management practices and recommend improvements; and
- ✓ Monitor establishment and effectiveness of internal control functions.

Through these initiatives we will achieve a clean administration which obtains unqualified audit outcomes, thus building citizens confidence in the management of public funds, enhancing accountability.

(a) A description of planned performance in relation to the programme's outputs.

- (i) Financial system courses that are conducted is to measure the capacity building initiatives to departments in order to increase their capacity to perform maximally.
- (ii) Audit Committee meetings are coordinated to facilitate oversight function by Audit Committees on performance of departments to improve on the audit outcomes.
- (iii) Assessments are conducted on financial statements, risk management performance and financial systems utilization is to ensure that challenging areas are identified and recommendations are communicated to respective departments for implementation and thereby improving on their audit outcomes.

1.4.5. Programme resource consideration

Table 12: Budget Allocation for programme 4 and sub – programmes as per ENE and / or EPRE.

Table 5.6 (b) : Summary of payments and estimates by economic classification: Programme 4: Financial Governance

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2016/17	2017/18	2018/19				2019/20	2020/21	2021/22
Current payments	75 579	83 739	133 836	104 352	104 649	104 649	99 609	119 460	125 195
Compensation of employees	61 194	70 104	87 591	50 088	48 150	48 150	52 175	55 741	58 417
Goods and services	14 385	13 635	46 245	54 264	56 499	56 499	47 434	63 719	66 778
Interest and rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies to:	1 050	531	498	635	750	750	635	1 382	1 448
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Departmental agencies and entities	-	-	-	-	-	-	-	-	-
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private entities	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	1 050	531	498	635	750	750	635	1 382	1 448
Payments for capital assets	958	-	-	-	14 638	14 638	9 000	-	-
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	-	-	-	-	7 577	7 577	-	-	-
Heritage Assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	958	-	-	-	7 061	7 061	9 000	-	-
Payments for financial assets	23	12	110	-	-	-	-	-	-
Total economic classification	77 610	84 282	134 444	104 987	120 037	120 037	109 244	120 842	126 643

Overall allocation for the programme is increasing by 4.1 percent from R104.9 million in 2019/20 to R109.2 million in 2020/21 and it is due to an amount of R9 million allocated for provincial priorities allocated under financial systems.

Compensation of Employees increase from R50.1 million in 2019/20 to R52.2 million in 2020/21 or 4.2 percent due to reprioritisation done as a result of placement of staff as per new structure.

Goods and Services decrease by 12.6 percent from R54.2 million in 2019/20 to R47.4 million in 2020/21 due to 2 percent baseline reduction implemented and the allocation will cater for SITA services and payments for audit committee members as well as training and development for financial management personnel in various provincial departments.

1.4.6. Updated key risks and mitigations from the SP

Programme 4: Financial Governance		
Outcomes	Key risks	Risk mitigations
Unqualified Audit Outcomes of provincial departments, public entities and municipalities.	<p>Regression in audit outcomes due to:</p> <ul style="list-style-type: none"> • Ineffective governance structures in institutions. • Lack of understanding of relevant accounting and reporting frameworks resulting in misstatements in financial statements submitted for audit. • Instability and inadequate capacity in the offices of the CFO's. • Lack consequence management leading to poor service delivery outcome. 	<ul style="list-style-type: none"> • Assessment of governance structures (Audit Committee, Risk Management Committee, Audit Steering Committee, Budget Com, Executive Management, ICT Steering Com, Infrastructure Committee). • Framework and methodology. • Assess effectiveness of the workshops, trainings and FORA (Financial Accounting and Reporting Forum, Training forum, BAS Forum, LOGIS Forum, PERSAL Forum). • Establish inclusive LPT team for review of financial statements. • Assess effectiveness of Financial Misconduct Boards. • Assessment of the CFO's offices. • Professionalization of CFO's office staff. • Influence and monitor the recruitment process of critical posts in CFOs' offices.

1.5. Programme 5: Shared Internal Audit Services

1.5.1. Purpose

The purpose of the programme is to provide internal audit and consulting services to provincial departments and selected municipalities.

The Branch is comprised of the following sub-programmes:

- Risk-Based Auditing, Performance and Consulting Services (Cluster A) which is responsible for:
 - Providing risk-based auditing, performance and consulting services (for votes: 1,3,4,6 & 12).
- Risk-Based Auditing & Specialised Audit Services (Cluster B) which is responsible for:
 - Providing risk-based and specialised audit services (for votes: 5, 7,8,9,10,11 & 13).
- Quality Assurance and Technical Support Services which is responsible for:
 - Providing quality assurance and technical support services and monitor compliance within provincial departments.

The purpose of the programme is to provide internal audit and consulting services to provincial departments and selected municipalities.

The Branch is comprised of the following sub-programmes:

- Risk-Based Auditing, Performance and Consulting Services (Cluster A) which is responsible for:
 - Providing risk-based auditing, performance and consulting services (for votes: 1,3,4,6 & 12).
- Risk-Based Auditing & Specialised Audit Services (Cluster B) which is responsible for:
 - Providing risk-based and specialised audit services (for votes: 5, 7,8,9,10,11 & 13).
- Quality Assurance and Technical Support Services which is responsible for:
 - Providing quality assurance and technical support services and monitor compliance within provincial departments.

1.5.2. Programme 5: Outcomes, outputs, performance indicators and targets

Outcome	Outputs	Output Indicators	Annual Targets						
			Audited Performance			Estimated Performance	MTEF Period		
			2016/17	2017/18	2018/19		2020/21	2021/22	2022/23
Unqualified Audit Outcomes of provincial departments, public entities and municipalities.	Value Adding Audit Reports provided to the Clients Departments.	Number of three-years Strategic rolling and annual Audit Plans prepared by Provincial Internal Audit and approved by Audit Committee for the year 2021/22.	12	12	12	12	11	11	11
			New Output Indicator	New Output Indicator	90%	94%	97%	98%	100%
		% of Internal Audits finalized in terms of the approved Audit Plans.	1	1	1	1	1	1	1
		Number of Annual Internal Quality Assurance Improvement Programme (QAIP) implementation report prepared to improve the quality of client service.	1	1	1	1	1	1	1

1.5.3. Programme 5: Output indicators, annual and quarterly targets

Output Indicators	Annual Targets	Q1	Q2	Q3	Q4
1 Number of Three-Year Strategic rolling and annual Audit Plans prepared by Provincial Internal Audit and approved by Audit Committee for the year 2025.	11	0	0	0	11
2 % of Internal Audits finalized in terms of the approved Audit Plans.	97%	97%	97%	97%	97%
3 Number of Annual Internal Quality Assurance Improvement Programme (QAIP) implementation report prepared to improve the quality of client service.	1	0	0	0	1

1.5.4. Explanation of planned performance over the medium term period

(a) The contribution of outputs towards achieving the outcomes and impact

- Risk-based internal audit plans that identify relevant audit subject areas assist SIAS to allocate valuable internal audit human resources to address Departmental key risks and control weaknesses that may result in a regression of AGSA audit outcomes. The preparation of audit plans allows for an opportunity of engagements between auditee clients and internal audit management. Such engagements enhances the auditor's understanding auditee client's business processes on the one hand and the capabilities of the client's understanding of the internal audit process on the other hand.
- Implementation of internal audit plans result in audit reports that enable Departmental Audit Clients to timeously attend to SIAS including AGSA audit issues during the year as opposed to Departments been overwhelmed with high number of AGSA exception reports at the end of the year. Auditee client responses by providing action plans to internal audit findings and agreed upon internal audit recommendations enables accountability from auditee client departments in terms of Governance, Risk Management, Internal Control and Compliance (GRCC) processes.
- SIAS is mandated, through its internal audit charter, to provide Client Departments with recommendations, advice and assurance. This enables SIAS to serve as a Client Department Change Agent. Providing timely, value adding and credible internal audit plans and reports is enhanced through a Quality Assurance and Improvement Programme (QAIP). The QAIP has the effect of improving internal audit staff capabilities through an annual self-assessment process and a rigorous independent (external) quality assurance every five years.

(b) A description of planned performance in relation to the programme's outputs.

- The department will prepare 11 internal audit plans in the fourth quarter to ensure that all client departments receives internal audit assurance and consulting services in respect of governance risk management, internal control and compliance processes.
- Given the dynamic nature of risk resulting in constantly changing audit plans, the department will ensure the no less than 97% of all approved audit projects are completed to assist provincial departments improve their governance, risk management, internal control and compliance (GRCC) processes.
- An annual as well as a five yearly quality assurance review will be conducted resulting in a Quality Assurance Improvement Programme Report to provide assurance to the Audit Committee and executive management that all internal audits were in fact conducted in terms of the Institute of Internal Auditor's (IIA's) Standards.

1.5.5. Programme Resource Consideration

Table 13: Budget Allocation for programme 5 and sub – programmes as per ENE and / or EPRE.

Table 5.7 (b) : Summary of payments and estimates by economic classification: Programme 5: Shared Internal Audit Services

R thousand	Outcome			Main appropriation	Adjusted appropriation 2019/20	Revised estimate	Medium-term estimates		
	2016/17	2017/18	2018/19				2020/21	2021/22	2022/23
Current payments	-	-	-	44 848	43 773	43 773	46 800	53 355	55 915
Compensation of employees	-	-	-	38 256	39 106	39 106	38 500	47 153	49 416
Goods and services	-	-	-	6 592	4 667	4 667	8 300	6 202	6 499
Interest and rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies to:	-	-	-	-	8	8	-	-	-
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Departmental agencies and eco	-	-	-	-	-	-	-	-	-
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and intern	-	-	-	-	-	-	-	-	-
Public corporations and private	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	-	-	-	-	8	8	-	-	-
Payments for capital assets	-	-	-	-	-	-	-	-	-
Buildings and other fixed structu	-	-	-	-	-	-	-	-	-
Machinery and equipment	-	-	-	-	-	-	-	-	-
Heritage Assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible as	-	-	-	-	-	-	-	-	-
Payments for financial assets	-	-	-	-	-	-	-	-	-
Total economic classification	-	-	-	44 848	43 781	43 781	46 800	53 355	55 915

The overall budget for the branch is increasing by 4.4 percent from R44.9 million in 2019/20 to R46.8 million in 2020/21.

Compensation of Employees increased from R38.3 million in 2019/20 to R38.5 million or 0.6 percent in 2020/21.

Goods and services increased from R6.6 million in 2019/20 to R8.3 million or 25.9 percent in 2020/21 financial year and it is as a result of internal audit learnership programme to be implemented, the allocation will also be used for renewal of TeamMate software licences, payment of subsistence & travel allowance for Internal Audit personnel while conducting audit in all provincial departments and their districts including selected municipalities.

1.5.6. Updated key risks and mitigations from the SP

Programme 5: Limpopo Shared Internal Audit Services		
Outcomes	Key risks	Risk mitigations
Unqualified Audit Outcomes of provincial departments, public entities and municipalities.	Ineffective implementation of CAM	Review and implement CAM framework and methodology.

2. Public Entities

Not applicable

3. Infrastructure Projects

Not applicable

4. Public-Private Partnerships (PPPs)

Not applicable



PART D: TECHNICAL INDICATOR DESCRIPTIONS

PART D: TECHNICAL INDICATOR DESCRIPTIONS

TECHNICAL INDICATORS FOR PROGRAMME 1

Indicator Title	Number of Awareness Sessions on Anti-Corruption
Definition	This indicator measures the total number of awareness sessions that are conducted to departmental officials to increase awareness on corruption.
Source of Data	National Anti-Corruption Framework.
Method of Calculation / Assessment	Simple Count.
Means of Verification	Departmental Awareness Sessions Reports; Attendance Registers for Awareness Sessions and Presentations.
Assumptions	Assume that personnel will attend workshops. Employees will change behaviour.
Disaggregation of Beneficiaries (where applicable)	Departmental Employees.
Spatial Transformation (where applicable)	N/A
Reporting Cycle	Quarterly.
Desired Performance	Targeted Performance and above desirable.
Indicator Responsibility	Director: ERM Enterprise Risk Management

Indicator Title	Number of Capacity Building Programmes.
Definition	This performance indicator is about the number of capacity building programmes that are implemented by LPT to a specific group of officials.
Source of Data	WSP
Method of Calculation / Assessment	Simple Count.
Means of Verification	Departmental Capacity Building Reports. Attendance Registers for awareness sessions. Presentations.
Assumptions	Skills audit is conducted and report available.
Disaggregation of Beneficiaries (where applicable)	Departmental Employees.
Spatial Transformation (where applicable)	N/A
Reporting Cycle	Quarterly.
Desired Performance	Targeted Performance and above desirable.
Indicator Responsibility	Director: Employee Utilisation and Capacity Building

Indicator Title	Number of Institutional Arrangements assessment reports presented at EXCOM.
Definition	This indicator is about the assessment report that is conducted on how governance structures implements Institutional Arrangements where findings and recommendations are presented to EXCOM on quarterly basis.
Source of Data	Institutional Arrangements.
Method of Calculation / Assessment	Simple Count.
Means of Verification	Approved EXCOM Minutes. Institutional Arrangements Assessment Presentations/Report.
Assumptions	Governance Structures implement Institutional Arrangements.
Disaggregation of Beneficiaries (where applicable)	N/A
Spatial Transformation (where applicable)	N/A
Reporting Cycle	Quarterly.
Desired Performance	Targeted Performance
Indicator Responsibility	Director: HOD Support Services.

Indicator Title	Number of Budget documents compiled and submitted.
Definition	Four (4) Budget allocation documents (1 st , 2 nd , Adjustment and Final Budgets) submitted to Treasury.
Source of Data	BAS, Vulindlela & PERSAL Reports.
Method of Calculation / Assessment	Simple count.
Means of Verification	Approved Budget Document/Report. Proof of submission to Treasury.
Assumptions	Budget Inputs from branches received on time.
Disaggregation of Beneficiaries (where applicable)	LPT Branches.
Spatial Transformation (where applicable)	N/A.
Reporting Cycle	Quarterly.
Desired Performance	Targeted Performance and above desirable.
Indicator Responsibility	Director: Management Accounting

Indicator Title	% of supplier's valid invoices paid within 30 days.
Definition	The performance indicator measures the total number of valid invoices paid versus received within 30 days.
Source of Data	Invoice Register and BAS Reports.
Method of Calculation / Assessment	% of invoices paid = Number of invoices paid/total number of valid invoices received.
Means of Verification	Monthly signed off departmental Reports on payment of invoices.
Assumptions	Reliable Financial Systems.
Disaggregation of Beneficiaries (where applicable)	Service Providers.
Spatial Transformation (where applicable)	N/A.
Reporting Cycle	Quarterly.
Desired Performance	Targeted Performance.
Indicator Responsibility	Director: Financial Accounting.

Indicator Title	Number of Financial Statements compiled and submitted for review by Provincial Treasury in line with the reporting framework.
Definition	Four (4) of financial statements (Annual, 1 st , 2 nd and 3 rd Quarter Financial Statements) compiled and submitted to Provincial Treasury in line with reporting framework.
Source of Data	BAS, Vulindlela & PERSAL Reports.
Method of Calculation / Assessment	Simple count.
Means of Verification	Approved Financial Statements. Evidence of submission to Provincial Treasury.
Assumptions	Inputs from branches received on time. Reliable Financial Systems.
Disaggregation of Beneficiaries (where applicable)	N/A
Spatial Transformation (where applicable)	N/A
Reporting Cycle	Quarterly.
Desired Performance	Targeted Performance.
Indicator Responsibility	Director: Financial Accounting.

TECHNICAL INDICATORS FOR PROGRAMME 2

Indicator Title	Number of Research documents produced to align the Provincial Fiscal Policy.
Definition	Conduct research on Provincial Socio-Economic status to produce 1 Socio Economic Review and Outlook (SERO), 4 Quarterly Economic Bulletins (QEB), 1 Medium Term Budget Policy Statement (MTBPS) and 1 Estimated Provincial Revenue and Expenditure (EPRE) Overview.
Source of Data	International Monetary Fund (IMF), Statistics South Africa (StatsSA), National Treasury and IHS Global Insight Company.
Method of Calculation / Assessment	Simple Count.
Means of Verification	Approved/signed off 1 x Socio Economic Review and Outlook (SERO) during 2 nd Quarter. Approved/signed off Quarterly Economic Bulletin (QEB) for each quarter. Approved/signed off 1 x Medium Term Budget Policy Statement (MTBPS) during the 3 rd Quarter. Approved/signed off 1 x Estimated Provincial Revenue and Expenditure (EPRE) Overview during the 4 th Quarter.
Assumptions	That Provincial Treasury has access to the updated Socio-Economic related data.
Disaggregation of Beneficiaries (where applicable)	None.
Spatial Transformation (where applicable)	None.
Reporting Cycle	Quarterly.
Desired Performance	All 7 Research documents produced to align the Provincial Fiscal Policy.
Indicator Responsibility	Director: Macro-Economic Analysis

Indicator Title	Number of Revenue Assessments conducted to ensure collection of set target.
Definition	Assessment conducted on progress of revenue collection by Departments and Public Entities to ensure collection of revenue set target.
Source of Data	Monthly and quarterly reports from departments, BAS reports and budget books.
Method of Calculation / Assessment	Simple count.
Means of Verification	Approved/signed off Quarterly Consolidated Revenue Assessments Report.
Assumptions	All Provincial Departments and Public Entities identify and implement revenue enhancement projects / sources.
Disaggregation of Beneficiaries (where applicable)	None
Spatial Transformation (where applicable)	None
Reporting Cycle	Quarterly
Desired Performance	Maximisation of Provincial Own Revenue generation by maintaining current revenue sources and identification of sustainable new revenue sources/projects.
Indicator Responsibility	Director: Fiscal Policy Analysis (Revenue)

Indicator Title	Number of Budget documents tabled in line with the set standards and National Treasury.
Definition	The performance indicator measures the percentage of credible provincial budget tabled (funded budget that is aligned to priorities and procurement plan)
Source of Data	Budget documents (Budget Statements, Appropriation Bills and Schedules, Citizen Guides, etc.)
Method of Calculation / Assessment	Simple count.
Means of Verification	Approved Provincial Budgets (Main and Adjustment Budget). Proof of tabling at the Legislature.
Assumptions	All Provincial Departments and Public Entities implements integrated budget planning.
Disaggregation of Beneficiaries (where applicable)	None
Spatial Transformation (where applicable)	None
Reporting Cycle	Quarterly
Desired Performance	Two credible Provincial Budgets tabled (Main and adjustment budget).
Indicator Responsibility	Director: Budget Management

Indicator Title	Number of consolidated Provincial In Year Monitoring Reports produced in line section 32 of PFMA.
Definition	12 monthly Provincial IYMs produced in line section 32 of PFMA to ensure that 13 departments spend within 100% of their allocated budgets.
Source of Data	In Year Monitoring Reports; BAS Reports and Budget Book.
Method of Calculation / Assessment	Simple count.
Means of Verification	12 Monthly Consolidated Provincial In Year Monitoring Reports.
Assumptions	All Provincial Departments and Public Entities submits monthly IYM reports with informed narratives.
Disaggregation of Beneficiaries (where applicable)	None
Spatial Transformation (where applicable)	None
Reporting Cycle	Monthly
Desired Performance	That all 12 monthly Provincial IYMs are produced for 13 Departments and 5 Public Entities.
Indicator Responsibility	Director: Public Finance and Data Management

Indicator Title	Number of Infrastructure Reporting Model assessments communicated to infrastructure departments.
Definition	The Performance indicator measures the number of Infrastructure Reporting Model assessments that are conducted for nine infrastructure departments (Health, Social Development, Agriculture, Public Works, Transport, CoGSTA, Sport, Arts and Culture, LEDET and Education) and feedback provided for implementation of recommendations.
Source of Data	Web based Infrastructure Reporting Model (IRM), BAS report and monthly ITMC reports.
Method of Calculation / Assessment	Simple count – non cumulative
Means of Verification	Infrastructure Reporting Model Assessment Report Proof of communication
Assumptions	That all 9 Infrastructure to Departments timely submit monthly IRM reports with informed narratives
Disaggregation of Beneficiaries (where applicable)	None
Spatial Transformation (where applicable)	None
Reporting Cycle	Monthly.
Desired Performance	All 108 IRM assessments conducted
Indicator Responsibility	Director: Infrastructure and PPP

Indicator Title	Number of infrastructure assessments on support to local government to optimize MIG performance communicated to municipalities.
Definition	The performance Indicator measures the number of infrastructure assessment conducted on support to 6 municipalities (Thulamela, Vhembe, Mopani, Polokwane, Capricorn and Ba-Phalaborwa) to optimize MIG performance.
Source of Data	Municipal documents, Section 71 reports and MIG reports
Method of Calculation / Assessment	Simple count – non cumulative
Means of Verification	Approved Infrastructure Assessment Reports Proof of communication
Assumptions	That 6 to Municipalities timely submit monthly MIG reports with informed narratives.
Disaggregation of Beneficiaries (where applicable)	None
Spatial Transformation (where applicable)	None
Reporting Cycle	Quarterly.
Desired Performance	All quarterly consolidated MIG assessments conducted.
Indicator Responsibility	Director: Infrastructure Management and PPP.

Indicator Title	Number of Municipal Governance Structures coordinated.
Definition	Municipal Governance Structure (Strategic) that comprise of the strategic MEC of Finance, mayors and the MMCs for finance in the province. Municipal Governance Structure (Technical) that comprise of Provincial Treasury's Head of Department and Municipal Managers and Municipal Chief Finance Officers.
Source of Data	Municipal Reports.
Method of Calculation / Assessment	Simple count – Non cumulative.
Means of Verification	Attendance register and minutes of the meetings.
Assumptions	MEC for Finance in the province will chair the strategic session and hold municipalities' political heads accountable for financial performance, non-compliance with laws and regulations and implementation of resolutions taken. HOD for Provincial Treasury will chair and to hold municipalities' administrative heads accountable for financial performance, d non-compliance with laws and regulations and implementation of resolutions taken.
Disaggregation of Beneficiaries (where applicable)	None
Spatial Transformation (where applicable)	None
Reporting Cycle	Quarterly
Desired Performance	Targeted performance and above.
Indicator Responsibility	Chief Director: Municipal Finance and Governance .

TECHNICAL INDICATORS FOR PROGRAMME 3

Indicator Title	Number of asset management assessments communicated to Provincial Public Institutions.
Definition	The performance indicator measures the number of assessments that are conducted on asset management in Provincial departments and Public Entities and feedback provided.
Source of Data	Provincial departments and Public Entities reports and site visits
Method of Calculation / Assessment	Simple count.
Means of Verification	Assessment Reports. Proof of communication of assessment report for the previous quarter
Assumptions	Client institutions are available for assessment.
Disaggregation of Beneficiaries (where applicable)	N/A
Spatial Transformation (where applicable)	N/A
Reporting Cycle	Quarterly
Desired Performance	All 64 assessments conducted.
Indicator Responsibility	Director: Provincial Assets Management.

Indicator Title	Number of cash management assessments communicated to Provincial Public Institutions.
Definition	The performance indicator measures the number of assessments that are conducted on cash management in Provincial Departments and Public Entities and feedback provided.
Source of Data	Provincial departments and Public Entities reports and site visits
Method of Calculation / Assessment	Simple count.
Means of Verification	Assessment Reports. Proof of communication of assessment report for the previous quarter to Provincial Public Institute.
Assumptions	Client institutions are available for assessment.
Disaggregation of Beneficiaries (where applicable)	Limpopo Provincial Departments and Public Entities.
Spatial Transformation (where applicable)	N/A
Reporting Cycle	Quarterly.
Desired Performance	All 68 assessments conducted
Indicator Responsibility	Director: Banking, Cash and Liabilities Management.

Indicator Title	Number of SCM assessments communicated in Provincial Public Institutions.
Definition	The performance indicator measure the number of assessments that are conducted on SCM Compliance in Provincial Departments and Public Entities and feedback provided.
Source of Data	Provincial departments and Public Entities reports and site visits.
Method of Calculation / Assessment	Simple count
Means of Verification	Assessment Reports. Proof of communication of assessment report for the previous quarter to Provincial Public Institution.
Assumptions	Client institutions are available for assessment
Disaggregation of Beneficiaries (where applicable)	Limpopo Provincial Departments and Public Entities.
Spatial Transformation (where applicable)	N/A
Reporting Cycle	Quarterly
Desired Performance	64 assessments conducted
Indicator Responsibility	Director: SCM Governance and Compliance

Indicator Title	Number of assessments communicated to provincial public institutions on strategic procurement targets of Limpopo Procurement Strategy.
Definition	Conduct assessment on achievement of strategic procurement targets by departments and public entities in line with Limpopo Procurement Strategy (ies) and feedback provided to public institutions.
Source of Data	BAS and LOGIS expenditure Report.
Method of Calculation / Assessment	Simple Count
Means of Verification	Assessment Reports. Proof of communication of assessment report for the previous quarter to Provincial Public Institution.
Assumptions	Departments and public entities will comply with prescripts and recommendations by oversight bodies.
Disaggregation of Beneficiaries (where applicable)	Businesses owned by the following designated groups: Black, Persons with Disability, Military Veterans, SMMEs, Women, Youth, Black Owned Coops, Rural/ township businesses
Spatial Transformation (where applicable)	N/A
Reporting Cycle	Quarterly.
Desired Performance	64 assessments conducted.
Indicator Responsibility	Director: SCM Client Support

TECHNICAL INDICATORS FOR PROGRAMME 4

Indicator Title	% of courses conducted on transversal systems.
Definition	Financial management capacity building through training courses. Training of departmental officials (nominated) on transversal systems (BAS and / LOGIS and / PERSAL)
Source of Data	Departmental nomination lists, attendance registers and evaluation forms.
Method of Calculation / Assessment	Number of transversal systems courses conducted divided by total number of courses that met the minimum number of nominees (which is eight per course) and multiply by 100.
Means of Verification	Attendance Registers and nomination forms.
Assumptions	Trainers, training venues, stable network and clients' nominations.
Disaggregation of Beneficiaries (where applicable)	11 departments.
Spatial Transformation (where applicable)	N/A
Reporting Cycle	Quarterly
Desired Performance	Actual performance that is higher than targeted performance is desirable.
Indicator Responsibility	Director: Financial Management Capacity Building.

Indicator Title	Number of financial statements assessments communicated to Provincial Public Institution.
Definition	Assessments conducted on departments financial statements and feedback provided for implementation of recommendations.
Source of Data	Financial Reports.
Method of Calculation / Assessment	Simple count.
Means of Verification	Assessment Reports, Proof of feedback to Departments
Assumptions	Timely submission of financial statements, staff and clients' availability.
Disaggregation of Beneficiaries (where applicable)	11 departments.
Spatial Transformation (where applicable)	N/A
Reporting Cycle	Quarterly.
Desired Performance	Targeted performance.
Indicator Responsibility	Director: Financial Accounting and Reporting.

Indicator Title	Number of audit committee meetings supported to improve governance in departments.
Definition	Support Audit Committee meetings for 11 votes by scheduling, arranging logistics and provision of secretariat support.
Source of Data	Audit Committee packs, attendance registers, minutes and Audit Committee reports.
Method of Calculation / Assessment	Simple count.
Means of Verification	AC Minutes and Attendance Registers.
Assumptions	Timely submission of AC packs, Availability of staff, AC members and clients for meetings.
Disaggregation of Beneficiaries (where applicable)	11 departments
Spatial Transformation (where applicable)	N/A
Reporting Cycle	Quarterly
Desired Performance	Targeted performance
Indicator Responsibility	Director: Governance, Monitoring and Compliance.

Indicator Title	Number of assessment reports on provincial risk profile communicated to HOD's forum.
Definition	Assessment reports on the monitoring of Provincial Risk Profile and feedback provided to the HOD's forum.
Source of Data	Departments and Public Entities risk profiles and APPs; Limpopo Development Plan; Auditor General and Internal Audit reports; Stakeholder Consultations.
Method of Calculation / Assessment	Simple count.
Means of Verification	Access to Clusters, relevant Risk Champions, Staff and timely submission of assessments.
Assumptions	Assessments Reports
Disaggregation of Beneficiaries (where applicable)	11 Departments and 5 Public Entities.
Spatial Transformation (where applicable)	N/A
Reporting Cycle	Bi - Annually.
Desired Performance	Targeted performance.
Indicator Responsibility	Director: Transversal Risk Management.

Indicator Title	Number of public sector risk management framework compliance assessments communicated to departments and public entities.
Definition	Assessment reports on compliance with the Public-Sector Risk Management Framework and feedback provided to Provincial Departments and Public Entities for implementation of recommendations.
Source of Data	Votes and Public Entities Quarterly Risk Management Reports, Public Sector Risk Management Framework.
Method of Calculation / Assessment	Simple count.
Means of Verification	Assessment Reports, Proof of feedback to institutions.
Assumptions	Timely submission credible institutions reports, CROs, Staff and effective Risk Champions
Disaggregation of Beneficiaries (where applicable)	11 Departments and 5 Public Entities
Spatial Transformation (where applicable)	N/A
Reporting Cycle	Quarterly.
Desired Performance	Targeted performance.
Indicator Responsibility	Director: Transversal Risk Management.

Indicator Title	Number of financial system utilization assessments communicated to departments.
Definition	Assessments conducted on financial system utilisation on all 11 provincial departments and feedback provided for implementation of recommendations.
Source of Data	To track the financial systems utilization in 12 Votes to ensure effective usage
Method of Calculation / Assessment	HRM Reports, Trial Balance, User Account Management Reports, SITA and IBM SLAs
Means of Verification	Assessment reports Proof of communication of assessment report for the previous quarter
Assumptions	
Disaggregation of Beneficiaries (where applicable)	
Spatial Transformation (where applicable)	N/A
Reporting Cycle	Quarterly
Desired Performance	Actual performance that is higher than targeted performance is desirable.
Indicator Responsibility	Director: Systems Administration.

Indicator Title	Number of Libraries that implemented RFID System in DSAC.
Definition	This performance indicator measures the number of libraries under Department of Sport, Arts and Culture that has fully implemented the RFID.
Source of Data	Assets registers, ICT infrastructure reports, Organizational Structures.
Method of Calculation / Assessment	Simple count
Means of Verification	Approved implementation report.
Assumptions	If RFID is implemented, DSAC will effectively manage and account for library materials which will reduce unqualified audit opinions.
Disaggregation of Beneficiaries (where applicable)	Department of Sport, Arts & Culture
Spatial Transformation (where applicable)	N/A
Reporting Cycle	Annually
Desired Performance	Actual performance that is higher than targeted performance is desirable.
Indicator Responsibility	Director: Financial Systems Implementation

TECHNICAL INDICATORS FOR PROGRAMME 5

Indicator Title	Number of three-years strategic rolling and annual audit plans prepared by Provincial Internal Audits and approved by Audit Committee for the year 2021/22.
Definition	Three years rolling and annual audit plans for the 11 votes or dept (excluding Legislature as listed under table 2 & 3 of this APP) approved by the Audit Committee for the financial year 2021/22.
Source of Data	Departmental Risk Profiles and departmental strategic outcomes.
Method of Calculation / Assessment	Simple count
Means of Verification	11 x Approved Three-year rolling and annual internal audit plans.
Assumptions	Improved Governance, Risk, Control and Compliance processes in Provincial Government.
Disaggregation of Beneficiaries (where applicable)	11 Provincial Departments
Spatial Transformation (where applicable)	N/A
Reporting Cycle	Annually
Desired Performance	11 x Approved Three-year rolling and annual internal audit plans
Indicator Responsibility	Chief Audit Executive

Indicator Title	% of Internal Audits finalised in terms of the approved Audit Plans
Definition	This performance indicator measures the percentage of audits finalised and communicated to departments (all votes except Legislature) in accordance with the approved internal audit plan.
Source of Data	Finalised Internal Audit Reports
Method of Calculation / Assessment	Actual Performance will be calculated as follows:- Numerator = Number of Audits performed Denominator = Total number of planned audits x targeted % for the quarter / financial year Results of the above expressed in percentage.
Means of Verification	Exception Reports and Approved Audit plans of departments.
Assumptions	The assumption is that the internal audit plan is dynamic and may change as circumstances warrant.
Disaggregation of Beneficiaries (where applicable)	11 Provincial Departments
Spatial Transformation (where applicable)	N/A
Reporting Cycle	Quarterly
Desired Performance	97% of finalised Internal Audit Reports
Indicator Responsibility	Chief Audit Executive

Indicator Title	Number of annual internal Quality Assurance Improvement Programme (QAIP) report Implementation prepared to improve the quality of client service
Definition	This performance indicator measures the conformance of SIAS to the International Standards for the Professional Practice of Internal Auditing
Source of Data	Internal Audit Projects Files / Teammate Working Papers.
Method of Calculation / Assessment	Simple count
Means of Verification	Approved Internal Quality Assurance Improvement Programme (QAIP) Implementation report
Assumptions	Enhanced credibility and reliance on Shared Internal Audit Services.
Disaggregation of Beneficiaries (where applicable)	N/A
Spatial Transformation (where applicable)	N/A
Reporting Cycle	Annually
Desired Performance	Improved quality of internal audit services to 11 client provincial departments and stakeholders
Indicator Responsibility	Chief Audit Executive

ANNEXURES TO THE STRATEGIC PLAN.

ANNEXURE A: DISTRICT DEVELOPMENT MODEL

PROVINCIAL OWN REVENUE

Fiscal Policy Analysis – Revenue promote and enforce transparency and effective management of revenue in departments and public entities. Own revenue is generated from communities and as such, Provincial Treasury jointly with Departments will capacitate districts in effective revenue management and continuous revenue enhancement. The implementation of Provincial Revenue Enhancement and Retention Strategy will consider Districts' performance with a view to encourage effective revenue management, enhancement and sustainability of revenue sources. Provincial own revenue plays a critical role in augmenting Provincial Share of Revenue that is faced with continuous budget cuts pending low economic growth.

PROVINCIAL BUDGET

The role of Provincial Budget Management towards the District Development Model is to prepare provincial budget in collaboration with Departments and Public Entities considering provincial priorities and the scarcity of resources. Budget allocation will focus mainly on developmental plans in the districts, however this is a conjoint function with departments and public entities.

PUBLIC FINANCE MANAGEMENT

The Directorate exercise control over the implementation of provincial budgets in ensuring resource allocation efficiency to achieve maximum social, environment and economic benefits. In the implementation of District Development Model, Provincial Treasury provide capacity building to Departments, Public Entities and Districts to ensure costs minimisation and monitoring that funds are spend for intended purposes. The expenditure performance of the departments will also be monitored through Districts.

INFRASTRUCTURE MANAGEMENT

In ensuring the success of the District Development Model on provincial infrastructure development, Limpopo Provincial Treasury provide infrastructure planning support to provincial departments and municipalities; and also exercise an oversight role in the implementation of such plans and the implementation of infrastructure budget. Since the infrastructure developmental needs are informed by community needs, Provincial Treasury coordinate such information through collaboration with infrastructure departments; Office of the Premier and public entities and coordinate the required financial and technical support. Infrastructure development is a necessity to accelerate economic growth and for poverty alleviation.

MUNICIPAL FINANCE AND GOERNANCE

Limpopo Provincial Treasury plays oversight on the financial matters to strategic guide the financial planning process of the District Development Model, and also exercise control over implementation

of such budgets. Therefore the department assist in the District Development Model in ensuring that resource allocation efficiency to achieve maximum social and economic benefits.

SHARED INTERNAL AUDIT SERVICES

The province has established and adopted a Shared Internal Audit Services model operating within Provincial Treasury but provides assurance and consulting services to all departments.

The Provincial Internal Audit Function will audit and provide assurance on the establishment and integrity of the District Development Models (DDM) of all department will be audited. This will entail auditing the completeness of the DDM's including the implementation and integration of the model into the organisation's operational plans.

