



LIMPOPO

**PROVINCIAL GOVERNMENT
REPUBLIC OF SOUTH AFRICA**

PROVINCIAL TREASURY

**2024
/25**

**ANNUAL
PERFORMANCE
PLAN**



The heartland of southern Africa—development is about people

EXECUTIVE AUTHORITY STATEMENT

Upon the inception of the 6th Administration, Limpopo Provincial Treasury aligned itself to make significant contributions towards ensuring the equitable allocation and prudent spending of funds for provincial and local government institutions, as well as State-Owned Enterprises (SOEs). This commitment has guaranteed the department's substantial role in standardization, optimization of service delivery, infrastructure development, and the



prioritization of programs within sector departments that address the specific needs and challenges of Women, Youth, and People with Disabilities. Each year, our Annual Performance Plans are carefully crafted to align not only with other provincial departments but also to address the unique needs of these demographic groups. Embedded in the Medium-Term Strategic Framework: 2019 – 2024 are objectives aimed at establishing "A Capable, Ethical, and Developmental State" in every facet of our operations. We are dedicated to playing a pivotal role in achieving this objective, with a keen awareness of the distinctive needs and aspirations of these target groups.

Equally significant, is our acknowledgment of the challenges and disruptions caused by the COVID-19 pandemic, macroeconomic volatility, and international supply chain conflicts. Despite these obstacles, our department remained resolute in the implementing the Public Finance Management Act and Municipal Finance Management Act. This commitment also extends to our focus in implementing the Unauthorized, Irregular, Fruitless & Wasteful Expenditure Reduction Strategy, with a heightened emphasis on consequence management and accountability frameworks.

In alignment with our commitment to inclusivity, we recognize the importance of fortifying the Provincial Treasury's capacity. Critical positions, especially at the management level, have been filled. Looking ahead, we remain dedicated to retaining and enhancing a diverse set of skills within our department, creating an environment conducive to substantial performance improvements, and ensuring that Women, Youth, and People with Disabilities are considered in filling vacant positions and play a central role in our ongoing efforts.

SC Sekoati (MPL)

Executive Authority

Limpopo Provincial Treasury

ACCOUNTING OFFICER STATEMENT

Provincial Treasury is entrusted with its obligations as stipulated in Section 18 of the Public Finance Management Act (PFMA), Act 1 of 1999, as amended, and in Section 5 of the Municipal Finance Management Act (MFMA), Act 56 of 2003, as amended. These legal provisions require the effective management of provincial financial resources.



South Africa, including our province, anticipates enduring a fiscally constrained environment, exacerbated by the persistent inflationary pressures stemming from the ongoing conflict between Russia and Ukraine. Provincial Treasury is committed to ensuring that the limited budget allocation is equitably distributed to fulfil our social mandate while enhancing investments in infrastructure development. Given these constraints, all institutions are urged to exercise fiscal prudence, carefully allocate their funds, and strive for improved service delivery outcomes. In this context, the Provincial Treasury will maintain vigilant oversight over expenditure, governance processes, compliance with relevant laws, and adherence to regulations, with the aim of achieving enhanced audit outcomes within the province.

Through the Provincial Personnel Management Committee, the Provincial Treasury will continue to monitor the reduction in the percentage of the budget allocated to Compensation of Employees and will endeavour to allocate additional funds to prioritize infrastructure development.

The financial stability of provincial municipalities remains a matter of significant concern. The Provincial Treasury is committed to strengthening its capacity to support these municipalities where required, and will further bolster its capabilities in this regard.

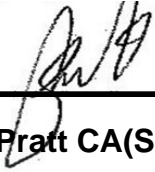
Recognizing that infrastructure development is a pivotal driver of economic growth, the Provincial Treasury will closely monitor the forward planning of critical infrastructure projects across various government departments.

Our department remains unwavering in its commitment to implementing the 2020 to 2025 Strategic Plan. Our objective is to allocate provincial resources judiciously towards service delivery programs within provincial departments, thereby contributing to the economic advancement of the province and the reduction of unemployment and poverty, in alignment with the 2020-2025 Limpopo Development Plan.

The department has achieved 50% female representation and 2% representation of people with disabilities at SMS level. This achieved EE status demands our unwavering

commitment to its maintenance and continuous monitoring. Improvement is required for the overall appointment of people with disabilities across all levels in the department.

Economic empowerment of Women, Youth, and Persons with Disabilities (WYPD) remains a cornerstone of our strategy, as evidenced by our adherence to the Revised Limpopo Procurement Strategy 2030. We do however acknowledge the need for substantial improvement in providing procurement opportunities for People with Disabilities and this is an area and pledge to redouble our efforts.



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 2024/25 financial year.

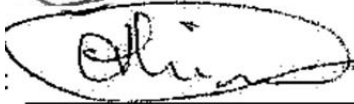
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Mr MJ Ngobeni
Acting Deputy Director General:
Sustainable Resource Management



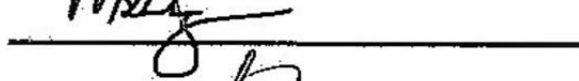
Ms MMM Thindisa
Deputy Director General:
Assets, Liabilities & Supply Chain Management



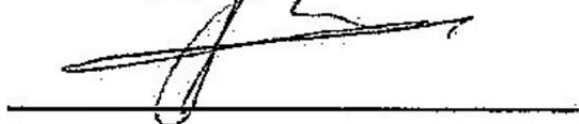
Ms PA Semenya
Deputy Director General:
Financial Governance



Mr M Tshitangano CA (SA)
Chief Audit Executive



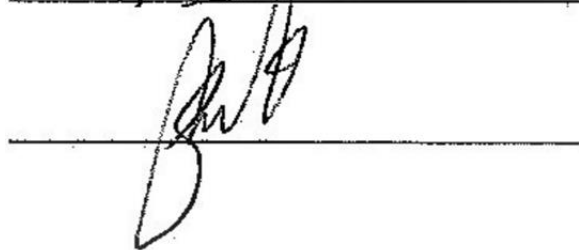
Mr HM Mawela
Chief Financial Officer



MM Maboko
Acting Director: Strategic Management



Mr GC Pratt CA (SA)
Accounting Officer



Approved by:

Hon. SC Sekoati (MPL)
Executive Authority

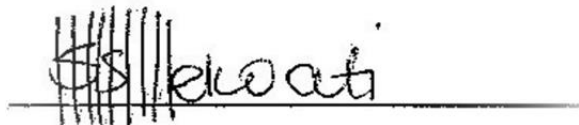


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LIST OF ACRONYMS

Acronym	Description
AC	- Audit Committee
AFS	- Annual Financial Statement
AGSA	- Auditor General South Africa
AMD	- Accounting Manual for Departments
AO	- Accounting Officer
APP	- Annual Performance Plan
BAS	- Basic Accounting System
BCP	- Business Continuity Plan
CA	- Chartered Accountant
CAE	- Chief Audit Executive
CFO	- Chief Financial Officer
CGICTPF	- Corporate Governance of Information and Communication Technology Policy Framework
CIPS	- Chartered Institute of Purchase and Supply
COGHSTA	- Co-Operative Governance, Human Settlement and Traditional
COVID 19	- Corona Virus Pandemic
CPI	- Consumer Price Index
CRO	- Chief Risk Officer
CSD	- Central Supplier Database
DoEL	- Department of Employment and Labour
DORA	- Division of Revenue Act
DPME	- Department of Planning, Monitoring and Evaluation
DPSA	- Department of Public Service and Administration
DTIC	- Department of Trade, Industry and Competition
EE	- Employment Equity
ENE	- Estimates of National Expenditure
EPRE	- Estimated Provincial Revenue and Expenditure
EXCO	- Executive Council
EXCOM	- Executive Management Committee
FAR	- Financial Accounting and Reporting

FIPDM	-	Framework of Infrastructure Procurement and Delivery Management
FMIS	-	Financial Management Information System
GDP	-	Gross Domestic Product
GIAMA	-	Government Immovable Asset Management Act
GIS	-	Government Information Systems
GITO	-	Government Information Technology Office
GRAP	-	Generally Recognised Accounting Practice
GRCC	-	Government Risk Control and Compliance
HOD	-	Head of Department
HRM	-	Human Resource Management
IBM	-	International Business Machines
ICT	-	Information and Communication Technology
ITMC	-	Infrastructure Technical Management Committee
LIIMP	-	Limpopo Integrated Infrastructure Master Plan
LOGIS	-	Logistics Information System
MCS	-	Modified Cash Standards
MEC	-	Member of the Executive Council
MMC	-	Member of Mayoral Council
MMS	-	Middle Management Services
MPL	-	Member of Parliament
MPRA	-	Municipal Property Rates Act
MTEC	-	Medium Term Expenditure Committee
MTEF	-	Medium Term Expenditure Framework
N/A	-	Not Applicable
NT	-	National Treasury
OHS	-	Occupational Health and Safety
OTP	-	Office of the Premier
PERSAL	-	Personnel Salary
PESTEL	-	Political, Economic, Social, Technological, Environment and Legal
PMDS	-	Personnel Management and Development System
PRF	-	Provincial Revenue Fund
PTCF	-	Provincial Technical Committee on Finance

RMC	-	Risk Management Committee
SALGA	-	South African Local Government Association
SBD	-	Standard Bidding Document
SCM	-	Supply Chain Management
SEZ	-	Special Economic Zone
SITA	-	State Information Technology Agency
SLA	-	Service Level Agreement
SMART	-	Specific, Measurable, Achievable, Reliable and Timely
SMME	-	Small, Medium and Micro – Sized Enterprise
SMS	-	Senior Management Service
SWOT	-	Strength, Weakness, Opportunities and Threats
UIF	-	Unauthorised Irregular and Fruitless Expenditure
WYPD	-	Women, Youth and Persons with Disabilities
WSP	-	Workplace Skills Plan



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 No.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. UPDATES TO THE RELEVANT LEGISLATIVE AND POLICY MANDATES

Legislative Mandates

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.

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

Section	Function and powers
(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
5(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.
5(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 Framework (NSDF, 2022)
- National Industrial Policy Framework
- Broad Based Black Economic Empowerment
- Limpopo Development Plan 2020-2025

There are no updates on relevant Legislative mandates, however, there is an update on policy mandate related to National Spatial Development Framework.

2. UPDATES TO INSTITUTIONAL POLICIES AND STRATEGIES

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.

3. UPDATES TO RELEVANT COURT RULINGS

None



PART B: STRATEGIC FOCUS

PART B: OUR STRATEGIC FOCUS

1. UPDATED SITUATIONAL ANALYSIS

The Provincial Treasury embarked on branch strategic planning exercises where all branches conducted reviews of the 2023/24 Annual Performance Plan (APP). PESTEL analysis is a framework used to conduct an external environmental analysis, examining various macro-environmental factors that can impact Limpopo Provincial Treasury. The components of PESTEL analysis are described as follows:

Political

- **Government Stability:** Assess the stability of the South African government, particularly in relation to political changes, elections, and potential shifts in leadership that may affect the treasury's policies and budget allocations.
- **Fiscal Policy:** Examine the government's fiscal policies, including taxation, spending, and public finance strategies. Changes in these policies can have a direct impact on the treasury's financial management and budget planning.

Economic

- **Economic Growth:** Analyze the economic health of South Africa, focusing on factors such as GDP growth, inflation rates, and unemployment rates, as these can influence the treasury's revenue generation and budget planning.
- **Exchange Rates:** Monitor currency exchange rates, as fluctuations can impact foreign investments, international trade, and funding for infrastructure projects in Limpopo.
- **Budget Constraints:** Consider economic challenges such as revenue shortfalls or increasing debt burdens, which may constrain the treasury's ability to finance critical programs and projects.

Socio-cultural

- **Demographics:** Study the demographic composition of Limpopo Province, including population size, age distribution, and urbanization trends, to better understand the evolving demands for public services and infrastructure.
- **Social Welfare:** Examine the social welfare needs of the province's population and the treasury's role in funding healthcare, education, and poverty alleviation programs.
- **Cultural Factors:** Recognize and respect the diverse cultural backgrounds within the province, as cultural norms and values can impact policy implementation and public engagement.

Technological

- **Digital Transformation:** Evaluate the integration of technology in the treasury's financial management, data analytics, and communication, as advancements in technology can enhance efficiency and transparency in public financial management.
- **Cybersecurity:** Address the importance of cybersecurity in protecting financial data and information systems, especially in an era where cyber threats are a concern for government agencies.

Environmental

- **Climate Change:** Consider the province's vulnerability to climate change, including factors like extreme weather events and resource scarcity. Budget allocation for disaster relief and climate-resilient infrastructure may be necessary.
- **Environmental Regulations:** Ensure compliance with environmental regulations in financial planning and spending, particularly concerning environmental sustainability and resource management.

Legal

- **Fiscal Laws and Regulations:** Understand and adhere to national and provincial fiscal laws and regulations governing budgeting, taxation, and public financial management.

- **Labor Laws:** Comply with labor laws concerning employment practices, as these laws can influence the treasury's human resources management.

1.1. EXTERNAL ENVIRONMENTAL ANALYSIS

THE COMPONENTS OF PESTEL	OPPORTUNITIES	THREATS
Political	-	<ul style="list-style-type: none"> • Political Instability • Political Administrative Interface
Economic	<ul style="list-style-type: none"> • Municipal Finance Improvement Programme (MFIP) by National Treasury. 	<ul style="list-style-type: none"> • Shrinking of Revenue • Cost containment measures pronounced by National Treasury
Social	<ul style="list-style-type: none"> • Sharing best practices across other provincial treasuries in the country. 	<ul style="list-style-type: none"> • Influx of foreign nationals
Technological	<ul style="list-style-type: none"> • ICT Strategy • Universal access to mobile devices and technologies • Virtual and online technologies • Digital Literacy Skills 	<ul style="list-style-type: none"> • Poor ICT Infrastructure networks in the Province • Cyber security • Loadshedding
Environmental	-	-
Legal	-	- Litigation in Public Service

OPPORTUNITIES

Provincial Treasury transversal branches also identified an opportunity of sharing best practices across other provincial treasuries in the country. The department continues to implement the ICT strategy focusing on ICT governance, universal access to mobile devices and technologies, virtual and online technologies and building ICT and digital literacy skills. The department will continue to maximise the use of the National Treasury

provided Municipal Finance Improvement Programme (MFIP) to augment 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. Political Administrative interface poses threat on the functionality of most government institutions. Inappropriate political interference in administrative matters as well as strained relations between key political and administrative officials poses negative consequences on the functioning of departments and municipalities, and therefore on service delivery. Shrinking revenue poses a serious threat on allocation of budget to national and provincial priorities and service delivery in the province and may have implications on potential growth in the percentage of the budget allocated to Compensation of Employees (COE). Influx of foreign nationals, load shedding and natural disasters pose a serious threat by putting severe pressure on limited resources. Litigations in Public Service also pose a serious threat where resources meant for services delivery may be deviated to fund litigations and claims. Poor ICT infrastructure networks in the province, coupled with the risk of ICT systems being hacked are also a threat. Cyber Security is still a concern due to outdated ICT infrastructure as well as a low level of active participation by users with regard to ICT security. Furthermore, the cost containment measures pronounced by National Treasury may compromise the work to be done by LPT in provincial institutions.

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 are presented in EXCOM meetings.

Table 1: Stakeholder Analysis

Stakeholder	Reason for collaboration	Collaboration Description	Challenges	Proposed interventions
SITA.	Custodians of ICT 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>ICT technical Skills.</p> <p>ICT 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 FMIS capacity.</p> <p>Update own SLA to incorporate usage of third parties by SITA.</p>
AGSA.	AGSA Conduct external audit to the department and generate a report on the outcomes of the audit.	In the process of conducting external audits, AGSA collaborates with assurance providers such as Internal Audit and other transversal functions within Provincial Treasury.	Slow implementation of Combined Assurance.	Expedite implementation of Combined Assurance.
State attorney	To deal with contingent liabilities	State Attorney is responsible to represent the state in legal matters.	Inability to determine the value of the claims	Minimize claims against the state
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</p>	<p>Revoke ID's of non-complying System Controllers.</p> <p>Centralise the function of System Controllers in</p>

Stakeholder	Reason for collaboration	Collaboration Description	Challenges	Proposed interventions
			generic structure of CFO's office.	Limpopo Treasury.
All Departments and Public Entities.	Effective Budget Planning and implementation.	Compliance with budget guideline framework and performance reporting standards.	Poor implementation of budgets and procurement plans.	Enhance capacity building mechanisms
National Treasury	Custodians of PFMA and its prescripts.	Financial Reporting Frameworks Risk Management framework Annual Reporting Framework Instruction Notes and Guidelines.	Reporting Templates are not error free. AMD and MCS are not aligned to the templates. Outdated Frameworks.	Automation of the reporting template. Alignment of templates to AMD and MCS. Regular review of the frameworks.
	Custodian of Transversal Systems.	Systems policies and Procedures. Transversal system support.	None Limited training capacity.	None Capacitate Financial Training Capacity Building Directorate.
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.

Stakeholder	Reason for collaboration	Collaboration Description	Challenges	Proposed interventions
CoGHSTA.	CoGHSTA is responsible for Municipal Property Rates Act (MPRA), DoRA, Systems Act and other sections of the MFMA.	CoGHSTA is responsible for MPRA 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 National and Provincial Treasury budget planning; reporting standards; and financial management prescripts in line with MFMA, DoRA and other legislations.	Non-adherence to legislative prescripts.	Enhance capacity building strategies. Escalation of non-compliance to highest authority.

1.1.1. 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

Provincial Departments	Public Entities	Municipalities (27)
		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 Mookgopong Local Municipality
		Bela-Bela Local Municipality

1.1.2. FISCAL POLICY ANALYSIS (REVENUE)

The South African economy has revealed some resilience recently despite the persistent global and national challenges like war in other countries, electricity crisis, rising public debt levels, interest rates hikes etc. The current power outages puts pressure on the economic growth as it negatively affects performances of business and ultimately the revenue raised nationally. The slow economic growth affects the efficient allocation of resources by Government as the revenue collected is not enough to meet the demands of the country. The limited fiscal resources compels Provinces to implement strategies to enhance the Provincial Own Revenue collection in order to supplement the Equitable Share. The Province continues to support the revenue enhancement initiatives by Departments in order to increase the revenue baseline of the Province.

Provincial revenue original target for 2023/24 financial year of R1.710 billion is revised to R1.925 billion or increased by R214.5 million. As at the end of December 2023, the Province has collected an amount of R1.598 billion or 83.0 percent against revised own

revenue projections of R1.486 billion or 77.2 percent which reflect an over collection of R112.4 million or 5.8 percent. Despite the over collection the Province is still faced with slow implementation of revenue enhancement projects.

1.1.2.1. Interventions over the medium-term period

Provincial Treasury will continue to engage and support Departments during the Revenue Enhancement bilateral meetings and Expenditure review meetings on the implementation of projects. Quarterly support visits will also be conducted in order to assist Departments in maximizing revenue collection.

1.1.3. Macro-Economic Analysis

The Macro-Economic Analysis unit continues to perform its role in terms of conducting research and provide economic policy to influence the budget allocation on Provincial level. Prevailing economic and social conditions on global, national and provincial levels are being analyzed. On quarterly basis the unit produces quarterly economic bulletins, which highlights the most recent economic developments on a quarterly basis and also provide inputs on relevant economic topics of the day, such as the role played by the informal sector in addressing the challenge of unemployment and the impact of the raising interest rates by the South African Reserve Bank on the Limpopo population.

The 2024/25 APP is developed during the time when the country is facing an enduring electricity dilemma. Crippling power cuts, volatile commodity prices and a challenging external environment are continuing to contribute to the country's sluggish economic growth. Despite the continuing pain of load shedding that is facing the country, South Africa's real gross domestic product (GDP) for the second quarter of 2023 has shown some resilience. The moderating power cuts in June compared to April and May help to boost economic activity, in addition, agriculture, mining and manufacturing industries data for quarter two showed better-than-expected growth and have given major support to the GDP figures. SA economy grew by 0.6 percent in the second quarter following a 0.4 percent growth between January and March this year.

Economic growth in some of the world's largest economies is set to slow in 2023, with Europe and the United States showing signs of weakening activity. Inflation is easing in most countries but remains high, with divergences across economies and inflation measures. Following the build-up of gas inventories in Europe and weaker than expected demand in China, energy and food prices have dropped substantially from their 2022 peaks, although food prices remain elevated. Together with the normalization of supply chains, these developments have contributed to a rapid decline in headline inflation in most countries.

The country is continuing to face elevated public debt levels, which is one of the highest among emerging markets and this limits the government's ability to respond to shocks and meet growing social and developmental needs. Stabilizing the country's debt and creating room in the budget for targeted social spending and public investment will require amongst others, reducing the government wage bill and transfers to state-owned enterprises. These challenges appeal for joint efforts at both nationally and provincial levels to advance interventions that will have sustainable impact in improving the lives of the poor people.

South Africa's economy faces significant headwinds, with consumers under severe pressure from elevated inflation and interest rates. This will result in muted economic growth for the remainder of the year and potentially a recession. The South African economy grew by 0.6 percent in the second quarter of 2023, following a 0.4 percent growth in the first quarter of 2023. Agriculture, manufacturing and finance were the driving forces in the second quarter growth. Indications are that the continuing Russia-Ukraine war is also expected to put a major dent to South Africa and Limpopo economy as the country is faced with increases in fuel prices, which affects the production and transportation of many agricultural and other products.

In addition to the documents produced as part of the APP the Macro Economic Analysis unit is also conducting research on other topics such as examining the impact of the high fuel prices to the provincial economy and the impact of the rise in the interest rates to the provincial citizens, as this continues to strain the provincial population as these increases

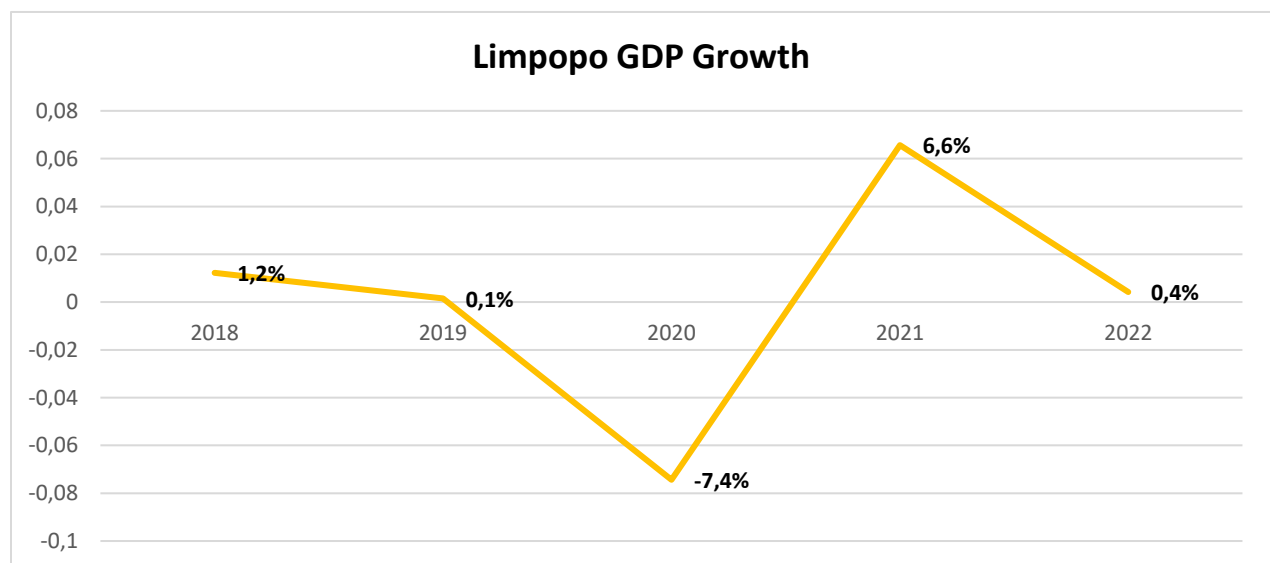
affect their disposable income and continue to push the Limpopo citizens into deep poverty levels.

1.1.4. LIMPOPO ECONOMY

The economic growth of the province has been sluggish over the recent years, growing on an average below 2 percent since 2010 to 2019, the COVID-19 pandemic and the Russia-Ukraine war has worsened the situation, putting a negative dent to the growth prospects in the province. This has led to the downwards revision of the provincial economic growth prospects to 2 percent in the Limpopo Development Plan (LDP).

The provincial economy contracted by 7.4 percent in 2020 and followed by a rebound from the effects of the pandemic by 6.6 percent in 2021. In 2022 the provincial growth was recorded at a positive growth of 0.4 percent, the positive economic growth in 2022 can be mainly credited to the booming mining commodity prices and exports.

Figure 1: Limpopo GDP Average Annual Growth (Constant 2010 Prices).



Source: HIS Regional Explorer, 2023

The Provincial economy continues to be dominated by the Mining industry, with the biggest share of (28.1%) in terms of percentage share to the provincial economy, followed by the community services (25.1%), Finance (17.1%) and Trade (13.9%). Other sectors contributed less to the provincial economy, i.e., Transport (4.0%), Electricity (3.8%), Agriculture (3.3%), Manufacturing (2.6 %) and Construction (1.9%). This is an indication

that the provincial growth prospects continue to rely widely in the Mining sector for a prolonged period unless drastic measures are taken to stimulate the growth of the other sectors in the provincial economy. The province will require to invest and attract investors who can invest in mining beneficiation as this will assist in adding value to our mineral products and create employment for the young people in the province.

According StatsSA official definition of unemployment, South Africa's unemployment rate increased from 30.1 percent in the 1st quarter of 2020 to 32.6 percent in the 2nd quarter of 2022. Only Western Cape and Northern Cape have unemployment below 30 percent, with Eastern Cape at 39.7 percent being the highest. While the South African Expanded unemployment rate was recorded at 42.1 percent in the 2nd quarter 2023. This is reflective of the fact that people were available for work but did not actively look for work. Limpopo unemployment rate surged from 23.6 percent in the 1st quarter of 2020 to 31.6 percent in the 2nd quarter of 2022. The provincial unemployment has seen an upsurge of about 8 percent since the beginning of the COVID-19 pandemic in the early 2020. This is an indication that the COVID-19 crisis also impacted very negatively on employment in the Province. The province has a potential to create employment opportunities for its young people, though this will need a fundamental approach from the province to move from an extractor of raw material and to become a processor and add value through manufacturing and processing.

1.1.4.1. Interventions over the medium-term period

- The province will need to prioritise allocation of its budget to economic stimulating infrastructure projects as guided by the Limpopo Socio Economic Recovery Plan and the Limpopo Development Plan.

1.1.5. PROVINCIAL BUDGET MANAGEMENT

Sections 18 and 31 of the Public Finance Management Act (PFMA), Act 1 of 1999 (as amended by Act 29 of 1999), entrust Provincial Treasury with the responsibility of preparing the provincial main and adjustments budget. In order for the Province to table a credible budget for the Medium Term Expenditure Framework (MTEF) period, the Provincial Treasury continuously provides support to public institutions through engagements with these institutions on MTEF guidelines and other prescripts.

Provincial Treasury also holds Medium Term Expenditure Committee (MTEC) hearings with public institutions to assess if the MTEF budget fully funds the contractual obligations, non-negotiables, compensation of employees and if the MTEF budget responds to departmental policy priorities and any budget pressures. Institutions are also provided with analysis reports on 1st and 2nd Draft budget submissions to assist them to achieve credible budget.

The decreasing Provincial Equitable Share remains a challenge considering increasing competing service delivery needs coupled with high inflation rate (the increasing costs for goods and services or expenditure growth whilst experiencing budget cuts). The self-sustainability of the two provincial Public Entities registered as Schedule 3D entities in terms of the PFMA is a challenge as these Entities remain reliant on Provincial Grants. Provincial Treasury assists these Entities to explore other revenue sources in order to be financially self-sustainable.

To mitigate the impact of declining Equitable Share on services delivery, the Limpopo Provincial Treasury will collaborate with provincial departments and public entities in an efforts to assist these institutions to leverage on Budget Reforms such as Spending Reviews (SR), Zero-based-Budgeting (ZBB), and Budget Facility for Infrastructure (BFI). The SR and ZBB are very useful instruments during constraint fiscal environment as they provide an opportunity for institutions to re-examine expenditure baselines to identify efficiency gains and savings. The two reforms will assist the institutions to highlight issues around the efficiency and cost-effectiveness of institutions' expenditure and enables them to make better decisions about resource allocation.

The province also leverages on BFI which is a national government facility that support quality public investments through robust project appraisal, effective project development and execution and sustainable financing arrangements. For instance, the province succeeded in securing funding from the facility amounting to R3.96 billion for the construction and commissioning of the Limpopo Academic Hospital. By leveraging on this source of funding, the province has eased pressure on the decreasing Equitable Share allocation.

Lastly, the Province has provincialized National Treasury cost containment measures and applies all aspects of cost containment in an effort to mitigate the impact of decreasing Equitable Share on service delivery imperatives. This has been useful in ensuring that resources are spend on areas that support the core mandates of the institutions and spending on non-essential goods and services is minimised. The Provincial Treasury, through the Budget Management unit, continue to enforce and intensify the implementation of these measures to counter the fiscal challenges.

1.1.5.1. Interventions over the medium-term period

The Provincial Treasury is funding provincial priority projects that are creating job opportunities, stimulating economic growth and economic recovery after the impact of COVID-19 pandemic.

1.1.6. PUBLIC FINANCE MANAGEMENT

Section 18 of Public Finance Management Act (PFMA), Act 1of 1999 entrust Provincial Treasury with the responsibility of monitoring and supports departments and entities to ensure that spending is in line with set targets and any deviation is addressed on time. In the financial year 2022/23 the directorate introduced the implementation plan and projection templates as a monitoring tool for Conditional Grants and Earmarked (Provincial priorities) funds spending. The outcome of such intervention was an improved spending on Conditional Grants from 89.9 percent in 2021/22 financial year to 96.1 percent in 2022/23 financial year. The directorate continues to support departments and Public Entities where challenges exists on budget and spending alignment for proper reporting.

On quarterly basis, the directorate holds Quarterly Expenditure Bilateral meetings with departments and public entities to review spending trends on Equitable Share, Conditional Grants and Earmarked (Prioritised) funds and provide support where necessary. Overall spending by the province improved from 97.2 percent in 2021/22 financial year to 98.1 percent in 2022/23 financial year. By end of third quarter 2023/24 financial year, the province spending improved to 74.0 percent as compared to 72.0

percent spending in the 3rd quarter 2022/23 financial year. This reflects a positive impact on service delivery due to measures put in place.

Over and above bilateral, the unit together with Infrastructure unit conducts site visits to departmental projects to monitor the economic use of financial resources and service delivery. The ultimate aim is to achieve improved provincial budget planning and implementation; enhanced oversight on service delivery of the departments and public entities and improved communication and working relations with departments and public entities. On a monthly basis performance by Departments are being reported to National Treasury through In-year Monitoring (IYM) report and a detailed report for discussion during Head of Departments Forum and Executive Council meetings. These monitoring mechanisms are aimed at enforcing accountability and responsibility to Accounting Officers to ascertain that the set targets are achieved.

1.1.6.1. 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.

1.1.7. INFRASTRUCTURE MANAGEMENT AND PUBLIC PRIVATE PARTNERSHIPS (PPP)

The Provincial Treasury monitoring, oversight and support responsibilities for infrastructure management is derived from the Public Finance Management Act, 1999 and the Municipal Finance Management Act, 2003. Based on the legal framework, the different functions to be performed by Provincial Treasuries in respect of its monitoring, oversight and support responsibilities pertaining to Provincial Government Departments, Provincial Public Entities, Municipalities and Municipal Public Entities was identified.

Through the infrastructure governance structures on a monthly and quarterly basis, the Infrastructure Management and PPP Chief Directorate assists departments and municipalities to ensure that the Infrastructure Delivery Management System (IDMS) is implemented and that the Framework of Infrastructure Procurement and Delivery Management (FIPDM) is enhanced. The IDMS and FIPDM are frameworks that ensure uniformity in the delivery infrastructure within all spheres of government.

In line with the budget cycle and the infrastructure alignment model, LPT annually assist all departments to prepare for the MTEF, by making sure departments submit all planning documents and there's compliance to the infrastructure planning framework as stipulated in Division of Revenue Act (DoRA). During the third quarter of every financial year, LPT and Department of Public Works, Roads and Infrastructure (PWR&I) coordinate an infrastructure readiness workshop to provide technical support to departments and implementing agents. The plans of departments result in a project list or Table B5(s) which are gazetted or form part of the Estimates of Provincial Revenue and Expenditure (EPRE). Departments are on an annual basis assisted to capture the projects and programmes lists or Table B5(s) in the web-based Infrastructure Reporting Model (IRM). On a monthly basis through the institutional arrangements forums and the use of the web-based Infrastructure Reporting Model (IRM) assessments, LPT gives departments feedback on areas of improvements.

Municipalities in the province continue to experience infrastructure delivery challenges, as some are returning unspent money to the national fiscus while at the same time service delivery on the ground is limited and, in some cases, very low. Some municipalities are not able to both deliver physical infrastructure on the ground to ensure access to services for the citizens and spend their infrastructure budgets.

In order to respond to these challenges, LPT has looked at reforms to assist municipalities to improve spending of the Municipal Infrastructure Grant (MIG) going forward. The proposed high-level Terms of Reference (ToRs) that seeks to establish the quarterly forum to be conducted jointly with CoGHSTA have been finalised and consensus reached. The intention is to provide support to municipal sectoral planning where required, give technical advice as required by municipalities through the feasibility, planning, design, tender and construction phases of a municipal infrastructure project/programme cycle.

1.1.7.1. Interventions over the medium-term period

- Coordinate the support to the Department of Public Works Roads and Infrastructure including the integration plan which entails secondment of built environment

professionals to departments; which will sustain the infrastructure planning and implementation capacity over a medium to long term.

- Continuous provision of requisite support to Municipalities in order to ensure that MIG is spent efficiently and effectively.

1.1.8. PROVINCIAL ASSET MANAGEMENT

As at the 3rd quarter 2023/24, seven Departments performed above 90%, three Departments performed between 60%-89%, and one Department is performing below 60%.

The most common findings attributable to non-compliance levels including incomplete verification of assets, emerging R1/R0 value assets that are not fair-valued, current year acquisitions not captured in the asset register and at some instances; they are captured without values (R0.00). Disposed assets in the asset register while assets are still found during verification, assets not assigned to users and assets kept in the Loss Registers pending investigation for periods over two financial years. Integrated Annual Asset Management Plans not available.

Intervention Plan to address identified challenges

Identified Challenge	Intervention over the medium-term period (What need to be done)	Nature or level of intervention (Whether strategic or operational)	Collaboration needed (If not needed, then leave None)
Unverified assets	Departments to develop strategies to conduct asset verification through user affirmations.	Operational	None
Emerging R1/R0 value assets that are not fair-valued.	Strengthen Internal Control where assets values must be recorded immediately when the asset is recognised in the Asset Register using source documents. Where source documents are not available, fair-value them using Treasury methodology guideline	Operational	Operational Team
Poor Maintenance of Asset Registers	The department of Health to review processes and allocate resources appropriately to	Strategic	Executive Management of the Department

	manage and maintain the Asset Register.		
Disposed assets which are still found during verification.	Departments must avoid disposing assets on the desktop without source documents that are confirming that assets have been sold or transferred to other institutions.	Operational	Operational Team
Assets not assigned to users	Departments must avoid shortcuts when conducting assets verification and ensure that they complete table 1 before they begin with scanning the assets	Operational	Operational Team
Assets kept in the Loss Registers pending investigation for periods over two financial years	Development of strategies to enforce accountability and strengthen investigation for the lost assets	Operational	Internal Control/Security and Risk Management Units
Lack of Integrated Annual Asset Management Plans in departments	Departments must have Integrated Annual Asset Management Plans at the beginning of the financial year	Operational	Operational Team

1.1.9. BANKING AND CASH MANAGEMENT

As at end of the 3rd quarter of 2023/24, 13 Provincial Public Institutions performed above 90% or compliance level 5, with DSD at 88% as well as LGB and LTA at 78% or compliance level 4. Findings include:-

- OtP and LEDET exceeding cash flow projections or cash allocations by more than 2.5% allowable rate for reasons ranging from poor planning and execution to unforeseen circumstances beyond control.
- High levels of “Claims Against the State” vs slow turn-around of cases in the Court-Roll, with cumulatively high legal costs. Almost all departments are facing litigations.
- Compromised debt management in all departments due to delays in confirmation and creation of debts, poorly managed employment termination processes with perpetual salary payments, low debt recovery rate due to capacity and poor monitoring and evaluation of debt collectors in terms of RT27 Contract, common prescription and writing-off of debts.

- Non-participation of Schedule 3C Public Entities in Inter-Governmental Cash Coordination to optimize returns on cash surpluses by opening Corporation of Deposits (CPD) accounts at the SA Reserve Bank.
- All Public Entities not participating in Commercial Banking Contract, while not in any formal banking relationship with their current bankers in terms of PFMA & Treasury Regulations.

Intervention Plan to address identified challenges

Identified Challenge	Intervention over the medium-term period	Nature or level of intervention	Collaboration needed
Exceeding of cash flow projections or cash allocations by more than 2.5% allowable rate.	Continuous quarterly assessments and feedback, as well application of cash blocking functionality in processing of payments. Refresher training on cash forecasting is also necessary for relevant officials in departments.	Operational	Collaboration with Departments
High level of “Claims Against the State” vs slow turn-around of cases in the Court-Roll, with cumulatively high legal costs.	Continuous monitoring and need for development of appropriate risk mitigation and reduction strategies in departments. Engagement of Legal Advisors Forum regarding escalating claims and long turnaround time of cases in the Court Roll.	Strategic	Collaboration with Accounting Officers, Office of the Premier and Transversal Risk Management.
Compromised debt management in Departments and Public Entities	Continuous support, monitoring, assessments and feedback. Engagements with contracted Debt Collectors where there is a poor recovery rate.	Operational	Collaboration with Debt Collectors, PERSAL User Support, Human Resource Management, Legal Services and State Attorneys

Identified Challenge	Intervention over the medium-term period	Nature or level of intervention	Collaboration needed
	Engagement of Legal Advisors Forum regarding poor debt recovery. Need for streamlining of the process and proper coordination of the roles of all Strategic Business Units within the department to avoid high rate of staff debts.		
Non-participation of Schedule 3C Public Entities in Inter-governmental Cash Co-ordination to optimise returns on cash surpluses by opening CPD accounts in SA Reserve Bank.	Withholding of funds as Schedule 3C Entities are compelled by law to open CPD accounts and invest every surplus cash on daily basis.	Strategic	Collaboration with Shareholder Departments, Public Entities and Sustainable Resource Management
All Public Entities not participating in Commercial Banking Contract, while not in any formal banking relationship with their current bankers in terms of PFMA & Treasury Regulations.	Escalation of the matter to PTCF and HoDs' Forum for final decision.	Strategic	Collaboration with Provincial Banker & the Public Entities.

1.1.10. PROVINCIAL SUPPLY CHAIN MANAGEMENT

Supply Chain Management audit outcome as reflected in AGSA 2022/23 report indicated noncompliance to various Supply chain management prescripts, as tabulated below.

Identified Challenge	Intervention over the medium-term period	Nature or level of intervention (Operational or strategic)	Collaboration needed
Inadequate Market Research.	Provide training to departments and entities on demand management.	Operational	Expected commitment from departments and entities.
Inadequate Contract Management.	Develop Provincial Contract Management Policy and provide training on the implementation of the policy.	Strategic	Institutions to attend the support sessions on contract management hosted by Treasury.
Inconsistency in functionality evaluation	Review Transversal SCM Policy to close the gap	Strategic	Institutions to attend policy roll out sessions.
Awards to suppliers in the service of the state, employees doing business with government without prior approvals.	Increase awareness to SCM Heads and SCM Practitioners.	Operational.	National Treasury to refine the CSD to prohibit government employees from registering on the CSD.
Non-compliance to tax matters.	Provide on-going in-service training with SCM Practitioners	Operational	Attendance of SCM planned workshops by relevant SCM Practitioners.
Non-publication of bid awards and bids received on the institution's websites	Continue to hold SCM Forum information sharing sessions with institutions to highlight the issue.	Operation	Attendance of SCM Forum meetings by institutions
Non-compliance with SBD 4- Bidders Declaration	Request NT to revise the form to remove the confusion in the interpretation of its implementation	Strategic	NT to agree to revise the form, form to be rolled out to service providers and organs of state.

1.1.11. AG AUDIT OUTCOMES

Limpopo Provincial Treasury (LPT) provides support to all Institutions within the provincial government to achieve better and improved audit outcomes. LPT has developed a clean audit strategy and improvement plan which is reviewed annually to ensure it remains relevant, valid and strategic. The strategy outlines provincial targets each financial year













in terms of audit outcome expectations per institution. The introduction of the clean audit strategy has seen many Institutions working hard to meet the targets as set to improve audit outcomes and quality of the reports (Audit & Management Reports) as issued by the Auditor General South Africa (AGSA).

1.1.11.1. AG Outcomes for Provincial Departments




The Provincial Departments achieved the following audit outcomes for the financial year 2022/23: Two (2) Clean Audits, Seven (7) Unqualified Audits, and three (03) Qualified Audits. One has improved from Unqualified audit opinion to Clean audit opinion. Two departments has regressed from a Clean audit opinion to Unqualified audit opinion, one department has regressed from Unqualified to Qualified audit opinion.

The Department of Economic Development, Environment and Tourism maintained their clean audit outcomes. Provincial Legislature has improved their audit outcome from Unqualified to Clean audit opinion. Office of the Premier and Provincial Treasury regressed during the year from a clean audit to unqualified opinion. Department of Agriculture, Sport, Arts & Culture, Co-operative Governance, Human Settlements and Traditional Affairs, Social Development, and Department of Transport and Community Safety maintained unqualified audit outcomes. The Public Works, Roads and Infrastructure regressed during the year from an unqualified audit opinion to qualified audit opinion. The Departments of Education and the Department of Health maintained a qualified audit opinion. There is still a need for continuous monitoring and support to ensure that these trends are improved. The current status of the province's financial management position in relation to audit outcomes is represented in the table below:

Table 3: Audit Outcomes for Provincial Departments.

Vote No	DEPARTMENT	201819	201920	202021	202122	202223	TREND	COMMENTS
1	Premier	UQ	CL	CL	CL	UQ		Need to improve to clean
2	Provincial Legislature	UQ	CL	UQ	UQ	CL		Need to improve to clean
3	Education	Q	Q	Q	Q	Q		More assistance to be offered for the department to improve its outcomes
4	Agriculture & Rural Development	UQ	UQ	UQ	UQ	UQ		Need to improve to clean
5	Provincial Treasury	CL	CL	CL	CL	UQ		Need to improve to clean
6	Economic Development	UQ	UQ	CL	CL	CL		Maintain clean audit
7	Health	Q	UQ	Q	Q	Q		Need to improve to unqualified
8	Transport and Community Safety	UQ	CL	CL	UQ	UQ		Need to improve to clean
9	Public Works , Roads & Infrastructure	Q	UQ	UQ	UQ	Q		Need to improve to unqualified
10	Sport, Arts & Culture	Q	UQ	UQ	UQ	UQ		Need to improve to clean
11	Co-Operative Governance, Housing Settlements & Traditional Affairs	UQ	UQ	UQ	UQ	UQ		Need to improve to clean
12	Social Development	Q	UQ	UQ	UQ	UQ		Maintain unqualified and not regress

Legends

-  Audit Outcome remain unchanged
-  Audit Outcome improved
-  Audit Outcome regression
- CL Clean Audit
- UQ Unqualified Opinion
- Q Qualified Opinion
- A Adverse Opinion
- D Disclaimer Opinion

1.1.11.2. AG Outcomes for Public Entities.

For the financial year 2022/23 the Limpopo Gambling Board maintained clean audit outcome. Limpopo Tourism Authority and Roads Agency Limpopo maintained unqualified audit outcomes. Gateway Airport Authority Limited (GAAL) and Limpopo Economic Development Agency maintained their qualified audit opinion.

Table 4: Audit Outcomes for Public Entities:

No	PUBLIC ENTITY	2018-19	2019-20	2020-21	2021-22	2022-23	TREND	COMMENTS
1	Limpopo Economic Development Agency (LEDA)	Q	UQ	Q	Q	Q		Maintained Qualified Audit Outcome
2	Limpopo Tourism Agency	UQ	UQ	UQ	UQ	UQ		Maintained Unqualified Audit Outcome
3	Limpopo Gambling Board	CL	CL	CL	CL	CL		Maintained Clean Audit Outcome
4	Roads Agency Limpopo (RAL)	UQ	UQ	UQ	UQ	UQ		Maintained Unqualified Audit Outcome
5	Gateway Airport Authority Limited (GAAL)	Q	Q	A	Q	Q		Maintained Qualified Audit Outcome

Legends

- Audit Outcome remain unchanged
- Audit Outcome improved
- Audit Outcome regression
- CL Clean Audit
- UQ Unqualified Opinion
- Q Qualified Opinion
- A Adverse Opinion
- D Disclaimer Opinion

Intervention Plan to address identified challenges

Identified Challenge	Intervention over the medium-term period	Nature or level of intervention	Collaboration need
Material misstatements identified during the audit.	Utilisation of AFS review checklist. Submission of AFS with supporting documents for review before submission to AGSA.	Departmental and Branch Level.	Departments, Public Entities and SIAS
Lack of skills and competence to submit credible AFS.	Training provided on MCS, AMD's and GRAP.	Strategic	Departments, Public Entities and National Treasury

Identified Challenge	Intervention over the medium-term period	Nature or level of intervention	Collaboration need
Shortage of staff in CFOs office to prepare credible AFS.	Provide hands-on support to institutions with shortage of staff.	Strategic	Departments and Public Entities.

1.1.11.3. AG Outcomes for Municipalities

The province, for the first time, achieved 2 clean audits in the municipal space in 2021/22. The two clean audits were achieved by Waterberg District Municipality, who retained their 2020/21 Clean Audit status and Capricorn District Municipality, who improved from an unqualified opinion in 2020/21 and regained their 2019/20 clean audit status.

The province also further retained 11 unqualified audit opinions and had 2 improvements from qualified to unqualified audit opinions in 2021/22. In 2021/22 the province still had 6 municipalities that retained their qualified audit opinion status and 4 municipalities that regressed from unqualified audit opinions to qualified audit opinions and 1 municipality that improved from a disclaimed audit opinion to a qualified opinion. Unfortunately, the province remained with 1 disclaimed audit opinion in the Mopani District Municipality.

In 2022/23, the province had 5 improvements i.e. 4 qualified to unqualified audit opinions and 1 disclaimer to qualified. The province had also eliminated all disclaimers in 2022/23, however there were 4 regressions, 2 from Clean to Unqualified audit opinions, 1 from unqualified to qualified and 1 from Qualified to Adverse audit opinion. The province will continue to provide assistance to further improve this status in 2023/24 and 2024/25 municipal financial year.




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

	2018/19	2019/20	2020/21	2021/22	2022/23
Disclaimed	1	0	2	1	0
Adverse	1	1	0	0	1
Qualified	18	10	8	11	8
Unqualified	6	15	16	13	18
Clean Audit	1	1	1	2	0
Outstanding	0	0	0	0	0
TOTAL	27	27	27	27	27

Table 6: Five Year Period Municipalities Audit Opinions

MUNICIPALITIES	2018/19	2019/20	2020/21	2021/22	2022/23	TREND
Vhembe District	Q	Q	Q	Q	Q	↔
Makhado	Q	UQ	UQ	UQ	UQ	↔
Musina	Q	UQ	UQ	Q	UQ	↑
Colins Chabane	Q	UQ	UQ	UQ	UQ	↔
Thulamela	UQ	UQ	UQ	UQ	UQ	↔
Waterberg District	UQ	UQ	CL	CL	UQ	↓
Bela-bela	Q	Q	D	Q	Q	↔
Lephalale	Q	UQ	UQ	UQ	UQ	↔
Modimolle /Mookgophong	D	Q	Q	Q	A	↓
Mogalakwena	A	A	Q	Q	Q	↔
Thabazimbi	Q	Q	Q	Q	Q	↔
Capricorn District	CL	CL	UQ	CL	UQ	↓
Blouberg	Q	UQ	UQ	UQ	Q	↓
Lepelle –Nkumpi	Q	UQ	UQ	Q	UQ	↑
Molemole	UQ	UQ	UQ	UQ	UQ	↔
Polokwane	Q	Q	Q	UQ	UQ	↔
Mopani District	Q	Q	D	D	Q	↑
Ba-Phalaborwa	Q	Q	Q	Q	Q	↔
Greater Giyani	Q	UQ	Q	UQ	UQ	↔
Greater Letaba	UQ	UQ	UQ	UQ	UQ	↔
Greater Tzaneen	Q	UQ	UQ	UQ	UQ	↔
Maruleng	UQ	UQ	UQ	UQ	UQ	↔
Sekhukhune District	Q	Q	Q	Q	Q	↔
Elias Motsoaledi	Q	Q	UQ	UQ	UQ	↔
Fetagomo / Tubatse	Q	Q	UQ	Q	UQ	↑
Ephraim Mogale	Q	UQ	UQ	Q	UQ	↑
Makhudutamaga	UQ	UQ	UQ	UQ	UQ	↔

Legends

-  Audit Outcome remain unchanged
-  Audit Outcome improved
-  Audit Outcome regression
- CL Clean Audit
- UQ Unqualified Opinion
- Q Qualified Opinion
- A Adverse Opinion
- D Disclaimer Opinio

Intervention Plan to address identified challenges

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

1.1.12. 30 DAYS PAYMENT OF INVOICES

The percentage of **invoices paid** in the province within the prescribed 30 days of receipt is reflected in Table 7 below. For the period October 2023 to December 2023, provincial compliance to section 38 (1) (f) of the PFMA by Departments is **99.42%**. All departments obtained above 99% compliance rate except for COGHSTA which attained 87.57% due to shortage of funds for Human Settlements grants projects.

Table 7: October 2023 to December 2023 Payment compliance rate (Number of Invoices)

INSTITUTION	0 - 30	31 - 60	61 - 90	> 120	Grand Total	Paid in Excess of 30 Days	Compliance Rate
LP: AGRICULTURE & RURAL DEVELOPM	1243	0	1	0	1244	1	99,92%
LP: CO-OP GOV,HUM SET, TRAD AFF	1148	163	0	0	1311	163	87,57%
LP: ECON DEV, ENVIRONM & TOURISM	637	0	0	0	637	0	100,00%
LP: EDUCATION	12146	10	0	2	12158	12	99,90%
LP: HEALTH	12579	0	0	0	12579	0	100,00%
LP: OFFICE OF THE PREMIER	358	0	0	0	358	0	100,00%
LP: PROVINCIAL TREASURY	311	1	0	1	313	2	99,36%
LP: PUBLIC WORKS,ROADS & INFRAST	819	7	1	0	827	8	99,03%
LP: SOCIAL DEVELOPMENT	1914	2	0	0	1916	2	99,90%
LP: SPORT,ARTS & CULTURE	924	3	0	0	927	3	99,68%
LP: TRANSPORT & COMMUNITY SAFETY	658	0	0	0	658	0	100,00%
Grand Total	32737	186	2	3	32928	191	99,42%

1.1.13. THE INTERNAL AUDIT PROCESS

The internal audit process entails implementing the approved internal audit plans. 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.

1.1.13.1. The Internal Audit Report

The output of the internal audit process as discussed above is Internal Audit Reports. 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.

1.1.13.2. Combined Assurance Approach

Shared Internal Audit Service (SIAS) recognises that there are other role-players within LPT as well as client Departments that also provide assurance, consulting, compliance and support services. Such role-players include LPT and OtP Transversal functions as well as each Department's Internal Control/Compliance, Risk Management functions and external role players such as AGSA and National Departments' assurance providers. There is therefore a need to develop and implement a Provincial Combined Assurance Model which will assist with coordination of all efforts to ensure efficient use of resources and minimise duplication of efforts.

1.1.13.3. Challenges in the Performance Delivery Environment.

- Fourth Industrial Revolution provides a number of opportunities for SIAS to leverage its operations to realise efficiencies. However, enhancement of skills in data analytics, cybersecurity and application controls and resources for application licences are key for SIAS to take advantage of this advancements.
- The currently approved structure of SIAS is not optimal to allow for the required rotation and retention of the experienced staff and will be addressed in the current review of the department's organizational structure.

1.1.13.4. 2022/23 to 2024/25 Planned interventions to address challenges

- Develop and implement an integrated Skills Development Programme and plan guided by the IIA's Global Internal Audit Competency Framework to address the dynamic expectations from Internal Audit; and the changes brought about by technological advancements and emerging risks.
- Optimise the organisational structure and methodology to improve functionality of SIAS and achieve inclusion and coverage of all Districts and key service centres in the Province; within available resources.

- Set up and appoint internal quality assurance teams that will perform periodic reviews to inform ongoing quality improvements.
- Procure services of an external quality reviewer to do an independent quality review on the functions of Internal Audit.
- Continue conducting and analyzing client satisfaction surveys while responding to the concerns of Client Departments.

1.2. INTERNAL ENVIRONMENTAL ANALYSIS.

The 7S Model was utilised to conduct internal environmental analysis to identify weaknesses and strengths in the department. The 7S model provides an overview of how the key elements of the Provincial Treasury in Limpopo are interconnected and contribute to its overall performance and effectiveness in managing public finances and supporting provincial priorities.

The 7S framework stands for seven interdependent factors that are crucial for the success of an organization. These factors are:

Strategy: This refers to the organization's plan for achieving its objectives and goals. It includes the choices made about where to compete and how to win in the chosen markets.

Structure: This pertains to the way the organization is organized, including its hierarchy, reporting lines, and the division of responsibilities and roles.

Systems: Systems encompass the processes, procedures, and routines that guide how the work is done within the organization. This includes both formal systems (such as information technology and communication) and informal systems (such as decision-making processes).

Shared Values: Shared values represent the core beliefs, culture, and values that are widely accepted and embraced within the organization. These values guide the behaviors and attitudes of employees.

Skills: Skills refer to the capabilities, competencies, and expertise of the workforce. This includes both technical and soft skills that employees possess.

Style: Style relates to the leadership and management approach within the organization. It reflects the leadership style and the way in which leaders interact with employees.

Staff: Staff refers to the organization's human resources, including the number of employees, their qualifications, and their experience.

1.2.1. 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.

1.2.2. WEAKNESSES

Inability of the department to meet the Department’s target for persons with disabilities 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. The high vacancy rate due to retirement and promotion of officials to other departments, and municipalities constrain the capacity of the department to perform its function.

1.2.3. PERFORMANCE DELIVERY ENVIRONMENT.

1.2.3.1. Limpopo Provincial Treasury AG Audit Outcomes.

Provincial Treasury received an unqualified audit opinion without findings, also referred to as a Clean Audit, for six consecutive financial years (2016/17, 2017/18, 2018/19, 2019/20, 2020/21 and 2021/22). The department did not incur fruitless and wasteful expenditure in 2021/22 financial year. In 2022/23, the department regressed from clean audit to unqualified Audit opinion. The department ensures that RFB 740 model for SITA is complied with when procuring IT related goods and services.

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 is forming part of its business processes. The department experienced delays in filling of vacant posts and currently has a high vacancy rate. The factor associated with the delays is the disputes raised by organised labour that prolonged the processes.

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

- High vacancy rate
- Disability target not reached at departmental level.
- Loss of Institutional Memory and inability to automatically replace vacated posts.
- Non-compliance to submissions and poor financial planning e.g. unspent funds, non-alignment of budget.

1.2.3.2. 2024/25 Planned interventions to address challenges.

- Fastrack the filling of critical posts.
- Encourage persons with disabilities to apply for posts through strengthened engagements with relevant stakeholders.
- Implement Knowledge Management Strategy.

- Review the Human Resource and Recruitment Plans.
- Implement consequence management. E.g. withhold budget allocation to affected directorates, suspend procurement of goods and services.

1.3. ORGANISATIONAL ENVIRONMENT

1.3.1. ORGANIZATIONAL DESIGN AND PERSONNEL PROVISIONING

The Department is currently in the fourth year of implementing the current organizational structure that was implemented with effect from 1 April 2019, and is currently in the process of reviewing the approved structure to ensure alignment to the five-year strategic plan in an effort to create operational efficiency. The department has finalized Phases 2 and 3 of the Structure Review Process which determined the requirements, defined the Service delivery model and designed posts for the establishment. The Department received the outcome of the benchmarked job evaluations results from OTP. The determination of these evaluations formed part of the business case to be submitted to OTP and DPSA with a range of supporting documents e.g Organizational Functionality assessment, Strategic Plan, Service delivery model, assurance letter on available budget, etc. The business case is drafted and the department is in the process of finalizing the submission.

The department's 2022/23 recruitment processes have been delayed due to disputes raised by organised labour for salary level 9 and 11. This has exacerbated the high vacancy rate in the department as all posts that could not be filled in 2022/23 recruitment were carried over to the 2023/24 recruitment plan. The vacancy rate was at 20.89 as at end of December 2023. The department has developed and currently implementing the Recruitment Project Plan to ensure filling of advertised posts in the 2023/24 Recruitment Plan by 1 April 2024 in line with Office of the Premier concurrence.

1.3.2. INDIVIDUAL PERFORMANCE MANAGEMENT

The Department is implementing the PMDS strategy on performance management which has yielded positive improvement in the submission statistics. The submission rate for 2022/23 performance agreement stands at 98% which means that employees have contracted to deliver the agreed to services.

1.3.3. CAPACITY BUILDING PROGRAMMES

The department is continuing with fulfilment of its obligations of funding the existing bursary holders and allocating new bursary awards to employees. The department is also implementing youth development programmes such as internships, work Integrated Learnership and candidacy programmes (i.e. Chartered Accountant Trainee programme and Internal Audit Technicians).

The department implemented Capacity building programmes in 2023/24 financial year to departmental employees as per table:-**IMPLEMENTED CAPACITY BUILDING PROGRAMME DURING 2023/2024 FINANCIAL YEAR**

Study Field	African Male	African Female	African Disabled	Coloured Male	Coloured Female	Coloured Disabled	Indian Male	Indian Female	Indian Disabled	White Male	White Female	White Disabled	Total Male	Total Female	Total Disabled	Age Group- Less than 35	Age Group – 35 to 55	Age Group – Greater than 55
Report Writing	10	30	1	0	0	0	0	0	0	0	0	0	10	30	1	39	0	0
Advance Excel	7	17	0	0	0	0	0	1	0	0	0	0	7	18	0	1	24	0
Report Writing	4	16	0	0	0	0	0	0	0	0	0	0	4	16	0	0	20	0
Public Sector: Aligning Risk Strategy and	7	6	0	0	0	0	1	0	0	1	0	0	9	6	0	5	7	3

The department implemented Capacity building programmes in 2023/24 financial year to departmental employees as per table: -IMPLEMENTED CAPACITY BUILDING PROGRAMME DURING 2023/2024 FINANCIAL YEAR

Study Field	African Male	African Female	African Disabled	Coloured Male	Coloured Female	Coloured Disabled	Indian Male	Indian Female	Indian Disabled	White Male	White Female	White Disabled	Total Male	Total Female	Total Disabled	Age Group- Less than 35	Age Group – 35 to 55	Age Group – Greater than 55
Performance																		
Digital Skills	9	16	1	0	0	0	0	0	0	0	0	0	9	16	1	26	0	0
Executive Secretary and Admission	1	5	0	0	0	0	0	0	0	0	0	0	1	5	0	6	0	0
Internal Audit Conference	0	5	0	0	0	0	0	0	0	0	0	0	0	5	0	5	0	0
PIA Training	1	1	0	0	0	0	0	0	0	0	0	0	1	1	0	2	0	0
Public Sector Clean Audit Round Table Indaba	2	0	0	0	0	0	0	0	0	0	0	0	2	0	0	2	0	0
Public Finance and Internal Control	1	0	0	0	0	0	0	0	0	0	0	0	1	0	0	1	0	0
Gov-Tech	3	0	0	0	0	0	0	0	0	0	0	0	3	0	0	3	0	0

The department implemented Capacity building programmes in 2023/24 financial year to departmental employees as per table: -IMPLEMENTED CAPACITY BUILDING PROGRAMME DURING 2023/2024 FINANCIAL YEAR

Study Field	African Male	African Female	African Disabled	Coloured Male	Coloured Female	Coloured Disabled	Indian Male	Indian Female	Indian Disabled	White Male	White Female	White Disabled	Total Male	Total Female	Total Disabled	Age Group- Less than 35	Age Group – 35 to 55	Age Group – Greater than 55
Grand Total	44	96	2	0	0	0	1	0	0	1	0	0	47	97	0	90	51	3

The training interventions for 2024/25 financial will be implemented as per approved 2024/25 Workplace Skills Plan.

1.3.4. RISK MANAGEMENT

Implementation of Business Continuity Management Plan plays an important role in ensuring that service delivery, on identified critical activities, can carry on in case of a disruption. The Annual Risk Identification and Assessment for the Financial Year 2024-2025 was conducted in November 2023, where the departmental Risk Profile was compiled.

The Risk Management Committee is chaired by an External Independent Chairperson and meetings are held quarterly. Risk Management is a standing agenda item at all EXCOM meetings where progress on risk management within the department was reported and monitored.

1.3.5. ICT

The department will continue to implement the approved ICT strategy with regard to the provision of tools of trade to employees over the MTEF period. Continuous assessments will be undertaken based on the available budget with regard to allocation of tools of trade.

1.3.6. TRANSFORMATION SERVICES

The department has allocated a dedicated, but insufficient budget for 2023-24 financial year to implement programmes that address the imbalances of the past on the previously disadvantaged groups in the department. Implemented interventions were meant to empower women, youth, children and persons with disabilities. Respective committees are fully functional and ensure that meetings are held in accordance to the regulations and prescripts that governs the promotions of the rights of the afore-mentioned sectors. The department will continue to prioritize the needs of WYPD in the upcoming 2024-25fy through allocation of adequate resources for the advancement of WYPD.

The department has embarked on Integrated 16 days of Activism for No Violence Against Women, Children and Women Campaign. As part of the integrated mechanism, the MEC for Provincial Treasury led the Cheka Impilo Campaign, the Head of Department chaired the Disability Forum meeting and The Public Service Women Management Week (PSWMW). Some members of the disability forum attended the annual disability conference that was held on 21-22 February 2024 as part of capacity building. The department submitted four reports on WYPD on monthly and quarterly basis to OtP, an annual EE report to DoEL and annual report on Strategic Framework.

In terms of Employment Equity target the status quo as of February 2024 is as follows:

- SMS: Female employees=27 (51%) and male employees=26 (49%). The achieved EE status should be maintained and continuously monitored.
- Disability status at SMS level: 2% and 1.8% across all levels.

Intervention measures on EE target.

The Head of Department and All Five Deputy Director Generals have included EE targets in their Performance Agreements. Employment Equity progress report is a standing item at Executive Committee meetings. It is also part of the institutional arrangements of the department. The department has partnered with the Institutions of Higher Learning in the province and Non-Governmental Organization of Persons with Disabilities to collaborate

on matters of interest, including accessing the data base of all graduates with disabilities and circulating of adverts to the institutions. The department is confident that through these concerted effort, it will achieve the national target of 2% of persons with disability.

The economic empowerment of WYPD: In line with the Limpopo Procurement Strategy 2030-Revised, the following procurement was spent on WYPD:

WYPD	Provincial target	Actual Achievement
Women-owned businesses	25%	9.32%
Youth-owned businesses	25%	4.27%
Persons with Disability-owned businesses	7%	0.31%

Interventions on economic empowerment of WYPD.

Analysis on persons with disability-owned businesses was conducted. It was found that most companies do not comply with the Central Supplier Database requirements. In order to achieve the provincial target as outlined by Limpopo Procurement Strategy 2030-Revised, the department will accelerate awareness sessions with various WYPD business structures and strengthened partnership with relevant economic sectors.

The health and safety of employees and our customers remained paramount in Limpopo Provincial Treasury. Matters of occupational health and safety are discussed quarterly at the OHS and Risk Management Committee meetings chaired by the Independent Chair person. Reports on findings and recommendations of the building inspections and incident investigations were robustly deliberated in these committee meetings.



PART C : MEASURING OUR PERFORMANCE

PART C: MEASURING OUR PERFORMANCE

1. INSTITUTIONAL PROGRAMME PERFORMANCE INFORMATION

1.1. PROGRAMME 1: ADMINISTRATION

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		
			2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27
Sustainable Support Services and Good Governance	Capacity Building Programmes Implemented.	Number of Capacity Building Programmes implemented.	N/A	4	4	4	6	8	10
	10% Vacancy Rate achieved.	% on Vacancy Rate attained.	N/A	N/A	10%	10%	10%	10%	10%
	ICT governance focus areas monitored.	Number of ICT governance focus areas monitored.	N/A	N/A	N/A	N/A	3	3	3
Departmental Unqualified Audit Outcomes.	Valid supplier invoices paid within 30 days.	% of Supplier's valid invoices paid within 30 days.	100%	100%	100%	100%	100%	100%	100%
	Procurement spent on women owned enterprises.	% of procurement spent on women owned enterprises.	N/A	N/A	N/A	25%	40%	40%	40%

1.1.3. PROGRAMME 1: OUTPUT INDICATORS, ANNUAL AND QUARTERLY TARGETS

Output Indicators		Annual Targets	Q1	Q2	Q3	Q4
1.	Number of Capacity Building Programmes implemented.	6	-	-	-	6
2.	% on Vacancy Rate attained.	10%	-	-	-	10%
3.	Number of ICT governance focus areas monitored.	3	3	3	3	3
4.	% of Supplier's valid invoices paid within 30 days.	100%	100%	100%	100%	100%
5.	% of procurement spent on women owned enterprises.	40%	40%	40%	40%	40%

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 holding ICT Steering Committee meeting in compliance with CGICTPF 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 timeous payment of suppliers and production of credible annual financial statements, the department will be able to maintain a clean audit outcome. Provincial Procurement Strategy, set targets will be allocated to support women, youth and people with disabilities.

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

- (i) Six (6) capacity building programmes will be implemented by the department annually, to build capacity to internal employees with the intention to professionalise the public service.
- (ii) Less than 10% Vacancy rate will be attained on an annual basis by the department to ensure compliance with the Public Service Regulations.
- (iii) Three (3) ICT governance focus areas monitored.
- (iv) 100% of valid supplier invoices received by the department will be paid within 30 days.
- (v) 40% of procurement will be spent on women owned enterprises.

1.1.5. PROGRAMME RESOURCE CONSIDERATION

Table 8: Budget Allocation for programme 1 and sub – programmes as per ENE and / or EPRE

R thousand	Outcome			Main appropriation	Adjusted appropriation 2023/24	Revised estimate	Medium-term estimates		
	2020/21	2021/22	2022/23				2024/25	2025/26	2026/27
Current payments	162 824	145 787	162 983	182 471	183 062	180 766	199 930	206 189	215 359
Compensation of employees	111 439	100 930	101 111	114 471	105 971	103 675	123 882	126 137	132 191
Goods and services	51 385	44 857	61 872	68 000	77 091	77 091	76 048	80 052	83 168
Interest and rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies to:	6 289	2 586	3 507	1 119	1 961	2 122	1 277	1 813	1 647
Provinces and municipalities	645	475	593	272	594	433	522	626	656
Departmental agencies and accounts	3 415	722	773	500	500	352	755	755	790
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private entities	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	2 229	1 389	2 141	347	867	1 337	-	432	201
Payments for capital assets	1 468	1 405	5 817	8 350	17 269	25 850	6 580	12 312	12 876
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	830	1 405	5 817	8 350	17 269	25 850	6 580	12 312	12 876
Heritage Assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	638	-	-	-	-	-	-	-	-
Payments for financial assets	-	-	-	-	-	1 372	-	-	-
Total economic classification	170 581	149 778	172 307	191 940	202 292	210 110	207 787	220 314	229 882

The overall allocation for this programme increases from R191.9 million in 2023/24 to R207.8 million in 2024/25 financial year and this constitute 8.2 percent growth.

Compensation of Employees increases by 8.2 percent from R114.5 million in 2023/24 to R123.9 million in 2024/25 financial year, this due to reprioritisation of certain vacated posts on the organisational structure.

Goods and Services There is an increase of 11.8 percent on Goods & Services from R68 million in 2023/24 to R76.1 million budget in 2024/25 financial year, and the budget will fund contractual obligations for the department, which amongst others are: Leases of Office buildings, Audit fees, Telephones, Security Services and GG Vehicle running costs.

Transfers and Subsidies Transfers and Subsidies budget is reduced by 14.1 percent from R1.1 million in 2023/24 to R1.3 million in 2024/25 financial year. The allocated funds

will be used for payment of vehicle licences, rates and taxes and the South African Institute of Chartered Accountants Thuthuka training project as well as leave gratuity.

Payment for Capital Assets CAPEX decreases by 21.1 percent from R8.4 million budget in 2023/24 to R6.6 million in the 2024/25 financial year, the allocation will cater for procurement of working tools.

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 performance 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		
			2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27
Sustainable fiscal policy for the province by 2025.	Research documents produced to align Provincial Fiscal Policy.	Number of Research documents produced to align the Provincial Fiscal Policy.	7	7	7	7	7	7	7
	Provincial revenue assessment conducted.	Number of Revenue Assessments conducted to ensure collection of set target.	4	4	4	4	4	4	4
	Budget document tabled.	Number of budget documents tabled in line with the set standards and National Treasury.	2	2	2	-	2	2	2
	Consolidated IYM reports produced in line with sec32 of PFMA.	Number of consolidated In Year Monitoring reports produced in line with section 32 of PFMA.	12	12	12	12	12	12	12
	Infrastructure assessments conducted in departments.	Number of Infrastructure assessments conducted in	108	108	108	108	108	108	108

Outcome S	Outputs	Output Indicators	Annual Targets						
			Audited Performance			Estimated Performance	MTEF Period		
			2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27
		departments with infrastructure budgets.							
	Infrastructure Assessment conducted on Local Government.	Number of infrastructure assessments conducted in prioritized municipalities.	4	4	4	40	40	40	40
Unqualified Audit Outcomes of provincial departments, public entities and municipalities.	Municipalities assessed on the state of municipal finances.	Number of municipalities assessed on the state of municipal finances.	4	4	4	-	26	26	26

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 assessments conducted in departments with infrastructure budgets.	108	27	27	27	27
6.	Number of infrastructure assessments conducted in prioritized municipalities.	40	10	10	10	10
7.	Number of municipalities assessed on the state of municipal finances.	26	26	26	26	26

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 in the Strategic Plan and the institution's mandate including, where applicable, priorities in relation to women, youth and people with disabilities.**
- (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 (4) 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 revenue targets.
 - (iii) Two (2) budget documents tabled in line with the set standards and National Treasury.
 - (iv) Twelve (12) In Year Monitoring reports to be compiled in line with section 32 of PFMA.
 - (v) Hundred and eight (108) infrastructure assessments to be conducted and feedback communicated to infrastructure departments to improve infrastructure planning and reporting.
 - (vi) Forty (40) infrastructure assessments on support to local government to optimize MIG performance conducted to improve infrastructure planning and reporting.
 - (vii) Twenty six (26) municipalities to be assessed on the state of municipal finances on a quarterly basis.

1.2.5. PROGRAMME RESOURCE CONSIDERATION

Table 9: Budget Allocation for programme 2 and sub – programmes as per ENE and / or EPRE.

R thousand	Outcome			Main appropriation	Adjusted appropriation 2023/24	Revised estimate	Medium-term estimates		
	2020/21	2021/22	2022/23				2024/25	2025/26	2026/27
Current payments	66 538	51 998	58 185	84 895	65 214	62 782	77 199	89 903	94 168
Compensation of employees	54 334	51 225	54 389	72 500	56 119	53 687	62 046	76 705	79 821
Goods and services	12 204	773	3 796	12 395	9 095	9 095	15 153	13 198	14 347
Interest and rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies to:	125	616	564	914	914	914	3 613	-	411
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Departmental agencies and acco	-	-	-	-	-	-	-	-	-
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and intern	-	-	-	-	-	-	-	-	-
Public corporations and private	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	125	616	564	914	914	914	3 613	-	411
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	-	-	-	-	-	251	-	-	-
Total economic classification	66 663	52 614	58 749	85 809	66 128	63 947	80 812	89 903	94 579

The budget for Sustainable Resource Management decreases by 5 percent from R85.8 million in 2023/24 financial year to R81.3 million in 2024/25 financial year.

Compensation of Employees A decrease of 14.4 percent in CoE from R72.5 million in 2023/24 to R62.1 million in 2024/25.

Goods and Services has increased by 22.2 percent from R12.4 million in 2023/24 to R15.2 million in 2024/25 financial year. The allocation will mainly cater for municipal support programme and printing of budget books.

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 in provincial departments and public entities.

The programme is comprised of the following sub-programmes:

- Asset and Liabilities Management which is responsible for:
 - Monitoring and supporting 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		
			2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27
Unqualified Audit Outcomes of Provincial Departments, Public Entities and Municipalities.	Assets management assessments conducted.	Number of asset management assessments conducted in Votes and Public Entities.	64	64	64	64	64	64	64
	Cash Management assessments conducted.	Number of Cash Management assessments conducted in Votes and Public Entities	68	64	64	64	64	64	64
	SCM assessments conducted.	Number of SCM assessments conducted in Votes and Public Entities	64	64	64	64	64	64	64
Increased economic participation of Youth, Military Veterans, women and Persons with	Procurement spent analysis assessments conducted in provincial public institutions in	Number of assessments conducted in Votes and Public Entities on strategic procurement targets of	64	64	64	64	64	64	64

Outcome	Outputs	Output Indicators	Annual Targets						
			Audited Performance			Estimated Performance	MTEF Period		
			2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27
disability (SMMEs).	line with Limpopo Procurement Strategy targets.	Limpopo Procurement Strategy.							

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 conducted in Votes and Public Entities.	64	16	16	16	16
2	Number of cash management assessments conducted in Votes and Public Entities.	64	16	16	16	16
3	Number of SCM assessments conducted in Votes and Public Entities.	64	16	16	16	16
4	Number of assessments conducted in Votes and Public Entities 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 2025 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 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 10: Budget Allocation for programme 3 and sub – programmes as per ENE and / or EPRE.

R thousand	Outcome			Main appropriation	Adjusted appropriation 2023/24	Revised estimate	Medium-term estimates		
	2020/21	2021/22	2022/23				2024/25	2025/26	2026/27
Current payments	46 013	43 248	42 224	54 077	43 728	43 952	49 679	57 910	58 939
Compensation of employees	43 119	41 060	38 487	51 357	38 857	39 081	44 789	53 657	54 491
Goods and services	2 894	2 188	3 737	2 720	4 871	4 871	4 890	4 253	4 448
Interest and rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies to:	4 596	439	2 480	-	-	19	-	-	1 636
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Departmental agencies and acc	-	-	-	-	-	-	-	-	-
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and intern	-	-	-	-	-	-	-	-	-
Public corporations and private	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	4 596	439	2 480	-	-	19	-	-	1 636
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	-	-	-	-	-	231	-	-	-
Total economic classification	50 609	43 687	44 704	54 077	43 728	44 202	49 679	57 910	60 575

The budget for the branch decreases by 8.1 percent from R54.1 million in 2023/24 to R49.7 million in 2024/25 financial year.

Compensation of Employees decreases by 12.7 percent from R51.4 million in 2023/24 to R44.8 million in 2024/25 financial year.

Goods and Services budget increases by 79.7 percent from R2.7 million in 2023/24 to R4.9 million in 2024/25 financial year, funds are earmarked to pay for provincial bank charges and face value documents amongst others as well as travel and subsistence.

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, No.1 of 1999 as amended.

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 providing support of financial management information systems.

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

- 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						
			Audited Performance			Estimated Performance	MTEF Period		
			2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27
Unqualified Audit Outcomes of Provincial Departments, Public Entities and Municipalities.	Transversal system courses conducted.	Number of courses conducted on Transversal Systems in votes.	72	72	72	60	72	72	72
	Financial Statements assessments conducted in votes and public entities.	Number of financial statements assessments conducted in votes and public entities.	44	44	44	44	54	54	54
	Provincial risk profile assessments conducted.	Number of assessments conducted on provincial risk profile.	2	4	4	4	4	4	4
	Public sector risk management framework compliance assessments conducted	Number of public sector risk management framework compliance assessments conducted	64	56	64	64	64	64	64
	Financial system utilization	Number of financial system utilization assessments	44	44	44	44	44	44	44

Outcome	Outputs	Output Indicators	Annual Targets						
			Audited Performance			Estimated Performance	MTEF Period		
			2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27
	assessments conducted.	conducted in Votes.							
	Provincial Irregular Expenditure condonement requests considered.	% of provincial irregular expenditure condonement requests considered by Provincial Treasury in terms of the PFM Compliance and Reporting Framework.	-	100%					
			-	100%	100%	100%	100%	100%	100%

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 in Votes.	72	16	22	17	17
2	Number of financial statements assessments conducted in Votes and public entities.	54	11	16	11	16
3	Number of assessments conducted on provincial risk profile.	4	1	1	1	1
4	Number of public sector risk management framework compliance assessments conducted	64	16	16	16	16
5	Number of financial system utilization assessments conducted in Votes.	44	11	11	11	11
6	% of provincial irregular expenditure condonement requests considered by Provincial Treasury in terms of the PFM Compliance and Reporting Framework.	100%	100%	100%	100%	100%

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 1 of “Building a Capable, Ethical and Developmental State”. In order to achieve the desired unqualified audit outcomes, we will ensure good governance through:

- ✓ Monitoring the capacity and stability of the CFOs’ offices.
- ✓ Capacitating CFOs’ offices adequately in terms of relevant skills.
- ✓ Facilitate professionalization of staff in CFOs’ offices.
- ✓ Analyze audit outcomes and develop capacity building initiatives to minimize/close identified skills gaps.
- ✓ Reviewing financial statements and recommend improvements.
- ✓ Assess compliance with financial reporting templates.

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.

- (b) 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) Assessments are conducted on financial statements; risk management performance and financial system utilization is to ensure that challenge areas are identified and recommendations be communicated to respective departments for implementation and thereby improve on their audit outcomes.

1.4.5. PROGRAMME RESOURCE CONSIDERATION

Table 11: Budget Allocation for programme 4 and sub – programmes as per ENE and / or EPRE.

R thousand	Outcome			Main appropriation	Adjusted appropriation 2023/24	Revised estimate	Medium-term estimates		
	2020/21	2021/22	2022/23				2024/25	2025/26	2026/27
Current payments	91 525	63 381	59 828	78 275	63 647	62 946	81 343	80 285	82 343
Compensation of employees	44 125	41 865	39 032	47 012	38 712	38 011	52 400	48 432	49 021
Goods and services	47 400	21 516	20 796	31 263	24 935	24 935	28 943	31 853	33 322
Interest and rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies to:	1 456	1 223	2 546	-	-	37	-	686	2 356
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private entities	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	1 456	1 223	2 546	-	-	37	-	686	2 356
Payments for capital assets	-	672	5 145	-	-	-	-	-	-
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	-	672	5 145	-	-	-	-	-	-
Heritage Assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	23	-	-	-	-	477	-	-	-
Total economic classification	93 004	65 276	67 519	78 275	63 647	63 460	81 343	80 971	84 699

The allocation for the branch increases by 3.9 percent from R78.3 million in 2023/24 to R81.3 million in 2024/25 financial year.

Compensation of employee's budget increase by 11.4 percent from R47.0 million in 2023/24 to R52.4 million in 2024/25 financial year for filling of posts.

Goods and Services budget increases by 7.4 percent from R31.3 million in 2023/24 to R28.9 million in 2024/25 to mainly cater for Audit Committee fees, SITA and transversal training costs.

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

The Branch is currently comprised of the following approved 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 specialized audit services (for votes: 5, 7,8,9,10 & 11).

- 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		
			2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27
Unqualified Audit Outcomes of Provincial Departments, Public Entities and Municipalities	Cluster Based Annual Audit Plans prepared.	Number of Cluster Based Annual Audit Plans approved by Audit Committee.	4	4	4	4	4	4	4
	Audit Reports provided to the Clients Departments.	% of internal audits projects finalized and communicated in terms of approved audit plans.	97%	98%	100%	100%	100%	100%	100%
	Internal Quality Assurance Improvement Programme (QAIP) implementation report prepared.	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 Cluster Based Annual Audit Plans approved by Audit Committee.	4	0	0	0	4
2	% of Internal Audits finalized and communicated in terms of the approved Audit Plans.	100%	0%	100%	0%	100%
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 (SIAS)

(a) The contribution of outputs towards achieving the 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.

- 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. Implementation of internal audit plans result in audit reports that enable Client Departments to timely attend to SIAS findings.
- 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 reports; which are 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.

- SIAS will prepare 11 internal audit plans in the fourth quarter to ensure that all client departments receive 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, SIAS will ensure that all approved audit projects are completed to assist client 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 12: Budget Allocation for programme 5 and sub – programmes as per ENE and / or EPRE.

R thousand	Outcome			Main appropriation	Adjusted appropriation 2023/24	Revised estimate	Medium-term estimates		
	2020/21	2021/22	2022/23				2024/25	2025/26	2026/27
Current payments	38 815	39 366	39 854	47 429	38 873	39 583	58 441	51 024	49 842
Compensation of employees	38 192	38 727	38 168	45 829	36 829	37 539	54 791	48 025	46 705
Goods and services	623	639	1 686	1 600	2 044	2 044	3 650	2 999	3 137
Interest and rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies to:	305	174	161	138	138	138	-	-	-
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Departmental agencies and acco	-	-	-	-	-	-	-	-	-
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and intern	-	-	-	-	-	-	-	-	-
Public corporations and private	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	305	174	161	138	138	138	-	-	-
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	39 120	39 540	40 015	47 567	39 011	39 721	58 441	51 024	49 842

The allocation for the branch increases by 22.8 percent from R47.6 million in 2023/24 to R 58.4 million in 2024/25 financial year.

Compensation of employee's budget increases by 19.5 percent from R45.8 million in 2023/24 to R54.8 million in 2024/25 financial year. The allocation will cover the filling of critical posts in the branch.

Goods and Services increases by 128.1 percent from R1.6 in 2023/24 to R3.7 million in 2024/25 financial year. The allocation will cater for payment of teammate audit software licence as well as subsistence and travel for officials when conducting audits.

2. UPDATED KEY RISKS AND MITIGATIONS FROM THE SP

Outcomes	Key Risks	Risk Mitigations
Sustainable Support Services and Good Governance.	Disruption to Business process due to Disasters - Natural & Manmade [both predictable and unpredictable] leading to inability to meet departmental objectives and potential loss of information	<ol style="list-style-type: none"> 1. Review and approve the BCP Strategy and Plan. 2. Implementation of BCP plan.
	Departmental ICT Infrastructure failure due to electricity downtime and aged infrastructure leading to system down time, inability to meet departmental objectives and potential loss of information and reputational damage	<ol style="list-style-type: none"> 1. Implement ICT Infrastructure improvement plans and monitoring thereof. 2. Develop and implement Migration strategy to cloud technologies.
	Cyber Security: unauthorized access to systems, data, and information, caused by internet access not using departmental network, human error/behavior (e.g., phishing and spoofing), leading to theft of departmental information, system down time, loss of information and reputational damage.	<ol style="list-style-type: none"> 1. Render ICT Security awareness to users. 2. Ensure that Patch Management is up to date. 3. Monitor email gateway and firewall security systems. 4. Implementation multifactor authentication
	High vacancy rate caused by late approval of recruitment plan and high staff turnover leading to compromised service delivery and lack of segregation of duties	<ol style="list-style-type: none"> 1. Develop and implement recruitment project plan. 2. Engagement with organized labour at the LCF.

Outcomes	Key Risks	Risk Mitigations
		<p>3. Acquire approval and fill replacement posts.</p> <p>4. Conduct Employment Code of Conduct awareness sessions.</p>
Sustainable fiscal policy for the province by 2025.	Uncoordinated infrastructure plans in the province caused by uncoordinated Infrastructure Master Plan for municipalities (SEZ's), inadequate capacity to deliver infrastructure projects in the province, inadequate administrative leadership and support, ineffective implementation of LIIMP and ineffective implementation of DDM leading to non-implementation of key infrastructure projects.	<p>1. Support SEZ and Nodal Point Municipalities in development of Infrastructure Master Plan.</p> <p>2. Implementation of the support programme to enhance the infrastructure capacity in DPWR&I and COGHSTA.</p> <p>3. Implementation of business case and project charter for the institutionalization of LIIMP.</p> <p>4. Conduct bi-annual provincial infrastructure planning workshops.</p> <p>5. Reporting to Infrastructure Clusters.</p> <p>6. Conduct LIIMP steering committee with LDPWR&I and Office of the Premier to enhance the use of GIS.</p>

Outcomes	Key Risks	Risk Mitigations
	Underspending on conditional grants due to poor planning, coordination and implementation by provincial institutions leading to inadequate loss of Conditional Grant funding.	<ol style="list-style-type: none"> 1. Conditional Grant and Earmarked Funding Bilateral meeting. 2. Conduct Budget and Revenue Forum.
Unqualified Audit Outcomes of Provincial departments, Public entities, and Municipalities.	<p>Unsustainable municipalities caused by Inadequate implementation of LPT's recommendations, Lack of consequence management, Non-compliance with the relevant legislation, Lack of decisive leadership. (Political and Administrative), Non-implementation of MFMA interventions leading to distress municipalities, poor service delivery, community unrest and negative reputation.</p> <p>Increased departmental Contingent Liabilities due to operational inefficiencies, inadequate resources, negligence during operations related to service delivery, deficient Internal Controls, Negligence and Lack of consequence Management leading to Depletion of the Provincial Revenue Fund (fiscus)</p>	<ol style="list-style-type: none"> 1. Collaboration with CoGHSTA which allows both MEC of CoGHSTA and LPT to jointly hold sessions for the purpose of supporting and holding municipalities accountable. 2. Strengthen reporting to EXCO to influence engagements with high-risk municipalities- (implementation of Constitutional and MFMA interventions) 1. Attend quarterly meetings with Provincial Legal Services 2. Quarterly assessments of the Departmental registers. 3. Bilateral meetings with the Departments on a quarterly basis 4. Presentation of the progress in the PTCF meetings.

Outcomes	Key Risks	Risk Mitigations
		5. Monitor the implementation of Transversal Litigation strategy.
	Increased unwanted Expenditures (Unauthorized, Irregular, Fruitless and Wasteful Expenditures) due to non-compliance with SCM prescripts, inadequate skills, and competence on SCM and lack of consequence management leading to possible fraud and corruption and denting the image of the institutions/government.	1. Building SCM capacity at Institutions through training 2. Monitor and Support the Institutions in the implementation of SCM Regulatory Framework 3. Escalate SCM Non-Compliance to ., Forum, Audit Committees and to the Accounting Officers 4. Conduct root-cause analysis and address them through consultative session 5. Provide feedback on SCM performance of the institutions to the Accounting Officers/Authorities 6. Provide feedback on tender documents review of the institution to the Accounting officers/ Authorities.
	Uncredible/unreliable Asset Management Register due to lack of electronic Assets Management	1. Migration from the BAUD system to LOGIS.

Outcomes	Key Risks	Risk Mitigations
	system leading to lack of the accountability in terms of assets of the Province and unfavorable audit outcome.	<ol style="list-style-type: none"> 2. Consultation session with National Treasury. 3. Hold LOGIS Steering Committee meetings. 4. Conduct assets verification twice a year.
	Poor financial management and governance in departments and public entities due to lack of understanding of relevant accounting and reporting framework and material misstatements on financial statements leading to modified audit outcomes.	<ol style="list-style-type: none"> 1. Render training and workshops on Reporting Framework (MCS, AMD, AFS Template). 2. Render focused training for Public Entities on GRAP. 3. Provide hands on support to struggling institutions. Monitor the Implementation of the Checklist for review of FS.
	Poor financial management and governance in departments and public entities due to inadequate capacity and stability in CFO's offices leading to modified audit outcome.	<ol style="list-style-type: none"> 1. Professionalization of CFO's office personnel. 2. Develop and implement Capacity building programme in line with the CFO's assessment.
	Poor financial management and governance in departments and public entities due to lack of adequate internal controls leading to modified audit outcome.	<ol style="list-style-type: none"> 1. Implementation of Internal Control Framework. 2. Provide support and monitor Audit Steering Committees.

Outcomes	Key Risks	Risk Mitigations
		<p>3. Review draft and monitor implementation of audit action plan.</p> <p>4. Implement review checklists to monitor compliance to transversal financial policies.</p> <p>Issue governance and oversight compliance reports to department and public entities.</p>
	<p>Poor financial management and governance in departments and public entities due to Inadequate and unavailability of financial management systems leading to modified audit outcomes.</p>	<p>1. Engage department through Forums on Financial system utilisation and functionally matters.</p> <p>2. Evaluate and support departments on the utilisation and functionality of Financial systems.</p> <p>3. Support departments on LOGIS asset module.</p> <p>Monitor Financial system user account management in departments.</p>

Outcomes	Key Risks	Risk Mitigations
	<p>Poor financial management and governance in departments and public entities due to ineffective risk management processes leading to no business continuity.</p>	<ol style="list-style-type: none"> 1. Evaluate and issue assessment report on Risk Management processes. 2. Support the compilation of the risk registers by departments and entities. 3. Evaluate the effectiveness of the RMC. 4. Monitor, assess and issue report on the implementation of Provincial Risk Profile.
<p>Unqualified Audit Outcomes of Provincial Departments, Public Entities and Municipalities.</p>	<p>Ineffective Internal audit processes due to ineffective level of management reviews and implementation, Slow implementation of Internal Audit recommendations (agreed management actions) leading to stagnant control environment in Department.</p>	<ol style="list-style-type: none"> 1. Consistent quarterly reporting on HOD's Forum resolution target rate of i.e., $\geq 70\%$ in 2024/25 financial year to department's, HOD's Forum and EXCO to the extent necessary.
	<p>Ineffective Internal audit processes due to Auditee absenteeism and related lost time by SIAS. (Delay in implementation of the approved internal audit plan) leading to Delay in implementation of the approved internal audit plan.</p>	<ol style="list-style-type: none"> 1. Issue an acceptance of risk certificate to the departments.

3. PUBLIC ENTITIES

Not applicable

4. INFRASTRUCTURE PROJECTS

Not applicable

5. PUBLIC-PRIVATE PARTNERSHIPS (PPPs)

Not applicable



PART D: TECHNICAL INDICATOR DESCRIPTION

PART D: TECHNICAL INDICATOR DESCRIPTIONS

TECHNICAL INDICATORS FOR PROGRAMME 1

Indicator Title	Number of Capacity Building Programmes implemented.
Definition	This performance indicator is about the number of capacity building programmes that will be implemented to an identified group of departmental employees as per approved Training Plan.
Source of Data	WSP
Method of Calculation / Assessment	Simple Count.
Means of Verification	Attendance Registers for capacity building sessions. Approved Training Plan 2024/25.
Assumptions	Training needs aligned to Performance Development Plan.
Disaggregation of Beneficiaries (where applicable)	Departmental Employees.
Spatial Transformation (where applicable)	N/A
Calculation type	Non-cumulative
Reporting Cycle	Annually.
Desired Performance	Targeted Performance and above desirable.
Indicator Responsibility	Director: Employee Utilisation and Capacity Building.

Indicator Title	% on Vacancy Rate attained.
Definition	This performance indicator is about filling of vacant posts to ensure attainment of vacancy rate that is not more than 10% as calculated in line with vacant funded posts as captured in PERSAL at the end of the financial year.
Source of Data	PERSAL
Method of Calculation / Assessment	% vacancy rate will be calculated as follows: - Total number of vacant funded posts that are on PERSAL / Total number of funded posts on PERSAL.
Means of Verification	PERSAL report
Assumptions	PERSAL report is available.
Disaggregation of Beneficiaries (where applicable)	N/A
Spatial Transformation (where applicable)	N/A
Calculation type	Non – Cumulative.
Reporting Cycle	Annually.
Desired Performance	Targeted Performance desirable.
Indicator Responsibility	Director: Human Resource Management.

Indicator Title	Number of ICT governance focus areas monitored.
Definition	<p>This performance indicator is about the improvement of ICT governance in the department. The three ICT governance focus areas will be monitored as standing items in the ICT Steering Committee Meetings to be held quarterly. The ICT governance focus areas are identified as follows:</p> <ol style="list-style-type: none"> 1. ICT Budget 2. ICT Strategic Risk mitigation 2. ICT Security and End-user Awareness
Source of Data	ICT Steering Committee charter and CGICTPF.
Method of Calculation / Assessment	Simple Count.
Means of Verification	<ul style="list-style-type: none"> • Attendance Registers. • Minutes of ICT Steering Committee meetings. • Presentation / Report made to the ICT Steering Committee.
Assumptions	Institutional Arrangements reviewed and approved.
Disaggregation of Beneficiaries (where applicable)	Department.
Spatial Transformation (where applicable)	N/A
Calculation type	Non-cumulative.
Reporting Cycle	Quarterly.
Desired Performance	Targeted Performance and above desirable.
Indicator Responsibility	Director: ICT.

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	% of invoices paid = Number of invoices paid/total number of valid invoices received.
Assessment	
Means of Verification	Monthly Signed off Departmental Reports on payment of invoices (Instruction note). Quarterly disbursement report.
Assumptions	Reliable Financial Systems.
Disaggregation of Beneficiaries (where applicable)	Service Providers.
Spatial Transformation (where applicable)	N/A
Calculation type	Non-cumulative
Reporting Cycle	Quarterly.
Desired Performance	Targeted Performance.
Indicator Responsibility	Director: Financial Accounting.

Indicator Title	% of procurement spent on women owned enterprises.
Definition	The performance indicator measures the number of bids/quotations awarded to women owned enterprises versus the total number of bids/quotations awarded.
Source of Data	Quotations / bids register, expenditure BAS report and supplier database.
Method of Calculation / Assessment	% of procurement of goods and services awarded to women owned enterprises = Number of women owned enterprises bids / quotations awarded divide by the total number of bids / quotations awarded.
Means of Verification	Awarded bids / quotations registers.
Assumptions	Applications for LPT bids / quotations received from Women Owned Enterprises.
Disaggregation of Beneficiaries (where applicable)	Women owned enterprises.
Spatial Transformation (where applicable)	N/A
Calculation type	Non-cumulative.
Reporting Cycle	Quarterly.
Desired Performance	Targeted Performance.
Indicator Responsibility	Director: Provincial Supply Chain Management.

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 4 th 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	Provincial Treasury has access to the updated Socio-Economic related data.
Disaggregation of Beneficiaries (where applicable)	None.
Spatial Transformation (where applicable)	None.
Calculation type	Cumulative (year-end)
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
Calculation type	Cumulative (year-end)
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	Main Appropriation Bill and adjustment budget documents tabled.
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 budget (Main and Adjustment budgets) Proof of tabling at Legislature.
Assumptions	All Provincial Departments and Public Entities implement integrated budget planning.
Disaggregation of Beneficiaries (where applicable)	None
Spatial Transformation (where applicable)	None
Calculation type	Cumulative (year-end).
Reporting Cycle	Quarterly.
Desired Performance	Credible provincial budgets tabled (Main and adjustment budgets).
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 12 Votes and 5 Public Entities spend within 100% of their allocated budgets.
Source of Data	In Year Monitoring Reports; BAS Reports and Budget Book.
Method of Calculation	Simple count.
Assessment	
Means of Verification	12 Monthly Consolidated In Year Monitoring Reports.
Assumptions	All Votes and Public Entities submit monthly IYM reports with variance explanations.
Disaggregation of Beneficiaries (where applicable)	None
Spatial Transformation (where applicable)	None
Calculation type	Cumulative (year-end)
Reporting Cycle	Quarterly
Desired Performance	All 12 monthly Provincial IYMs are produced for 12 Votes and 5 Public Entities.
Indicator Responsibility	Director: Public Finance and Data Management

Indicator Title	Number of Infrastructure assessments conducted in departments with infrastructure budgets
Definition	The Performance indicator measures the number of infrastructure assessments conducted in nine departments with infrastructure budgets (Health, Social Development, Agriculture, Public Works, Transport, CoGHSTA, 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	<ul style="list-style-type: none"> • Infrastructure assessment report • Proof of communication.
Assumptions	All Provincial Infrastructure Departments timely submit monthly IRM reports and ITMC reports with variance explanation.
Disaggregation of Beneficiaries (where applicable)	None
Spatial Transformation (where applicable)	None
Calculation type	Cumulative (year-end)
Reporting Cycle	Quarterly.
Desired Performance	All 108 IRM assessments conducted
Indicator Responsibility	Director: Provincial Infrastructure Performance and PPP

Indicator Title	Number of infrastructure assessments conducted in prioritized municipalities.
Definition	The performance Indicator measures the number of infrastructure assessments conducted on ten (10) municipalities with recommendations for implementation to optimize MIG performance. The ten (10) municipalities are provincial growth points and prioritised as per the LDP to ensure alignment with the provincial plan. The ten (10) municipalities are as follows Fetakgomo Tubatse, Lephale, Mogalakwena, Musina, Makhado, Ba-Phalaborwa, Thabazimbi, Elias Motswaledi, Greater Tzaneen and Thulamela.
Source of Data	Municipal documents, Section 71 reports and MIG reports
Method of Calculation / Assessment	Simple count
Means of Verification	<ul style="list-style-type: none"> • Approved Infrastructure Assessment Reports • Proof of communication
Assumptions	That all 10 Municipalities timely submit monthly MIG reports with variance explanation
Disaggregation of Beneficiaries (where applicable)	None
Spatial Transformation (where applicable)	None
Calculation type	Cumulative (year-end)
Reporting Cycle	Quarterly.
Desired Performance	All quarterly consolidated MIG assessments conducted annually
Indicator Responsibility	Director: Municipal Infrastructure Performance and PPP

Indicator Title	Number of municipalities assessed on the state of municipal finances.
Definition	26 delegated municipalities state of finances are assessed on a quarterly basis to determine compliance and financial health of municipalities.
Source of Data	Municipal reports and National Treasury Local Government Database
Method of Calculation / Assessment	Simple count
Means of Verification	Quarterly assessment reports on the state of municipal finances Proof of feedback.
Assumptions	Municipalities will submit complete and accurate reports to the National Treasury Local Government Database. Municipalities will submit complete and accurate information to Provincial Treasury.
Disaggregation of Beneficiaries (where applicable)	None
Spatial Transformation (where applicable)	None
Calculation type	Non-cumulative
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 conducted in Votes and Public Entities.
Definition	The performance indicator measures the number of assessments that are conducted on Asset Management in Provincial Votes and Public Entities and feedback provided.
Source of Data	Provincial Votes and Public Entities reports and site visits.
Method of Calculation / Assessment	Simple count.
Means of Verification	<ul style="list-style-type: none"> • Assessment reports. • Proof of communication.
Assumptions	Client institutions are available for assessment.
Disaggregation of Beneficiaries (where applicable)	N/A
Spatial Transformation (where applicable)	N/A
Calculation type	Cumulative (year-end)
Reporting Cycle	Quarterly
Desired Performance	All 64 assessments conducted.
Indicator Responsibility	Director: Provincial Asset Management.

Indicator Title	Number of cash management assessments conducted in Votes and Public Entities.
Definition	The performance indicator measures the number of assessments that are conducted on Cash Management in Provincial Votes and Public Entities and feedback provided.
Source of Data	Provincial Votes and Public Entities reports and site visits.
Method of Calculation / Assessment	Simple count.
Means of Verification	<ul style="list-style-type: none"> • Assessment reports. • Proof of communication.
Assumptions	Client institutions are available for assessment.
Disaggregation of Beneficiaries (where applicable)	Limpopo Provincial Votes and Public Entities.
Spatial Transformation (where applicable)	N/A
Calculation type	Cumulative (year-end)
Reporting Cycle	Quarterly.
Desired Performance	All 64 assessments conducted.
Indicator Responsibility	Director: Banking, Cash and Liabilities Management.

Indicator Title	Number of SCM assessments conducted in Votes and Public Entities.
Definition	The performance indicator measures the number of assessments that are conducted on SCM Compliance in Provincial Votes and Public Entities and feedback provided.
Source of Data	Provincial Votes and Public Entities reports and site visits.
Method of Calculation / Assessment	Simple count.
Means of Verification	<ul style="list-style-type: none"> • Assessment reports. • Proof of communication.
Assumptions	Client institutions are available for assessment.
Disaggregation of Beneficiaries (where applicable)	Limpopo Provincial Votes and Public Entities.
Spatial Transformation (where applicable)	N/A
Calculation type	Cumulative (year-end)
Reporting Cycle	Quarterly
Desired Performance	All 64 assessments conducted
Indicator Responsibility	Director: SCM Governance and Compliance

Indicator Title	Number of assessments conducted in Votes and Public Entities on strategic procurement targets of Limpopo Procurement Strategy.
Definition	Conduct assessment on achievement of Strategic Procurement targets by Votes and Public Entities in line with Limpopo Procurement Strategy (ies) and feedback provided.
Source of Data	National, provincial and public entities expenditure Reports
Method of Calculation / Assessment	Total expenditure on designated group over the total provincial expenditure.
Means of Verification	<ul style="list-style-type: none"> • Assessment reports. • Proof of communication.
Assumptions	Expenditure reports available from Votes and public entities.
Disaggregation of Beneficiaries (where applicable)	Businesses owned by the following designated groups: Black, Persons with Disability, Military Veterans, SMMEs, Women, Youth.
Spatial Transformation (where applicable)	N/A
Calculation type	Cumulative (year-end)
Reporting Cycle	Quarterly
Desired Performance	All 64 assessments conducted.
Indicator Responsibility	Director: SCM Client Support.

TECHNICAL INDICATORS FOR PROGRAMME 4

Indicator Title	Number of courses conducted on transversal systems in votes.
Definition	Financial management capacity building through training courses. Training of departmental officials (nominated) on transversal systems for 2024/25 (BAS, LOGIS and PERSAL)
Source of Data	Votes nomination lists, attendance registers.
Method of Calculation / Assessment	Simple Count
Means of Verification	Attendance Registers
Assumptions	Trainers, conducive training venues, stable network on all computers and systems, clients' nominations, electricity and water availability.
Disaggregation of Beneficiaries (where applicable)	Provincial Departments
Spatial Transformation (where applicable)	N/A
Calculation type	Cumulative (year-end)
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 conducted in provincial votes and Public Entities.
Definition	Assessments conducted on 11 departments and 5 main public entities' financial statements and feedback provided for implementation of recommendations.
Source of Data	Financial Reports
Method of Calculation / Assessment	Simple count.
Means of Verification	<ul style="list-style-type: none"> • Assessments reports for 5 Public Entities (2nd and 4th quarter) • Assessment Reports for 11 departments (all quarters) • Proof of feedback to Departments and Public Entities
Assumptions	Timely submission of financial statements, staff and clients' availability
Disaggregation of Beneficiaries (where applicable)	Provincial Departments and public entities
Spatial Transformation (where applicable)	N/A
Calculation type	Cumulative (year-end)
Reporting Cycle	Quarterly
Desired Performance	Targeted performance
Indicator Responsibility	Director: Financial Accounting and Reporting

Indicator Title	Number of assessments conducted on provincial risk profile.
Definition	Assessment on the monitoring of mitigation plans of the 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	<ul style="list-style-type: none"> • Assessment Reports. • Proof of communication to HOD's forum (Agenda of the HOD's forum).
Assumptions	Access to Clusters, relevant risk champions, staff and timely submission of assessments
Disaggregation of Beneficiaries (where applicable)	Provincial Votes and Public Entities
Spatial Transformation (where applicable)	N/A
Calculation type	Cumulative (year-end)
Reporting Cycle	Quarterly
Desired Performance	Targeted performance
Indicator Responsibility	Director: Transversal Risk Management

Indicator Title	Number of public sector risk management framework compliance assessments conducted
Definition	Assessments conducted on institutions risk management reports, plans, business continuity management and utilization of the risk management software and feedback provided to Provincial Departments and Public Entities for implementation of recommendations.
Source of Data	Departments and Public Entities Quarterly Risk Management Reports, Public Sector Risk Management Framework
Method of Calculation / Assessment	Simple count.
Means of Verification	<ul style="list-style-type: none"> • Assessment Reports. • Proof of communication.
Assumptions	Timely submission credible institutions reports, CROs, staff and effective Risk champions
Disaggregation of Beneficiaries (where applicable)	Provincial Departments and Public Entities
Spatial Transformation (where applicable)	N/A
Calculation type	Cumulative (year-end)
Reporting Cycle	Quarterly
Desired Performance	Targeted performance
Indicator Responsibility	Director: Transversal Risk Management

Indicator Title	Number of financial systems utilization assessments conducted in votes.
Definition	Assessments conducted on financial system utilisation on all 11 provincial departments and feedback provided for implementation of recommendations.
Source of Data	HRM Reports, BAS reports, User Account Management Reports, LOGIS reports, PERSAL reports, Barn Owl Reports (i.e. Financial Systems Reports)
Method of Calculation / Assessment	Simple Count.
Means of Verification	Assessment Reports. Proof of communication of assessment report for the previous quarter.
Assumptions	To track the financial systems utilization in 11 Departments to ensure effective usage and improve compliance to Financial Systems utilisation prescripts and policies.
Disaggregation of Beneficiaries (where applicable)	Provincial Departments.
Spatial Transformation (where applicable)	N/A
Calculation type	Cumulative (year-end)
Reporting Cycle	Quarterly
Desired Performance	Actual performance that is higher than targeted performance is desirable.
Indicator Responsibility	Chief Director: Financial Management Information Systems

Indicator Title	% of provincial irregular expenditure condonement requests considered by Provincial Treasury in terms of the PFM Compliance and Reporting Framework.
Definition	This performance indicator measures the percentage of provincial irregular expenditure condonement requests considered by Provincial Treasury in terms of the National Treasury Irregular expenditure framework
Source of Data	Departmental and Public Entities Condonement Requests
Method of Calculation Assessment	<p>Actual Performance will be calculated as follows:</p> <p>Numerator = number of irregular expenditure condonement requests submitted to Provincial Treasury by Provincial Departments and Public Entities.</p> <p>Denominator = Total number of irregular expenditure condonement requests considered by Provincial Treasury x targeted % for the quarter / financial year.</p> <p>Results of the above expressed in percentages.</p>
Means of Verification	<ul style="list-style-type: none"> • Feedback report on condonement request submitted to Provincial Treasury to Provincial Departments (with proof of submission). • Condonement Requests register • Minutes of the irregular expenditure committee meeting
Assumptions	Provincial Departments and Public Entities submit irregular expenditure condonement requests to Provincial Treasury for consideration in terms of the National Treasury Irregular expenditure framework
Disaggregation of Beneficiaries (where applicable)	Provincial departments and public entities.
Spatial Transformation (Where applicable)	N/A
Calculation type	Non-Cumulative
Reporting Cycle	Quarterly
Desired Performance	Targeted performance
Indicator Responsibility	Director: Governance, Monitoring and Compliance.

TECHNICAL INDICATORS FOR PROGRAMME 5

Indicator Title	Number of Cluster Based Annual Audit Plans approved by Audit Committee.
Definition	Three years rolling and annual audit plans for the 11 votes (excluding Legislature as listed under table 2 & 3 of this APP) approved by the Audit Committee for the financial year 2024/25.
Source of Data	Votes Risk Profiles and votes strategic outcomes
Method of Calculation / Assessment	Simple count
Means of Verification	4 x Approved Cluster Based Annual Internal Audit Plans.
Assumptions	Votes will prepare and provide risk profiles and APP`s timely
Disaggregation of Beneficiaries (where applicable)	Provincial Votes
Spatial Transformation (where applicable)	N/A
Calculation type	Non-cumulative
Reporting Cycle	Annual
Desired Performance	4 x Approved Cluster Based Annual Internal Audit Plans.
Indicator Responsibility	Chief Audit Executive

Indicator Title	% of internal audits projects finalized and communicated in terms of approved audit plans.
Definition	The performance measures the % of audit projects finalized and communicated to Clients departments in accordance with the approved audit plans.
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 percentages.
Means of Verification	Finalised Audit 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)	Provincial Departments
Spatial Transformation (where applicable)	N/A
Calculation type	Non-cumulative
Reporting Cycle	Bi-annually
Desired Performance	100% of finalised Internal Audit Projects
Indicator Responsibility	Chief Audit Executive

Indicator Title	Number of annual internal Quality Assurance Improvement Programme (QAIP) report 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) report.
Assumptions	Internal Quality Assurance Review Team is set-up and appointed.
Disaggregation of Beneficiaries (where applicable)	N/A
Spatial Transformation (where applicable)	N/A
Calculation type	Non-cumulative
Reporting Cycle	Annual
Desired Performance	Improved quality of internal audit services to 11 client provincial departments and stakeholders.
Indicator Responsibility	Chief Audit Executive

6. ANNEXURES TO THE ANNUAL PERFORMANCE PLAN

ANNEXURES A: AMENDMENTS TO THE STRATEGIC PLAN

Not applicable.

ANNEXURES B: CONDITIONAL GRANTS

Not applicable.


ANNEXURES C: CONSOLIDATED INDICATORS


Not applicable.

ANNEXURES D: DISTRICT DEVELOPMENT MODEL

Not applicable.

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