



LIMPOPO

PROVINCIAL GOVERNMENT
REPUBLIC OF SOUTH AFRICA

PROVINCIAL TREASURY

VALIDATED 4TH QUARTER PERFORMANCE REPORT - 2017/18

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AAT	-	Association of Accounting Technicians
AC	-	Audit Committee
AG	-	Auditor General
APP	-	Annual Performance Plan
BCP	-	Business Continuity Plan
CAE	-	Chief Audit Executive
CAM	-	Combined Assurance Model
COE	-	Compensation of Employees
COGHSTA	-	Co-operative Governance Human Settlement and Traditional Affairs
DDG	-	Deputy Director General
DPSA	-	Department of Public Service and Administration
DSSL	-	Department of Safety, Security and Liaison
ERM	-	Enterprise Risk Management
ERM	-	Enterprise Risk Management
EXCO	-	Executive Management
GAL	-	Gateway Airport Authority Limited
GITO	-	Government Information and Technology Office
HOD	-	Head of Department
HR	-	Human Resource
ICT	-	Information and Communication Technology
IDMS	-	Infrastructure Development and Management System
ITMC	-	Infrastructure Technical Management Committee
IYM	-	In-Year Monitoring
LEDA	-	Limpopo Economic Development Agency
LEDET	-	Limpopo Economic Development Environment and Tourism
LGB	-	Limpopo Gambling Board
LOGIS	-	Logistics Information System
LPT	-	Limpopo Provincial Treasury
LTA	-	Limpopo Tourism Agency
MEC	-	Member of Executive Council
MPAT	-	Management Performance Assessment Tool
MTEF	-	Medium Term Expenditure Framework
N/A	-	Not Applicable
NQF	-	National Qualification Framework
OTP	-	Office of the Premier
PAG	-	Provincial Accountant General
PFM	-	Public Finance Management
PFMA	-	Public Finance Management Act
PMDS	-	Performance Management and Development System
PT	-	Provincial Treasury
PTCF	-	Provincial Technical Committee on Finance

The following acronyms are used in this report.

ACRONYMS

Road Agency Limpopo	-	RAL
Risk Management Committee	-	RMC
Risk Management Committee	-	RMC
Sport, Arts and Culture	-	SAC
South African Institute of Professional Accountants	-	SAIPA
South African Qualifications Authority	-	SQA
Supply Chain Management	-	SCM
Service Delivery Improvement Plan	-	SDIP
Senior Management Service	-	SMS
Transversal Risk Management	-	TRM
Year to Date	-	YTD

1. Three (3) Research documents were produced to align the Provincial Fiscal Policy.
2. Twelve (12) departments and three (3) public entities were supported to ensure collection of budgeted revenue.
3. Thirteen (13) departments and five (5) public entities were supported to ensure 98% spending
4. Nine (9) infrastructure departments were supported in the implementation of the Infrastructure Delivery Management System to improve infrastructure service delivery.

Programme 2

1. Four (4) programmes were monitored for compliance to institutional arrangements.
2. Four (4) programmes were supported on compliance to PMDS policies.
3. Three (3) key services were monitored in implementation of SDIP.
4. Four (4) programmes were supported in the mitigation of the prioritized risks.
5. Two (2) ICT projects were implemented in line with ICT Plan
6. 100% of supplier's valid invoices were paid within 30 days.
7. Four (4) programmes were supported in development of the Annual Performance Plan.

Programme 1

The following are some of the achievements of Limpopo Provincial Treasury for the quarter:

HIGHLIGHTS OF ACHIEVEMENTS

This Performance report reflects the extent to which the Limpopo Provincial Treasury has performed against its 4th quarter targets in respect of the tabled 2017/18 Annual Performance Plan. The Department continues to strive towards attaining its vision of being excellence in public resource management for socio-economic development

FOURTH QUARTER PERFORMANCE OVERVIEW

Corrective action plans have been developed in areas where planned targets were not fully achieved to address the challenges, as outlined in the programmes performance report tables below.

6. Twelve (12) votes were audited as per approved annual audits plans to improve the internal control, risk management and governance processes.

5. Thirteen (13) audit committee meetings were supported to improve governance in votes and public entities.

4. Twelve (12) Votes and five (5) Public Entities were supported in preparing financial statements in line with the PFMA.

- resolving of AG audit findings to improve audit outcomes
- Preparation of financial statements in line with the PFMA.
- compliance with public sector Risk Management Framework.

areas:

3. Twelve (12) Votes and five (5) Public Entities were supported in the following areas:

2. Eight (8) financial management short courses were coordinated in line with SAQA

1. Twenty-six (26) courses were conducted on Transversal Systems in line with the National Treasury standards

Programme 4

5. Thirty-four (34) LOGIS sites were implemented

4. Thirteen (13) votes were supported on financial system utilization.

3. Thirteen (13) Votes and five (5) Public Entities were supported on SCM Processes

2. Thirteen (13) Votes and five (5) Public Entities were supported on cash management.

1. Twelve (12) Votes and five (5) Public Entities were supported on Asset Management.

Programme 3

5. Twenty-six (26) municipalities and three (3) municipal entities were supported on budgeting and implementation.

PROGRAMME 1: ADMINISTRATION

No	Programme Performance Indicators	Annual Target	4 th Quarter Target	Progress to date	Budget spent	Reason for deviation /challenges	Corrective Action
<p>Strategic Objective: Enable the Department to deliver in line with the departmental mandate by improving management practices on HR, Strategic Management and Financial Management to level 4 of MPAT standards by 2019/20.</p>							
HOD SUPPORT SERVICES							
1	Number of programmes monitored for compliance to institutional arrangements.	4	4	Four (4) programmes were monitored for compliance to institutional arrangements.	Budget: R6,123,000.00 Expenditure: R6,138,638.24 % spent: 100	None	N/A
HRM							
2	Number of programmes supported on compliance to PMDS policies.	4	4	Four (4) programmes were supported on compliance to PMDS policies.	Budget: R9,427,000.00 Expenditure: R8,761,743.99 % spent: 93	None	N/A
TRANSFORMATION SERVICES							
3	Number of key services monitored in implementation of SDIP.	3	3	Three (3) key services were monitored in implementation of SDIP.	Budget: R4,466,000.00 Expenditure: R5,602,161.85 % spent: 125	None	N/A
ENTERPRISE RISK MANAGEMENT							
4	Number of programmes supported in mitigation of the prioritised risks.	4	4	Four (4) programmes were supported in the mitigation of the prioritised risks.	Budget: R2,831,000.00 Expenditure: R2,916,254.78 % spent: 103	None	N/A
GITO							
5	Number of prioritized ICT projects implemented in line	2	2	Two (2) Prioritized ICT projects were implemented in line with	Budget: R14,960,000.00 Expenditure:	None	N/A

No	Programme Performance Indicators	Annual Target	4 th Quarter Target	Progress to date	Budget spent	Reason for deviation /challenges	Corrective Action
Strategic Objective: Enable the Department to deliver in line with the departmental mandate by improving management practices on HR, Strategic Management and Financial Management to level 4 of MPAT standards by 2019/20.							
	with ICT plan.			ICT plan	R13 914 618.48 % spent:93		

FINANCIAL MANAGEMENT SUB PROGRAMME

No	Programme Performance indicators	Annual Target	4 th Quarter Target	Progress to date	Budget spent	Reason for deviation / challenges	Corrective Action
Strategic Objective: Enable the Department to deliver in line with the departmental mandate by improving management practices on HR, Strategic Management and Financial Management to level 4 of MPAT standards by 2019/20.							
MANAGEMENT ACCOUNTING							
6	Number of budget documents compiled and submitted.	4	1	One (1) budget document compiled and submitted.	Budget: R3,721,000.00 Expenditure: R3 633 605.49 % spent: 98	None	N/A
FINANCIAL ACCOUNTING							
7	Number of financial statement compiled and submitted for review by Provincial Treasury in line with the reporting framework.	4	1	One (1) financial statement was compiled and submitted for review by Provincial Treasury in line with the reporting framework.	Budget: R11,040,000.00 Expenditure: R9 046 661.23 % spent: 82	None	N/A
8	% of supplier's valid invoices paid within 30 days.	100%	100%	100% of supplier's valid invoices were paid within 30 days.		None	N/A
STRATEGIC OPERATIONS & POLICY COORDINATION							
9	Number of	4	4	Four (4) programmes	Budget:	None	N/A

No	Programme Performance indicators	Annual Target	4 th Quarter Target	Progress to date	Budget spent	Reason for deviation / challenges	Corrective Action
Strategic Objective: Enable the Department to deliver in line with the departmental mandate by improving management practices on HR, Strategic Management and Financial Management to level 4 of MPAT standards by 2019/20.							
	programmes supported in development of the Annual Performance Plans.			were supported in development of the Annual Performance Plans.	R2,706,000.00 Expenditure: R2 783 630.88 % spent:103		
10	Number of branch quarterly performance reports analysed in line with Performance Information Management Frameworks and Guidelines.	24	24	Twenty-four (24) branch quarterly performance reports were analysed in line with Performance Information Management Frameworks and Guidelines.		None	N/A
DEPARTMENTAL SUPPLY CHAIN MANAGEMENT							
11	Number of reconciliations done on the asset and inventory registers.	12	3	Three (3) reconciliations were done on the asset and inventory registers.	Budget: R15,673,000.00 Expenditure: R 16 794 554.4 % spent:107	None	N/A

PROGRAMME 2: SUSTAINABLE RESOURCE MANAGEMENT

No	Programme Performance Indicators	Annual Target	4 th Quarter Target	Progress to date	Budget spent	Reasons for deviation / challenges	Corrective Action
Strategic Objective 1: To achieve sustainable fiscal policy for the province during 2015/16 to 2019/20.							
MACRO ECONOMIC ANALYSIS							
1	Number of Research documents produced to align the Provincial Fiscal Policy.	7	3	Three (3) Research documents were produced to align the Provincial Fiscal Policy.	Budget: R2,828,000.00 Expenditure: R2 686 810.91 % spent:95	None	N/A
FISCAL DEVELOPMENT							
2	Number of departments and public entities supported to ensure collection of budgeted revenue.	15	15	15 (Twelve departments and three public entities) were supported to ensure collection of budgeted revenue.	Budget: R5,357,000.00 Expenditure: R5 214 533.03 % spent:97	None	N/A
BUDGET MANAGEMENT							
3	Number of budget documents compiled, tabled and gazetted in line with the set standards and National Treasury guidelines (Main Appropriation Bill and Adjustment Budget).	2	1	One (1) budget document compiled, tabled and gazetted in line with the set standards and National Treasury guidelines (Main Appropriation Bill and Adjustment Budget).	Budget: R4,176,000.00 Expenditure: R4 148 550.28 % spent:99	None	N/A
PUBLIC FINANCE							

No	Programme Performance Indicators	Annual Target	4 th Quarter Target	Progress to date	Budget spent	Reasons for deviation / challenges	Corrective Action
Strategic Objective 1: To achieve sustainable fiscal policy for the province during 2015/16 to 2019/20.							
4	Number of departments and public entities supported to ensure 98% spending.	18	18	18 (thirteen departments and five public entities) supported to ensure 98% spending.	Budget: R8,720,000.00 Expenditure: R8 648 880.12 % spent:99	None	N/A
INFRASTRUCTURE MANAGEMENT							
5	Number of infrastructure departments supported in the implementation of the Infrastructure Delivery Management System to improve infrastructure service delivery.	9	9	Nine (9) infrastructure departments supported in the implementation of the Infrastructure Delivery Management System to improve infrastructure service delivery.	Budget: R4,024,000.00 Expenditure: R3 997 178.18 % spent:99	None	N/A
Strategic Objective 2: To achieve annual improvements on financial management and effective governance in 26 delegated municipalities and 3 municipal entities by 2019/20.							
MUNICIPAL FINANCE							
6	Number of municipalities and municipal entities supported on budgeting implementation.	26 Municipalities	26 Municipalities	Twenty-six (26) municipalities and three (3) municipal entities supported on budgeting implementation.	: Budget: R79,805,000.00 Expenditure: R79 351 681.08 % spent: 99	None	N/A

PROGRAMME 3: ASSET, LIABILITIES AND SUPPLY CHAIN MANAGEMENT

No	Programme Performance Indicators	Annual Target	4 th Quarter Target	Progress to date	Budget spent	Reason for deviation / challenges	Corrective Action
Strategic Objective : To provide policy direction and support to 13 votes and 5 public entities on Assets, Liabilities, Supply Chain Management and Financial Systems to ensure improvement of audit outcomes by 2019/20							
PROVINCIAL ASSET AND LIABILITIES MANAGEMENT							
1	Number of Votes and Public Entities supported on Asset Management	17	17	17 (Twelve votes and Five public entities) were supported on Asset Management	Budget: R11,991,000.00 Expenditure: R12 415 240.06 % spent:104	None	N/A
BANKING AND CASH FLOW MANAGEMENT							
2	Number of Votes and Public Entities supported on cash management	18	18	18 (Thirteen votes and five public entities) were supported on cash management	Budget: R9,366,000.00 Expenditure: R9 523 775.31 % spent:102	None	N/A
PROVINCIAL SUPPLY CHAIN MANAGEMENT							
POLICY DEVELOPMENT AND IMPLEMENTATION							
3	Number of Votes and Public Entities supported on SCM processes	17	17	17 (twelve votes and five public entities) were supported on SCM processes	Budget: R8,772,000.00 Expenditure: R8 887 796.93 % spent:101	None	N/A
PROVINCIAL DEMAND AND ACQUISITION MANAGEMENT							
4	Number of votes and Public Entities Supported on contract management.	17	17	13 (Twelve votes and one public entity) supported on contract management.	Budget: R6,045,000.00 Expenditure: R5 755 453.98 % spent:95	Four (4) public entities not participating on the Transversal Contracts	To engage the four public entities when their contracts expire

No	Programme Performance Indicators	Annual Target	4 th Quarter Target	Progress to date	Budget spent	Reason for deviation / challenges	Corrective Action
Strategic Objective : To provide policy direction and support to 13 votes and 5 public entities on Assets, Liabilities, Supply Chain Management and Financial Systems to ensure improvement of audit outcomes by 2019/20							
PROVINCIAL SCM ADVICE CENTRE							
5	Number of votes and public entities supported on Central Supplier Database and PFM Enquiry - portal	17	17	17 (Twelve votes and five public entities) supported on Central Supplier Database and PFM Enquiry - portal	Budget: R11,375,000.00E Expenditure: R11 619 844.00 % spent: 102	None	N/A
FINANCIAL SYSTEMS ADMINISTRATION							
6	Number of votes supported on financial system utilization	13	13	Thirteen (13) votes were supported on financial system utilization	Budget: R32,381,000.00 Expenditure: R30 987 920.07 % spent: 96	None	N/A
FINANCIAL SYSTEMS DEVELOPMENT							
7	Number of LOGIS sites implemented	24	24	Thirty four (34) LOGIS sites implemented	Budget: R4 801,000.00 Expenditure: R6 012 491.22 % spent: 125	Change in implementation strategy	N/A

PROGRAMME 4: FINANCIAL GOVERNANCE

No	Programme Performance Indicators	Annual Target	4 th Quarter Target	Progress to date	Budget spent	Reason for deviation / challenges	Corrective Action
Strategic Objective: To achieve annual improvements in audit outcome in 12 votes and 5 public entities by 2019/20							
ACCOUNTING SERVICES							
FINANCIAL TRAINING							
1	Number of courses conducted on transversal systems in line with National Treasury standards	107	24	Twenty (26) courses were conducted on transversal systems in line with National Treasury standards	Budget: R7,923,000.00 Expenditure: R8 710 943.34 % spent:110	2 additional courses are for LOGIS project (ad hoc requests	N/A
2	Number of financial management short courses provided in line with SAQA.	10	2	Eight (8) financial management short courses provided in line with SAQA		6 additional courses conducted to close the 2 nd & 3 rd quarter gaps	N/A.
3	Number of long-term financial management qualification programmes provided in Provincial Departments	1	1	One (1) long-term financial management qualification programme provided in Provincial Departments		None	N/A
NORMS AND STANDARDS							
4	Number of Votes and Public Entities supported in resolving AG audit findings to improve audit outcomes	17	17	17 (twelve votes and five public entities) were supported in resolving AG audit findings to improve audit outcomes	Budget: R10,429,000.00 0 Expenditure: R9,824 643.58 % spent:94	None	N/A

No	Programme Performance Indicators	Annual Target	4 th Quarter Target	Progress to date	Budget spent	Reason for deviation / challenges	Corrective Action
Strategic Objective: To achieve annual improvements in audit outcome in 12 votes and 5 public entities by 2019/20							
5	Number of audit committee meetings supported to improve governance in votes and public entities	65	13	Thirteen (13) audit committee meetings were supported to improve governance in votes and public entities		None	N/A
FINANCIAL REPORTING							
6	Number of Votes and Public Entities supported in preparing financial statements in line with the PFMA.	17	17	17 (twelve votes and five public entities) were supported in preparing financial statements in line with the PFMA.	Budget: R6,642,000.00 Expenditure: R5 286 607.32 % spent:80	None	N/A
7	Number of consolidated Annual financial statements for Votes and for Public Entities submitted to the Auditor General	4	0	No target for the quarter		None	N/A
TRANSVERSAL RISK MANAGEMENT							
8	Number of provincial risk profiles developed	1	0	No target for the quarter	Budget: R7,343,000.00 Expenditure: R7 325 758.81 % spent:100	None	N/A
9	Number of Votes and Public Entities supported on compliance with public sector Risk	17	17	17 (twelve votes and five public entities) were supported on compliance with public sector Risk		None	N/A

No	Programme Performance Indicators	Annual Target	4 th Quarter Target	Progress to date	Budget spent	Reason for deviation / challenges	Corrective Action
Strategic Objective: To achieve annual improvements in audit outcome in 12 votes and 5 public entities by 2019/20							
	Management Framework			Management Framework			
PROVINCIAL INTERNAL AUDIT							
10	Number of three year strategic rolling and annual audit plans prepared by Provincial Internal Audits and approved by the Audit committee for the financial year 2018/19	12	12	Twelve (12) three year strategic rolling and annual audit plans prepared by Provincial Internal Audit and approved by the Audit committee for the financial year 2018/19	Budget: R40,856,000.00 Expenditure: R40 741 633.07 % spent:100	None	N/A
11	Number of votes audited as per approved annual audits plans to improve the internal control, risk management and governance processes.	12	12	Twelve (12) votes were audited as per approved annual audit plans to improve the internal control, risk management and governance processes.		None	N/A
12	Number of annual internal Quality Assurance Improvement Programme (QAIP) implementation Report prepared to	1	1	One (1) annual internal Quality Assurance Improvement Programme (QAIP) implementation Report prepared to		None	N/A

No	Programme Performance Indicators	Annual Target	4 th Quarter Target	Progress to date	Budget spent	Reason for deviation / challenges	Corrective Action
Strategic Objective: To achieve annual improvements in audit outcome in 12 votes and 5 public entities by 2019/20							
	improve the quality of client service			improve the quality of client service			

3RD QUARTER 2017/18 GAPS PERFORMANCE REPORT

PROGRAMME 2: SUSTAINABLE RESOURCE MANAGEMENT

No	Programme 4 Performance Indicators	Annual Target	3 RD Quarter Target	3 RD Quarter Progress	4 th Quarter Target on gaps	Progress now (to date)	Reason for deviation/ Challenges	Corrective Action
PUBLIC FINANCE								
1	Number of Departments and public entities supported to ensure 98% spending	18	18	08 (seven departments and one public entity) were supported to ensure 98% spending	Six (6) departments and four (4) public entities to be supported to ensure 98% spending	6 departments and 4 public entities were supported to ensure 98% spending	None	None

PROGRAMME 3: ASSETS, LIABILITIES AND SUPPLY CHAIN MANAGEMENT

No	Programme 4 Performance Indicators	Annual Target	3 RD Quarter Target	3 RD Quarter Progress	4 th Quarter Target on gaps	Progress now (to date)	Reason for deviation/ Challenges	Corrective Action
PROVINCIAL DEMAND & ACQUISITION MANAGEMENT								
1	Number of votes and public entities supported on contract management	17	17	10 zero votes and public entities supported on contract management	2 votes and 5 public entities to be supported on management contract	Two (2) votes and one (1) public entity were supported on contract management	Four (4) public entities not participating on Transversal Contracts	To engage the 4 public entities when their contracts expire
PROVINCIAL SCM ADVICE CENTRE								
2.	Number of votes and public entities	17	17	14 (12 and 2 public entities were	Three public entities to be supported during 4 th quarter	3 public entities supported on Central	None	None

No	Programme 4 Performance Indicators	Annual Target	3 rd Quarter Target	3 rd Quarter Progress	4 th Quarter Target on gaps	Progress now (to date)	Reason for deviation/ Challenges	Corrective Action
	supported on Central Database and PFM Enquiry-portal			supported on Central Database and PFM Enquiry-portal		Database and PFM Enquiry-portal		

PROGRAMME 4: FINANCIAL GOVERNANCE

No	Programme 4 Performance Indicators	Annual Target	3 rd Quarter Target	3 rd Quarter Progress	4 th Quarter Target on gaps	Progress now (to date)	Reason for deviation/ Challenges	Corrective Action
FINANCIAL TRAINING								
1	Number of financial management short courses provided in line with SAQA.	10	4	2 financial management short courses provided in line with SAQA	2 financial management short courses to be provided in the 4 th quarter.	2 financial management short courses provided	None	None
TRANSVERSAL RISK MANAGEMENT								
2	Number of provincial risk profiles developed	4	1	Zero provincial risk profile developed	1 provincial risk profile to be developed	The project is +- 85% complete	Draft Provincial Risk profile not yet presented at EXCO for approval	Present the Provincial Risk Profile at EXCO by end of June 2018 for approval

SCHEDULE 1: QUARTERLY EXPENDITURE REPORT (4th QUARTER 2017/18)

Programmes	Original Budget	Adjustment Budget	Actual Expenditure Quarter 1	Actual Expenditure Quarter 2	Actual Expenditure Quarter 3	Actual Expenditure Quarter 4	Actual YTD Expenditure	Projections for remaining months	(Over) /Under Expenditure Variance
	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000
Departmental Summary									
Administration	174 924	169 536	37 920	40 555	38 113	45 882	162 472		2 353
Sustainable Resources Management	119 577	90 426	35 720	19 484	17 575	14 679	87 450		575
Assets, liabilities and SCM	82 940	87 190	17 758	22 157	20 541	34 253	93 352		1 455
Financial Governance	97 253	85 757	18 501	20 853	21 610	23 274	84 283		969
Total	474 694	432 909	109 899	103 049	97 839	118 088	427 557		5 352

Compensation of employees	312 869	280 145	68 668	71 074	69 486	70 422	279 634		511
Goods & Services	131 308	118 519	18 055	30 488	27 034	39 788	114 064		3 878
Transfers and Subsidies	6 328	6 601	2 214	1 030	784	3 084	7 112		46
Capital Payments	4 189	7 644	962	457	535	4 776	6 729		915
Financial assets	20 000	20 000	20 000	-	-	18	20 018		2
Total	474 694	432 909	109 899	103 049	97 839	118 088	427 557		5 352

Programmes	Original Budget	Adjustment Budget	Actual Expenditure Quarter 1	Actual Expenditure Quarter 2	Actual Expenditure Quarter 3	Actual Expenditure Quarter 4	Actual YTD Expenditure	Projections for remaining months	(Over) /Under Expenditure Variance
Programme 1:									
Administration	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000
Office of the MEC	5 846	6 241	1 569	1 480	1 787	1 687	6 518		79
Management Services	12 615	9 531	2 320	2 515	2 420	2 636	9 891		22
Corporate Services	1 177 215	1 12 224	23 941	24 730	24 517	32 284	105 479		1 904
Financial Management	39 248	41 540	10 090	11 830	9 389	9 275	40 584		348
Total	174 924	169 536	37 920	40 555	38 113	45 882	162 472		2 353

Compensation of employees	110 790	98 769	24 888	24 739	23 915	24 396	97 935		146
Goods & Services	54 945	57 623	10 285	14 733	12 935	13 890	51 849		1 250
Transfers and Subsidies	5 000	5 500	1 785	626	728	2 820	5 959		42
Capital Payments	4 189	7 644	962	457	535	4 776	6 729		915
Financial assets									
Total	174 924	169 536	37 920	40 555	38 113	45 882	162 472		2 353

Programmes	Original Budget	Adjustment Budget	Actual Expenditure Quarter 1	Actual Expenditure Quarter 2	Actual Expenditure Quarter 3	Actual Expenditure Quarter 4	Actual YTD Expenditure	Projections for remaining months	(Over) /Under Expenditure Variance
Programme 2: Sustainable Resource	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000
Programme Support	32 951	12 441	2 359	4 360	3 186	555	10 460		99
Economic Analysis	3 202	2 896	648	750	661	627	2 686		142
Fiscal Policy	21 031	15 544	3 686	4 221	3 970	3 785	15 663		28
Budget Management	4 453	3 894	663	824	1 139	1 524	4 150		26
Public Finance	10 877	8 786	2 092	2 534	2 068	1 955	8 649		71
Intergovernmental Relations	47 063	46 865	26 272	6 795	6 551	6 233	45 842		209
Total	119 577	90 426	35 720	19 484	17 575	14 679	87 450		575

Compensation of employees	63 037	54 285	12 803	14 268	13 428	13 282	53 777		98
Goods & Services	35 779	15 554	2 730	5 079	4 146	1 397	13 348		476
Transfers and Subsidies	761	587	187	137	1		325		1
Capital Payments	-	-	-	-	-	-	-		
Financial Assets	20 000	20 000	20 000	-	-	-	-		
Total	119 577	90 426	35 720	19 484	17 575	14 679	87 450		575

Programmes	Original Budget	Adjustment Budget	Actual Expenditure Quarter 1	Actual Expenditure Quarter 2	Actual Expenditure Quarter 3	Actual Expenditure Quarter 4	Actual YTD Expenditure	Projections for remaining months	(Over) /Under Expenditure Variance
	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000
Programme 3: Assets, Liabilities and SCM									
Programme Support	1 825	1 838	451	486	407	481	1825		2
Assets Management	12 893	13 341	3 358	3 408	3 515	3 454	13735		14
Liabilities Management	8 782	9 285	2 177	2 575	1 708	3 062	9522		-61
Supply Chain Management	30 155	28 310	6 471	7 241	6 924	6 677	27395		56
Support and Interlinked Financial Systems	29 285	34 416	5 301	8 447	7 987	20 579	40875		1444
Total	82 940	87 190	17 758	22 157	20 541	34 253	93 352		1 455

Compensation of employees	58 287	58 246	14 097	15 001	14 189	14 546	57 817		137
Goods & Services	24 653	28 691	3 661	6 905	6 352	19 656	35 233		1 355
Transfers and Subsidies	-	253	-	251	-	45	296		2
Capital Payments	-	-	-	-	-	-	-		
Financial assets									
Total	82 940	87 190	17 758	22 157	20 541	34 253	93 352		1 455

Programmes	Original Budget	Adjustment Budget	Actual Expenditure Quarter 1	Actual Expenditure Quarter 2	Actual Expenditure Quarter 3	Actual Expenditure Quarter 4	Actual Expenditure YTD	Projections for remaining months	(Over) /Under Expenditure Variance
Programme 4:	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000
Financial Governance									
Programme support	1 838	872	417	293	154	78	942		2
Accounting Services	13 377	14 537	2 481	3 102	3 940	5 986	15 514		504
Provincial Risk management	16 900	13 747	3 212	2 876	2 949	2 011	11 048		164
Provincial Internal Audit	18 621	42 066	9 179	10 534	10 325	10 699	40 783		73
Norms and Standards	46 517	14 535	3 212	4 048	4 242	4 500	15 996		226
Total	97 253	85 757	18 501	20 853	21 610	23 274	84 283		969

Compensation of employees	80 755	68 845	16 880	17 066	17 954	18 198	70 105		103
Goods & Services	15 931	16 651	1 379	3 771	3 601	4 845	13 634		837
Transfers and Subsidies	567	261	242	16	55	219	532		1
Capital Payments	-	-	-	-	-	-	-		
Financial assets									
Total	97 253	85 757	18 501	20 853	21 610	23 274	84 283		969

SCHEDULE 2: RISK MANAGEMENT PROGRESS REPORT (4TH QUARTER 2017/18)

The office of Enterprise Risk Management facilitated a Strategic Risk Assessment for the Department in order to ascertain the current strategic risk profile of the department. This was executed in accordance with the Departmental policies on risk management and further to adhere to the following legislative prescripts:

- 1) Section 38(1)(a)(1) of the Public Finance Management Act, which requires that the Accounting Officer for a department must ensure that the department has and maintains an effective, efficient and transparent system of financial and risk management.
- 2) Section 3.2.1 of the Treasury Regulations requires that the Accounting Officer must facilitate a risk assessment to determine the material risks to which the institution may be exposed and to evaluate the strategy for managing these risks. The strategy must include a fraud prevention plan and must be used to direct internal audit effort and priority, and to determine the skills required to manage these risks.

Scope and Objectives

The Strategic Risk Assessment was undertaken with the following objectives in mind:

- 1) To enable management to identify, assess and mitigate the strategic risks, in terms of the strategic objectives, to which the department is exposed.
- 2) Produce reports for oversight bodies to enable them to fulfill their duties.

PRIORITIZED RISK REGISTER 2017/2018 FY

RIS K No	Objective	Risk	Inherent Risk Exp.	Current Control	Residual risk exposure	Mitigation Measure	Risk Owner	Time Frame	4 th Quarter Progress	Risk adjustment	Residual risk exposure
1	Enable the Department to deliver in line with the mandate by improving management practices on HR, Strategic Management and Financial Management to level 4 of MPAT standards by 2019/20.	Threat to business continuity caused by lack of Business Continuity Plan (BCP) leading to interruption of services	25	Business protection plans Offsite backup for paper based and ICT	16.25	Implementation of BCP in the department	DDG: Corporate Governance	31 December 2017	Outstanding directorate were done on the 15 February 2018. Mission Critical Area were identified and presented at EXCOM on the 29 March 2018 for adoption.	None	16.25
2	Financial Management to level 4 of MPAT standards by 2019/20.	Inadequate support to Provincial Treasury due to non-filling of vacant funded posts leading to inability to deliver on provincial priorities	20	Appointment of contract employees and experiential learners	13	Filling of identified critical posts and review of organizational structure	DDG: Corporate Governance	31 December 2017	Organizational structure submitted to DPSA for concurrence. 12 Interns appointed. Cleaner and ASD: Service delivery appointed in the quarter.	None	13
4	To achieve sustainable fiscal policy for the province during 2015/16 to	Non-attainment of 98% expenditure due to poor planning and expenditure	20	In-year monitoring	16.25	Effective monitoring of departmental budget spending against plans	DDG: Sustainable Resource Management	31 January 2018	Conducted expenditure bilateral meetings in February 2018 and further adjustment to department of Education.	None	16.25

RIS K No	Objective	Risk	Inherent Risk Exp.	Current Control	Residual risk exposure	Mitigation Measure	Risk Owner	Time Frame	4 th Quarter Progress	Risk adjustment	Residual risk exposure
6	2019/20.	management by respective departments leading to reduction of future budget allocations				Enforce compliance to planning prescripts.			IYM analysis report has been performed on the monthly basis and feedback provided to departments.		
		Non implementation of provincial revenue strategy due to departments not adhering to revenue targets leading to decline in allocated budget.	10	Provincial Revenue Strategy	10	Reinforce the implementation of provincial revenue enhancement strategy	DDG: Sustainable Resource Management	30 September 2017	Revenue Enhancement Project request for Departments of Transport; and Economic Development, Environment and Tourism were allocated funds for 2018/19 financial year. IYM (Revenue report) analyzed and report produced. Reviewed Revenue Enhancement Strategy has been approved by EXCO and circulated to departments for implementation.	None	10
7		Non Institutionalization of infrastructure	5	Infrastructure procurement plan	10	Facilitate the appointment of skilled officials in	DDG: Sustainable Resource	30 September 2017	HR DoRA Capacity: • Health – The Structure is	None	10

RIS K No	Objective	Risk	Inherent Risk Exp.	Current Control	Residual risk exposure	Mitigation Measure	Risk Owner	Time Frame	4 th Quarter Progress	Risk adjustment	Residual risk exposure
		planning due to lack of build environment skills leading to underspendin g.				departments and the Provincial Infrastructure Planning Hub. Capacity building to departments on infrastructure planning.	Management		being reviewed with DoH. <ul style="list-style-type: none"> <u>Education</u> – review of the structure completed, the recruitment has been ceded to DBE and the posts have been advertised. DBSA contract to recruit on behalf of DPWRI has been extended, and integration plan has been finalised by GTAC for ISPH support. GIAMA training on U-AMPs and planning documents facilitated through GTAC support.		
8		Inadequate funding to support economic growth and development due to rate of growth on COE	15	Treasury Instruction notes	10	Reduce COE spending to 60% in the province in order increase allocation on infrastructure development	DDG: Sustainable Resource Management	30 November 2017	Reviewed Provincial Personnel Management Framework to address the ever escalating COE budget. Approval to advertise	None	10

RIS K No	Objective	Risk	Inherent Risk Exp.	Current Control	Residual risk exposure	Mitigation Measure	Risk Owner	Time Frame	4 th Quarter Progress	Risk adjustment	Residual risk exposure
9	To achieve annual improvement on financial management and effective governance in 26 delegated municipalities and 3 municipal entities by 2019/20	Non institutionalization of municipal finance reforms by municipalities due inability to keep up with technical developments leading to unfavorable audit outcomes.	25	Continuous training	16-25	Facilitate the appointment of skilled officials in Municipalities Capacity building to Municipalities on municipal finance reforms	DDG: Sustainable Resource Management	Quarterly	Limpopo Provincial Treasury is a member of the recruitment panel in the CFO and other management positions. Training conducted were focused on MSCOA and Audit process during the fourth quarter.	5x5=25 IR 25X40%=10R	10
10	To provide policy direction and support to 13 votes and 5 public entities on Assets, Liabilities	Adverse audit outcomes due to non-compliance with legislative mandates by Departments	25	Implementation of internal control and financial systems	10	Enhance accountability by reporting non-compliance to oversight structures	DDG: Assets, Liabilities and Supply Chain Management	31 July 2017	Non – compliance were reports to the HOD's Forum and other overseers structures for intervention.	None	10

RIS K No	Objective	Risk	Imberent Risk Exp.	Current Control	Residual risk exposure	Mitigation Measure	Risk Owner	Time Frame	4 th Quarter Progress	Risk adjustment	Residual risk exposure
	and Supply Chain Management to ensure improvement of audit outcomes by 2019/20	& Public Entities leading to Implementation of Section 100 of the Constitution and reputational loss.									
		Inability for Treasury to timeously arrange transversal contracts due to delays in the nomination of bid committee members by departments and poor attendance of bid committee meetings leading to litigation and poor service delivery	25	Draw up Project Plan	16.25	To draw up a project plan for the year before the start of the financial year and to review quarterly	DDG: Assets, Liabilities and Supply Chain Management	31 March 2018	Draft project plan for 2018/19 financial year has been submitted for approval. Travel management transversal tender was adjudicated and not awarded. Specification committee is currently developing specifications and terms of reference for the Provincial Banking tender.	None	16.25

RIS K No	Objective	Risk	Inherent Risk Exp.	Current Control	Residual risk exposure	Mitigation Measure	Risk Owner	Time Frame	4 th Quarter Progress	Risk adjustment	Residual risk exposure
11	To achieve annual improvements in audit outcomes in 12 votes and 5 public entities by 2019/20.	Inadequate support to votes and public entities due to inadequate support methodologies and lack of technical skills leading to Modified audit opinions with increase in unwanted expenditures, under spending of budget, failure to deliver on the mandates of the institutions (votes and public entities)	25	1. Transversal forums, policies, informal support methodologies 2. Formal and informal training provided	17	1. Develop and formalize support methodologies and implement combined assurance model 2. Professionalize functions within treasury	PAG	31 December 2017	Support methodologies are implemented at the directorate level. Combined Assurance Model Framework has been developed and implementation will be done in the first quarter of 2018-19. Current members of SAIPA attended CPD Training to retain their membership.	None	17
12	To achieve annual improvements in audit outcomes in 12 votes and 5 public	Ineffective governance structures (RMC, AC, Boards) due to inadequate monitoring	30	Governance and ERM Checklists 360 degree evaluations,	13	Detailed structured plan to address gaps identified	PAG	30 June 2017	LPT attended all Board and Audit Committee meetings which were held during fourth quarter. (The risk is fully addressed)	4x4= 16 IR 16x40%=6 RR	6

RIS K No	Objective	Risk	Inherent Risk Exp.	Current Control	Residual risk exposure	Mitigation Measure	Risk Owner	Time Frame	4 th Quarter Progress	Risk adjustment	Residual risk exposure
	entities by 2019/20.	of governance structures and lack of independence by members of governance structures leading to Modified audit opinions with increase in unwanted expenditures, under spending of budget, failure to deliver on the mandates of the institutions (votes and public entities)		full control of audit committee in votes, and perform oversight during board and audit committee meetings of public entities							
13	To achieve annual improvements in audit outcomes in 12 votes and 5 public entities by	Misaligned strategic Internal Audit direction and plan. (Internal Audit False	20	1. Audit RMP's 2. Obtain stakeholder input to inform plan.	13	1. Ensure completeness of the audit universe by developing a set of generic risks. 2. To have	CAE	30 Jun 2017	Set of generic risk to be circulated for inputs to relevant stakeholders as part of the Combined Assurance Implementation.	None	13

RIS K No	Objective	Risk	Inherent Risk Exp.	Current Control	Residual risk exposure	Mitigation Measure	Risk Owner	Time Frame	4 th Quarter Progress	RISK adjustment	Residual risk exposure
14	To achieve annual improvements in audit outcomes in 12 votes and 5 public entities by 2019/20.	Assurance Risk) due to inadequate Risk Management Processes (RMP's) followed by Departments leading to incorrect Internal Audit Focus and Reduced Strategic Impact.	High	As per APP a Quality Assurance & Improvement Programme has been developed.	High	1. Improved internal communication processes to strive to a shared IA vision and processes. 2. Review QAR processes to streamline and standardize IA processes. 3. Update IA methodology.	CAE	30 Sep 2017	SMS Branch meeting was held in the February 2018 and information discussed was cascaded to branch sub directorate level meetings.	None	High
	2019/20.	Assurance Risk) due to inadequate Risk Management Processes (RMP's) followed by Departments leading to incorrect Internal Audit Focus and Reduced Strategic Impact.	High		Medium	common methodology to auditing RMP's to ascertain extent of reliance. 3. Internal Audit Function auditing risks as opposed to auditing controls.			The common methodology of auditing RMP's is part of the Combined Assurance implementation.		Medium

RIS K No	Objective	Risk	Inherent Risk Exp.	Current Control	Residual risk exposure	Mitigation Measure	Risk Owner	Time Frame	4 th Quarter Progress	Risk adjustment	Residual risk exposure
15		Internal Audit Opinions and strategic impact of the IAF perceived not to be adding value		Draft CAM		Develop a CAM implementation Strategy and communicate to all stake holders Review strategy	CAE	30 Jun 2017	Combined Assurance Model implementation strategy has been drafted for consideration by the Transversal Technical Committee.	None	

 (Acting)
 P. G. Pratt CA (SA)
 HEAD OF DEPARTMENT

11/05/2018
 DATE