



LIMPOPO

PROVINCIAL GOVERNMENT
REPUBLIC OF SOUTH AFRICA

PROVINCIAL TREASURY

Annual Performance Plan 2017/18

Date of tabling

14 March 2017

FOREWORD BY THE LIMPOPO MEMBER OF THE EXECUTIVE COUNCIL FOR FINANCE

As we plan for this 2017/18 budget cycle, we are faced with current economic pressures that affect the economic outlook of the South African economy. This outlook requires that we maintain the implementation of austerity measures and escalate the level of financial prudence. We also do so by renewing our commitment to the citizens of our country in ensuring financial prudence and good governance that will contribute to the achievement of creating a developmental state. The National Development Plan (NDP), Medium Term Strategic Framework (MTSF) 2014 -2019 and Limpopo Development Plan (LDP) continue to provide direction towards achieving Vision 2030.

Whilst we face a challenging economic environment, Provincial Treasury will continue with the implementation of the following key priorities:

- Further strengthening of the Provincial Treasury
- Strengthening our support to Municipalities
- Maintain the achievement of an Unqualified Audit Outcomes
- Enforce and ensure compliance
- Monitor and facilitate infrastructure spending
- Enhance our oversight over public entities
- Strengthen CFO offices
- Monitor the Revenue Enhancement Strategy

In view of the above economic outlook, the Provincial Treasury will play a leading role in ensuring that departments, municipalities and public entities within the province exercise adequate financial management controls and good governance. Furthermore a continuous monitoring of costs containments within the province without compromising service delivery needs of the citizens. It is within this context that we further commit ourselves to the Medium Term Strategic Framework (MTSF) with special emphasis on Outcome 9 and 12 as well as the implementation Limpopo Development Plan.

I therefore endorse this Annual Performance Plan (APP) and commit to ensuring that it is implemented.



RWN Tooley (MPL)

EXECUTIVE AUTHORITY

OFFICIAL SIGN-OFF

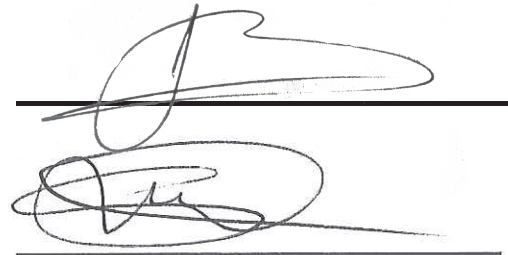
It is hereby certified that this Annual Performance Plan was developed by the management of Limpopo Provincial Treasury under the guidance of the MEC RWN Tooley.

Was prepared in line with the current Strategic Plan of Limpopo Provincial Treasury.

Accurately reflects the performance targets which Limpopo Provincial Treasury will endeavour to achieve given the resources made available in the budget for 2017/18.

Mr HM MAWELA
Chief Financial Officer

Signature: _____



Mr MS MACHEVELE
Director: Strategic Operations
and Policy Coordination

Signature: _____



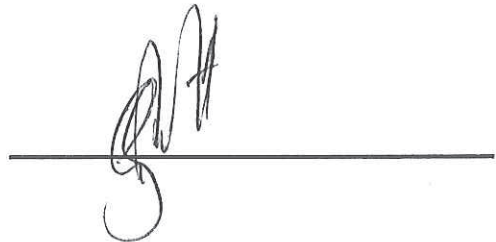
Ms L EBRAHIM
Deputy Director General: Corporate
Governance

Signature: _____



Mr GC PRATT
Accounting Officer

Signature: _____



Approved by:

Mr RWN Tooley (MPL)
Executive Authority

Signature: _____

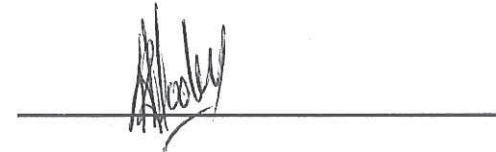


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LIST OF ACRONYMS

Acronym	Description
AC	Audit Committee
AFS	Annual Financial Statement
AG	Auditor General
ALSCM	Asset, Liabilities and Supply Chain Management
APP	Annual Performance Plan
BAS	Basic Accounting System
BAUD	Bar Coded Asset Audit
CFO	Chief Financial Officer
CGAP	Certified Government Auditing Professionals
CIA	Certified Internal Auditor
CISA	Certified Information Systems Auditor
CoE	Compensation of Employees
CoGHSTA	Cooperative Governance, Human Settlements and Traditional Affairs
CPI	Consumer Price Index
CPSI	Centre for Public Service Innovation
DORA	Division of Revue Act
DPSA	Department of Public Service and Administration
ERM	Enterprise Risk Management
EXCO	Executive Council
FG	Financial Governance
FINEST	Financial Efficiency Strategic Planning System
FMCMM	Financial Management Capacity Maturity Model
GDP	Gross Domestic Product
GG	Government Garage
GITO	Government Information Technology Office
GRAP	Generally Recognised Accounting Practice
GTAC	Government Technical Advisory Centre
HOD	Head of Department
HR	Human Resource
HRD	Human Resource Development
HRM	Human Resource Management
IA	Internal Audit

IAT	Athlone Institute of Technology
IBM	International Business Machines
ICS	Improvement for Conditions of Service
ICT	Information and Communication Technology
IDIP	Infrastructure Delivery Improvement Programme
IDMS	Infrastructure Development Management System
IFRS	International Financial Reporting Standards
IGR	Inter-Governmental Relations
IRM	Infrastructure Reporting Model
IT	Information Technology
IYM	In Year Monitoring
LDP	Limpopo Development Plan
LEDET	Limpopo Economic Development and Tourism
LGB	Limpopo Gambling Board
LOGIS	Logistics Information System
LPIA	Limpopo Provincial Internal Audit
LPT	Limpopo Provincial Treasury
LTA	Limpopo Tourism Agency
MEC	Member of the Executive Council
MFM	Municipal Finance Management
MFMA	Municipal Finance Management Act
MPAT	Management Performance Assessment Tool
MPL	Member of the Provincial Legislature
MTEF	Medium Term Expenditure Framework
MTSF	Medium Term Strategic Framework
NDP	National Development Plan
NSG	National School of Government
PAIA	Promotion of Access to Information Act
PAJA	Promotion of Administrative Justice Act
PDPs	Personal Development Plans
PERSAL	Personnel Salary
PEs	Public Entities
PFM	Public Finance Management
PFMA	Public Finance Management Act

PIA	Provincial Internal Audit
PMDS	Performance Management and Development System
PPP	Public Private Partnership
PTCF	Provincial Technical Committee of Finance
QAR	Quality Assurance Review
RAL	Road Agency Limpopo
SA	South Africa
SAQA	South African Qualifications Authority
SCM	Supply Chain Management
SCOA	Standard Chart of Accounts
SDIP	Service Delivery Improvement Plan
SITA	State Information Technology Agency
SLA	Service Level Agreement
SMS	Senior Management Services
SRM	Sustainable Resource Management
SWOT	Strengths, Weaknesses, Opportunities and Threats
TRM	Transversal Risk Management
WSP	Workplace Skills Plan

PART A: STRATEGIC OVERVIEW

1. UPDATED SITUATIONAL ANALYSIS

The department performs within the environment that affects its efficiency in delivering its service. The internal and external environments are therefore important factors to be considered when developing plans.

1.1 Performance delivery environment

Branches utilized the SWOT analysis tool to review the overall strategic position of the department and its environment. The tool allowed branches to align the department's resources and capabilities to the requirements of the mandate of the department. These branch strategic planning sessions were held from the 6th to the 10th of June 2016. The outcome of the SWOT analysis was presented during the departmental strategic planning session held on the 13th and 14th of June 2016. The outcome of the SWOT analysis by branches highlighted the Strength, Weaknesses, Opportunities and Threats within each respective branch. Action plans to address identified weaknesses and threats were developed and presented by branches during the Senior Management Forum meeting on the 16th of August 2016 for adoption. Adopted action plans were implemented and progress reports on implementation of these action plans were presented during the departmental strategic planning session on the 20th of October 2016.

It was also resolved during the June Departmental Strategic Planning session that an Opportunity register be developed to ensure that the identified strengths and opportunities are maximised to assist the department in achieving its objectives. The department is finalising the development of the Opportunity Register.

The department will be monitoring the Opportunity Register and action plan to address identified weaknesses and threats through progress reporting in Senior Management Service Forum and strategic planning meetings in order to improve performance and efficient and effective execution of its mandate.

The monitoring and support role of the department has been strengthened as eight (8) votes received unqualified audit opinions with findings in 2015/16. The department is aiming at improving performance of departments to an extent of receiving clean audit findings instead of unqualified opinions with findings.

The financial management status within municipalities remains the major challenge in Limpopo and Limpopo Provincial Treasury is strengthening the Municipal Finance team to implement the Municipal Finance strategy to improve the financial status at municipalities. It focuses on distressed municipalities by implementing remedial actions and improvement plans.

The table below outlines the identified Strengths, Weaknesses, Opportunities and Threats during the June Departmental Strategic Planning session.

Table 1 : SWOT analysis

STRENGTH	WEAKNESSES
Experienced and capable workforce	Lack of coordination (supervision, activities, etc.)
Policies and Assessment tools developed	Lack of working tools
Defined and validated audit universe	Office space not conducive
Formal risk-based planning process with management and AC validation	Limited understanding of stakeholder expectations
Supportive Individual staff development and training/certification plans	Inconsistent communication with stakeholders
Highly regulated branch	Inadequate SMS staff
Delivering services with little resources available	Operational staff not always clearly understanding the strategic initiatives of the Branch
Competent, Professional and Technical staff	Lack of staff rotation policy and high staff turnover.
Teamwork and diverse skills	Inadequate communication
Electronic sharing and collaboration platform (SharePoint)	Working in silos
Ability to support Departments and Public Entities	Poor planning
Sound technical knowledge	Aged Organisation Structure
Access to Institutions of knowledge	Lack of retention strategy
Access to Oversight Structures	Unfunded posts
Staff Development	Inadequate technically skilled personnel
Ability to influence and enforce financial management policy	Delays on feedback to our clients
ERM framework knowledge	Lack of succession plan
Reasonable capacity	Lack of Retention strategy
Innovation	Inability to enforce consequence management
Expertise in systems support	TRM structure not adequately aligned to enable the directorate to deliver on its mandate
Analytical skills	Lack of internal engagements
Negotiation skills	Late coming
Able to meet deadlines	Lack of skills transfer
Availability of Policies and Procedure Manual	Lack of consultation on issues affecting systems environment
Qualified and skilled workforce	Poor quality reports

Support of Executive Management	Inadequate implementation of prescripts
Approved MFM structure – by MEC	Insufficient resources (human, financial and Physical resources i.e. space, ICT)
Technical background	Ineffective information management (Poor Filing management)
Learning team	Contract appointments
Institutional memory	
Monthly transversal forums	
OPPORTUNITIES	THREATS
BAUD System being implemented	Weak ICT connectivity
Supportive stakeholders	Insufficient support on BAUD System
Confirm and clarify stakeholders' evolving expectations	Non-compliance with policies and prescripts
Educate stakeholders on internal audit's role and capabilities	Reduction in management cooperation and LPIA not taking seriously
Collaborate with other assurance providers (risk management functions, internal control units) throughout the year and during risk assessment	Emerging and changing risks increase skill gaps
Legislative Framework (DPSA, National Treasury guidelines, etc.)	Lack of LPIA awareness of strategic business initiatives departments
Training and development (NSG and CPSI)	High turnover rate of HOD's impacting on stakeholder management and relationship building with LPIA.
Knowledge sharing platform (Provincial, National and International Forums)	Low staff morale
Recruitment of fairly younger generation due to retirements	Migration of skilled employees
Benchmarking with other treasuries, sharing best practises	Bureaucratic challenges/Delayed decision
Professionalise financial management within public service	Inability to fill vacant posts
Provincial IT risk management system	Loss of client's confidence due to inadequate support
Provincial risk profile (will allow us to elevate risk management processes to a provincial level)	Lack of cooperation from clients (non-compliance with transversal ERM processes)
Incorporation of risk management as a standing agenda in HODs' forum	Inadequate buy-in from Top Management
Take advantage of technological advancements	Office layout not conducive
Business process continuity planning	Dependency on external stakeholders to finalise incidents

Legislations	Insufficient IT infrastructure in the province
IGR forums	Financial constraints – insufficient budget
Professionalism in the industry	High staff turnover resulting in secondment
Provincial IDMS, Web based IRM	Lack of implementation of recommendations
Infrastructure Strategic Planning Hub (ISPH)	Non adherence to deadlines
Government Technical Advisory Centre (GTAC) Support Programme	Provision of insufficient information
	Lack / insufficient financial information management systems

Limpo Provincial Treasury monitors and supports provincial departments, public entities, municipalities and municipal entities on implementation of the MFMA and PFMA. The following tables reflect the provincial institutions that are monitored and supported by Limpo Provincial Treasury in line with the MFMA and PFMA.

Table 2 : List of Provincial Departments

LIMPOPO PROVINCIAL DEPARTMENTS
1. Vote 1 : Office of the Premier
2. Vote 2 : Legislature
3. Vote 3 : Education
4. Vote 4 : Agriculture
5. Vote 5 : Provincial Treasury
6. Vote 6 : Economic Development, Environment and Tourism
7. Vote 7 : Health
8. Vote 8 : Transport
9. Vote 9 : Public Works, Roads and Infrastructure
10. Vote 10 : Safety, Security and Liaison
11. Vote 11 : Corporative Governance, Human Settlements and Traditional Affairs
12. Vote 12 : Social Development
13. Vote 13 : Sport, Arts and Culture

Table 3. List of Public Entities

LIMPOPO PROVINCIAL PUBLIC ENTITIES
1. Limpopo Gambling Board (LGB)
2. Limpopo Economic Development Agency (LEDA)
3. Road Agency Limpopo (RAL)
4. Gateway Airport Authority Limited (GAAL)
5. Limpopo Tourism Agency (LTA)

Table 4. List of Municipalities

CAPRICORN DISTRICT
1. Capricorn District Municipality
2. Blouberg Local Municipality
3. Molemole Local Municipality
4. Lepelle Nkumpi Local Municipality
5. Polokwane Local Municipality
SEKHUKHUNE DISTRICT
1. Sekhukhune District Municipality
2. Elias Motsoaledi Local Municipality
3. Ephraim Mogale Local Municipality
4. Makhuduthamaga Local Municipality
5. Fetakgomo Tubatse Local Municipality (LIM 476)
1. Mopani District Municipality
2. Maruleng Local Municipality
3. Letaba Local Municipality
4. Tzaneen Local Municipality
5. Giyani Local Municipality
6. Ba-Phalaborwa Local Municipality

VHEMBE DISTRICT
1. Vhembe District Municipality
2. Makhado Local Municipality
3. Musina Local Municipality
4. Thulamela Local Municipality
5. Lim 345 Local Municipality
WATERBERG DISTRICT
1. Waterberg District Municipality
2. Mogalakwena Local Municipality
3. Thabazimbi Local Municipality
4. Lephalale Local Municipality
5. Modimolle Mookgophong Local Municipality
6. (LIM 368)
7. Bela-Bela Local Municipality

Table 5 : List of Municipal Entities

LIMPOPO MUNICIPAL ENTITIES
1. Greater Tzaneen Economic Development Agency
2. Waterberg Development Agency
3. Sekhukhune Development Agency

Departmental MPAT performance

Limpopo Provincial Treasury attained average score of 3.1 on MPAT 1.5 final outcome, which is 0.1 above the Strategic Objective target of programme 1 which was 3 for 2015/16 financial year. The department made significant improvement of 0.4 from MPAT 1.4 average score of 2.7 to average score of 3.1 in MPAT 1.5. The department targeted to achieve average MPAT score of 3.5 in MPAT 1.6 as a strategic objective target for programme 1 in 2016/17 financial year.

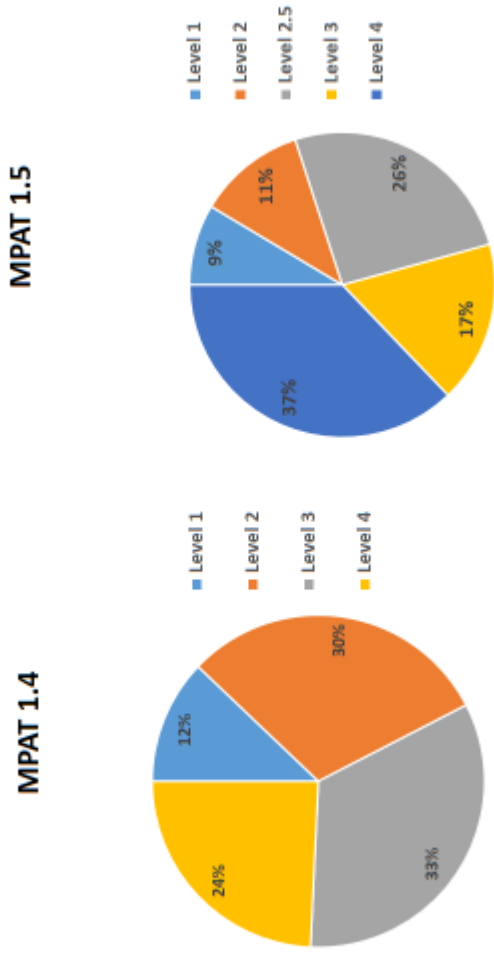
Table 6: Comparison of MPAT 1.4 and MPAT 1.5 outcomes

MPAT 1.4		MPAT 1.5							
Total No. of Standards	33	Level 1	4	Level 2	10	Level 3	11	Level 4	8
		Level 1	3	Level 2	4	Level 2.5	9	Level 3	6
		Level 1	3	Level 2	4	Level 2.5	9	Level 4	13
		Total No. of Standards	35						

3

The graphical representations of the above summary results for MPAT 1.4 and MPAT 1.5 are on Figure 1 below:

Figure 1: Comparison of MPAT 1.4 and MPAT 1.5 outcomes



Auditor General

Limpopo Provincial Treasury received an Unqualified Audit Opinion with findings for 2015/16 financial year. The findings raised in the Auditor General Report for Limpopo Provincial Treasury in 2015/16 included the following:

- Unaudited supplementary schedules
- Material misstatements on the annual performance report
- Material misstatements identified in commitments, contingent assets, key management personnel, employee benefit and movable assets
- Goods and services with a transaction value below R500 000 were procured without obtaining the required price quotations

Financial Management in the Province

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

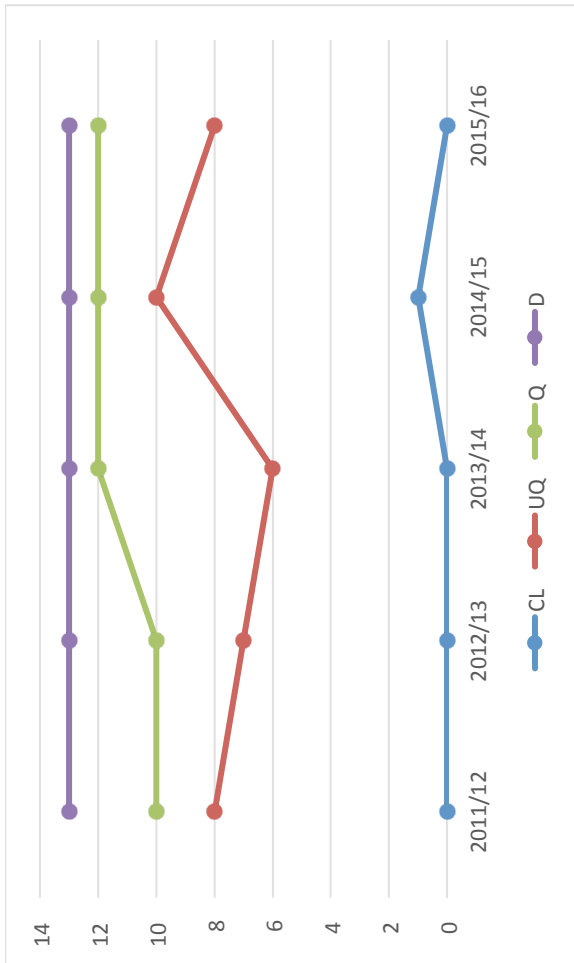
The current status of the province's financial management position in relation to audit outcomes is represented in the information that follows.

Table 7: Audit outcomes of Limpopo Provincial Departments: 2010/11 – 2014/15

Vote No	DEPARTMENT	2011/12	2012/13	2013/14	2014/15	2015/16	TREND
1	Premier	UQ	UQ	UQ	CL	UQ	Regressed
2	Legislature	UQ	UQ	UQ	UQ	UQ	Static
3	Education	D	D	D	D	D	Static
4	Agriculture	UQ	Q	Q	UQ	UQ	Static
5	Treasury	UQ	UQ	UQ	UQ	UQ	Static
6	Economic Development	UQ	UQ	Q	UQ	Q	Regressed
7	Health	D	D	Q	UQ	Q	Regressed
8	Roads & Transport	Q	UQ	UQ	UQ	UQ	Static
9	Public Works	D	D	Q	Q	Q	Static
10	Safety, Security & Liaison	UQ	UQ	UQ	UQ	UQ	Static
11	Co-Operative Governance, Housing Settlements & Traditional Affairs	UQ	UQ	UQ	UQ	UQ	Static
12	Social Development	UQ	Q	Q	UQ	UQ	Static
13	Sport, Arts & Culture	Q	Q	Q	Q	Q	Static

The graphical representations of the above statistics are on Figure 2 below:

Figure 2: Audit Outcomes of Limpopo Provincial Departments (2011/12 – 2015/16)



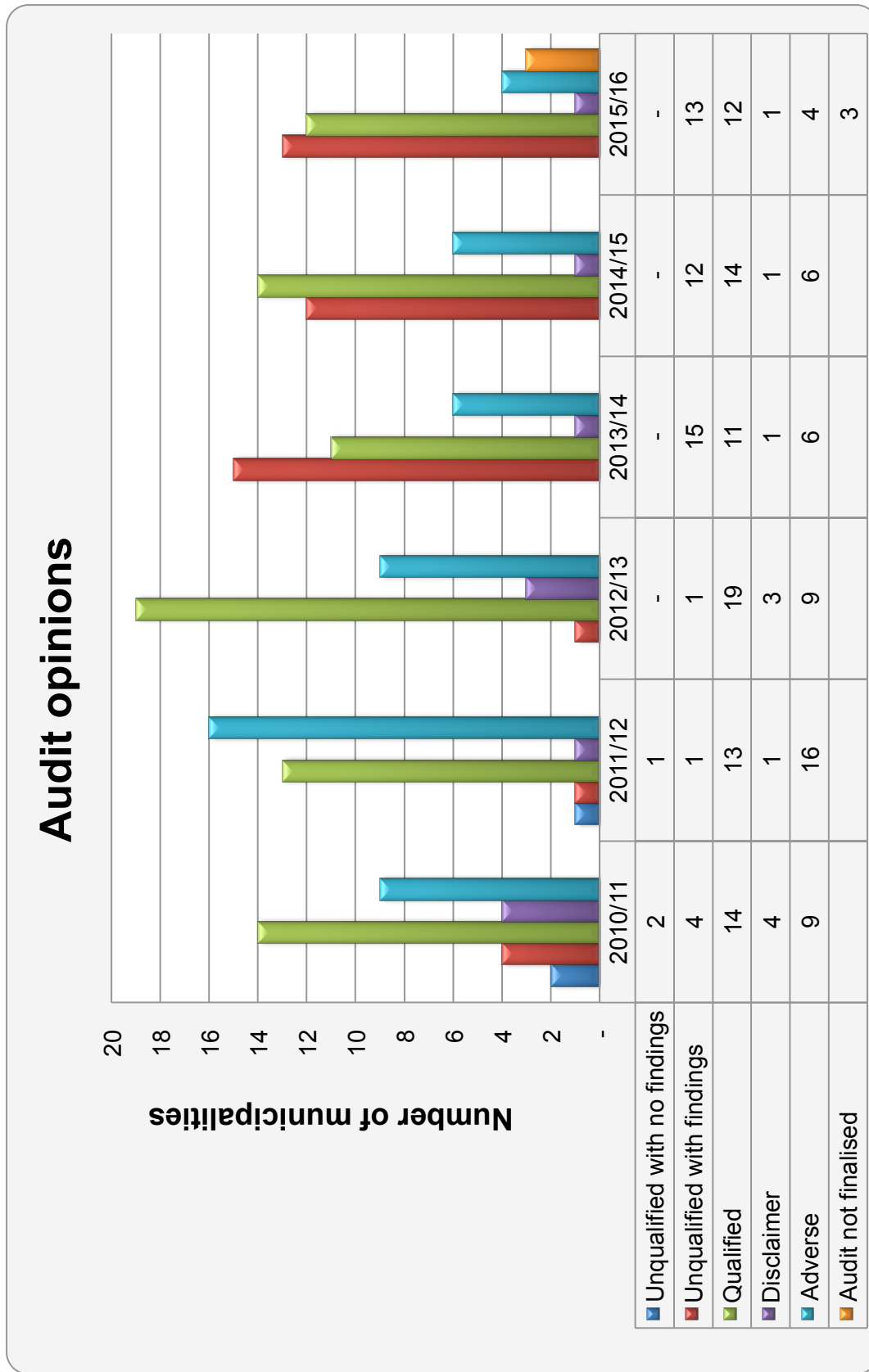
It is clear from the above graph that audit outcomes which reflect on internal controls within departments have not been stable in Limpopo Province and has seen some regression, particularly in the number of departments that received clean and unqualified audit opinions. The number of departments that received clean audits reduced from one in 2014/15 to zero in 2015/16 and the number of departments that received unqualified audit opinions reduced from ten in 2014/15 to eight in 2015/16. There was no reduction in the number of departments with qualified and disclaimers from 2013/14 to 2015/16. The service provided by Provincial Treasury is therefore necessary in ensuring that these trends are improved and sustained in the years to come. This Annual Performance Plan has taken these factors into consideration in determining our priorities.

Table 8: Audit outcomes of Limpopo Provincial Municipalities: 2010/11 – 2015/16

FINANCIAL YEAR	UNQUALIFIED WITH NO FINDINGS	UNQUALIFIED WITH FINDINGS	QUALIFIED	DISCLAIMER	ADVERSE	AUDIT NOT FINALISED
2010/11	2	4	14	4	9	0
2011/12	1	1	13	1	16	0
2012/13	0	1	19	3	9	0
2013/14	0	15	11	1	6	0
2014/15	0	12	14	1	6	0
2015/16	0	13	12	1	4	3

The graphical representations of the above statistics are on Figure 3 below:

Figure 3: Audit Outcomes of Limpopo Provincial Municipalities (2010/11 – 2015/16)



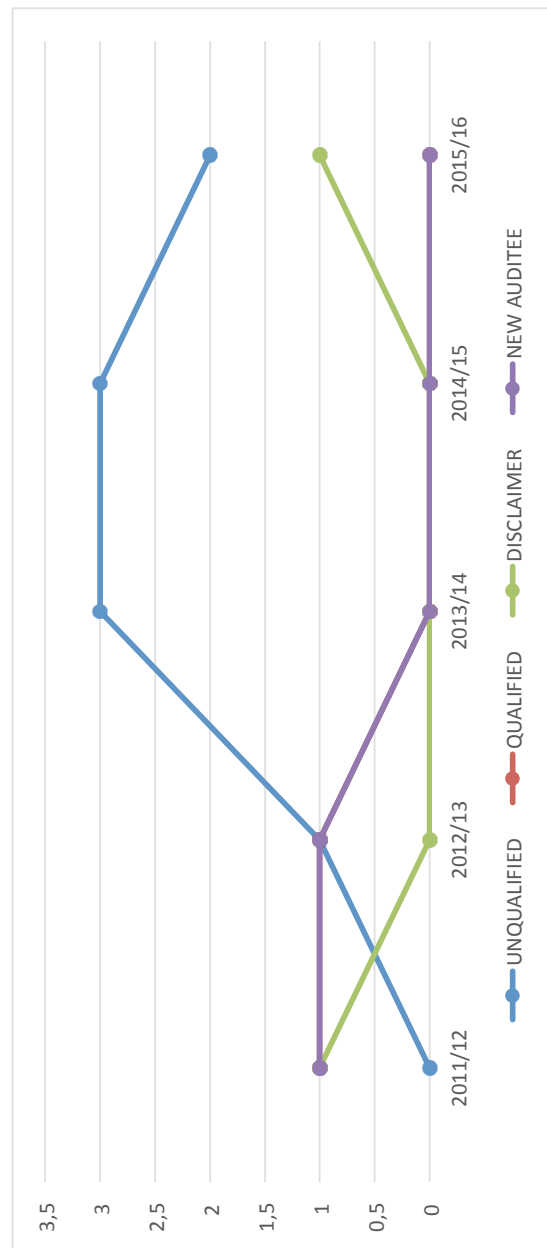
Audit Outcomes for three municipalities (Mogalakwena, Mutale and Thabazimbi) has not been finalised for 2015/16, however, from the municipalities that were audited thus far, there is an improvement of number of municipalities that received unqualified audit opinions from 12 in 2014/15 to 13 in 2015/16. The chances of the province not reducing the number of disclaimers and adverse audit opinion from the numbers received in 2014/15 are very high, therefore, more improvement is necessary, especially in the four municipalities that received Adverse audit opinions and one that received the disclaimer audit opinion, as well as the twelve that were qualified.

Table 9: Audit outcomes of Limpopo Provincial Municipal Entities: 2009/10 - 2013/14

FINANCIAL YEAR	UNQUALIFIED	QUALIFIED	DISCLAIMER	NEW AUDITEE
2011/12	0	1	1	1
2012/13	1	1	0	1
2013/14	3	0	0	0
2014/15	3	0	0	0
2015/16	2	0	1	0

The graphical representations of the above statistics are on Figure 6 below:

Figure 4: Audit Outcomes of Limpopo Provincial Municipal Entities (2011/12 – 2015/16)



The performance of municipal entities has regressed from unqualified audit opinions by three entities to two unqualified and one disclaimer in 2015/16 as compared to the three unqualified audit opinions in 2014/15 financial year.

Table 10: Audit outcomes of Limpopo Provincial Public Entities: 2011/12 - 2015/16

PUBLIC ENTITY	2011/12	2012/13	2013/14	2014/15	2015/16	TREND
Limpopo Economic Development Agency (LEDA)	Q	Q	UQ	UQ	UQ	Static
Limpopo Agri-business Development Corporation (LADC)	Q	N/A	N/A	N/A	N/A	N/A
Limpopo Tourism and Parks Board (LTPB)	D	D	Q	Q	Q	Static
Trade Investment Limpopo (TIL)	Q	N/A	N/A	N/A	N/A	N/A
Limpopo Gambling	UQ	UQ	UQ	UQ	UQ	Static
Roads Agency Limpopo (RAL)	UQ	D	A	A	Q	Improved
Gateway Airport Authority Limited (GAAL)	Q	Q	D	Q	Q	Static
Limpopo Business Support Agency (LIBSA)	Q	N/A	N/A	N/A	N/A	N/A

The graphical representations of the above statistics are on Figure 5 and 6 below:

Figure 5: Audit Outcomes of Limpopo Provincial Public Entities (2011/12)

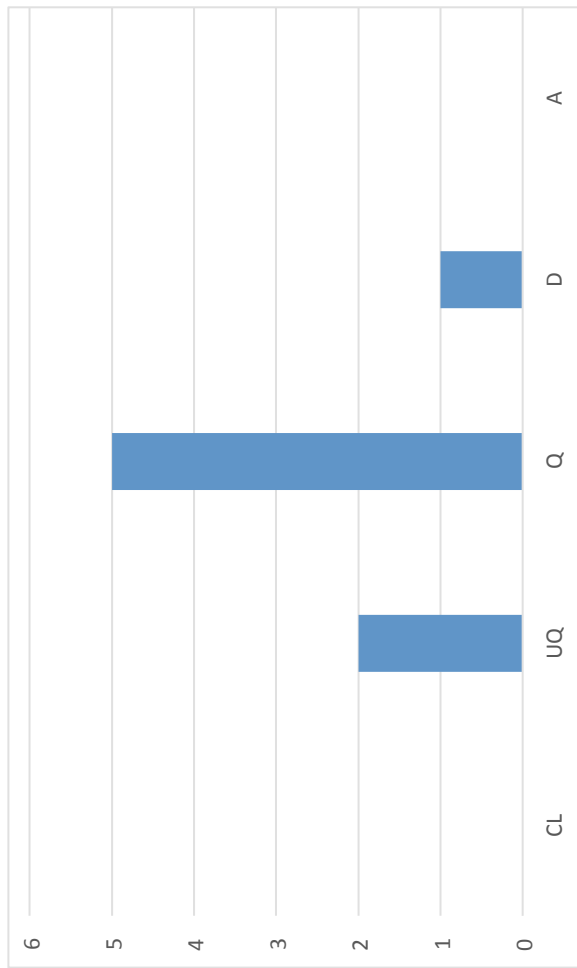
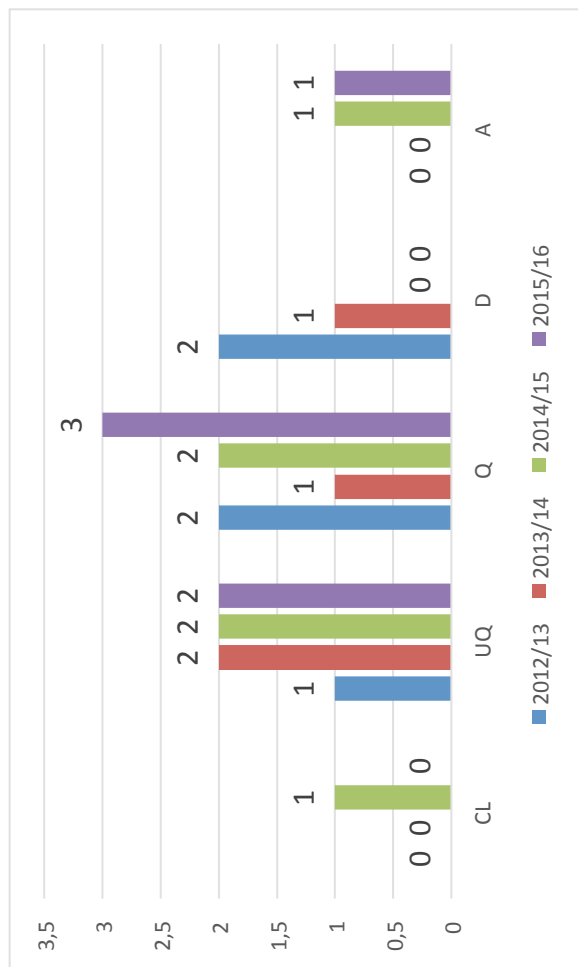


Figure 6: Audit Outcomes of Limpopo Provincial Public Entities (2012/13 – 2015/16)



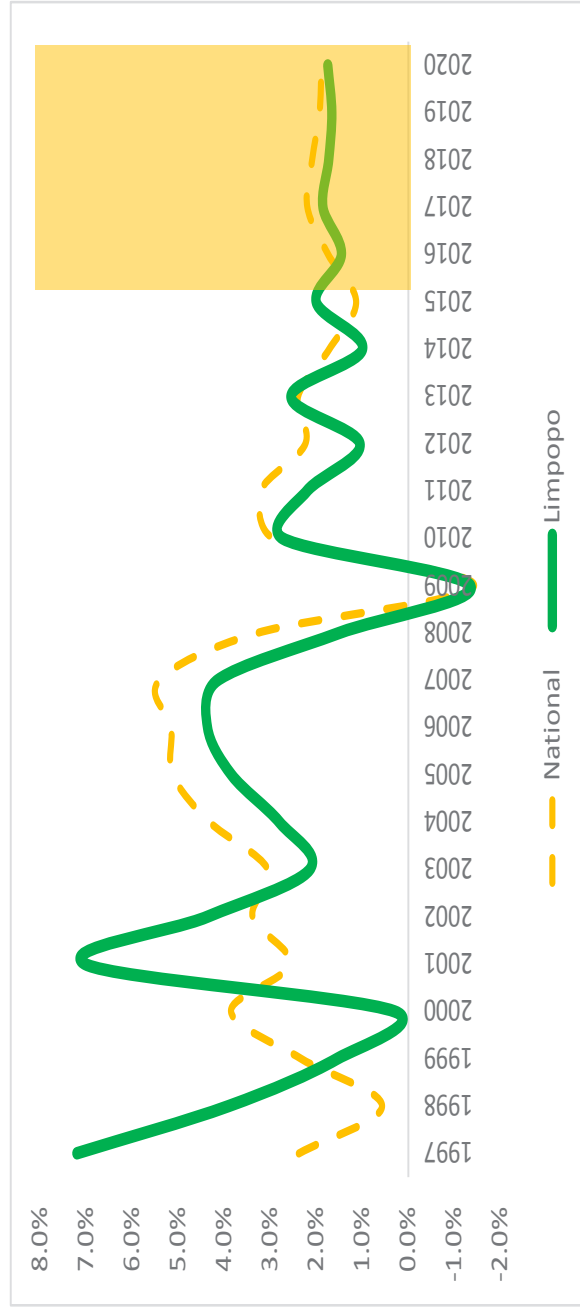
There is significant regression in performance in 2015/16 as the number of public entities that received disclaimers in 2014/15 increased from two to three in 2015/16 financial year, however, two public entities performance was static in maintaining the unqualified audit opinions since 2013/14 to 2015/16.

After the amalgamation of the 8 public entities into 5, improvement trend continued at a lesser rate, however, entity (RAL) has improved from adverse in 2013/14 and 2014/15 to qualified audit opinion in 2015/16.

Limpopo Economy

This section will discuss the economic performance of Limpopo Province and its district municipalities. The economy of Limpopo province has sustained a positive trajectory over the years, only recording a negative growth in 2009 global financial crisis. The local economy has been on a positive growth in the past years, recording a 2.0 percent GDP growth rate in 2015. The 2.0 percent GDP growth rate is below the LDP target of 3 percent GDP which was deemed suitable to stimulate job creation in the province. The improvement in economic growth was influenced by the increase in the mining sector due to improvement in mineral price as well as stabilisation in electricity supply.

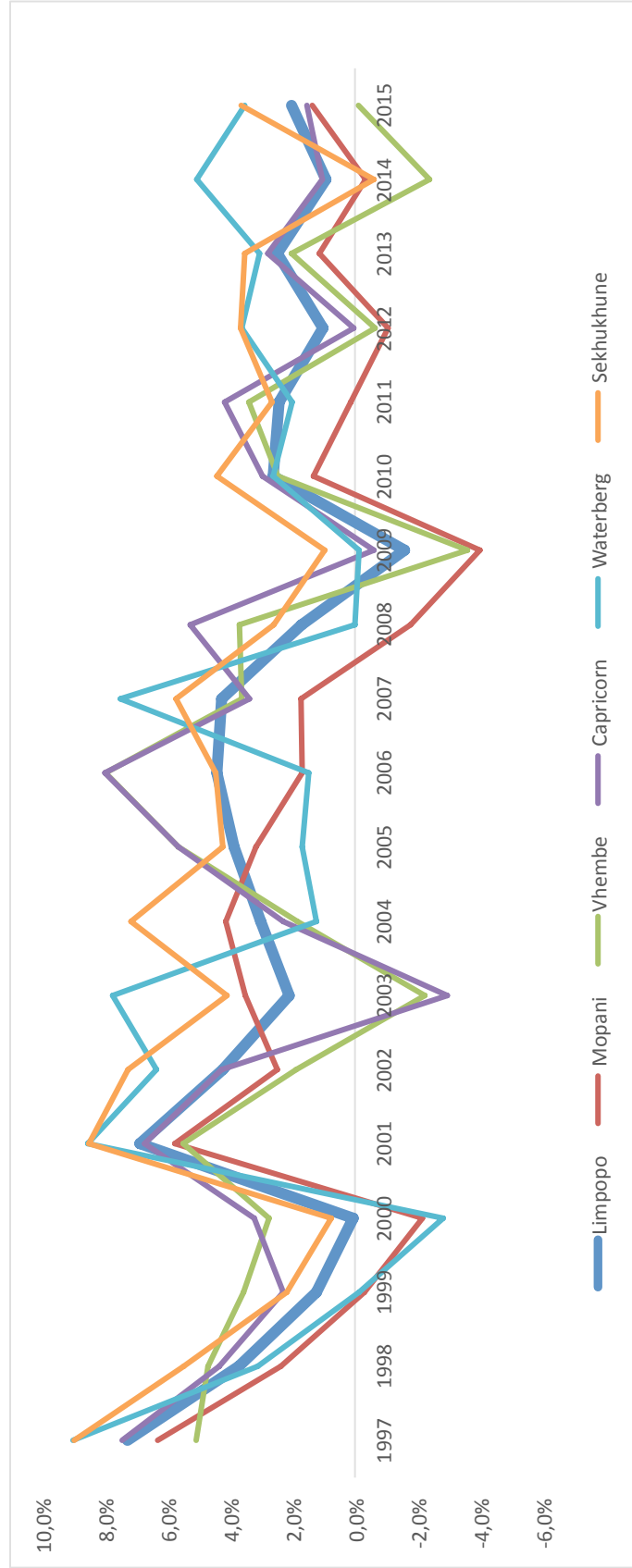
Figure 7: GDP Average annual growth (Constant 2010 Prices)



Source: Regional Explorer 2016

In terms of the districts economic performance, the districts' GDP growth rates trends tend to follow a similar pattern with the provincial trend except for some few instances where some districts tend to be performing over the provincial average. For instance, from 2011 Waterberg district economy was performing way above the other districts and the provincial average GDP growth bridging the 4.0 percent mark and this is due to the recent economic activities in the Lephalale area of the district. Generally, the Limpopo districts economies are on a positive except for Vhembe and Mopani districts which has been recording negative growth between 2012 and 2015.

Figure 8: Limpopo GDP Average annual growth (Constant 2010 Prices)

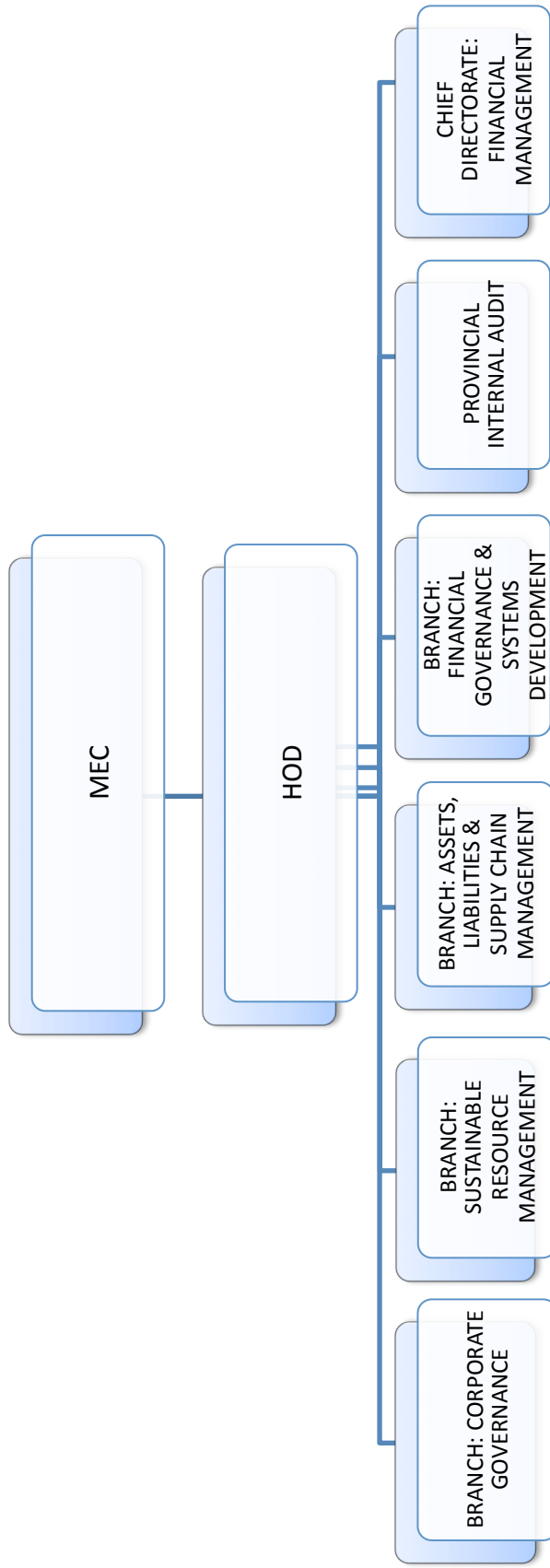


Source: Regional Explorer 2016

1.2 Organisational environment

The current Departmental Organisational Structure presented below, is in its final stages of review to align it to the Generic Provincial Treasuries.

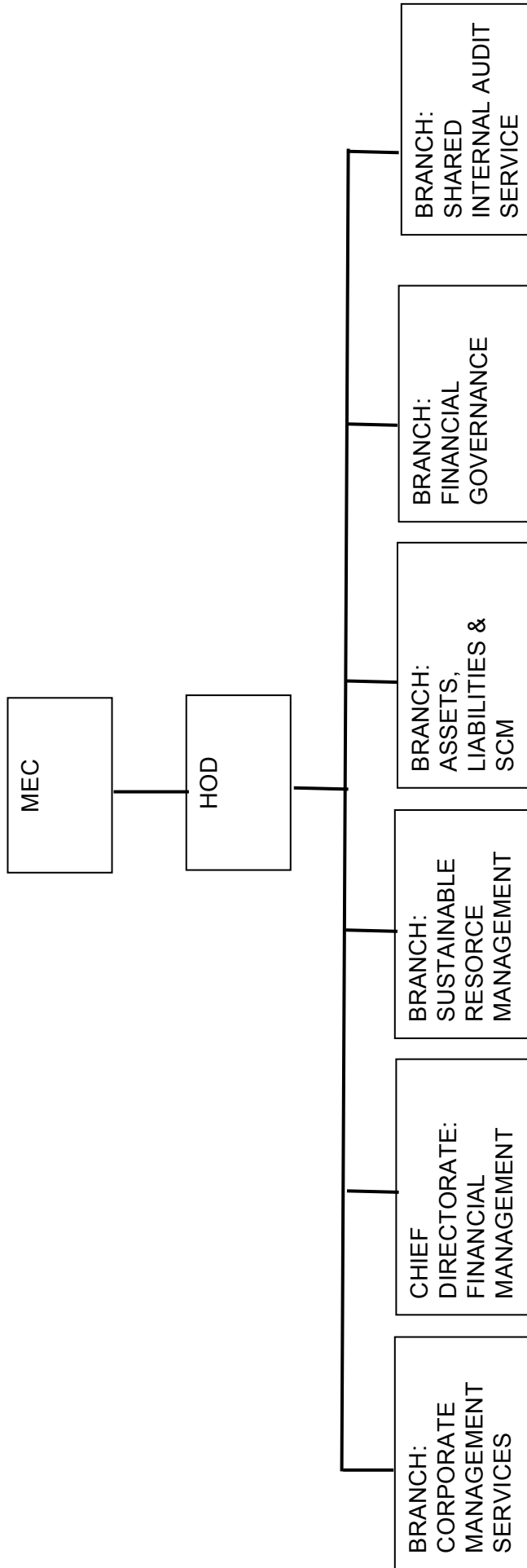
Figure 9; Limpopo Provincial Treasury Organisational Structure



The proposed departmental organisational structure in Figure 10 below provides for five branches viz. i) Corporate Management, ii) Sustainable Resource Management, iii) Assets, Liabilities and Supply Chain Management, vi) Financial Governance and v) Limpopo Provincial Internal Audit

The Department has an approved Strategic Plan with clearly articulated strategic objectives and a three year Human Resources Plan (2015-2018) ending in 2017/18. A newly proposed Organisational structure has been developed and is in its finalisation stages.

Figure 10; Limpopo Provincial Treasury Reviewed Organisational Structure



The Department managed to strengthen the capacity of Limpopo Provincial Treasury by upgrading the level of the HOD's post from level 15 to 16, and those of the Deputy Director Generals for Asset, Liabilities and Supply Chain Management and Corporate Management to level 15 respectively. Three Chief Director posts were also confirmed to level 14 for the Chief Financial Officer, MFMA and Infrastructure Management and PPP units. The strengthening of LPT at managerial levels will ensure that during the fulfilment of mandate of monitoring and rendering of the required support to departments, municipalities and public entities, the required levels and expertise are available all the time. The department's capacity within Programs 2, 3 and 4 has been increased with particular focus on Municipalities and Public Entities.

The proposed LPT organizational structure has a reduced number of posts from the existing structure. From an establishment of 674 posts, the newly proposed structure will reduce the number of posts to 550. Focused areas of support will be in Municipal Finance, Transversal Risk Management, Asset Management, CFO's office and support to public entities, however, the increased need to support municipalities in order to improve audit outcomes will be prioritised.

The work profile in the Department has not as yet reflected the demographics of the province. In terms of Employment Equity at SMS level the department is at 40% female and 2% disability. The Age profile of the employees in the department is as follows:

- age 50-54 : 39%
- age 35-49 : 42%
- age 20-34 : 19%

2. REVISIONS TO LEGISLATIVE AND OTHER MANDATES

The Legislative and other mandates were not revised.

3. OVERVIEW OF 2017/18 BUDGET AND MTEF ESTIMATES

3.1 Expenditure estimates

DEPARTMENTAL SUMMARY

The budget for Provincial Treasury is divided amongst four main programmes namely Administration, Sustainable Resource Management, Assets, Liabilities & SCM and Financial Governance.

The allocated budget will be responsible amongst others to help the department in achieving the following main services:

- Prepare the Provincial Budget;
- Exercise control over the implementation of the Provincial Budget;
- Promote and enforce transparency and effective management in respect of revenue, expenditure, assets and liabilities of Provincial Government Institutions and Public Entities;
- Develop and implement Fiscal Policies in the Province that are consistent with National Macroeconomic and Fiscal objectives;
- Enforce implementation of National and Provincial Treasury norms and standards in the Province, including prescribed procurement systems, standards and Generally Recognized Accounting Practice, uniformly classified systems, provisioning, banking, cash management and investment frame-work policies;
- Implement Treasury norms and standards provided for in the PFMA and MFMA;

Key assumptions

- Some of the main assumptions underpinning the 2017/18 MTEF budget are as follows:
- Salary increases is estimated at 6.1 per cent CPI in 2017/18, 5.9 per cent in 2018/19 and 5.8 per cent in 2019/20 with an effective date of 1st April 2017.
- There is a provision of 1.5 per cent within CoE for pay Progression.
- A provision of 1 per cent of total compensation of employees has been set aside to assist with staff development.

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

R thousand	Outcome			Main appropriation	Adjusted appropriation 2016/17	Revised estimate	Medium-term estimates		
	2013/14	2014/15	2015/16				2017/18	2018/19	2019/20
1. Administration	129 981	141 382	157 131	166 325	180 937	180 937	174 850	185 244	195 988
2. Sustainable Resource Management	44 077	47 811	51 447	77 371	97 321	97 321	119 577	72 544	76 752
3. Assets, Liabilities & Scm	70 790	72 650	84 664	79 340	85 009	83 294	82 940	87 833	92 928
4. Financial Governance	139 950	102 372	81 086	89 568	91 974	90 932	97 253	102 991	108 964
Total payments and estimates	384 798	364 215	374 328	412 604	455 241	452 484	474 620	448 613	474 633

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

R thousand	Outcome			Main appropriation	Adjusted appropriation 2016/17	Revised estimate	Medium-term estimates		
	2013/14	2014/15	2015/16				2017/18	2018/19	2019/20
Current payments	374 694	352 046	353 419	400 600	412 443	409 588	444 103	437 475	462 850
Compensation of employees	205 058	227 247	238 042	292 682	271 648	273 584	312 795	327 509	351 745
Goods and services	169 636	124 799	115 377	107 918	140 795	136 004	131 308	109 967	111 105
Interest and rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies to:	4 052	5 199	9 300	6 204	32 562	24 190	26 328	6 701	7 089
Provinces and municipalities	-	-	-	-	25 000	16 662	20 000	-	-
Departmental agencies and acc	-	-	-	-	-	-	-	-	-
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and intern	-	-	-	-	-	-	-	-	-
Public corporations and private	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	4 052	5 199	9 300	6 204	7 562	7 528	6 328	6 701	7 089
Payments for capital assets	6 052	6 970	11 467	5 800	10 236	10 340	4 189	4 436	4 693
Buildings and other fixed structu	-	-	3	-	-	-	-	-	-
Machinery and equipment	6 052	6 970	11 464	3 300	7 736	7 840	4 189	4 436	4 693
Heritage Assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible as	-	-	-	2 500	2 500	2 500	-	-	-
Payments for financial assets	-	-	142	-	-	8 366	-	-	-
Total economic classification	384 798	364 215	374 328	412 604	455 241	452 484	474 620	448 613	474 633

3.2 Relating expenditure trends to strategic outcome oriented goals

There is an overall increase of 13 per cent on 2017/18 budget of R474 620 million as compared to the main allocation of R412 604 million in 2016/17

Programme one constitutes the highest allocation at 36, 8 per cent of the overall budget, the programme caters for centralised payments on contractual obligations. Programme two shares 25, 2 per cent of the allocation, included in the allocation is a once off payment for GTAC as well as Musina municipality. Financial Governance shares a 20 per cent of the budget and within the allocation there is an amount for Audit committee members, renewal of TEAMATE software licences used by provincial internal audit. Assets, Liabilities and SCM gets the least share of the budget with a 17 per cent and the budget is for paying SITA services amongst others.

Compensation of Employees: increase by 6.4 per cent from R292 682 million in 2016/17 to R312 795 million in 2017/18 and this will cater for general salary increase as well as new appointments to be made during the financial year 2017/18.

Goods & Services: There is an increase of 17.8 per cent from R107 918 million in 2016/17 to R 131 308 million in 2017/18; the increase is as a result of a once off allocation for GTAC and the department will bid for a new allocation over the MTEF.

Transfers & Subsidies: There is an increase by 23.6 per cent in the 2017/18 financial year, and it is as a result of R20 million to be transferred to Musina Local Municipality whilst other funds will cater for external bursaries, leave gratuities for employees who will retire in the coming financial years

Payment for Capital Assets: The item indicates a negative growth of 38.5 per cent and the decrease is as a result of once off payments for Security scanners and GG vehicle which were bought in the 2016/17 financial year. In the 2017/18 financial year, the allocation will cater for working tools and replacement of server which will overlap to the 2018/19 financial year.

PART B: PROGRAMME AND SUB - PROGRAMME PLANS

Budget Structure

Programme	Sub-programme
a. Programme 1: Administration	1.1 Office of the MEC 1.2 Management Services 1.3 Corporate Services 1.4 Financial Management (Office of the CFO)
b. Programme 2: Sustainable Resource Management	2.1 Programme Support 2.2 Economic Analysis 2.3 Fiscal Policy 2.4 Budget Management 2.5 Public Finance 2.6 Intergovernmental Fiscal Relations (Municipal Finance)
c. Programme 3: Assets, Liabilities and Supply Chain Management	3.1 Programme Support 3.2 Asset Management 3.3 Liabilities Management 3.4 Supply Chain Management 3.5 Support & Interlinked Financial Systems
d. Programme 4: Financial Governance	4.1 Programme Support 4.2 Accounting Services 4.3 Risk Management 4.4 Provincial Internal Audit

4. PROGRAMMES

4.1 PROGRAMME 1: ADMINISTRATION

The purpose of the programme is to provide effective and efficient Strategic management, administrative support and sound financial management to Provincial Treasury.

The programme has the following sub-programmes namely:

- MEC Support Services which is responsible for:
 - Providing Parliamentary and Legislative Support Services, Render administrative and secretarial services, provide media liaison services and also to facilitate policy advice to the MEC.
- Management Services which is responsible for:
 - Providing Strategic and Administrative support to the HOD
- Corporate Services is responsible for:
 - Ensuring the provision of Human Resource Management
 - Ensure provision of Legal and Labour relations services, and
 - Administering transformation programmes and employee welfare
- Financial Management (Office of the CFO)
 - To render Management Accounting, Financial Accounting and Supply Chain Management services for the department
 - To ensure monitoring of Organizational performance, Co-ordination of Strategic Planning and Policy development processes.

4.1.1 PROGRAMME 1 STRATEGIC OBJECTIVES ANNUAL TARGETS FOR 2017/18

Programme 1 Strategic objectives:	5 Strategic Plan Target	Audited/Actual performance			Estimated performance 2016/17	Medium-term targets		
		2013/14	2014/15	2015/16		2017/18	2018/19	2019/20
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.								
Strategic outcome oriented Goal 1: Strategic partnership that enables effective execution of the department's legislative mandate by the 4 departmental programmes.								
Departmental average MPAT score	4	2.5	2.5	3	3.5	3.5	3.8	4

4.1.2 PROGRAMME 1 PERFORMANCE INDICATORS AND ANNUAL TARGETS FOR 2017/18 – 2019/20

Programme 1 Performance indicators	Audited/Actual performance		Estimated performance 2016/17	Medium-term targets		
	2013/14	2014/15		2015/16	2017/18	2018/19
Strategic Objective: 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.						
Indicators contributes towards the MTSF Outcome 12 of building an effective, efficient and development oriented public service and NDP objective 13 of Building and Capable and Developmental State as well as LDP Objective: Sound Financial and Administrative Management						
1	Number of programmes monitored for compliance to institutional arrangements	4	4	4	4	4
2	Number of programmes supported on compliance to PMDS policies	No baseline	4	4	4	4
3	Number of key services monitored in implementation of SDIP	No baseline	3	3	3	3
4	Number of programmes supported in mitigation of the prioritised risks.	4	4	4	4	4
5	Number of prioritised ICT projects implemented in line with ICT Plan	New Indicator	4	4	2	4

Programme 1 Performance indicators	Audited/Actual performance			Estimated performance 2016/17	Medium-term targets		
	2013/14	2014/15	2015/16		2017/18	2018/19	2019/20
6 Number of budget documents compiled and submitted	4	4	4	4	4	4	
7 Number of financial statements compiled and submitted for review by Provincial Treasury in line with the reporting framework	New Indicator	New Indicator	4	4	4	4	
8 % of supplier's valid invoices paid within 30 days	New Indicator	100% of supplier's valid invoices paid within 30 days	100%	100%	100%	100%	
9 Number of programmes supported in development of the Annual Performance Plans.	New Indicator	New Indicator	New Indicator	New Indicator	4	4	
10 Number of branch quarterly performance reports analysed in line	New Indicator	New Indicator	New Indicator	New Indicator	24	24	

Programme 1 Performance indicators	Audited/Actual performance			Estimated performance 2016/17	Medium-term targets		
	2013/14	2014/15	2015/16		2017/18	2018/19	2019/20
with Performance Information Management Frameworks and guidelines.							
11 Number of reconciliations done on the asset and inventory registers	New Indicator	New Indicator	New Indicator	12	12	12	12

4.1.3 PROGRAMME 1 QUARTERLY TARGETS FOR 2017/18

Programme 1 Performance indicators	Reporting period	Annual target 2017/18	Quarterly targets			
			1 st	2 nd	3 rd	4 th
Strategic Objective: 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.						
1 Number of programmes monitored for compliance to institutional arrangements	Quarterly	4	4	4	4	4
2 Number of programmes supported on compliance to PMDS policies	Quarterly	4	4	4	4	4
3 Number of key services monitored in implementation of SDIP	Quarterly	3	3	3	3	3
4 Number of programmes supported in mitigation of the prioritised risks.	Quarterly	4	4	4	4	4

Programme 1 Performance indicators	Reporting period	Annual target 2017/18	Quarterly targets			
			1 st	2 nd	3 rd	4 th
5	Number of prioritised ICT projects implemented in line with ICT Plan	Quarterly	2	0	0	2
6	Number of budget documents compiled and submitted	4	0	1	2	1
7	Number of financial statements compiled and submitted for review by Provincial Treasury in line with the reporting framework	Quarterly	4	1	1	1
8	% of supplier's valid invoices paid within 30 days	Monthly	100%	100%	100%	100%
9	Number of programmes supported in development of the Annual Performance Plans.	Quarterly	4	4	4	4
10	Number of branch quarterly performance reports analysed in line with Performance Information Management Frameworks and guidelines.	Quarterly	24	12	18	24
11	Number of reconciliations done on the asset and inventory registers	Monthly	12	3	3	3

4.1.4 RISK MANAGEMENT

Programme 1: Administration		
Strategic Objective(s)	Strategic Risk	Mitigation
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.	Threat to business continuity caused by lack of Business Continuity Plan (BCP) leading to interruption of services	Appoint service provider to design and assist with implementation of BCP
	Inadequate support to Provincial Treasury, other departments, public entities and municipalities due to non-filling of vacant funded posts.	Implement recruitment the Recruitment Plan

4.1.5 Reconciling performance targets with the Budget and MTEF

Expenditure estimates

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

R thousand	Outcome			Main appropriation	Adjusted appropriation 2016/17	Revised estimate	Medium-term estimates		
	2013/14	2014/15	2015/16				2017/18	2018/19	2019/20
Current payments	123 592	132 642	140 180	158 423	167 186	167 082	165 661	175 513	185 693
Compensation of employees	70 915	80 016	84 844	105 652	96 944	96 944	110 716	114 081	125 939
Goods and services	52 677	52 626	55 336	52 771	70 242	70 138	54 945	61 432	59 754
Interest and rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies to:	1 978	3 061	6 678	4 602	6 015	6 015	5 000	5 295	5 602
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private entities	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	1 978	3 061	6 678	4 602	6 015	6 015	5 000	5 295	5 602
Payments for capital assets	4 411	5 679	10 273	3 300	7 736	7 840	4 189	4 436	4 693
Buildings and other fixed structures	-	-	3	-	-	-	-	-	-
Machinery and equipment	4 411	5 679	10 270	3 300	7 736	7 840	4 189	4 436	4 693
Heritage Assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	-	-	-	-	-	-	-	-	-
Total economic classification	129 981	141 382	157 131	166 325	180 937	180 937	174 850	185 244	195 988

Performance and expenditure trends

The overall allocation for this programme increased from R166 325 million in 2016/17 to R174 850 million in 2017/18 which equals to 5 per cent increase.

Compensation of Employees increased by 4.6 per cent from R105 652 million in 2016/17 to R110 716 million in 2017/18, the increase will cater for Improvement on Condition of Service (ICS) as well as appointments of new personnel within the branch.

Goods & Services increased by 4 per cent from R52 771 million in 2016/17 to R54 945 million in 2017/18, the increase will assist to cover annual cost adjustment on contractual obligations for the department which include amongst others: Leases of Office buildings, Equipment's and Security services.

Transfers and subsidies increased by 8 per cent from R4 602 million in 2016/17 to R5 000 million in 2017/18. The budget will be used to cover bursaries for external students, leave gratuities for employees who will retire from the public service.

Payments for capital assets increase by 21.5 from R3 300 million in 2016/17 to R4 189 million in 2017/18, the budget will be used to procure IT equipment's which has reached their life span and also to procure working tools for new employees.

4.2 PROGRAMME 2: SUSTAINABLE RESOURCE MANAGEMENT

The aim of this programme is to provide professional advice and support to the Head of Department on provincial economic analysis, fiscal policy, public finance development, inter-government fiscal relations, revenue collection and infrastructure. The unit also manages the annual provincial budget process and the provincial government's fiscal resources.

The Branch comprises of the following sub-programmes:

- Programme Support which is responsible for:
 - Administering Provincial, Public Entities and Municipal Budget, revenue and Expenditure
- Economic Analysis is responsible for:
 - Administering the provision of Provincial and Public Entities Socio-Economic Research Analysis
- Fiscal policy is responsible for:
 - Ensuring the development, implementation and management of provincial departments and Public entities budget and expenditure.
- Infrastructure Management & PPP is responsible for:
 - Enhancing and monitoring the performance of infrastructure delivery and PPP by provincial departments, public entities and municipalities
- Inter-Governmental Relations is responsible for:
 - Overseeing Financial Management activities of Municipalities and ensure capacity building.

4.2.1 PROGRAMME 2 STRATEGIC OBJECTIVES ANNUAL TARGETS FOR 2017/18

Programme Strategic objectives 1:	2	5 Year Strategic Plan Target	Audited/Actual performance			Estimated performance 2016/17	Medium-term targets		
			2013/14	2014/15	2015/16		2017/18	2018/19	2019/20
To achieve sustainable fiscal policy for the province during 2015/16 to 2019/20.			96.6%	97.9%	98%	98%	98%	98%	
Strategic outcome oriented Goal 2: Responsive, accountable, effective and efficient provincial and local government system									
% provincial annual expenditure achieved.	98%		96.6%	97.9%	98%	98%	98%	98%	
Number of departmental budget plans that are credible.	13 departments		13 departments	13 departments	13 departments	13 departments	13 departments	13 departments	
% provincial revenue collected.	100%		108.1%	102.4%	104.9%	100%	100%	100%	
Programme Strategic objectives 2:	2	5 Year Strategic Plan Target	Audited/Actual performance			Estimated performance 2016/17	Medium-term targets		
To achieve annual improvement on financial management and effective governance in 26 delegated municipalities and 3 municipal entities by 2019/20			2013/14	2014/15	2015/16		2017/18	2018/19	2019/20

Number of municipalities and entities with unqualified audit opinions	26 Municipalities and 3 municipal entities	15 municipalities and 3 municipal entities	18 municipalities and 3 municipal entities	12 municipalities and 3 municipal entities	21 municipalities and 3 municipal entities	15 municipalities and 3 municipal entities	18 municipalities and 3 municipal entities	26 municipalities and 3 municipal entities
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4.2.2 PROGRAMME 2 PERFORMANCE INDICATORS AND ANNUAL TARGETS FOR 2017/18 – 2019/20

Programme 2 performance indicators	Audited/Actual performance		Estimated performance 2016/17	Medium-term targets				
	2013/14	2014/15		2015/16	2017/18	2018/19	2019/20	
Strategic Objective 1: To achieve sustainable fiscal policy for the province during 2015/16 to 2019/20.								
Indicators contribute towards MTSF Outcome 9 and National Development Plan objective 13: Building a capable developmental state as well as LDP Objectives: Sound Financial and Administrative; and Increase the number of unqualified audit opinions in departments, public entities and municipalities								
1	Number of Research documents produced to align the Provincial Fiscal Policy.	7	7	7	7	7	7	7
2	Number of departments and public entities supported to ensure collection of the budgeted revenue	New Indicator	New Indicator	New Indicator	New indicator	15	15	15
3	Number of budget documents compiled, tabled	2	2	2	2	2	2	2

Programme 2 performance indicators	Audited/Actual performance			Estimated performance 2016/17	Medium-term targets		
	2013/14	2014/15	2015/16		2017/18	2018/19	2019/20
and gazetted in line with the set standards and National Treasury guidelines. (Main Appropriation Bill and Adjustment Budget).							
4 Number of departments and public entities supported to ensure 98% spending	New indicator	New indicator	New indicator	New indicator	18	18	18
Indicators 5 contributes towards the MTSF Outcome 6 and National Development Plan objective number 4: Economic Infrastructure as well as LDP focus area on Infrastructure Development							
5 Number of infrastructure departments supported in the implementation of the Infrastructure Delivery Management System to improve infrastructure service delivery	New indicator	New indicator	New indicator	New indicator	9	9	9
Strategic Objective 2: To achieve annual improvement on financial management and effective governance in 26 delegated							

Programme 2 performance indicators	Audited/Actual performance			Estimated performance 2016/17	Medium-term targets		
	2013/14	2014/15	2015/16		2017/18	2018/19	2019/20
municipalities and 3 municipal entities by 2019/20							
Indicator 7 contributes towards MTSF Outcome 9 and National Development Plan objective 13: Building a capable developmental state							
6	Number of municipalities and municipal entities supported on budgeting and implementation.	New Indicator	New Indicator	New Indicator	New Indicator	26 Municipalities	26 Municipalities
						26 Municipalities	26 Municipalities
						3 Municipal Entities	3 Municipal Entities

4.2.3 PROGRAMME 2 QUARTERLY TARGETS FOR 2017/18

Programme 2 Performance indicators	Reporting period	Annual target 2017/18	Quarterly targets			
			1 st	2 nd	3 rd	4 th
Strategic Objective 1: To achieve sustainable fiscal policy for the province during 2015/16 to 2019/20.						
1	Number of Research documents produced to align the Provincial Fiscal Policy	Quarterly	7	1	2	3
2	Number of departments and public entities supported to ensure collection of the budgeted revenue	Quarterly	15	15	15	15

Programme 2 Performance indicators	Reporting period	Annual target 2017/18	Quarterly targets			
			1 st	2 nd	3 rd	4 th
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)	Quarterly	2	0	0	1	1
4 Number of departments and public entities supported to ensure 98% spending	Quarterly	18	18	18	18	18
5 Number of infrastructure departments supported in the implementation of the Infrastructure Delivery Management System to improve infrastructure service delivery	Quarterly	9	9	9	9	9
Strategic Objective 2: To achieve annual improvement on financial management and effective governance in 26 delegated municipalities and 3 municipal entities by 2019/20						
6 Number of municipalities and municipal entities supported on budgeting and implementation.	Quarterly	26 Municipalities	26 Municipalities	26 Municipalities	26 Municipalities	26 Municipalities
		3 Municipal Entities	3 Municipal Entities	3 Municipal Entities	3 Municipal Entities	3 Municipal Entities

4.2.4 RISK MANAGEMENT

Programme 2: Sustainable Resource Management		
Strategic Objective	Strategic Risk	Mitigation
To achieve sustainable fiscal policy for the province during 2015/16 to 2019/20.	Non-attainment of 98% expenditure.	<ul style="list-style-type: none"> • Effective monitoring of departmental budget spending against plans • Enforcement of prescripts
	Under collection of departmental revenue set targets.	<ul style="list-style-type: none"> • Reinforce the implementation of provincial revenue enhancement strategy
	Unavailability of data (research).	<ul style="list-style-type: none"> • To solicit alternative data sources
	The implementation of the Provincial IDMS.	<ul style="list-style-type: none"> • Implementation of the ISPH • IDMS Workshop
To achieve annual improvement on financial management and effective governance in 26 delegated municipalities and 3 municipal entities by 2019/20.	Inadequate support to municipalities due to inability to keep up with technical developments.	<ul style="list-style-type: none"> • Continuous professional development and skills

4.2.5 Reconciling performance targets with the Budget and MTEF

Expenditure estimates

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

R thousand	Outcome			Main appropriation	Adjusted appropriation 2016/17	Revised estimate	Medium-term estimates		
	2013/14	2014/15	2015/16				2017/18	2018/19	2019/20
Current payments	43 423	47 811	50 619	76 931	72 293	72 293	98 816	71 738	75 900
Compensation of employees	38 499	42 840	44 771	58 030	53 057	53 057	63 037	66 182	70 021
Goods and services	4 924	4 971	5 848	18 901	19 236	19 236	35 779	5 556	5 880
Interest and rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies to:	586	-	686	440	25 028	16 662	20 761	806	852
Provinces and municipalities	-	-	-	-	25 000	16 662	20 000	-	-
Departmental agencies and acco	-	-	-	-	-	-	-	-	-
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and intern	-	-	-	-	-	-	-	-	-
Public corporations and private	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	586	-	686	440	28	-	761	806	852
Payments for capital assets	68	-	-	-	-	-	-	-	-
Buildings and other fixed structu	-	-	-	-	-	-	-	-	-
Machinery and equipment	68	-	-	-	-	-	-	-	-
Heritage Assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible as	-	-	-	-	-	-	-	-	-
Payments for financial assets	-	-	142	-	-	8 366	-	-	-
Total economic classification	44 077	47 811	51 447	77 371	97 321	97 321	119 577	72 544	76 752

Performance and expenditure trends

The budget for Sustainable Resource Management increased by 35.3 per cent from R77 371 million in 2016/17 main appropriation to R119 577 million in 2017/18.

Compensation of Employees: increase of 8 per cent from R58 030 million in 2016/17 to R63 037 million in 2017/18 and this is due to a number of appointments made during 2016/17 financial year under municipal finance and the posts are supposed to be funded for the entire financial year in 2017/18 hence the substantial increase.

Goods and Services: increase of 47.2 per cent from R18 901 million in 2016/17 to R35 779 million in 2017/18. The significant increase is as a result of R31 000 million once off in a financial year funding for GTAC whereas there is also an increase on Travel & Subsistence budget under municipal finance which will be utilized when officials visit different municipalities in the province as part of capacity building.

Transfers and subsidies: An increase on this item is mainly due to an amount of R20 000 million to be transferred to Musina Municipality as part of the EXCO decision whilst the remaining funds will cater for leave gratuities for employees who will retire from the public service.

4.3 PROGRAMME 3: ASSETS, LIABILITIES AND SUPPLY CHAIN MANAGEMENT

The programme aims to provide policy direction and facilitate the effective and efficient management of assets, liabilities, financial systems and provincial supply chain processes.

The Branch is comprised of the following Sub-programmes:

- Asset and Liabilities Management which is responsible for:
 - Monitoring and supporting Departments and Public Entities on management of Physical Assets, Cash and Liabilities.
- Supply Chain Management is responsible for:
 - Monitoring SCM Compliance and providing support to Provincial Departments and Public Entities as well as supplier development
- Financial Systems is responsible for:
 - implementing and providing Financial Systems support to Provincial Departments.

4.3.1 PROGRAMME 3 STRATEGIC OBJECTIVES ANNUAL TARGETS FOR 2017/18

Programme 3 Strategic objectives: To provide policy direction and support to 13 votes and 5 public entities on Assets, Liabilities and Supply Chain Management to ensure improvement of audit outcomes by 2019/20.	5 Year Strategic Plan Target		Audited/Actual performance		Estimated performance 2016/17	Medium-term targets		
	2013/14	2014/15	2015/16	2017/18		2018/19	2019/20	
Strategic outcome oriented Goal 2: Responsive, accountable, effective and efficient provincial and local government system								
Goal and Objective contributes to the MTSF Outcome 12 and NDP objective 13 of building an efficient, effective and development oriented public service as well as LDP focus area of Building a Developmental State.								
Number of Votes and Public Entities complying with Assets and Inventory management prescripts	Not measured	Not measured	13 votes and 5 public entities	12 votes and 5 public entities	12 votes and 5 public entities	12 votes and 5 public entities	12 votes and 5 public entities	12 votes and 5 public entities
Number of Votes and Public Entities complying with Banking and Cash Management prescripts	Not measured	Not measured	13 votes and 5 public entities	13 votes and 5 public entities	13 votes and 5 public entities	13 votes and 5 public entities	13 votes and 5 public entities	13 votes and 5 public entities
Number of Votes and Public Entities complying with SCM prescripts	Not measured	Not measured	12 votes and 5 public entities	12 votes and 5 public entities	12 votes and 5 public entities	12 votes and 5 public entities	12 votes and 5 public entities	12 votes and 5 public entities

4.3.2 PROGRAMME 3 PERFORMANCE INDICATORS AND ANNUAL TARGETS FOR 2017/18 – 2019/20

Programme 3 Performance Indicators	Audited/Actual performance			Estimated performance 2016/17	Medium-term targets		
	2013/14	2014/15	2015/16		2017/18	2018/19	2019/20
Strategic objective: To provide policy direction and support to 13 votes and 5 public entities on Assets, Liabilities and Supply Chain Management to ensure improvement of audit outcomes by 2019/20.							
Indicators contributes to the MTSF Outcome 12 and NDP objective 13 of building an efficient, effective and development oriented public service as well as LDP focus area of Building a Developmental State							
1 Number of Votes and Public Entities supported on Asset Management	13	13	18	17	17	17	17
2 Number of Votes and Public Entities supported on cash management	18	18	18	18	18	18	18
3 Number of Votes and Public Entities supported on SCM implementation	17	17	17	17	17	17	17
4 Number of Votes and Public Entities supported on contract management	New indicator	New indicator	New indicator	New indicator	17	17	17
5 Number of Votes and Public Entities supported on Central Supplier Database and PFM Enquiry -portal.	New indicator	New indicator	New indicator	New indicator	17	17	17
6 Number of votes supported on financial system utilization	Not Measured	Not Measured	12	17	13	13	13
7 Number of LOGIS sites implemented	60% (in 1 site)	17 (in 1 site)	3	30	24	22	-

4.3.3 PROGRAMME 3 QUARTERLY TARGETS FOR 2017/18

Programme 3 Performance indicators	Reporting period	Annual target 2017/18	Quarterly targets			
			1 st	2 nd	3 rd	4 th
Strategic objective: To provide policy direction and support to 13 votes and 5 public entities on Assets, Liabilities and Supply Chain Management to ensure improvement of audit outcomes by 2019/20.						
1	Number of Votes and Public Entities supported on Asset Management	Quarterly	17	17	17	17
2	Number of Votes and Public Entities supported on cash management	Quarterly	18	18	18	18
3	Number of Votes and Public Entities supported on SCM implementation	Quarterly	17	17	17	17
4	Number of Votes and Public Entities supported on contract management	Quarterly	17	17	17	17
5	Number of Votes and Public Entities supported on Central Supplier Database and PFM Enquiry -portal.	Quarterly	17	17	17	17
6	Number of votes supported on financial system utilization	Quarterly	13	13	13	13
7	Number of LOGIS sites implemented	Annually	0	0	0	24

4.3.4 RISK MANAGEMENT

Programme 3 : Assets, Liabilities, Financial Systems and Supply Chain Management		
STRATEGIC OBJECTIVE	STRATEGIC RISK	MITIGATION
To provide policy direction and support to 13 votes and 5 public entities on Assets, Liabilities and Supply Chain Management to ensure improvement of audit outcomes by 2019/20.	Non-compliance with legislative mandates by Departments & Public Entities caused by failure by Departments and Public Entities to implement the recommendations leading to adverse audit findings	Enhance accountability by reporting non-compliance to oversight structures
	Inadequate support and monitoring to departments, and entities by the Branch Assets, Liabilities, and Supply Chain Management due to non-implementation of support methodologies and non-enforcement of prescripts leading to Inability to fulfil legislative mandate.	Implement support methodologies and enforcement Mechanisms

4.3.5 Reconciling performance targets with the Budget and MTEF

Expenditure estimates

Table 5.2 : Summary of payments and estimates by economic classification: Assets, Liabilities & Scm

R thousand	Outcome			Main appropriation	Adjusted appropriation 2016/17	Revised estimate	Medium-term estimates		
	2013/14	2014/15	2015/16				2017/18	2018/19	2019/20
Current payments	68 640	69 699	82 920	78 706	84 325	82 610	82 940	87 833	92 928
Compensation of employees	45 752	46 440	50 173	55 000	53 734	53 992	58 287	61 726	65 306
Goods and services	22 888	23 259	32 747	23 706	30 591	28 618	24 653	26 108	27 622
Interest and rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies to:	603	1 660	550	634	684	684	-	-	-
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Departmental agencies and acc	-	-	-	-	-	-	-	-	-
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and intern	-	-	-	-	-	-	-	-	-
Public corporations and private	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	603	1 660	550	634	684	684	-	-	-
Payments for capital assets	1 547	1 291	1 194	-	-	-	-	-	-
Buildings and other fixed structu	-	-	-	-	-	-	-	-	-
Machinery and equipment	1 547	1 291	1 194	-	-	-	-	-	-
Heritage Assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible as	-	-	-	-	-	-	-	-	-
Payments for financial assets	-	-	-	-	-	-	-	-	-
Total economic classification	70 790	72 650	84 664	79 340	85 009	83 294	82 940	87 833	92 928

Performance and expenditure trends

The budget increased by 4.4 per cent from R79 340 million in 2016/17 to R82 940 million in 2017/18.

Compensation of Employees increased by 6 per cent from R55 000 million in 2016/17 to R58 287 million in 2017/18 to cover for ICS as well as pay progression and performance bonuses.

Goods and Services budget increased by 4 per cent from R23 706 million in 2016/17 to R24 653 million in 2017/18, the funds will be used to pay for SITA mainframe usage and LOGIS implementation amongst others as part of contractual obligations.

4.4 PROGRAMME 4: FINANCIAL GOVERNANCE

The purpose of the programme is to ensure sound financial management and financial accountability in the province through

- capacity building,
- financial reporting,
- financial management transversal policies development;
- support of oversight structures/bodies;
- monitoring and supporting departments and public entities in implementing effective risk management and internal control processes, and lastly by
- providing risk-based and objective assurance, advice, and insight to enhance and protect organizational value.

The Branch is comprised of the following sub-programmes:

- Programme Support is responsible for:
 - Administering Accounting Services, overseeing financial information management systems in departments, Internal Audit and Risk Management in Provincial Departments and Public Entities.
- Accounting Services is responsible for:
 - Providing support to provincial departments and public entities on accounting standards and frameworks for timely and accurate financial reporting;
 - Monitoring compliance with the PFMA, Treasury regulations and other relevant policies and prescripts in departments and public entities.
 - Support of oversight structures/bodies of departments and public entities
 - Coordinating financial management training and provide transversal systems training in the province
- Provincial Internal Audit is responsible for:
 - Providing effective Internal Audit services in Provincial Departments.

4.4.1 PROGRAMME 4 STRATEGIC OBJECTIVES ANNUAL TARGETS FOR 2017/18

Programme 4 Strategic objectives:	5 Strategic Target	Audited/Actual performance			Estimated performance 2016/17	Medium-term targets		
		2013/14	2014/15	2015/16		2017/18	2018/19	2019/20
To achieve annual improvements in audit outcomes in 12 votes and 5 public entities by 2019/20.	11 votes and 5 public entities	-	-	-	-	7 votes and 3 public entities	8 votes and 4 public entities	11 votes and 5 public entities
Strategic outcome oriented Goal 2: Responsive, accountable, effective and efficient provincial and local government system								
Number of votes and public entities that achieved FMCCMM level 3+								

4.4.2 PROGRAMME 4 PERFORMANCE INDICATORS AND ANNUAL TARGETS FOR 2017/18 – 2019/20

Programme 4 Performance indicators	Audited/Actual performance			Estimated performance 2016/17	Medium-term targets			
	2013/14	2014/15	2015/16		2017/18	2018/19	2019/20	
Strategic Objective: To achieve annual improvements in audit outcomes in 12 votes and 5 public entities by 2019/20.								
Indicators contribute to the MTSF Outcome 12 and NDP objective 13 of building an efficient, effective and development oriented public service as well as LDP focus area of Building a Developmental State.								
1	Number of courses conducted on transversal systems in line with National Treasury standards	55	78	78	65	107	110	119
2	Number of financial management short courses provided in line with SAQA requirements	6	9	4	8	10	12	14

Programme 4 Performance indicators	Audited/Actual performance			Estimated performance 2016/17	Medium-term targets		
	2013/14	2014/15	2015/16		2017/18	2018/19	2019/20
3	Number of long-term financial management qualification programmes provided in Provincial Departments	2	2	2	1	2	3
4	Number of Votes and Public Entities supported in resolving AG audit findings to improve audit outcomes	13	12	17	17	17	17
5	Number of audit committee meetings supported to improve governance in votes.	18	65	65	65	65	65
6	Number of Votes and Public Entities supported in preparing financial statements in line with the PFMA.	13 (votes) 5 (public entities)	13 (votes) and 5 (public entities)	17 (12 votes and 5 public entities)	17	17	17
7	Number of consolidated Annual financial statements for votes and for public entities submitted to the Auditor General	2 AFS (Votes)	3 AFS (Votes) 2011/12, 2012/13 & 2013/14	2 (1 vote & 1 for public entity)	4	4	4
		3 AFS (Public Entities)	1 AFS (Public Entity)				

Programme 4 Performance indicators	Audited/Actual performance			Estimated performance 2016/17	Medium-term targets		
	2013/14	2014/15	2015/16		2017/18	2018/19	2019/20
8	New Indicator	New Indicator	New Indicator	New Indicator	1	1	1
9	New Indicator	New Indicator	New Indicator	New Indicator	17	17	17
10	No baseline	12	12	12	12	12	12
11	12	12	12	12	12	12	12
12	New Indicator	1	1	1	1	1	1

Programme 4 Performance indicators	Audited/Actual performance		Estimated performance 2016/17	Medium-term targets	
	2013/14	2014/15		2017/18	2018/19
prepared to improve the quality of client service					

4.4.3 PROGRAMME 4 QUARTERLY TARGETS FOR 2017/18

Programme 4 Performance indicators	Reporting period	Annual target 2017/18	Quarterly targets			
			1 st	2 nd	3 rd	4 th
Strategic Objective: To achieve annual improvements in audit outcomes in 12 votes and 5 public entities by 2019/20.						
1	Quarterly	107	21	36	26	24
2	Quarterly	10	0	4	4	2
3	Quarterly	1	0	0	0	1
4	Quarterly	17	17	17	17	17

Programme 4 Performance indicators		Reporting period	Annual target 2017/18	Quarterly targets			
				1 st	2 nd	3 rd	4 th
	AG audit findings to improve audit outcomes						
5	Number of audit committee meetings supported to improve governance in votes and public entities	Quarterly	65	13	26	13	13
6	Number of Votes and Public Entities supported in preparing financial statements in line with the PFMA.	Quarterly	17	17	17	17	17
7	Number of consolidated Annual financial statements for votes and for public entities submitted to the Auditor General	Bi-Annually	4	2	2	0	0
8	Number of provincial risks profiles developed	Quarterly	1	0		1	0
9	Number of votes and public entities supported on compliance with public sector risk management framework	Quarterly	17	17	17	17	17

Programme 4 Performance indicators		Reporting period	Annual target 2017/18	Quarterly targets			
				1 st	2 nd	3 rd	4 th
10	Number of three year strategic rolling and annual audit plans prepared by Provincial Internal Audits and approved by Audit Committee for the year 2018/19	Annually	12	0	0	0	12
11	Number of votes audited as per approved annual audits plans to improve the internal control, risk management and governance processes.	Quarterly	12	12	12	12	12
12	Number of annual internal Assurance Improvement Programme(QAIP) implementation report prepared to improve the quality of client service	Annually	1	0	0	0	1

4.4.4 RISK MANAGEMENT

Programme 4: Financial Governance		
Strategic Objective	STRATEGIC RISK	MITIGATION
To achieve annual improvements in audit outcomes in 12 votes and 5 public entities by 2019/20.	Inadequate support to votes and public entities caused by, inadequate support methodologies, lack of technical skills and non-filing of vacant funded posts leading to modified audit opinions with increase in unwanted expenditures, under spending of budget, and failure to deliver on the mandates of the institutions	Develop and formalize support methodologies as well as develop and implement combined assurance model, professionalize staff in their functional areas within LPT and develop branch recruitment plan
	Ineffective governance structures (RMC, AC, Boards) cause by inadequate monitoring 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 and failure to deliver on the mandates of the institutions (votes and public entities)	Structured plan to address gaps identified
	Misformed Internal Audit plan due to inadequate Risk Management Processes (RMP's) followed by Departments leading to incorrect Internal Audit Focus.	Ensure completeness of the audit universe by developing a set of generic risks, ownership of RMP's by Top Management and Inter Audit Function auditing risks as opposed to auditing controls.
	Inappropriate Internal Audit processes caused by inadequate Quality Assurance Review processes leading inappropriate Internal Audit Opinions.	Improved internal communication processes to strive to a shared IA vision and processes, review QAR processes to streamline and standardize IA processes and update IA methodology.
	Inefficiencies of Assurance and Consulting Services, due to slow implementation of the Combined Assurance Model (CAM) leading to duplication of Assurance Services.	Develop a CAM implementation strategy and communicated to all stakeholders Review and report the implantation strategy at the half yearly.

4.4.5 Reconciling performance targets with the Budget and MTEF

Expenditure estimates

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

R thousand	Outcome			Main appropriation	Adjusted appropriation 2016/17	Revised estimate	Medium-term estimates		
	2013/14	2014/15	2015/16				2017/18	2018/19	2019/20
Current payments	139 039	101 894	79 700	86 540	88 639	87 603	96 686	102 390	108 329
Compensation of employees	49 892	57 951	58 254	74 000	67 913	69 591	80 755	85 520	90 480
Goods and services	89 147	43 943	21 446	12 540	20 726	18 012	15 931	16 871	17 849
Interest and rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies to:	885	478	1 386	528	835	829	567	600	635
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Departmental agencies and acc	-	-	-	-	-	-	-	-	-
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and intern	-	-	-	-	-	-	-	-	-
Public corporations and private	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	885	478	1 386	528	835	829	567	600	635
Payments for capital assets	26	-	-	2 500	2 500	2 500	-	-	-
Buildings and other fixed structu	-	-	-	-	-	-	-	-	-
Machinery and equipment	26	-	-	-	-	-	-	-	-
Heritage Assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible as	-	-	-	2 500	2 500	2 500	-	-	-
Payments for financial assets	-	-	-	-	-	-	-	-	-
Total economic classification	139 950	102 372	81 086	89 568	91 974	90 932	97 253	102 991	108 964

Performance and expenditure trends

Overall allocation for the programme increased by 8 per cent from R89 568 million in 2016/17 to R97 253 million in 2017/18, the increase will cater for appointment of Chief Director Internal Audit, Director Internal Audit and Deputy Director Transversal Risk Management posts as well as general salary increases.

Goods and Services increase by 21.3 per cent from R12 540 million in 2016/17 to R15 931 million in 2017/18 and the allocation will cater for renewal of teammate software licences for conducting audits, travelling for internal staff to all 13 Provincial department including districts, Financial training and for payments of audit committee members.

PART C: LINKS TO OTHER PLANS

5. Links to the long term infrastructure and other capital plans

There are no long term infrastructure and other capital plans in the department.

6. Conditional grants

The Department does not administer any conditional grants.

7. Public entities

The department does not oversee any public entities.

8. Public-private partnerships

The department has no public-private partnership agreements entered into.

ANNEXURES

ANNEXURE 1: TECHNICAL INDICATORS FOR PROGRAMME 1

Technical Indicator Definitions

Strategic outcome oriented Goal 1: Strategic partnership that enables effective execution of the department's legislative mandate.

Indicator number	1
Indicator title	Number of programmes monitored for compliance to institutional arrangements
Short definition	Monitor compliance of all structures by sending out requests for submission of implementation reports and making follow-ups on non-compliance (as outlined in the institutional arrangement document) within the four programmes (Administration, SRM, ALSCM & FG).
Purpose/importance	To ensure that all structures as outlined in the institutional arrangement document are monitored in order to enhance governance and service delivery
Source/collection of data	Minutes of all structure meetings, schedules, resolutions
Method of calculation	Simple count
Data limitations	None
Type of indicator	Output
Calculation type	Non-Cumulative
Reporting cycle	Quarterly
New indicator	No
Desired performance	All structures are monitored for compliance to institutional arrangements
Indicator responsibility	Director: HoD Support Services

Indicator number	2
Indicator title	Number of programmes supported on compliance to PMDS policies
Short definition	Support all four programmes (Administration, SRM, and ALSCM & FG) through assessment of individual performance, providing support through consultations and workshops, conducting quality assurance, ensuring submission compliance to PMDS policy and procedures in respect of employee performance.
Purpose/importance	To ensure that all 4 programmes comply to the PMDS Policy and procedures
Source/collection of data	Performance Agreements and Performance Review Discussion, PMDS Policy and Procedures
Method of calculation	Simple count
Data limitations	None
Type of indicator	Output
Calculation type	Non-Cumulative
Reporting cycle	Quarterly
New indicator	No
Desired performance	All programmes are monitored and supported on implementation of PMDS Policy and procedures
Indicator responsibility	Director: HRM

Indicator number	3
Indicator title	Number of key services monitored in implementation of SDIP
Short definition	Monitor the following three key services through use of questionnaire to collect data, analyse and make recommendations. The key services are as follows: Support and Monitor Departments to improve on their expenditure, Monitor payment of invoices within 30 days and Support to municipalities to improve audit outcomes.
Purpose/importance	To track progress on the identified services for service delivery improvement
Source/collection of data	Data collected from provincial departments and municipalities on quarterly basis
Method of calculation	Simple count
Data limitations	None
Type of indicator	Output
Calculation type	Non - Cumulative
Reporting cycle	Quarterly
New indicator	No
Desired performance	All three key services monitored to ensure improved service delivery.
Indicator responsibility	Director: Transformation Services

Indicator number	4
Indicator title	Number of programmes supported in mitigation of the prioritized risks.
Short definition	Support through consultations with branches where feedback on analysis conducted with regard to progress reports on prioritized risks and monitor through requests for submissions of progress reports on prioritized risks by all four programmes
Purpose/importance	To mitigate the prioritized risks in order to limit the effect of risks and enhance service delivery.
Source/collection of data	Progress reports by programmes, Departmental Risk Register
Method of calculation	Simple count
Data limitations	Risks may be incorrectly identified by risk owners
Type of indicator	Output
Calculation type	Non - cumulative
Reporting cycle	Quarterly
New indicator	No
Desired performance	All four programmes are monitored and supported in mitigating the prioritised risks to provide reasonable assurance on the achievement of set objectives.
Indicator responsibility	Director: Enterprise Risk Management

Indicator number	5
Indicator title	Number of prioritised ICT projects implemented in line with ICT Plan
Short definition	Implementation of prioritized ICT projects in line with ICT Plan through completion of activities and tasks as outlined in the ICT / Operational Plan The projects are PMDS system and Leave Management system.
Purpose/importance	Implementation of prioritized ICT projects in line with ICT Plan to improve management of information within the department
Source/collection of data	Branches in the department, IT Steering Committee and SITA
Method of calculation	Simple count
Data limitations	None
Type of indicator	Output
Calculation type	Non - cumulative
Reporting cycle	Quarterly
New indicator	No
Desired performance	All two prioritized ICT projects implemented in line with ICT Plan
Indicator responsibility	Director: GITO

Indicator number	6
Indicator title	Number of budget documents compiled and submitted
Short definition	Four (4) Budget allocation documents (1 st , 2 nd , Adjustment and Final Budgets) submitted to Treasury.
Purpose/importance	To indicate budget allocations to programmes in the department.
Source/collection of data	BAS, Vulindlela & PERSAL reports
Method of calculation	Simple count
Data limitations	None
Type of indicator	Output
Calculation type	Non-Cumulative
Reporting cycle	Quarterly
New indicator	No
Desired performance	4 budget documents compiled and submitted to Treasury.
Indicator responsibility	Director: Management Accounting

Indicator number	7
Indicator title	Number of financial statements compiled and submitted for review by Provincial Treasury in line with the reporting framework
Short definition	Four (4) sets of financial statements (Annual, 1 st , 2 nd and 3 rd Quarter Financial Statements) compiled and submitted to Provincial Treasury in line with reporting framework
Purpose/importance	To report on how the department accounts for its transactions
Source/collection of data	BAS, Vulindlela & PERSAL reports
Method of calculation	Simple count
Data limitations	None
Type of indicator	Output
Calculation type	Non-Cumulative
Reporting cycle	Quarterly
New indicator	No
Desired performance	4 sets of financial statements compiled and submitted for audit purposes
Indicator responsibility	Director: Financial Accounting

Indicator number	8
Indicator title	% of supplier's valid invoices paid within 30 days
Short definition	The performance indicator measures the total number of valid invoices paid versus received within 30 days
Purpose/importance	This performance indicator indicates how effectively the department pays its supplies
Source/collection of data	Invoice Register and BAS Reports
Method of calculation	% of invoices paid = Number of invoices paid/total number of valid invoices received
Data limitations	None
Type of indicator	Output
Calculation type	Non-cumulative
Reporting cycle	Quarterly
New indicator	No
Desired performance	All valid invoices paid within 30 days
Indicator responsibility	Director: Financial Accounting

Indicator number	9
Indicator title	Number of programmes supported in development of the Annual Performance Plans.
Short definition	Support Programme 1 (Corporate Governance and Financial Management), Programme 2 (Sustainable Resource Management), Programme 3 (ALSCM) and programme 4 (Financial Governance and Provincial Internal Audit) in development of 1 st Draft, 2 nd Draft and Final Annual Performance Plan.
Purpose/importance	Department's compliance to the planning and performance information frameworks and to ensure that there is integrated planning and outcomes based performance monitoring for effective and efficient service delivery
Source/collection of data	Strategic Plan, Annual Performance Plan, Quarterly and Annual Reports
Method of calculation	Simple count
Data limitations	None
Type of indicator	Output
Calculation type	Non-Cumulative
Reporting cycle	Quarterly
New indicator	Yes
Desired performance	All 4 programmes supported in development of Annual Performance Plans.
Indicator responsibility	Director: Strategic Operations and Policy Coordination

Indicator number	10
Indicator title	Number of branch quarterly performance reports analysed in line with Performance Information Management Frameworks and guidelines.
Short definition	1 st , 2 nd , 3 rd and 4 th Quarterly branch Performance Reports analysed and feedback provide to branches for implementation and noting. Branch reports will be received and analysed from Programme 1 (Corporate Governance and Financial Management), Programme 2 (Sustainable Resource Management), Programme 3 (ALSCM) and programme 4 (Financial Governance and Provincial Internal Audit)
Purpose/importance	Department's compliance to the planning and performance information frameworks and to ensure that there is integrated planning and outcomes based performance monitoring for effective and efficient service delivery
Source/collection of data	Strategic Plan, Annual Performance Plan, Quarterly and Annual Reports
Method of calculation	Simple count
Data limitations	None
Type of indicator	Output
Calculation type	Cumulative
Reporting cycle	Quarterly
New indicator	Yes
Desired performance	All 4 programmes supported in development of Annual Performance Plans.
Indicator responsibility	Director: Strategic Operations and Policy Coordination

Indicator number	11
Indicator title	Number of reconciliations done on the asset and inventory registers
Short definition	Monthly Reconciled asset and inventory registers in line with the Asset and Inventory Management Framework.
Purpose/importance	To control and safeguard state owned assets
Source/collection of data	LOGIS, Vulindlela, BAS and Finest
Method of calculation	Simple count
Data limitations	Unavailability of integrated SCM systems (Procurement, Asset and Inventory)
Type of indicator	Output
Calculation type	Non-cumulative
Reporting cycle	Monthly
New indicator	Yes
Desired performance	Actual performance is desirable
Indicator responsibility	Director: Supply Chain Management

ANNEXURE 2: TECHNICAL INDICATORS FOR PROGRAMME 2

Technical Indicator Definitions

Strategic outcome oriented Goal 2: Responsive, accountable, effective and efficient provincial and local government system

Indicator number	1
Indicator title	Number of Research documents produced to align the Provincial Fiscal Policy
Short definition	Conduct research on Provincial Socio-Economic status to produce 1 Socio Economic Review and Outlook, 4 quarterly Economic bulletins, 1 Medium Term Budget Policy Statement and 1 Budget Overview
Purpose/importance	To ensure that Provincial resources are allocated according to the needs of the province
Source/collection of data	Statistics South Africa and Quantec Research Pty Ltd
Method of calculation	Simple count
Data limitations	None
Type of indicator	Output
Calculation type	Cumulative
Reporting cycle	Quarterly
New indicator	No
Desired performance	All 7 research documents produced to align the Provincial Fiscal Policy
Indicator responsibility	Director: Macro Economic Analysis

Indicator number	2
Indicator title	Number of departments and public entities supported to ensure collection of the budgeted revenue
Short definition	Support all twelve (12) provincial departments (excluding Legislature) and three (3) public entities (RAL, LTA and LGB) through analysis of revenue collected by these departments and public entities and through consultation meetings to ensure collection of revenue and recovery of debts in the province
Purpose/importance	To maximize revenue generation by maintaining current revenue and identification of sustainable new sources and recovery of debts in the province
Source/collection of data	Monthly and quarterly reports from departments and public entities
Method of calculation	Simple count
Data limitations	None
Type of indicator	Output
Calculation type	Non-cumulative
Reporting cycle	Quarterly
New indicator	Yes
Desired performance	All 12 departments and 5 public entities are supported to ensure collection of the budgeted revenue
Indicator responsibility	Director: Fiscal Development

Indicator number	3
Indicator title	Number of budget documents compiled, tabled and gazetted in line with the set standards and National Treasury guidelines (Main Appropriation Bill and Adjustment Budget)
Short definition	Main Appropriation Bill and Adjustment Budget documents compiled, tabled and gazetted
Purpose/importance	To compile, table and gazetted Main Appropriation Bill and Adjustment Budget documents in order to improve provincial budgets credibility and alignment of budget to priorities
Source/collection of data	Budget documents (Budget Statements, Appropriation Bills and Schedules, Citizen Guides, etc.)
Method of calculation	Simple count
Data limitations	None
Type of indicator	Output
Calculation type	Non-Cumulative
Reporting cycle	Quarterly
New indicator	No
Desired performance	Compiled, tabled and gazetted Main Appropriation Bill and Adjustment Budget documents in line with the set standards and National Treasury guidelines
Indicator responsibility	Director: Budget Management

Indicator number	4
Indicator title	Number of departments and public entities supported to ensure 98% spending
Short definition	Support all thirteen (13) provincial departments and five (5) public entities (as listed under table 2 & 3 of this APP) on budget expenditure management through analysis of departmental IYM reports and provide feedback to the seventeen public institutions. Support will also be offered to these public institutions through quarterly bilateral meetings.
Purpose/importance	To ensure that all thirteen (13) provincial departments and five (5) public entities spend within 100% of their allocated budgets.
Source/collection of data	In year monitoring reports and Budget Book
Method of calculation	Simple count
Data limitations	None
Type of indicator	Output
Calculation type	Non-Cumulative
Reporting cycle	Monthly
New indicator	No
Desired performance	All 13 provincial departments and 5 public entities are supported expenditure management
Indicator responsibility	Director: Public Finance

Indicator number	5
Indicator title	Number of infrastructure departments supported in the implementation of the Infrastructure Delivery Management System to improve infrastructure service delivery
Short definition	Support infrastructure departments (Health, Social Development, Agriculture, Public Works, Roads and Transport, COGHSTA, Sport, Arts and Culture, LEDET and Education) by requesting reports from infrastructure departments and conduct analysis on implementation of Infrastructure Delivery Management System and providing feedback and technical support through Monthly site visit meetings and bilateral engagements.
Purpose/importance	To promote efficient and effective infrastructure delivery methodologies, budget alignment, HR capacity, and improved procurement systems.
Source/collection of data	IDIP Governance Structure Meetings/minutes and Infrastructure Meetings minutes
Method of calculation	Quantitative and Qualitative
Data limitations	None
Type of indicator	Output
Calculation type	Non-cumulative
Reporting cycle	Quarterly
New indicator	No
Desired performance	All 9 infrastructure departments are supported in the implementation of the Infrastructure Delivery Management System
Indicator responsibility	Director: Infrastructure Management

Indicator number	6
Indicator title	Number of municipalities and municipal entities supported on budgeting and implementation.
Short definition	Support to all twenty – six (26) municipalities and three (3) municipal entities (as listed under table 4 of this APP) on budgeting and implementation which will focus on: training, benchmarks, analysis and feedback.
Purpose/importance	To table funded budget and achieve targeted projections
Source/collection of data	Budgets, IYM and benchmark meetings
Method of calculation	Simple Count
Data limitations	Non-submission
Type of indicator	Output
Calculation type	Non-cumulative
Reporting cycle	Quarterly
New indicator	Yes
Desired performance	That all 26 delegated Municipalities and 3 Municipal Entities are supported on budgeting and implementation
Indicator responsibility	Chief Director: Municipal Finance

ANNEXURE 3: TECHNICAL INDICATORS FOR PROGRAMME 3

Technical Indicator Definitions

Strategic outcome oriented Goal 2: Responsive, accountable, effective and efficient provincial and local government system

Indicator number	1
Indicator title	Number of votes and Public Entities supported on Asset Management to improve the effectiveness, efficiency and economical Asset Management
Short definition	Support all twelve (12) provincial departments (excluding Legislature) and five (5) public entities (as listed under table 2 & 3 of this APP) through analysis of reports, inspection as well as maintenance, management and safeguarding of assets through provision of feedback reports and support / consultation meetings.
Purpose/importance	To ensure effective, efficient and economical Asset Management
Source/collection of data	Provincial departments and public entities
Method of calculation	Simple count
Data limitations	None
Type of indicator	Output
Calculation type	Non - cumulative
Reporting cycle	Quarterly
New indicator	No
Desired performance	All 12 votes and 5 public entities supported on Asset Management
Indicator responsibility	Director: Provincial Asset Management

Indicator number	2
Indicator title	Number Votes and Public Entities supported on cash management.
Short definition	Support all thirteen (13) provincial departments and five (5) public entities (as listed under table 2 & 3 of this APP) on cash, banking and liabilities management through arrangement of banking services, cash-forecasting and funding of PMGs; consultative meetings and feedback.
Purpose/importance	To enhance compliance with banking and cash management prescripts.
Source/collection of data	Government financial systems, annual financial statements, bank statements (provincial banker and SA Reserve Bank), banking contract and SLA, budget statements, IYM, PFMA, Treasury Regulations, DoRA and National Payment Schedule.
Method of calculation	Simple count
Data limitations	None
Type of indicator	Output
Calculation type	Non – cumulative
Reporting cycle	Quarterly
New indicator	No
Desired performance	All 13 votes and 5 public entities supported on cash management.
Indicator responsibility	Director: Banking and Cash-flow Management

Indicator number	3
Indicator title	Number of Votes and Public Entities supported on SCM processes
Short definition	Support all twelve (12) provincial departments (excluding Legislature) and five (5) public entities (as listed under table 2 & 3 of this APP) on compliance with SCM prescripts through analysis SCM records and reports, support / consultation meeting to provide feedback as well as hands on support on challenges identified through during analysis process.
Purpose/importance	To increase SCM compliance on SCM prescripts
Source/collection of data	Vouchers, Contracts, Bid Documents, Procurement Plans, Bid Committee Minutes and reports from Provincial Votes and public entities
Method of calculation	Simple count
Data limitations	None
Type of indicator	Output
Calculation type	Non- Cumulative
Reporting cycle	Quarterly
New indicator	No
Desired performance	All 12 votes and 5 public entities supported to increase SCM compliance
Indicator responsibility	Director: SCM Policy Development and Implementation

Indicator number	4
Indicator title	Number of votes and public entities supported on contract management
Short definition	Support all twelve (12) provincial departments (excluding Legislature) and five (5) public entities (as listed under table 2 & 3 of this APP) on the execution and utilization of the transversal contracts through analysis of reports, provision of feedback as well as consultation / support meetings on identified challenges for corrective measures.
Purpose/importance	To support execution of transversal contracts by departments to avoid deviations which lead to unnecessary litigations emanating from signed Service Level Agreements
Source/collection of data	Vouchers, Contracts and Reports on utilisation of transversal contracts from Provincial Votes
Method of calculation	Simple count
Data limitations	None
Type of indicator	Output
Calculation type	Non-cumulative
Reporting cycle	Quarterly
New indicator	Yes
Desired performance	That 12 votes and 5 public entities are supported on contract management
Indicator responsibility	Director: Demand & Acquisition Management

Indicator number	5
Indicator title	Number of Votes and Public Entities supported on Central Supplier Database and PFM Enquiry - portal.
Short definition	Suppliers in Support all twelve (12) provincial departments (excluding Legislature) and five (5) public entities (as listed under table 2 & 3 of this APP) are capacitated on SCM processes and compliance thereof through capacity building workshops and trainings.
Purpose/importance	To support and develop Suppliers to ensure that they comply with SCM Prescripts and systems
Source/collection of data	Provincial votes and public entities supplier databases
Method of calculation	Simple count
Data limitations	None
Type of indicator	Output
Calculation type	Non-Cumulative
Reporting cycle	Quarterly
New indicator	No
Desired performance	Supplier in all 12 Votes and 5 Public Entities supported on SCM supplier development
Indicator responsibility	Director: SCM Advice Centre

Indicator number	6
Indicator title	Number of votes supported on financial systems utilization
Short definition	Support all 13 votes (as listed under table 2 of this APP) on utilization of financial systems through workshops, forums and support meeting on identified challenges during analysis process.
Purpose/importance	To track the financial systems utilization in 13 Votes to ensure effective usage
Source/collection of data	HRM Reports, Trial Balance, User Account Management Reports, SITA and IBM SLAs
Method of calculation	Simple count
Data limitations	None
Type of indicator	Output
Calculation type	Non - cumulative
Reporting cycle	Quarterly
New indicator	No
Desired performance	All 13 votes supported on financial systems utilization
Indicator responsibility	Director: Systems Administration

Indicator number	7
Indicator title	Number of LOGIS sites implemented
Short definition	Implementation of LOGIS in 24 sites (Social Development – 6, Public Works – 6, Transport – 6 and Agriculture - 6) through executing activities as outlined in the LOGIS implementation plan
Purpose/importance	To coordinate the implementation of financial systems in the province
Source/collection of data	Project progress reports, Asset Register
Method of calculation	Simple count
Data limitations	None
Type of indicator	Output
Calculation type	Non - cumulative
Reporting cycle	Quarterly
New indicator	No
Desired performance	All identified LOGIS sites implemented
Indicator responsibility	Director: Systems Development

ANNEXURE 4: TECHNICAL INDICATORS FOR PROGRAMME 4

Technical Indicator Definitions

Strategic outcome oriented Goal 2: Responsive, accountable, effective and efficient provincial and local government system

Indicator number	1
Indicator title	Number of courses conducted on transversal systems in line with National Treasury standards
Short definition	Financial management capacity building through training courses. Training of departmental officials (nominated) on transversal systems (BAS - 45, LOGIS - 30, PERSAL - 32)
Purpose/importance	Improve skills of officials on utilization of transversal systems in order to improve financial management in the province
Source/collection of data	Departmental nomination list, number of trainers, number and availability of training venues, availability of the system.
Method of calculation	Simple count.
Data limitations	Non-availability of trainers, training venues, network and the system
Type of indicator	Output
Calculation type	Non - Cumulative
Reporting cycle	Quarterly
New indicator	No
Desired performance	Actual performance that is higher than targeted performance is desirable
Indicator responsibility	Director: Financial Training

Indicator number	2
Indicator title	Number of financial management short courses provided in line with SAQA requirements
Short definition	Financial management capacity building through short courses in problem areas as identified through support, monitoring, oversight, assessments and audits as per 2017/18 training plan. The department will only prioritize ten (10) courses due to capacity limitations from the identified courses after need analysis is conducted.
Purpose/importance	To improve financial management skills in the province
Source/collection of data	Service Providers, Training schedules, Nomination list of officials, attendance registers
Method of calculation	Simple count
Data limitations	Non availability of participants to the programme
Type of indicator	Output
Calculation type	Non - Cumulative
Reporting cycle	Quarterly
New indicator	No
Desired performance	Actual performance that is higher than targeted performance is desirable
Indicator responsibility	Director: Financial Training

Indicator number	3
Indicator title	Number of long-term financial management qualification programmes provided in Provincial Departments
Short definition	Financial management capacity building facilitated through arrangement of a long term financial management programme (Public Sector Accounting Certificate programme) to finance officials in Provincial Departments.
Purpose/importance	Improve financial management skills in the province.
Source/collection of data	Service Providers, Training schedules, Nomination list of officials and attendance registers,
Method of calculation	Simple count
Data limitations	Non availability of participants to the programme
Type of indicator	Output
Calculation type	Non-cumulative
Reporting cycle	Quarterly
New indicator	No
Desired performance	Actual performance that is higher than targeted performance is desirable
Indicator responsibility	Director: Financial Training

Indicator number	4
Indicator title	Number of votes and public entities supported in resolving AG audit findings to improve audit outcomes
Short definition	Support votes and public entities in resolving AG audit findings through analysis of votes and public entities' Audit Action Plans and through provision of feedback reports and guidance on implementing mitigations for exceptions raised by Auditor General in 12 votes (excluding Legislature) and five (5) public entities (as listed under table 2 & 3 of this APP).
Purpose/importance	Improved audit outcomes for votes and public entities
Source/collection of data	Submission of quarterly progress report by votes and public entities
Method of calculation	Simple count
Data limitations	Non availability of progress reports and limitation of skills to review and provide advice on submitted progress reports
Type of indicator	Output
Calculation type	Non-cumulative
Reporting cycle	Quarterly
New indicator	No
Desired performance	Actual performance that is higher than targeted performance is desirable
Indicator responsibility	Senior Manager: Norms & Standards

Indicator number	5
Indicator title	Number of Audit Committee meetings supported to improve governance in votes
Short definition	Support Audit Committee meetings for 12 votes (excluding Legislature) (as listed under table 2 of this APP) by scheduling, arranging logistics and provision of secretariat support.
Purpose/importance	Ensures that meetings of the Audit Committee take place as planned
Source/collection of data	Audit Committee packs, attendance registers, minutes and Audit Committee reports
Method of calculation	Simple count
Data limitations	None submission of information by votes
Type of indicator	Output
Calculation type	Non - Cumulative
Reporting cycle	Quarterly
New indicator	No
Desired performance	All 65 meetings of the Audit Committee should be supported
Indicator responsibility	Director: Norms & Standards

Indicator number	6
Indicator title	Number of votes and public entities supported in preparing financial statements in line with the PFMA
Short definition	Support 12 votes (excluding Legislature) and five (5) public entities (as listed under table 2 & 3 of this APP) in preparation of Financial Statements in line with PFMA through analysis of financial statements and provision of feedback reports as well as consultation / support meetings and / or workshops
Purpose/importance	To ensure that all 12 votes and 5 public entities are adequately supported so that public funds are properly and timely accounted for.
Source/collection of data	Financial Reports
Method of calculation	Simple count
Data limitations	Non submission of AFS by votes and public entities
Type of indicator	Output
Calculation type	Non-cumulative
Reporting cycle	Quarterly
New indicator	No
Desired performance	All 12 votes and five public entities are supported in line with PFMA
Indicator responsibility	Director: Provincial Financial Reporting

Indicator number	7
Indicator title	Number of consolidated Annual financial statements for votes and for public entities prepared in line with PFMA and submitted for audit
Short definition	Consolidated AFS for votes (one pre – audited and one audited) and for public entities (one pre – audited and one audited) are prepared and submitted for audit within the prescribed PFMA timeframes
Purpose/importance	To ensure that votes and public entities AFS are consolidated and submitted to AG.
Source/collection of data	Audited votes, public entities and Provincial Revenue Fund AFS
Method of calculation	Simple count
Data limitations	Delays in preparation and audit of the AFS
Type of indicator	Output
Calculation type	Cumulative
Reporting cycle	Bi-Annually
New indicator	No
Desired performance	All Annual financial statements for votes and for public entities are consolidated and submitted to AG as per target
Indicator responsibility	Director: Provincial Financial Reporting

Indicator number	8
Indicator title	Number of provincial risks profiles developed
Short definition	Provincial Risk Profile that identifies provincial risks associated with implementation of LDP and document mitigation plans developed.
Purpose/importance	To bring the provincial strategic risks to the attention of EXCO in order to allow them to focus their efforts and limited resources in mitigating the risks that can hinder the achievement of our provincial goals as outlined in the LDP and allow the province to benefit from economies of scale while sourcing measures to address risks that are of transversal nature.
Source/collection of data	Votes and Public Entities risk profiles; Limpopo Development Plan; departments and public entities annual performance plans (APPs); Auditor General reports and Internal Audit reports; Stakeholder Consultations
Method of calculation	Simple count
Data limitations	None
Type of indicator	Output
Calculation type	Non-cumulative
Reporting cycle	Quarterly
New indicator	Yes
Desired performance	Provincial Risk profile monitored
Indicator responsibility	Director : Transversal Risk Management

Indicator number	9
Indicator title	Number of votes and public entities supported on compliance with public sector risk management framework
Short definition	Support all 12 votes (excluding Legislature) and five (5) public entities (as listed under table 2 & 3 of this APP) on compliance to public sector risk management framework through assessment of their Risk Management reports
Purpose/importance	To ensure compliance by votes and public entities to the Public Sector Risk Management Framework
Source/collection of data	Votes and Public Entities quarterly Risk Management Reports, Public Sector Risk Management Framework
Method of calculation	Simple count
Data limitations	Integrity and timeous submission of data is dependent on the submissions by votes. Common language of risks within the departments
Type of indicator	Output indicator
Calculation type	Non-cumulative
Reporting cycle	Quarterly
New indicator	Yes
Desired performance	All 12 votes and five public entities comply with Public Sector Risk Management Framework.
Indicator responsibility	Director: Transversal Risk Management

Indicator number	10
Indicator title	Number of three year strategic rolling and annual audit plans prepared by Provincial Internal Audits and approved by Audit Committee for the year 2018/19
Short definition	Three year rolling and annual audit plans for the 12 votes(excluding Legislature as listed under table 2 & 3 of this APP) approved by the Audit Committee for the financial year 2018/19
Purpose/importance	To agree on the auditable areas for the 12 votes with key stakeholders to ensure a systematic audit process
Source/collection of data	Departmental Risk Profiles and departmental strategic goals
Method of calculation	Simple count
Data limitations	None
Type of indicator	Output
Calculation type	Non-cumulative
Reporting cycle	Annually
New indicator	No
Desired performance	All 12 votes three year rolling and annual audit plans prepared and approved timeously
Indicator responsibility	Chief Audit Executive

Indicator number	11
Indicator title	Number of votes audited as per approved annual audit plans to improve the internal control, risk management and governance processes.
Short definition	All 12 Limpopo Votes (excluding Legislature as listed under table 2 of this APP) audited by Provincial Internal Audit in accordance with the approved internal audit plan.
Purpose/importance	To audit 12 votes in accordance with the approved internal audit plan to improve the effectiveness of internal controls, risk management and governance in departments.
Source/collection of data	Approved departmental audit plans
Method of calculation	Simple count
Data limitations	None
Type of indicator	Output
Calculation type	Non-cumulative
Reporting cycle	Quarterly
New indicator	No
Desired performance	Actual performance that is higher than targeted performance is desirable
Indicator responsibility	Chief Audit Executive

Indicator number	12
Indicator title	Number of annual internal Quality Assurance Improvement Programme (QAIP) Implementation Report prepared to improve the quality of client services.
Short definition	This performance indicator measures the number of reports on the quality of work performed by the Internal Audit function to enhance the credibility and the value proposition to its clients and relevant stakeholders.
Purpose/importance	To prepare annual internal Quality Assurance Improvement Plan to improve the quality of work product of the Internal Audit Activity
Source/collection of data	Institute of Internal Auditor's Standards
Method of calculation	Non - cumulative
Data limitations	None
Type of indicator	Output
Calculation type	Simple count
Reporting cycle	Annually
New indicator	No
Desired performance	Actual performance that is higher than targeted performance is desirable
Indicator responsibility	Chief Audit Executive