



LIMPOPO

PROVINCIAL GOVERNMENT  
REPUBLIC OF SOUTH AFRICA

PROVINCIAL TREASURY

# Annual Performance Plan 2022/23

## EXECUTIVE AUTHORITY STATEMENT

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

Limpopo Provincial Treasury's Annual Performance Plan will continue to contribute towards the revised MTSF priority number one of a Capable, Ethical and Developmental State" to an accepted level of standardization for a shared point of departure for intergovernmental planning and coordination. In this regard, our revised Annual Performance Plans will also ensure a continued alignment between Provincial Treasury and other departmental plans.

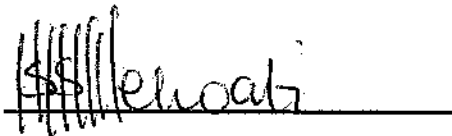
These performance plans have been readjusted to adopt evidence-based management strategic approaches in line with the revised Framework for Strategic and Annual Performance Plans. Thus ensuring that we are more logical, credible and palatable to the broader Provincial Administration which the department is responsible for providing financial support.

Under the current COVID-19 spending patterns, in the 2022/2023 accounting period, our plans will continue to ensure:

1. Clear reference to the relevant MTSF priorities, outcomes and targets
2. Clear alignment of the Departmental outputs to outcomes and desired impact
3. Commitment of reasonable resources to management information systems which will better substantiate our performance reports which are SMART;
4. Development of tangible strategic methodologies that will respond to challenges under COVID-19, while improving value for money in state contracts;
5. Innovation on key local budget reforms to improve implementation and reporting by provincial departments, entities, and municipalities in the context of the "new normal"; and
6. Support to the provincial government to realize the Presidential Priorities for 2022/23.
7. Implement Departmental ICT Strategy towards advancing the digital transformation programme to enable the department to render its services efficiently and effectively through the use of available and reliable digital and electronic systems.

To this end, taking into account the rapid changes and uncharted territories presented by the COVID-19 pandemic, Limpopo Provincial Treasury will continue to oversee the implementation of the Public Finance Management Act and Municipal Finance Management Act in Provincial departments, public entities as well as municipalities and municipal entities respectively, with more diligence and distinction.

Our stern approach will therefore continue to support the Department to continue to be prudent in the utilization of resources without compromising government priorities and the monitoring of expenditure, especially of conditional grants and infrastructure in Municipalities, as well as the continued distributions of the 6<sup>th</sup> Administration's apex priorities during this reviewed planning cycle.

A handwritten signature in black ink, appearing to read 'SC Sekoati', is written over a horizontal line.

**SC Sekoati (MPL)**

**Executive Authority**

**Limpopo Provincial Treasury**

## **ACCOUNTING OFFICER STATEMENT**

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

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

Provincial Treasury has over the years managed to allocate and monitor the appropriated provincial budget of all departments, public entities and municipalities. The province is still faced with a high percentage of the provincial budget that is been spent on Compensation of Employees (COE), however the province continues to manage the appointments through the Provincial Personnel Management Committee in an endeavour to reduce the percentage of the total budget spent on COE. The province has managed to stabilise the COE spending between 68% and 69% of the budget and will continue with the plans to further reduce the COE expenditure

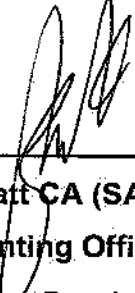
Provincial Treasury has provided focused support to Municipalities in the province and where a need has been identified, also seconded officials to Departments in an endeavour to improve financial management in our institutions. Provincial Treasury will strive to fill all key funded vacant posts in an endeavour to strengthen our support role to departments and municipalities in the province to further improve the audit outcomes during this term.

Provincial Treasury's service delivery model and organisational structure will be reviewed in 2022/23.

The outbreak of the COVID-19 virus and new variants continues to place fiscal risks in the economy and budget allocations in the province. Provincial Treasury has allocated budget to stimulate economic growth and recovery in the province. The Provincial

Treasury business continuity implemented during the lockdown has enabled the Department to continue rendering the required services and provide support to the various departments and municipalities. In 2022/23 there will be a need to enhance our mechanisms to strengthen our support to institutions utilizing various information communication tools, such as virtual platforms amongst others, without compromising the health and safety of officials.

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



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**GC Pratt CA (SA)**  
**Accounting Officer**  
**Limpopo Provincial Treasury**

## OFFICIAL SIGN-OFF

It is hereby certified that this Annual Performance Plan:

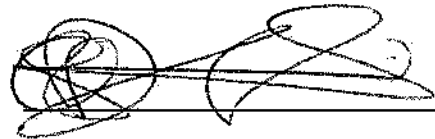
- Was developed by the management of Limpopo Provincial Treasury under the guidance of the Honourable MEC SC Sekoati.
- Takes into account all relevant policies, legislations and other mandates for which Limpopo Provincial Treasury is responsible.
- Accurately reflects the Outcomes and Outputs which Limpopo Provincial Treasury will endeavour to achieve over 2022/23 financial year.

**Ms L Ebrahim**  
Deputy Director General  
Corporate Management Services



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**Mr M Phukuntsi**  
Deputy Director General  
Sustainable Resource Management




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**Mr FP Mushwana**  
Deputy Director General  
Asset Liabilities & Supply Chain Management



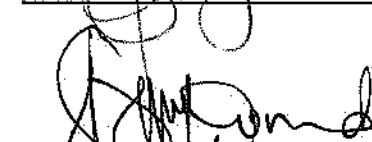
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**Ms PA Semanya**  
Deputy Director General  
Financial Governance



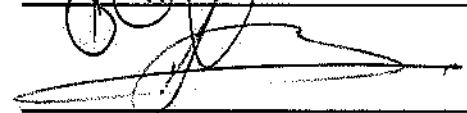
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**Mr JJN Morudu**  
Acting Chief Audit Executive




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**Mr HM Mawela**  
Chief Financial Officer



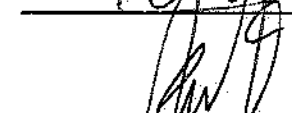
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**Mr MS Machevele**  
Director: Strategic Management



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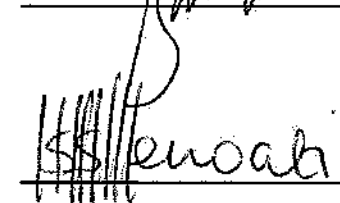
**Mr GC Pratt CA (SA)**  
Accounting Officer



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Approved by:

**Hon. SC Sekoati (MPL)**  
Executive Authority



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## LIST OF ACRONYMS

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

GDP	-	Gross Domestic Product
GIS	-	Government Information Systems
GITO	-	Government Information Technology Office
GRAP	-	Generally Recognised Accounting Practice
GRCC	-	Government Risk Control and Compliance
HOD	-	Head of Department
HRM	-	Human Resource Management
IBM	-	International Business Machines
ICT	-	Information and Communication Technology
ITMC	-	Infrastructure Technical Management Committee
LIIMP	-	Limpopo Integrated Infrastructure Master Plan
LOGIS	-	Logistics Information System
MCS	-	Modified Cash Standards
MEC	-	Member of the Executive Council
MMC	-	Member of Mayoral Council
MMS	-	Middle Management Services
MPL	-	Member of Parliament
MPRA	-	Municipal Property Rates Act
MTEC	-	Medium Term Expenditure Committee
MTEF	-	Medium Term Expenditure Framework
N/A	-	Not Applicable
NT	-	National Treasury
OTP	-	Office of the Premier
PERSAL	-	Personnel Salary
PESTEL	-	Political, Economic, Social, Technological, Environment and Legal
PMDS	-	Personnel Management and Development System
PRF	-	Provincial Revenue Fund
PTCF	-	Provincial Technical Committee on Finance
RMC	-	Risk Management Committee
SALGA	-	South African Local Government Association
SBD	-	Standard Bidding Document
SCM	-	Supply Chain Management
SEZ	-	Special Economic Zone
SITA	-	State Information Technology Agency

SLA	-	Service Level Agreement
SMART	-	Specific, Measurable, Achievable, Reliable and Timely
SMME	-	Small, Medium and Micro – Sized Enterprise
SMS	-	Senior Management Service
SWOT	-	Strength, Weakness, Opportunities and Threats
UIF	-	Unauthorised Irregular and Fruitless Expenditure
WSP	-	Workplace Skills Plan

## PART A: OUR MANDATE

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

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

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

### 1. Constitutional Mandate

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

### 2. Updates to the relevant legislative and Policy Mandates

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

Section	Function and powers
<b>18 (1)</b>	A Provincial treasury must:
(a)	Prepare the provincial budget
(b)	Exercise control over the implementation of the provincial budget
(c)	Promote and enforce transparency and effective management in respect of revenue, expenditure, assets and liabilities of provincial departments and provincial public entities; and

(d)	Ensure its fiscal policies do not materially and unreasonably prejudice national economic policies.
<b>18 (2)</b>	A provincial treasury
(a)	Must issue provincial instructions not inconsistent with the Act;
(b)	Must enforce the PFMA and any prescribed national and provincial norms and standards, including any prescribed standards of generally recognized accounting practice and uniform classification systems, in provincial departments
(c)	Must comply with annual DORA and monitor and assess the implementation of that Act in public entities;
(d)	Must monitor and assess implementation in provincial public entities of national and provincial national norms and standards
(e)	May assist provincial departments and provincial public entities in building their capacity for efficient, effective and transparent financial management;
(f)	May investigate any system of financial management and internal control applied by a provincial department or public entity
(g)	Must intervene by taking appropriate steps to address a serious and persistent material breach of the PFMA by a provincial department or a provincial public entity, including withholding of funds.
(h)	Must promptly provide National Treasury with any information required in terms of the PFMA
(i)	May do anything further that is necessary to fulfil its responsibilities effectively

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

<b>Section</b>	<b>Function and powers</b>
<b>5(3)</b>	A provincial treasury must in accordance with a prescribed framework:
(c)	Assist the National Treasury in enforcing compliance with the measures established in terms of section 216(1) of the Constitution, including those established in terms of this Act.
<b>5(4)</b>	To the extent necessary to comply with subsection (3), a provincial Treasury

(a)	Must monitor:
	(i) compliance with the MFMA by municipalities and municipal entities in the province;
	(ii) the preparation by municipalities in the province of their budgets;
	(iii) the monthly outcome of those budgets; and
	(iv) the submission of reports by municipalities in the province as required in terms of this Act;
(b)	May assist municipalities in the province in the preparation of their budgets;
(c)	May exercise any powers and must perform any duties delegated to it by the National Treasury in terms of this Act; and
(d)	May take appropriate steps if a municipality or municipal entity in the province commits a breach of this Act.

### **Policy Mandates**

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

- National Development Plan
- Medium Term Strategic Framework (2019 – 2024)
- National Spatial Development Perspective
- National Industrial Policy Framework
- Broad Based Black Economic Empowerment
- Limpopo Development Plan 2020-2025

### **2. Updates to Institutional Policies and Strategies**

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

### **3. Updates to relevant court rulings**

None

## **PART B: OUR STRATEGIC FOCUS**

### **1. UPDATED SITUATIONAL ANALYSIS**

The Provincial Treasury embarked on a strategic planning exercise to review the strategic position and environment of the department where 2020 – 2025 Strategic Plan and 2021/22 Annual Performance Plan were reviewed. All branches conducted review of these strategic documents and submitted inputs to Strategic Management for consolidation and presentation at the Departmental Strategic Planning session. During the departmental strategic planning session, the department decided that there will be no amendments to 2020-2025 Strategic Plan, however, minor changes were effected into the Draft 2022/23 APP with inputs from all branches and DPME recommendations into the Draft 2022/23 APP were also incorporated before approval was received from MEC.

The Branch Strategic Planning sessions were held virtually from 14<sup>th</sup> to 16<sup>th</sup> of February 2022 whereas the Departmental Strategic Planning session was also held virtually on the 25<sup>th</sup> of February 2022 to avoid the spread of COVID-19.

### **2. EXTERNAL ENVIRONMENTAL ANALYSIS**

#### **Opportunities**

PESTEL was utilized to identify opportunities that the department may capitalize on to maximise the departmental performance. Provincial Treasury transversal branches also identified an opportunity of sharing best practices across other provincial treasuries in the country. There is an opportunity on maximising the Municipal Finance Improvement Programme (MFIP) to augment Provincial Treasury support to municipalities. Utilization of Enterprise Development Fund from banking institutions is an opportunity to develop SMMEs and grow the local economies. Advancing ICT skills towards the 4<sup>th</sup> Industrial Revolution and Digital Transformation through ICT capacity building programmes.



## Threats

Identified threats may hinder the department from achieving the desired outputs and outcomes as set out in the Strategic Plan and Annual Performance Plan if they are not addressed. Shrinking revenue pose a serious threat on allocation of budget to national and provincial priorities and service delivery in the province and may have implications on potential growth of Compensation of Employees (COE) budget. Influx of foreign nationals pose a serious threat by putting severe pressure on limited resources. Litigations in Public Service also pose a serious threat where resources meant for services delivery are deviated to fund litigations and claims. Poor ICT infrastructure networks in the province, coupled with the risk of ICT systems being hacked are also a threat. COVID-19 pandemic pose health risk to employees and this could compromise service delivery.

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

**Table 1: Stakeholder Analysis**

Stakeholder	Reason for collaboration	Collaboration Description	Challenges	Proposed interventions
SITA.	Custodians of ICT Service in Government as per SITA Act.	Implementation of new systems. Hosting of transversal systems. Maintenance of Transversal systems. ICT technical Skills.	Non adherence to SLA's. Budgetary Constraints. Involvement of additional Stakeholders from SITA in the process.	Effect penalty clauses as per SLA. Lobby for additional funding during MTEF hearings. Increase FMIS capacity.

Stakeholder	Reason for collaboration	Collaboration Description	Challenges	Proposed interventions
		ICT Project Management Skills.		Update own SLA to incorporate usage of third parties by SITA.
AGSA.	AGSA Conduct external audit to the department and generate a report on the outcomes of the audit.	In the process of conducting external AGSA collaborates with assurance providers such as Internal Audit and other transversal functions within Provincial Treasury.	Slow implementation of Combine Assurance.	Expedite implementation of Combined Assurance.
All Departments.	Effective Utilization of transversal systems.	Adherence to transversal user accounts management policies.	Non adherence to user accounts management policy.  System Controllers are incorrectly placed as per generic structure of CFO's office.	Revoke ID's of non-complying System Controllers.  Centralise the function of System Controllers in Limpopo Treasury.
All Departments and Public Entities.	Effective Budget Planning and implementation.	Compliance with budget guideline framework and performance reporting standards.	Poor implementation of budgets and procurement plans.	Enhance capacity building mechanisms
National Treasury	Custodians of PFMA and its prescripts.	Financial Reporting Frameworks Risk Management framework	Reporting Templates are not error free.  AMD and MCS are not aligned to the templates.	Automation of the reporting template.  Alignment of templates to AMD and MCS.

Stakeholder	Reason for collaboration	Collaboration Description	Challenges	Proposed interventions
	Custodian of Transversal Systems.	Annual Reporting Framework Instruction Notes and Guidelines.  Systems policies and Procedures.  Transversal system support.	Outdated Frameworks.  None.  Limited training capacity.	Regular review of the frameworks.  None  Capacitate Financial Training Capacity Building Directorate.
National Treasury.	Custodians of PFMA and its prescripts.	Budget planning and financial reporting frameworks.  Treasury Instruction Notes and Guidelines.	Budget cuts and tight deadlines on budget submissions.	Strengthen measures to contain provincial costs, maximise own revenue; and capacitate Province to be proactive in budget planning.
CoGHSTA.	CoGHSTA is responsible for Municipal Property Rates Act (MPRA), DoRA, Systems Act and other sections of the MFMA.	CoGHSTA is responsible for MPRA which affects revenue, DoRA on conditional grants, Systems Act on revenue by-laws and appointment of officials, MFMA on non-adoption of the budgets, reporting on UIF and annual	Weak integration of work performed by both departments.	Strengthen governance structures.

Stakeholder	Reason for collaboration	Collaboration Description	Challenges	Proposed interventions
		financial statements.		
Municipalities.	Improvement of municipal audit outcomes.	Compliance with National and Provincial Treasury budget planning; reporting standards; and financial management prescripts in line with MFMA, DoRA and other legislations.	Non-adherence to legislative prescripts.	Enhance capacity building strategies.  Escalation of non-compliance to highest authority.

### Performance Delivery Environment

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

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

Provincial Departments	Public Entities	Municipalities (27)
Office of the Premier (OtP).	Limpopo Gambling Board (LGB).	Capricorn District Municipality
Education (DoE).	Limpopo Economic Development Agency (LEDA).	Molemole Local Municipality.
Agriculture and Rural Development (DARD).	Road Agency Limpopo (RAL).	Blouberg Local Municipality.
Provincial Treasury (LPT).	Gateway Airport Authority Limited (GAAL).	Lepelle Nkumpi Local Municipality.
Economic Development, Environment and Tourism	Limpopo Tourism Agency (LTA).	Polokwane Local Municipality (Not delegated).

Provincial Departments	Public Entities	Municipalities (27)
(LEDET).		
Health (DoH).		<b>Sekhukhune District Municipality</b>
Transport and Community Safety (DTCS).		Elias Motsoaledi Local Municipality
Public Works, Roads and Infrastructure (DPW&I).		Ephraim Mogale Local Municipality
Co-operative Governance, Human Settlements & Traditional Affairs (CoGHSTA).		Makhuduthamaga Local Municipality
Social Development (DSD).		Fetakgomo Tubatse Local Municipality
Sport, Arts and Culture (DSAC).		<b>Mopani District Municipality</b>
		Maruleng Local Municipality
		Ba-Phalaborwa Local Municipality
		Tzaneen Local Municipality
		Giyani Local Municipality
		Letaba Local Municipality
		<b>Vhembe District Municipality</b>
		Makhado Local Municipality
		Musina Local Municipality
		Thulamela Local Municipality
		Collins Chabane Municipality
		<b>Waterberg District Municipality</b>
		Mogalakwena Local Municipality
		Thabazimbi Local Municipality
		Lephalale Local Municipality
		Modimolle Mookgophong Local Municipality
		Bela-Bela Local Municipality

## **Fiscal Policy Analysis (Revenue)**

The South African economy has been adversely impacted by the existence of COVID-19 like economies of other countries in the world. The negative impact of COVID-19 on the economy has resulted in reduced allocation of equitable share by National Treasury to Provinces. This has contributed to limited fiscal resources available to deliver services by the Province to improve the livelihood of its citizens. The Province is therefore compelled to initiate strategies in order to complement the declining equitable share. The economy is expected to have a positive rebound given that almost all sectors of the economy are opened which will confidently enhance the revenue collection in the Province. Provincial treasury continues to support revenue enhancement initiatives brought forth by Departments and Public Entities thus ensuring that the Provincial Own revenue is maximised to augment the provincial equitable share baseline.

The Provincial Own Revenue target for 2022/23 has increased to R1.481 billion from the 2021/22 target of R1.458 billion and a further increase to R1.551 billion and R1.627 billion in 2023/24 and 2024/25 respectively which reflect an average increase of 8.1 percent over the 2022 MTEF period. Provincial Departments and Public Entities that generate more revenue above their own credible set targets, receive incentives in line with the Provincial Revenue Enhancement and Retention Strategy.

### **Interventions over the medium-term period**

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

## **Macro-Economic Analysis**

The role of the Macro-Economic Analysis unit is to perform research and provide economic intelligence to influence the budget allocation on Provincial Level. The difficult economic conditions on global, national and provincial levels are being analyzed. The quarterly economic bulletin highlights the most recent economic developments on a

quarterly basis and also provide inputs on relevant economic topics of the day like the importance of the informal sector in addressing the challenge of unemployment and the impact of the riots in Kwa-Zulu Natal and Gauteng to the foreign direct investment in the country. Other topics dealt with included inclusive growth and the role of rating agencies amongst others. The tight fiscal situation at national level is expected to continue with negative consequences for the provincial budget allocation.

Except for the documents produced as part of the APP the unit is also conducting research on other topics like analyzing the ICT infrastructure roll-out in Limpopo schools and the role played poverty and food insecurity to women vulnerability in the province.

### **Limpopo Economy**

The 2022/23 strategic plan is developed during an extremely difficult period due to the impact of Covid-19 in the country and the province. The South African Real Gross Domestic Product (measured by production) decreased by 1.5 percent in the third quarter of 2021, following an increase of 1.1 percent in the second quarter of 2021. Headline consumer inflation ended 2021 at 5.9 percent in December, up from 5.5 percent in November, this was driven by large price rises in the transport category (particularly fuel) and increases in important food groups such as meat and oils & fats. The COVID-19 has spiked increases on the prices of fuel and food items, which lead to the 2021 CPI to reach a 4.5 percent, higher than the averages recorded for 2020 (3.3 percent) and 2019 (4.1 percent).

The Limpopo province, the GDP growth has been facing a decline in recent years, growing well below the 3 percent as aspired in the Limpopo Development plan. From 2018 the provincial economy grew by 0.6 percent, from the 2017 2.1 percent growth. The provincial GDP further declined to negative 0.2 percent in 2019 and to negative 7.2 percent in 2020. It is expected that as the mining and other industries recover the provincial economy will also recover in 2021.

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



Source: IHS Markit Regional Explorer, 2021

The economic rebound will depend on the rate that the province will reach herd immunity in terms of vaccination of its people, as this will allow the province to return to normal operations and open its economy for full capacity operation. As the fifth wave is widely expected to arise in South Africa around the winter season, it is more likely that the covid-19 pandemic will slow down business and entrepreneurial ventures. The Province and the Country will need to gear up the vaccination programs so that herd immunity can be achieved to allow the country and the province to return to normal operations as soon as possible, as well as reducing the pressure on the healthcare facilities.

Limpopo unemployment rate surged from 23.6 percent in the 1<sup>st</sup> quarter of 2020 to 32.5 percent in the 3<sup>rd</sup> quarter of 2021. Though the provincial unemployment is still below the national unemployment, the province has seen a bigger upsurge of about 9 percent since the beginning of the COVID-19 pandemic in the early 2020. This is an indication that the COVID-19 crisis also impacted very negatively on employment in the Province. A fundamental approach is needed for the province to move from an extractor of raw material and to become a processor and add value through manufacturing and processing. This will help in creating industries and employment in the province. Substantial investments in infrastructure, Information and Communication Technology (ICT), climate-smart agricultural technologies, and climate resilience combined with sustainable energy policies can play a pivotal role in rebuilding the provincial economy.



### **Interventions over the medium-term period**

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

### **Provincial Budget Management**

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

The Provincial Treasury also hold MTEC Hearings with Provincial Department and Public Entities with a view to assess the efficiencies in MTEF allocation. Zero Based Budgeting and Spending Reviews are important guide in formulating MTEF budget and this is also assessed for effective allocation of resources by departments and Public Entities.

Provincial Equitable Shares decreases year on year against the increasing cost for goods and services (budget reduction versus expenditure growth). The self-sustainability of the two provincial Public Entities registered as Schedule 3D entities in terms of the PFMA is a challenge as these public entities remain reliant on Provincial Grants. Departments and entities are assisted to explore other revenue sources in order to be financially self-sustainable.

### **Interventions over the medium-term period**

- Prioritise allocation of budget to economic stimulating projects as guided by the Limpopo Socio Economic recovery plan.

## **Public Finance Management**

Section 18 of Public Finance Management Act (PFMA), Act 1of 1999 entrust Provincial Treasury with the responsibility of monitoring and supports departments and entities to ensure that spending is in line with set targets. The Public Finance unit conducts Budget and Revenue Forum bi-monthly with Departments and Public Entities to determine areas of focus which requires close monitoring and support for institutions to improve service delivery.

On quarterly basis, the directorate holds the Quarterly Bilateral with departments and public entities to review the spending and provide support on how the spending can be improved. This is coupled with site visits to departmental projects that are conducted with Infrastructure Unit to monitor the economic use of financial resources. The ultimate aim is to achieve improved provincial budget planning and implementation; enhanced oversight on service delivery by the departments and public entities and improved communication and working relations with departments and public entities. On a monthly basis performance by Departments are being reported to National Treasury through In-year Monitoring (IYM) report and a detailed report for discussion during Head of Departments Forum and Executive Council meetings. These monitoring mechanism are aimed at enforcing accountability and responsibility to Accounting Officers to ascertain that the set targets are achieved.

### **Interventions over the medium-term period**

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

## **Infrastructure Management and Public Private Partnerships (PPP)**

Provincial Treasury is the custodian of the Infrastructure Delivery Management System (IDMS). This means the department has a responsibility to ensure all infrastructure departments within the province, conform to a uniform system of planning, procuring, and delivery infrastructure.

Over the 2022/23 MTEF the Provincial Treasury will continue to be the chair and coordinator of the Infrastructure Cluster Committee, assisted by the Department of Public Works, Roads and Infrastructure (DPWR&I); and secretariat support from Office of the Premier. All provincial departments with infrastructure budgets and projects are members of the Infrastructure Development Cluster, including Entities and Implementing Agencies.

The Provincial Treasury will on a bi-annual basis continue to conduct Infrastructure Planning and Readiness Workshop to agree on the deliverables for the infrastructure projects to be implemented over the MTEF. On a monthly basis through the institutional arrangements forums and by also using the web based Infrastructure Reporting Model (IRM) assessments, we recommend improvement measures to departments in order to improve infrastructure planning, delivery and spending.

The support to Local Government (LG) to optimise Municipal Infrastructure Grant (MIG) performance on selected municipalities is continuing. Assessment and feedback on performance of municipalities with recommended improvements is done quarterly to ensure that MIG is spent efficiently and effectively.

### **Interventions over the medium-term period**

- Coordinate the Operationalisation of the Infrastructure Strategic Planning Hub model, which will sustain the infrastructure planning and implementation capacity over a medium to long term.
- Continuous provision of requisite support to Municipalities in order to ensure that MIG is spent efficiently and effectively.

## Provincial Asset Management

As at the third quarter 2021/22 seven (7) provincial departments (LDARD, PWRI, DSD OTP, LPT, LEDET, DTCS) out of eleven (11) are complying with Asset Management prescripts (compliance levels of 90% and above). The Five (5) Departments performed between 72% - 84%.

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

Identified Challenge	Intervention over the medium-term period (What need to be done)	Nature or level of intervention (Whether strategic or operational)	Collaboration needed (If not needed, then leave None)
Unverified assets (seriously affected by Covid-19 restrictions).	Departments to develop strategies to conduct asset verification through user affirmations.	Operational	None
Emerging R1/R0 value assets that are not fair-valued.	Strengthen Internal Control where assets values must be recorded immediately when the asset is recognised in the Asset Register using source documents. Where source documents are not available, fair-value them using Treasury methodology guideline	Operational	None
Disposed assets which are still found during verification.	Departments must avoid disposing assets on the desktop without source documents that are confirming that assets have been sold or transferred to other institutions.	Operational	None
Assets not assigned to users	Departments must avoid shortcuts when conducting assets verification and ensure that they complete table 1 before they begin with scanning the assets	Operational	None

Assets kept in the Loss Registers pending investigation for periods over two financial years	Development of strategies to enforce accountability and strengthen investigation for lost assets	Operational	Internal Control/Security Management Units
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### Banking and Cash Management

As at end of third quarter of the current year 2021/2022, all departments performed below 90% in compliance with Banking, Cash and Liabilities Management prescripts. Seven (7) Departments range between 80% - 85%. LDE, LDH, DPWRI, DSD are staggering at 75% and 79% compliance rate.

The challenges leading to the findings and under-performance that were identified during the assessment include among other things; Deviation by more than 2.5% from cash allocations/projections, growing level of Claims Against the State, late termination/salary payment after termination of employees as well as allowing Debtors' books to grow with less effort to collect and prevent occurrence of these debts. Departments are also growing tendencies of inefficiencies in payment processing resulting in high levels of recalls with potential risk of recovery and loss of public funds.

Identified Challenge	Intervention over the medium-term period	Nature or level of intervention	Collaboration needed
Deviation by more than 2.5% from cash allocations/projections.	Continuous quarterly assessments and feedback, as well application of cash blocking functionality in processing of payments.	Operational	Collaboration with departments and audit committees.
Growing level of Claims Against the State.	Bringing this matter to the attention of the Accounting Officers and request them to have this item in their Strategic Risk Register, and follow progress in the	Strategic	Collaboration with Accounting officers, Office of the Premier and Transversal Risk Management.

Identified Challenge	Intervention over the medium-term period	Nature or level of intervention	Collaboration needed
	mitigation on quarterly basis.		
Late termination/salary payment after termination of employees	Continuous quarterly assessments and feedback, and conducting roadshows to assist streamline the termination processes.	Operational	Collaboration with Persal User Support, departments and audit committees.
Departments allowing debtors' books to grow with less effort to create collect and prevent occurrence of debts.	Participation of departments on transversal contract for debts collection arranged by National Treasury.	Operational	Collaboration with the contracted Debt Collectors and National Treasury.
High levels of payment recalls with potential risk of recovery and loss of public funds	Regular monitoring and consequence management on negligence in the whole value chain.	Operational	Collaboration with Provincial Banker & the Departments.

### Provincial Supply Chain Management

The Provincial Departments achieved the following audit outcomes for the financial year 2020/21: Four (4) Clean Audits, six (6) Unqualified Audits, and five (2) Qualified Audits. Two departments have regressed.

The Public entities achieved the following audit outcomes: Two (2) unqualified Audits; one (1) Qualified Audits, One (1) Clean audit, and One adverse audit. Two entities have regressed.

Supply Chain Management audit outcome as reflected in AGSA 2020/21 report indicated challenges relating to Market research, Procurement Planning, Non-compliance to Local content and production requirements, Deviation from SCM Processes, Contract management, no supplier performance monitoring, Non-compliance to tax matters, Publication of awards, and received bids, Use of outdated SBD Forms and Award of contracts to state employees.

Identified Challenge	Intervention over the medium-term period	Nature or level of intervention (Operational or strategic)	Collaboration needed
Procurement planning and the reporting thereof	In service training conducted on procurement planning with all organs of state in the 3 <sup>rd</sup> quarter 2021/22	Operational	Institutions to attend the initiated workshops.
Inadequate Market Research.	Provide training departments and entities.	Operational	Expected commitment from departments and entities.
Inadequate Contract Management.	Monitor the implementation of the approved Provincial Contract Management Strategy	Operational.	Institutions to attend the support sessions on contract management hosted by Treasury.
Awards to suppliers in the service of the state, employees doing business with government without prior approvals.	Increase awareness, and monitor compliance with Public Service Management Act.	Operational.	Auditor General South Africa to assist in accessing the system used to detect government employees doing business with government besides the CSD.
Non-compliance to tax matters.	Continue to hold SCM Forum information sharing sessions with institutions to highlight the challenging issues.	Operational	Attendance of SCM Forum meetings by institutions
Non-compliance to Local production and content	Training provided with Proudly South African and DTIC for all organs of state in the 2 <sup>nd</sup> Quarter 2021/22	Operational	Attendance of the intervention workshops by institutions
Non-publication of bid awards and bids received on the institution's websites	Continue to hold SCM Forum information sharing sessions with institutions to highlight the issue.	Operation	Attendance of SCM Forum meetings by institutions

## **AG AUDIT OUTCOMES**

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

### **AG Outcomes for Provincial Departments**

The support provided by Provincial Treasury in 2020/21 resulted in improvements in the Auditor General Audit Outcomes. The Department of Economic Development, Environment and Tourism obtained a clean audit for the first time, while Office of the Premier, Transport & Community Safety and Provincial Treasury maintained their clean audit outcomes. Department of Agriculture, Public Works, Roads and Infrastructure, Sport, Arts & Culture, Co-operative Governance, Human Settlements and Traditional Affairs and Social Development maintained unqualified audit outcomes. The Provincial Legislature regressed from clean to unqualified audit outcome and Department of Education and Health received qualified audit outcomes. There is still a need for continuous monitoring and support to ensure that these trends are improved.

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



**Table 3: Audit Outcomes for Provincial Departments.**

Vote No	DEPARTMENT	2016/17	2017/18	2018/19	2019/20	2020/21	TREND	COMMENTS
1	Premier	UQ	UQ	UQ	CL	CL	↔	Maintain clean
2	Provincial Legislature	UQ	UQ	UQ	CL	UQ	↘	Need to improve to clean
3	Education	Q	Q	Q	Q	Q	↔	More assistance to be offered for the department to improve its outcomes
4	Agriculture & Rural Development	Q	UQ	UQ	UQ	UQ	↔	Need to improve to clean
5	Provincial Treasury	CL	CL	CL	CL	CL	↔	Maintain clean audit
6	Economic Development	Q	Q	UQ	UQ	CL	↑	Maintain clean audit
7	Health	Q	Q	Q	UQ	Q	↘	Need to improve to unqualified
8	Transport and Community Safety	UQ	UQ	UQ	CL	CL	↔	Maintain clean audit
9	Public Works, Roads & Infrastructure	Q	Q	Q	UQ	UQ	↔	Maintain unqualified and not regress
10	Sport, Arts & Culture	Q	Q	Q	UQ	UQ	↔	Maintain unqualified and not regress
11	Co-Operative Governance, Housing Settlements & Traditional Affairs	Q	UQ	UQ	UQ	UQ	↔	Need to improve to clean
12	Social Development	UQ	UQ	Q	UQ	UQ	↔	Maintain unqualified and not regress

**Legends**

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






**Notes**

- Vote 10: Community Safety moved to be part of Vote: 8
- Vote 13: Sport, Arts and Culture became Vote: 10




**AG Outcomes for Public Entities.**

Limpopo Gambling Board maintained clean audit outcome and Limpopo Tourism Authority and Roads Agency Limpopo maintained unqualified audit outcomes. Unfortunately, due to significant governance and financial management challenges in the Gateway Airport Authority Limited (GAAL), the entity regressed to adverse audit opinion while the Limpopo Economic Development Agency also regressed to qualified audit outcome.

**Table 4: Audit Outcomes for Public Entities**

ENTITY	PUBLIC ENTITY	2016/17	2017/18	2018/19	2019/20	2020/21	TREND	COMMENT
1	Limpopo Economic Development Agency (LEDA)	Q	Q	Q	UQ	Q		Need to improve to unqualified
2	Limpopo Tourism Agency (LTA)	UQ	UQ	UQ	UQ	UQ		Need to improve to clean
3	Limpopo Gambling Board (LGB)	CL	UQ	UQ	CL	CL		Maintain clean
4	Roads Agency Limpopo (RAL)	UQ	UQ	UQ	UQ	UQ		Need to improve to clean
5	Gateway Airport Authority Limited (GAAL)	UQ	Q	Q	Q	A		More assistance to be offered to the entity to improve its outcomes

**Legends**

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

Identified Challenge	Intervention over the medium-term period	Nature or level of intervention	Collaboration need
PRF financial statements not up to date.	Engage with AGSA to complete audits of the financial years submitted for audit and Branch 2 for PRF financial statements.	Operational at Departmental and Branch Level.	AGSA and Branch 2.
Lack of / poor ICT infrastructure in districts that results in cancellation of planned courses.	Upgrading of ICT infrastructure in districts.	Operational.	Departmental GITO.
Inadequate trainers that lead to poor training outcomes.	Request additional trainers through structure review committee.	Strategic Departmental Level.	Corporate Services.
Inappropriate use of systems as a result of non – attendance of	Centralisation of Syscons in Treasury.	Strategic Provincial Level.	EXCO.

Identified Challenge	Intervention over the medium-term period	Nature or level of intervention	Collaboration need
forum meetings by system controllers.			
Inability to focus on planned projects during the financial year due to adhoc requests for implementation of systems.	Engage SITA to make provision for provincial projects in their plans in terms of resources and plans.	Strategic Departmental Level.	SITA.
SITA Technical Skill Dependency.	Review the SLA entered with SITA.	Strategic Departmental Level.	SITA.

### AG Outcomes for Municipalities

The province improved the audit outcomes from 10 qualifications to 8 qualified opinions with 16 unqualified outcomes in the 2020/21 audit cycle. One municipality managed to improve to a clean audit opinion on 2020/21 while unfortunately the province lost the other clean audit recoded in 2019/20. The COVID-19 lockdown resulted in delays in the release of audit outcome of the 2020/21 audits for most municipalities. At the time of this report the province still had one outstanding municipal audit report. The 2020/21 audit outcomes for the Limpopo municipalities recorded an improvement in a further 4 municipalities, with Waterberg District achieving a clean audit status. It is a concern that the province still has 8 qualified audit opinions and one disclaimer audit opinion. The province recorded 3 regressions, one from Clean to unqualified and 1 from unqualified to qualified and one from qualified to disclaimer opinions. It is notable that the municipality under s139 intervention was one of the municipalities that improved its audit outcome from adverse to qualified, the province will continue to provide assistance to further improve this status.

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

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




	2016/17	2017/18	2018/19	2019/20	2020/21
Disclaimed	5	4	1	0	1
Adverse	3	2	1	1	0
Qualified	10	13	18	10	8
Unqualified	9	8	6	15	16
Clean Audit	0	0	1	1	1
Outstanding	0	0	0	0	1
<b>TOTAL</b>	<b>27</b>	<b>27</b>	<b>27</b>	<b>27</b>	<b>27</b>

**Table 6: Five Year Period Municipalities Audit Opinions**



LIMPOPO MUNICIPALITY AUDIT OUTCOMES 200506 TO 202021							
No	MUNICIPALITIES	2016/17	2017/18	2018/19	2019/20	2020/21	TREND
1	<b>Vhembe District</b>	D	D	Q	Q	Q	↔
2	Makhado	A	Q	Q	UQ	UQ	↔
3	Musina	UQ	Q	Q	UQ	UQ	↔
4	Colins Chabane	Q	D	Q	UQ	UQ	↔
5	Thulamela	UQ	UQ	UQ	UQ	UQ	↔
6	<b>Waterberg District</b>	Q	Q	UQ	UQ	CL	↑
7	Bela-bela	Q	Q	Q	Q	o/s	
8	Lephalale	UQ	Q	Q	UQ	UQ	↔
9	Modimolle /Mookgophong	D	D	D	Q	Q	↔
10	Mogalakwena	A	A	A	A	Q	↑
11	Thabazimbi	D	D	Q	Q	Q	↔
12	<b>Capricorn District</b>	UQ	UQ	CL	CL	UQ	↓
13	Blouberg	Q	Q	Q	UQ	UQ	↔
14	Lepelle -Nkumpi	Q	Q	Q	UQ	UQ	↔
15	Molemole	UQ	UQ	UQ	UQ	UQ	↔
16	Polokwane	Q	Q	Q	Q	Q	↔
17	<b>Mopani District</b>	D	A	Q	Q	D	↓
18	Ba-Phalaborwa	D	Q	Q	Q	Q	↔
19	Greater Giyani	A	Q	Q	UQ	Q	↓
20	Greater Letaba	Q	UQ	UQ	UQ	UQ	↔
21	Greater Tzaneen	UQ	Q	Q	UQ	UQ	↔
22	Maruleng	UQ	UQ	UQ	UQ	UQ	↔
23	<b>Sekhukhune District</b>	UQ	UQ	Q	Q	Q	↔
24	Elias Motsoaledi	Q	UQ	Q	Q	UQ	↑
25	Fetagomo / Tubatse	Q	Q	Q	Q	UQ	↑
26	Ephraim Mogale	Q	UQ	Q	UQ	UQ	↔
27	Makhudutamaga	UQ	Q	UQ	UQ	UQ	↔

### Legends

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

## 30 Days Payment of Invoices

The percentage of **invoices paid** in the province within the prescribed 30 days of receipt is reflected in Table 7. For the period April 2021 to January 2022, provincial compliance to section 38 (1) (f) of the PFMA by Departments is **97.90%**. All departments obtained above 99% compliance, with the exception of the Department of Health that recorded 95.4% compliance.

**Table 7 – April 2021 to January 2022 compliance rate (number)**

Count of INVOICE AMOUNT Row Labels	Column Labels					Grand Total	Paid in excess of 30 days	Compliance rate %
	0 - 30	31 - 60	61 - 90	91 - 120	> 120			
LP: AGRICULTURE & RURAL DEVELOPM	6 577	5	2	1	1	6 586	9	99,86%
LP: CO-OP GOV;HUM SET; TRAD AFF	4 735	21	7	1	3	4 767	32	99,33%
LP: ECON DEV; ENVIRONM & TOURISM	3 176	1				3 177	1	99,97%
LP: EDUCATION	53 233	248	23	24	43	53 571	338	99,37%
LP: HEALTH	77 792	3 229	321	74	77	81 493	3 701	95,46%
LP: OFFICE OF THE PREMIER	1 198	1				1 199	1	99,92%
LP: PROVINCIAL TREASURY	1 100	1				1 101	1	99,91%
LP: PUBLIC WORKS;ROADS & INFRAST	31 296	164	22	1	13	31 496	200	99,36%
LP: SOCIAL DEVELOPMENT	16 500	30	2	3	1	16 536	36	99,78%
LP: SPORT;ARTS & CULTURE	4 003	29	3			4 040	37	99,08%
LP: TRANSPORT & COMMUNITY SAFETY	6 020	25	17			6 066	46	99,24%
<b>Grand Total</b>	<b>205 630</b>	<b>3 754</b>	<b>397</b>	<b>104</b>	<b>147</b>	<b>210 032</b>	<b>4 402</b>	
	<b>97,90%</b>	<b>1,79%</b>	<b>0,19%</b>	<b>0,05%</b>	<b>0,070%</b>	<b>100%</b>	<b>2,10%</b>	

## The Internal Audit Process

The internal audit process entails implementing the approved internal audit plans. Internal audit findings emerge from a process of:

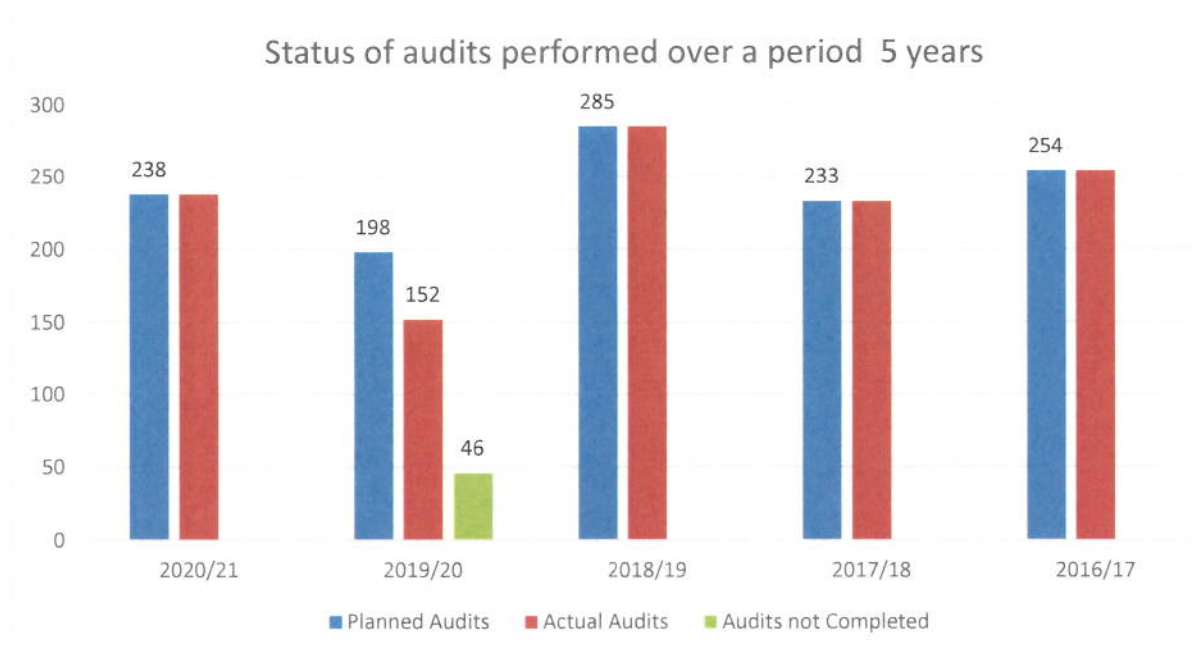
- (i) having to compare the desired state, i.e. the criteria, with the current conditions or state;
- (ii) commendation is given where the current condition/s meets or exceed the criteria;
- (iii) However, where the contrary is observed, internal audit findings will accordingly be communicated to Client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



## The Internal Audit Report

The output of the internal audit process as discussed above is Internal Audit Reports. Such reports are intended to provide client management as well as stakeholders, such as the Audit Committee and Executive Authority, with reliable and credible information for decision making. The figure below shows the number of Internal Audit reports completed over a period of five (5) years.

**Figure 2 – Status of Internal Audit Reports over a period of five years**



## Status of unresolved findings

The table below provides a summary of internal audit findings and the resolution status. As it may be observed from the table below, the Departments of Education and Public Works, Roads and Infrastructure need relatively more attention. When client Departments implement the recommendations provided by internal audit, these eventually assists in improving their governance, risk management, internal control and compliance processes resulting in improved audit outcomes.

**Table 8: Status of Unresolved Findings as at 31 December 2021.**

Dept.	Financial Years								Total Findings	Less: Not Followed up	Less: Findings Resolved	Total Findings resolved	Add Back: Findings not followed up	Total Unresolved Findings	% Resolved
	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22							
OTP									0		0	0	0	0	
EDU					84	64	60		208		28	180	0	180	13%
SAC				1	9	15	15		40		8	32	0	32	20%
Cluster 1	0	0	0	1	93	79	75	0	248	0	36	212	0	212	15%
LPT							22		22	1	5	16	1	17	23%
PRI		1		10	53	100	42		206		23	183	0	183	11%
CoG			1	3	11	11	9		35	10	1	24	10	34	3%
Cluster 2	0	1	1	13	64	111	73	0	263	11	29	223	11	234	11%
HEA				7	15	2	12	12	48	2	11	35	2	37	23%
DSD					3	5	7		15	2	1	12	2	14	7%
Cluster 3	0	0	0	7	18	7	19	12	63	4	12	47	4	51	19%
AGR						7	3	2	12	2	6	4	2	6	50%
EDET					4	12	13		29	4	19	6	4	10	66%
TCS					15	16	11		42		10	32	0	32	24%
Cluster 4	0	0	0	0	19	35	27	2	83	6	35	42	6	48	42%
<b>Total</b>	<b>0</b>	<b>1</b>	<b>1</b>	<b>21</b>	<b>194</b>	<b>232</b>	<b>194</b>	<b>14</b>	<b>657</b>	<b>21</b>	<b>112</b>	<b>524</b>	<b>21</b>	<b>545</b>	<b>100%</b>
	0%	0%	0%	3%	30%	35%	30%	2%		3%	17%	80%	3%	83%	

### Combined Assurance Approach

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

### Challenges in the Performance Delivery Environment.

- Fourth Industrial Revolution provides a number of opportunities for SIAS to digitalise its operations to realise efficiencies. However, lack of skills and resources (data, data analysis application licences, and etc.) may hamper SIAS to take advantage of this advancements.



- The COVID-19 pandemic has had a devastating impact on the country as a whole. The consequences of COVID-19 daily have also impacted on the operations of the SIAS with regards to provision of consulting and assurance services to clients as follows:
  - Inability to perform face-to face consultations with Clients Department (during certain phases of the lockdown).
  - Budget cuts; which limits SIAS' ability to reach certain areas in the Province for detailed audit purposes.
- The currently approved structure of SIAS is not aligned with stakeholder reporting (i.e. Cluster Audit Committees). This is further exacerbated by the fact that SIAS operates with vacancies, and no acting allowances (for officials acting in vacant positions). Some of the vacant positions on the structure include those related to Quality Assurance unit; which is required in terms of the Institute of Internal Auditors' (IIA's) Standard 1300.

#### **2022/23 to 2024/25 Planned interventions to address challenges**

- Develop and implement an integrated Skills Development Programme and plan guided by the IIA's Global Internal Audit Competency Framework to address the dynamic expectations from Internal Audit; and the changes brought about by technological advancements.
- Review, strengthen and implement the Department and SIAS Business Continuity processes.
- Review SIAS sampling processes to ensure inclusion and coverage of all Districts and service centres in the Province; with available resources.
- Set up and appoint internal quality assurance teams that will perform periodic reviews. Based on the reports from this team; draft and implement an Improvement Plan.
- Reconfiguration of the organisational structure to optimize functionality of SIAS.
- Continue with conducting client satisfaction surveys; and set up a process to analyze and respond to concerns of Client Departments.

### **3. INTERNAL ENVIRONMENTAL ANALYSIS.**

#### **Strengths**

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

#### **Weaknesses**

Inability of the department to meet the Department’s Employment Equity targets is identified as a weakness. Absence of integrated procurement system is identified as a weakness within the department and the province. Inability to enforce consequence management for non-compliance by public institutions is also a weakness identified that must be urgently addressed. Inability to fill funded vacant posts due to budget constraints. The high staff turnover due to secondment and promotion of officials to other departments, and municipalities constrain the capacity of the department to perform its function.

## **PERFORMANCE DELIVERY ENVIRONMENT.**

### **Limpopo Provincial Treasury AG Audit Outcomes.**

Provincial Treasury received an unqualified audit opinion without findings, also referred to as a Clean Audit, for the 2016/17, 2017/18, 2018/19, 2019/20 and 2020/21 financial years. The department did not incur fruitless and wasteful expenditure in 2020/21 financial year.

The support environment has been performing fairly well in terms of compliance related matters, where branches are performing adequately in the implementation of their risk registers/action plans where risk management is forming part of its business processes. The department experienced delays in filling of vacant posts and currently has a high vacancy rate. The factor associated with the delays is the Provincial Personnel Management Committee (PPMC) prolonged assessment processes.

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

- EE Target not reached at SMS level.
- Loss of Institutional Memory and inability to automatically replace vacated posts.
- Non-compliance to submissions and poor financial planning e.g. unspent funds, non-alignment of budget.

### **2022/23 to 2024/25 Planned interventions to address challenges.**

- Empower females at MMS level.
- Encourage people from the designated groups to apply for posts.
- Implement Knowledge Management Strategy.
- Review the Human Resource and Recruitment Plans.
- Implement consequence management. E.g. withhold budget allocation to affected directorates, suspend procurement of goods and services.

## **ORGANISATIONAL ENVIRONMENT**

### **1. Organizational Design and personnel provisioning**

As the Department implemented the organizational structure with effect from 1 April 2019, the need for review of the Organizational Structure was necessitated to ensure alignment to the five-year strategic plan in an effort to create operational efficiency due to shrinking budget and the effect of COVID-19 on the budget. The department has challenges in filling vacant posts due to budget cuts and reprioritization as a result of the need to fund the fight against the spread of the COVID-19 pandemic. This has exacerbated the high vacancy rate in the department.

### **2. Individual Performance Management**

The Department will continuously implement the PMDS strategy on performance management in the department which has yielded positive results thus far by improving submission statistics and overall compliance to policy and directives. The submission rate stands at 98% which means that employees have contracted on their performance.

### **3. Capacity Building Programmes**

The Department has implemented measures to assist government in limiting the spread of COVID-19, these measures includes amongst others remote working arrangements taking into consideration service delivery obligations. As a result, some of the training interventions are being done virtually and therefore the target group will be officials who have access to the necessary ICT tools. There was reduction in the number of employees having access to training as not all employees have access to the ICT virtual training tools. The department will continue to fulfil its obligations of funding the existing bursary holders. The department is currently implementing youth programmes, the Work Integrated Learnership and Chartered Accountant Trainee programme.

#### **4. Risk Management**

Management of risks linked to COVID-19 will play a big role in ensuring that service delivery is not disrupted while protecting LPT's employees as much as possible. The Annual Risk Identification and Assessment for the Financial Year 2022-2023 will be conducted in November 2021 where after a departmental Risk Profile was compiled.

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

#### **5. ICT**

The department is still confronted with a challenge of ensuring that officials remain productive and effective regardless of their geographic location and are able to access systems remotely and online. The slow, poor and unreliable internet access is an impediment to access the transversal systems, web-based and cloud systems as well as remote access of local (on-site) hosted systems. This will be addressed by the implementation of the Virtual Private Network (VPN) which is currently underway.

The department will continue with allocation of laptops and mobile devices over the MTEF period including access to data to all levels of employees in line with the nature of their job to enable them to become digitally knowledgeable workers whose productivity is not limited to their physical workstation.

#### **6. Transformation Services**

In response to the containment of the spread of COVID-19 in the workplace, the department is continuously implementing various Ministerial Directives communicated through DPSA circulars. A risk assessment was conducted to identify the health and safety hazards associated with the possible transmission and spread of COVID-19 in the workspace and the mitigation measures that are required to be put in place. The department has reviewed its Safety, Health, Environmental, Risk and Quality (SHERQ)

Management Policy which outlines the key role players and the provisions that are aimed at eliminating the spread of the pandemic. COVID-19 Standard Operating Procedure which guides the implementation processes has been developed, approved and communicated to all staff.

There is an appointed Compliance Officer and a COVID-19 Steering Committee, which includes Labour Unions and the Health and Safety Representatives. There is a collaborative approach to ensure that COVID-19 health and safety protocols are implemented effectively and efficiently. The department has a dedicated budget which resides in Transformation Services Directorate. The Department appointed an additional 05 contractual cleaners and 04 Screeners through the Expanded Public Works Programme (EPWP) in order to assist the Department to comply to the COVID-19 cleaning and screening guidelines.

## **PART C: MEASURING OUR PERFORMANCE**

### **1. Institutional Programme Performance Information**

#### **1.1. Programme 1: Administration**

##### **1.1.1. Purpose**

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

The programme has the following sub-programmes namely:

- MEC Support Services which is responsible for:
  - Providing support to the MEC.
  
- HOD Support Services which is responsible for:
  - Providing strategic and administrative support to the HOD.
  
- Corporate Management Services which is responsible for:
  - Managing and monitor the implementation of corporate management services.
  
- Enterprise Risk Management which is responsible for:
  - Providing enterprise risk management services.
  
- Financial Management (Office of the CFO) which is responsible for:
  - Providing internal financial management support services

### 1.1.2. Programme 1: Outcomes, Outputs, Performance Indicators and Targets

Outcomes	Outputs	Output Indicators	Annual Targets						
			Audited Performance		Estimated Performance	MTEF Period			
			2018/19	2019/20		2020/21	2022/23	2023/24	2024/25
Sustainable Support Services and Good Governance.	Capacity Building Programmes Implemented.	Number of Capacity Building Programmes implemented.	New Output Indicator	New Output Indicator	New Output Indicator	4	4	6	8
	Decrease in % on vacancy rate	% on Vacancy Rate attained.	N/A	N/A	N/A	N/A	10%	9%	8%
	ICT Steering Committee supported to ensure compliance with CGICTPF.	ICT Steering Committee meeting held in compliance with CGICTPF	N/A	N/A	N/A	N/A	4	4	4
	Successful Financial Management Services.	% of Supplier's valid invoices paid within 30 days.	100%	100%	100%	100%	100%	100%	100%

### 1.1.3. Programme 1: Output Indicators, Annual and Quarterly Targets

	Output Indicators	Annual Targets			
		Q1	Q2	Q3	Q4
1	Number of Capacity Building Programmes implemented.	4	1	1	1
2	% on vacancy rate attained.	10%	10%	10%	10%
3	ICT Steering Committee meeting held in compliance with CGICTPF	4	1	1	1
4	% of Supplier's valid invoices paid within 30 days.	100%	100%	100%	100%



#### **1.1.4. Explanation of planned performance over the medium-term period.**

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

By holding ICT Steering Committee meeting in compliance with CGICTPF and undertaking capacity-building programmes, the department is enabled to achieve the outcome of sustainable support services and good governance. By implementing successful financial management programmes through timeous payment of suppliers and credible, the department will be able to maintain a clean audit outcome. By implementing the Provincial Procurement Strategy, set targets will be allocated to support women, youth and people with disabilities.

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

- (i) Four (4) capacity building programmes will be implemented by the department annually, where one programme will be implemented quarterly to build capacity to internal employees with the intention to professionalise the public service.
- (ii) Less than 10% Vacancy Rate will be attained on quarterly basis by the department to ensure compliance with the Public Service Regulations
- (iii) ICT steering Committee meeting held in compliance with CGICTPF
- (iv) 100% of valid supplier invoices received by the department will be paid within 30 days.

## 1.1.5. Programme Resource Consideration

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

**Table 3.2 : Summary of payments and estimates by economic classification: Programme 1: Administration**

R thousand	Outcome			Main appropriation	Adjusted appropriation 2021/22	Revised estimate	Medium-term estimates		
	2018/19	2019/20	2020/21				2022/23	2023/24	2024/25
<b>Current payments</b>	169 781	169 626	162 827	157 849	150 263	150 263	164 880	166 317	173 286
Compensation of employees	114 629	117 462	111 438	107 201	102 898	102 898	111 747	114 877	116 228
Goods and services	55 152	52 164	51 389	50 648	47 365	47 365	53 133	51 440	56 058
Interest and rent on land	-	-	-	-	-	-	-	-	-
<b>Transfers and subsidies to:</b>	3 353	7 482	6 286	924	4 908	4 908	3 931	2 100	1 109
Provinces and municipalities	231	683	645	630	514	514	710	805	693
Departmental agencies and account	-	-	-	-	-	-	-	-	-
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and internatio	-	-	-	-	-	-	-	-	-
Public corporations and private ente	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	3 122	6 799	5 641	294	4 394	4 394	3 221	1 295	416
<b>Payments for capital assets</b>	-	7 257	1 467	1 500	3 627	3 627	6 989	7 290	7 304
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	-	7 257	829	1 500	3 627	3 627	6 989	7 290	7 304
Heritage Assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	638	-	42	42	-	-	-
<b>Payments for financial assets</b>	9	-	-	-	-	-	-	-	-
<b>Total economic classification</b>	173 143	184 365	170 580	160 273	158 840	158 840	175 800	175 707	181 699

The overall allocation for this programme increased by 10 per cent from R160.3 million in 2021/22 to R175.8 million in 2022/23 financial year.

Compensation of Employees increased by 4 percent from R 107.2 million in 2021/22 to R 111.8 million in 2022/23 financial year, this due to reprioritisation of certain vacated posts on the organisational structure.

There is an increase of 5 percent on Goods & services from R 50.7 million in 2021/22 to R53.1 million in 2022/23 financial year, and the budget will fund contractual obligations for the department which are amongst others: Leases of Office buildings, Audit fees, Telephones, Security services and GG running costs.

Transfers and Subsidies has increased by 325 per cent from R924k in 2021/22 to R3.9 million in 2022/23, the budget will be used to cover bursaries for external students, leave gratuities for employees who will retire during 2022/23 financial year.

Payments for Capital Assets has increased by 366 per cent from R1.5 million 2021/22 to R6.9 million in 2022/23 financial year, the budget will be used to procure ICT equipment's as well as office furniture and the upgrade on security systems and procurement of vehicle.

### 1.1.6. Updated Key Risks and Mitigations from the SP

<b>Programme 1: Administration</b>		
<b>Outcomes</b>	<b>Key Risks</b>	<b>Risk Mitigations</b>
Sustainable Support Services and Good Governance.	Disruption to Business process due to Disasters - Natural & Manmade [both predictable and unpredictable]	Monitor the implementation of the BCP Strategy and Plan. Continuous Replication of ICT Systems and Periodic Recovery Tests
	ICT Network Failure due to ICT Infrastructure challenges	Implement ICT Infrastructure improvement plans and monitoring thereof.
	Vacant positions due to unavailability of funding, shrinking budget in total for LPT, natural attrition.	Structure review process Internal transfers Skills audit and re-skilling of employees  Fill posts as per approved recruitment plan.

## **1.2. Programme 2: Sustainable Resource Management**

### **1.2.1. Purpose**

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

The programme comprises of the following sub-programmes:

- Economic and Fiscal Policy Oversight which is responsible for:
  - Managing the development and implementation of economic and fiscal policy framework.
  
- Budget and Public Finance Management which is responsible for:
  - Developing and managing the implementation of budget and public finance.
  
- Infrastructure Management & Private Public Partnership (PPP) is responsible for:
  - Enhancing and monitor infrastructure performance and PPP.
  
- Municipal Finance and Governance which is responsible for:
  - Promoting sound financial management and effective governance in the local government sphere.

1.2.2. Programme 2: Outcomes, Outputs, Performance Indicators and Targets

Outcomes	Outputs	Output Indicators	Annual Targets					
			Audited Performance		Estimated Performance	MTEF Period		
			2018/19	2019/20		2020/21	2022/23	2023/24
Sustainable fiscal policy for the province by 2025.	Research documents produced to align Provincial Fiscal Policy	Number of Research documents produced to align the Provincial Fiscal Policy.	7	7	7	7	7	7
	Increased Provincial Own Revenue.	Number of Revenue Assessments conducted to ensure collection of set target.	4	4	4	4	4	4
	Budget documents tabled in line with the set standards and National Treasury	Number of Budget documents tabled in line with the set standards and National Treasury.	2	2	2	2	2	2
	Consolidated IYM reports produced in line with sec32 of PFMA	Number of consolidated In Year Monitoring reports in line with section 32 of PFMA.	12	12	12	12	12	12
Infrastructure Reporting Model Assessment reports produced	Infrastructure Reporting Model Assessment reports produced	Number of Infrastructure Reporting Model assessments conducted in infrastructure departments.	108	108	108	108	108	108

Outcomes	Outputs	Output Indicators	Annual Targets							
			Audited Performance				Estimated Performance			
			2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	
	Infrastructure assessment reports on support to local government produced	Number of infrastructure assessments on support to local government to optimize performance conducted.	4	4	4	4	4	4	4	4
Unqualified Audit Outcomes of provincial departments, public entities and municipalities.	Municipal Governance structure meetings coordinated	Number of municipal governance structures coordinated.	4	4	4	4	4	4	4	4

### 1.2.3. Programme 2: Output Indicators, Annual and Quarterly Targets

	Output Indicators	Annual Targets	Annual Targets			
			Q1	Q2	Q3	Q4
1	Number of Research documents produced to align the Provincial Fiscal Policy.	7	1	1	2	3
2	Number of Revenue Assessments conducted to ensure collection of set target.	4	1	1	1	1
3	Number of Budget documents tabled in line with the set standards and National Treasury.	2	0	0	1	1

Output Indicators		Annual Targets	Q1	Q2	Q3	Q4
4	Number of consolidated In Year Monitoring reports in line with section 32 of PFMA.	12	3	3	3	3
5	Number of Infrastructure Reporting Model assessments conducted in infrastructure departments.	108	27	27	27	27
6	Number of infrastructure assessments on support to local government to optimize MIG performance conducted.	4	1	1	1	1
7	Number of municipal governance structures coordinated.	4	0	2	0	2

#### **1.2.4. Explanation of planned performance over the medium-term period**

- (a) The contribution of its outputs to achieving the intended outcomes and impact in the Strategic Plan and the institution's mandate including, where applicable, priorities in relation to women, youth and people with disabilities.**
  - (i) Improved economic research; budget planning and implementation; and revenue maximization will sustain the fiscal policy for the province thereby contributing to attainment of a capable and accountable government.
  - (ii) Strengthening of governance structures that include the LPT's MEC, HOD, municipal Mayors, and MMCs for Finance and the Accounting Officers allows municipalities to account on financial performance and non-compliance with laws and regulations, which will improve accountability and eventually audit outcomes.
- (b) A description of planned performance in relation to the programme's outputs.**
  - (i) Four (4) quarterly Economic Bulletin; one (1) Medium Term Budget Policy Statement (MTPBS) and one (1) Socio-Economic Review and Overview will be produced to align the Provincial Fiscal Policy.
  - (ii) Four (4) quarterly revenue assessments will be conducted to ensure collection of set revenue targets.
  - (iii) Two (2) Budget documents (main appropriation and adjusted Estimates of Provincial revenue and expenditure) to be tabled in line with the set standards and National Treasury guidelines.
  - (iv) Twelve (12) In Year Monitoring reports to be compiled in line with section 32 of PFMA.
  - (v) Twenty-seven (27) infrastructure Reporting Model assessments to be conducted and feedback communicated to infrastructure departments to improve infrastructure planning and reporting.
  - (vi) Four (4) infrastructure assessments on support to local government to optimize MIG performance conducted to improve infrastructure planning and reporting.
  - (vii) Four (4) municipal governance structures coordinated to improve accountability and municipal audit outcomes.



## 1.2.5. Programme Resource Consideration

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

**Table 4.2 : Summary of payments and estimates by economic classification: Programme 2: Sustainable Resource Management**

R thousand	Outcome			Main appropriation	Adjusted appropriation 2021/22	Revised estimate	Medium-term estimates		
	2018/19	2019/20	2020/21				2022/23	2023/24	2024/25
<b>Current payments</b>	<b>79 604</b>	<b>80 262</b>	<b>66 317</b>	<b>62 096</b>	<b>53 270</b>	<b>53 270</b>	<b>69 987</b>	<b>74 289</b>	<b>72 880</b>
Compensation of employees	54 364	53 449	54 334	54 613	52 112	52 112	57 238	58 992	56 961
Goods and services	25 240	26 813	11 983	7 483	1 158	1 158	12 749	15 297	15 919
Interest and rent on land	-	-	-	-	-	-	-	-	-
<b>Transfers and subsidies to:</b>	<b>197</b>	<b>604</b>	<b>346</b>	<b>-</b>	<b>22</b>	<b>22</b>	<b>-</b>	<b>-</b>	<b>-</b>
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private entities	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	197	604	346	-	22	22	-	-	-
<b>Payments for capital assets</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	-	-	-	-	-	-	-	-	-
Heritage Assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-	-
<b>Payments for financial assets</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total economic classification</b>	<b>79 801</b>	<b>80 866</b>	<b>66 663</b>	<b>62 096</b>	<b>53 292</b>	<b>53 292</b>	<b>69 987</b>	<b>74 289</b>	<b>72 880</b>

The budget for Sustainable Resource Management increased by 13 percent from R62.1 million in 2021/22 main appropriation to R69.9 million in 2022/23 financial year.

An increase of 5 percent in Compensation of Employees from R54.6 million in 2021/22 to R57.2 million in 2022/23 financial year and will be used to fund new appointments to be made in the branch especially for municipal and infrastructure support programme.

Goods and Services have seen an increase of 70 per cent from R7.5 million in 2021/22 to R 12.8 million in 2022/23 financial year. Funds will mainly be utilised for travel and subsistence.

### 1.2.6. Updated Key Risks and Mitigations from the SP

Programme 2: Sustainable Resource Management		
Outcomes	Key Risks	Risk Mitigations
Sustainable fiscal policy for the province by 2025.	Un-coordinated infrastructure plans in the province due to uncoordinated Infrastructure Master Plan for municipalities(SEZ's), Inadequate capacity to deliver infrastructure projects in the province, Inadequate administrative leadership and support, Ineffective implementation of LIIMP and Ineffective implementation of DDM.	Support SEZ and Growth Point Municipalities in development of integrated Infrastructure Master Plans through the District Development Model.  Improve infrastructure service delivery capacity in Limpopo.  Conduct LIIMP steering committee with LDPWR&I and Office of the Premier to enhance the use of GIS.
	Underspending on conditional grants due to poor planning, coordination and implementation by provincial institutions.	Conditional Grant and Earmarked Funding Committee.  Conduct Budget and Revenue Forum.
Unqualified Audit Outcomes of provincial departments, public entities and municipalities.	Unsustainable municipalities due to Inadequate implementation of the LPT's recommendations, Lack of consequence management, Non-compliance with the relevant legislation and regulations, Lack of decisive leadership.(Political and Administrative) Non implementation of MFMA interventions.	Collaboration with CoGHSTA which allows both MEC of CoGHSTA and LPT to jointly hold sessions for the purpose of supporting and holding municipalities accountable.  Strengthen reporting to EXCO to influence engagements with high risk municipalities-implementation of Constitutional and MFMA interventions.

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

### **1.3.1. Purpose**

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

The programme is comprised of the following sub-programmes:

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

1.3.2. Programme 3: Outcomes, Outputs, Performance Indicators and Targets

Outcome	Outputs	Output Indicators	Annual Targets						
			Audited Performance			Estimated Performance	MTEF Period		
			2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25
Unqualified Audit Outcomes of Provincial Departments, Public Entities and Municipalities.	Provincial SCM assessments conducted in provincial departments and public entities.	Number of asset management assessments conducted in Votes and Public Entities.	68	64	64	64	64	64	64
		New Output Indicator							
		Number of Cash Management assessments conducted in Votes and Public Entities	72	68	64	64	64	64	64
		New Output Indicator							
		Number of SCM assessments conducted to Votes and Public Entities	68	64	64	64	64	64	64
		New Output Indicator							
Increased economic participation of Youth, Military Veterans, and women Persons with disability (SMMEs).	Procurement spent analysis assessments conducted in provincial public institutions in line with Limpopo Procurement Strategy targets.	Number of assessments conducted in Votes and Public Entities on strategic procurement targets of Limpopo Procurement Strategy.	68	64	64	64	64	64	64
		New Output Indicator							

**1.3.3. Programme 3: Output Indicators, Annual and Quarterly Targets**

Output Indicators		Annual Targets	Q1	Q2	Q3	Q4
<b>1</b>	Number of asset management assessments conducted in Votes and Public Entities.	64	16	16	16	16
<b>2</b>	Number of cash management assessments conducted in Votes and Public Entities.	64	16	16	16	16
<b>3</b>	Number of SCM assessments conducted in Votes and Public Entities.	64	16	16	16	16
<b>4</b>	Number of assessments conducted in Votes and Public Entities on strategic procurement targets of Limpopo Procurement Strategy.	64	16	16	16	16

#### **1.3.4. Explanation of planned performance over the medium-term period**

- (a) **The contribution of its outputs to achieving the intended outcomes and impact in the Strategic Plan and the institution's mandate including, where applicable, priorities in relation to women, youth and people with disabilities.**
- (i) Improved Compliance levels on Assets, Liabilities and SCM by Public Institutions through training, workshops, bi-laterals, forums, action plans, regular monitoring and evaluation, as well as escalation of non-compliances to relevant stakeholders, will contribute towards achievement of favorable audit outcomes by 2024 and **strengthen capability and accountability of provincial departments, public entities and municipalities by 2030.**
  - (ii) Increased provincial procurement spent towards youth, military veterans, women and Persons with disability will increase participation of these designated groups in the in the provincial economy, which will also contribute towards MTSF priorities in relation to women, youth and people with disability.
- (b) **A description of planned performance in relations to the programs outputs.**
- (i) There will be branch bilateral twice in a year with the CFO's offices, mid-year and in the last quarter to review progress and to prepare for the next financial year.
  - (ii) On quarterly basis there will be assessment reports based on the findings identified on visits conducted with public institutions on their compliance with prescripts in the implementation process.
  - (iii) There will be in-service training provided for officials on quarterly basis on the topics identified through monitoring visits and other quality assurance stakeholders
  - (iv) There will be information sharing sessions held in a form of fora as per institutional arrangements as well as per appointments when there is a need and reported to the relevant platforms for intervention.

### 1.3.5. Programme Resource Consideration

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

**Table 5.2 : Summary of payments and estimates by economic classification: Programme 3: Assets, Liabilities And Supply Chain Management**

R thousand	Outcome			Main appropriation	Adjusted appropriation 2021/22	Revised estimate	Medium-term estimates		
	2018/19	2019/20	2020/21				2022/23	2023/24	2024/25
<b>Current payments</b>	61 740	51 539	46 013	45 778	43 572	43 572	48 293	49 840	49 886
Compensation of employees	46 353	45 035	43 119	42 478	40 852	40 852	42 921	44 237	45 411
Goods and services	15 387	6 504	2 694	3 300	2 720	2 720	5 372	5 603	4 475
Interest and rent on land	-	-	-	-	-	-	-	-	-
<b>Transfers and subsidies to:</b>	-	415	4 596	-	-	-	-	-	-
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Departmental agencies and account	-	-	-	-	-	-	-	-	-
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and internatio	-	-	-	-	-	-	-	-	-
Public corporations and private ente	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	-	415	4 596	-	-	-	-	-	-
<b>Payments for capital assets</b>	-	-	-	-	-	-	-	-	-
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	-	-	-	-	-	-	-	-	-
Heritage Assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-	-
<b>Payments for financial assets</b>	-	-	-	-	-	-	-	-	-
<b>Total economic classification</b>	61 740	51 954	50 609	45 778	43 572	43 572	48 293	49 840	49 886

The budget for the branch has increased by 5 percent from R45.8 million in 2021/22 to R 48.3 million in 2022/23 financial year.

Compensation of Employees has seen an increase of 1 percent from R42.5 million in 2021/22 to R42.9 million in 2022/23 financial year.

Goods and Services budget increased by 63 percent from R3.3 million in 2021/22 to R5.4 million in 2022/23 financial year, funds are earmarked to cater for provincial bank charges and face value documents amongst others as well as travelling and subsistence.

### 1.3.6. Updated Key Risks and Mitigations from the SP

Programme 3: Assets, Liabilities and Supply Chain Management		
Outcomes	Key Risks	Risk Mitigations
Unqualified Audit Outcomes of Provincial Departments, Public Entities and Municipalities.	Increased departmental contingent liabilities due to operational inefficiencies, deficient internal controls, negligence and lack of consequence management.	<p>Trend analysis of Contingent Liabilities through monitoring and evaluation.</p> <p>Revise the Monitoring and Assessment tool.</p> <p>Engage with Transversal Risk Management to ensure that Departments also include Contingent Liabilities in their Risk Register; Presenting the Contingent Liability Report to the PTCF and HODs FORA.</p> <p>Engage OTP to liaise with the State Attorney and report back to LPT</p>
	Increased unwanted expenditures (unauthorized, irregular, fruitless and wasteful expenditures) due to non-compliance with SCM prescripts, inadequate skills and competence on SCM, and lack of consequence management.	<p>Monitor and support organs of state in the implementation of SCM policies quarterly and report any deviations to their relevant AO's/AA's.</p> <p>Provide quality assurance for specifications submitted for advert for compliance with existing prescripts and provincial strategy Escalate SCM non-compliance issues to SCM Forum and PTCF for intervention.</p> <p>Conduct root cause analysis with Departments and entities on AG findings and monitor implementation of those Action Plans</p> <p>On the job training and formal training of SCM Officials on identified SCM implementation gaps on quarterly basis.</p>



## **1.4. Programme 4: Financial Governance**

### **1.4.1. Purpose**

The purpose of the programme is to promote accountability and compliance with financial norms and standards as contained in the Public Finance Management Act, No.1 of 1999 as amended.

The programme is comprised of the following sub-programmes:

- Accounting Services which is responsible for:
  - Providing support on appropriate accounting practices and to build financial management capacity.
  
- Financial Management Information Systems which is responsible for:
  - Managing the implementation and providing support of financial management information systems.
  
- Transversal Risk Management which is responsible for:
  - Monitoring and providing support on the implementation of risk management prescripts.
  
- Governance, Monitoring and Compliance which is responsible for:
  - Monitoring and providing support on compliance with the provisions of the PFMA and prescribed norms and standards.

### 1.4.2. Programme 4: Outcomes, Outputs, Performance Indicators and Targets

Outcome	Outputs	Output Indicators	Annual Targets					
			Audited Performance		Estimated Performance	MTEF Period		
			2018/19	2019/20	2020/21	2021/22	2022/23	2023/24
Unqualified Audit Outcomes of Provincial Departments, Public Entities and Municipalities.	Transversal system courses conducted.	Number of courses conducted on Transversal Systems in votes.	107	85	72	72	72	72
	Financial Statements assessments conducted in votes.	Number of financial statements assessments conducted in votes.	68	48	44	44	44	44
	Audit Committee reports submitted to votes.	Number of Audit Committee Reports submitted to votes.	85 (65 votes & 20 public entities)	65	60	60	55	55
	Assessments conducted on provincial risk profile and public sector risk management compliance conducted.	Number of assessment for votes and public entities conducted on provincial risk profile for presentation at HOD's forum.	3	2	2	4	4	4
		Number of public risk sector management framework compliance assessments conducted in votes and public entities.	68	68	64	64	64	64
	Assessments conducted on	Number of financial system utilization			44	44	44	44

Outcome	Outputs	Output Indicators	Annual Targets							
			Audited Performance		Estimated Performance	MTEF Period				
			2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	
	financial system utilization	assessments conducted in Votes.	48	48						
	Irregular Expenditure condonement requests considered and reduction in reported provincial irregular expenditure.	% of provincial irregular expenditure condonement requests considered by Provincial Treasury in terms of the National Treasury Irregular expenditure framework.	-	-	-	100%	100%	100%		100%

### 1.4.3. Programme 4: Output Indicators, Annual and Quarterly Targets

	Output Indicators	Annual Targets	Q1	Q2	Q3	Q4
1	Number of Courses conducted on Transversal Systems in Votes.	72	16	22	17	17
2	Number of financial statements assessments conducted in Votes.	44	11	11	11	11
3	Number of Audit Committee Reports submitted to votes.	55	11	22	11	11
4	Number of assessment for Votes and Public Entities conducted on provincial risk profile for presentation at HOD's forum.	4	1	1	1	1
5	Number of public sector risk management framework compliance assessments conducted in Votes and Public Entities.	64	16	16	16	16
6	Number of financial system utilization assessments conducted in Votes.	44	11	11	11	11
7	% of provincial irregular expenditure condonement requests considered by Provincial Treasury in terms of the National Treasury Irregular expenditure framework.	100%	100%	100%	100%	100%

#### **1.4.4. Explanation of planned performance over the medium-term period**

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

The outcome of unqualified audit outcomes will contribute to MTSF priority no 1 of "Building a Capable, Ethical and Developmental State". In order to achieve the desired unqualified audit outcomes, we will ensure good governance through:

- ✓ Regular Audit committee meetings.
- ✓ Incorporating audit outcomes in the performance agreements of top management.
- ✓ Monitoring the effectiveness of audit steering committee meetings.
- ✓ Monitoring the capacity and stability of the CFOS' offices.
- ✓ Capacitating CFO's offices adequately in terms of relevant skills.
- ✓ Facilitate professionalization of staff in CFOs' offices.
- ✓ Analyze audit outcomes and develop capacity building initiatives to enhance identified skills gaps.
- ✓ Reviewing interim financial statements and recommend improvements.
- ✓ Reviewing compliance with reporting templates.
- ✓ Assessing risk management practices and recommend improvements; and
- ✓ Monitoring the establishment and effectiveness of internal control functions.

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

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

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

## 1.4.5. Programme Resource Consideration

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

**Table 6.2 : Summary of payments and estimates by economic classification: Programme 4: Financial Governance**

R thousand	Outcome			Main appropriation	Adjusted appropriation 2021/22	Revised estimate	Medium-term estimates		
	2018/19	2019/20	2020/21				2022/23	2023/24	2024/25
<b>Current payments</b>	133 836	107 525	91 525	59 224	67 603	67 603	71 014	76 414	81 255
Compensation of employees	87 591	47 090	44 125	43 085	44 297	44 297	48 200	50 708	52 054
Goods and services	46 245	60 435	47 400	16 159	23 306	23 306	21 814	25 706	29 201
Interest and rent on land	-	-	-	-	-	-	-	-	-
<b>Transfers and subsidies to:</b>	498	627	1 456	1 147	1 200	1 200	-	-	-
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Departmental agencies and account	-	-	-	-	-	-	-	-	-
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and internatio	-	-	-	-	-	-	-	-	-
Public corporations and private ente	-	27	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	498	600	1 456	1 147	1 200	1 200	-	-	-
<b>Payments for capital assets</b>	-	2 602	-	-	673	673	-	-	-
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	-	2 602	-	-	673	673	-	-	-
Heritage Assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-	-
<b>Payments for financial assets</b>	110	-	23	-	-	-	-	-	-
<b>Total economic classification</b>	134 444	110 754	93 004	60 371	69 476	69 476	71 014	76 414	81 255

The allocation for the branch increases by 18 percent from R60.4 million in 2021/22 to R71.0 million in 2022/23 financial year.

Compensation of Employees budget increased by 14 per cent from R43.1 million in 2021/22 to R49.2 million in 2022/23 financial year.

Goods and Services has seen an increase of 35 per cent from R16.2 million in 2021/22 to R21.8 million in 2022/23 financial year, mainly to cater for LOGIS implementation, RFID support, SITA costs and CIPS.

### 1.4.6. Updated Key Risks and Mitigations from the SP

Programme 4: Financial Governance		
Outcomes	Key Risks	Risk Mitigations
Unqualified Audit Outcomes of Provincial Departments, Public Entities and Municipalities.	Poor financial management and governance in departments and public entities due to, lack of understanding of relevant accounting and reporting framework, material misstatements on financial statements, Inadequate capacity oversight in governance bodies (RMC Chairpersons), Inadequate capacity and stability in CFO's offices, lack of adequate internal controls, Inadequate and unstable financial management systems and Ineffective risk management processes	<p>Annual Workshops on Reporting framework. (MCS, AMD and AFS Template).</p> <p>Focused training for Public Entities on GRAP.</p> <p>Knowledge sharing at FAR Forum and PTCF.</p> <p>Quarterly review of AFS with supporting documents.</p> <p>Develop checklist for review of AFS.</p> <p>Provide hands on support to struggling institutions.</p> <p>Issue guidelines on appointment of Risk Chairpersons.</p> <p>Standardise reporting template for Risk Management Committees.</p> <p>Professionalization of CFO's office staff, starting with Supply Chain Management (SCM).</p> <p>Assessment of the capacity of the CFOs' office. Monitor appointments of key personnel in the CFO's office.</p> <p>Implementation of Internal Control Framework.</p> <p>Support to Audit Steering Committees.</p> <p>Monitoring of Audit Action Plans.</p> <p>Quarterly analysis reports on systems utilisation.</p> <p>Monitoring of system functionality (Downtime analysis).</p>



**Programme 4: Financial Governance**

<b>Outcomes</b>	<b>Key Risks</b>	<b>Risk Mitigations</b>
		Drawing of exception reports and correction thereof.  Monitoring of annual risk assessment,  Quarterly Risk Analysis reports and Monitoring of Provincial Risk Profile.

## **1.5. Programme 5: Shared Internal Audit Services**

### **1.5.1. Purpose**

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

The Branch is comprised of the following sub-programmes:

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

### 1.5.2. Programme 5: Outcomes, Outputs, Performance Indicators and Targets

Outcome	Outputs	Output Indicators	Annual Targets						
			Audited Performance		Estimated Performance	MTEF Period			
			2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25
Unqualified Audit Outcomes of Provincial Departments, Public Entities and Municipalities.	Cluster Based Annual Audit Plans prepared.	Number of Cluster Based Annual Audit Plans approved by Audit Committee.	12	New Output Indicator	4	4	4	4	4
	Audit Reports provided to the Clients Departments.	% of Internal Audits finalized in terms of the approved Audit Plans.	90%	94%	97%	98%	100%	100%	100%
	Internal Quality Assurance Improvement Programme (QAIP) implementation report prepared.	Number of Annual Internal Quality Assurance Improvement Programme (QAIP) implementation report prepared to improve the quality of client service.	1	1	1	1	1	1	1

**1.5.3. Programme 5: Output Indicators, Annual and Quarterly Targets**

Output Indicators		Annual Targets	Q1	Q2	Q3	Q4
1	Number of Cluster Based Annual Audit Plans approved by Audit Committee.	4	0	0	0	4
2	% of Internal Audits finalized in terms of the approved Audit Plans.	100%	100%	100%	100%	100%
3	Number of Annual Internal Quality Assurance Improvement Programme (QAIP) implementation report prepared to improve the quality of client service.	1	0	0	0	1

#### **1.5.4. Explanation of planned performance over the medium-term period (SIAS)**

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

- Internal Audit Plans that identify relevant audit subject areas assist SIAS to allocate valuable internal audit human resources to address Departmental key risks and control weaknesses that may result in a regression of AGSA audit outcomes. Implementation of internal audit plans result in audit reports that enable Client Departments to timely attend to SIAS findings.
- SIAS is mandated, through its internal audit charter, to provide Client Departments with recommendations, advice and assurance. This enables SIAS to serve as a Client Department Change Agent. Providing timely, value adding and credible Internal Audit reports; which are enhanced through a Quality Assurance and Improvement Programme (QAIP). The QAIP has the effect of improving internal audit staff capabilities through an annual self-assessment process and a rigorous independent (external) quality assurance every five years.

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

- SIAS will prepare 11 internal audit plans in the fourth quarter to ensure that all client departments receive internal audit assurance and consulting services in respect of governance risk management, internal control and compliance processes.
- Given the dynamic nature of risk resulting in constantly changing audit plans, SIAS will ensure that all approved audit projects are completed to assist client departments improve their governance, risk management, internal control and compliance (GRCC) processes.
- An annual; as well as a five yearly quality assurance review will be conducted resulting in a Quality Assurance Improvement Programme Report to provide assurance to the Audit Committee and executive management that all internal audits were in fact conducted in terms of the Institute of Internal Auditor's (IIA's) Standards.

### 1.5.5. Programme Resource Consideration

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

**Table 7.2 :** Summary of payments and estimates by economic classification: Programme 5: Shared Internal Audit Services

R thousand	Outcome			Main appropriation	Adjusted appropriation 2021/22	Revised estimate	Medium-term estimates		
	2018/19	2019/20	2020/21				2022/23	2023/24	2024/25
<b>Current payments</b>	-	43 306	36 815	36 392	39 675	39 596	44 816	46 221	47 964
Compensation of employees	-	39 494	38 182	35 942	38 963	38 884	42 193	43 485	44 639
Goods and services	-	3 812	623	450	712	712	2 623	2 736	3 325
Interest and rent on land	-	-	-	-	-	-	-	-	-
<b>Transfers and subsidies to:</b>	-	34	305	-	55	134	-	-	-
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Departmental agencies and account	-	-	-	-	-	-	-	-	-
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and internatio	-	-	-	-	-	-	-	-	-
Public corporations and private ent	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	-	34	305	-	55	134	-	-	-
<b>Payments for capital assets</b>	-	-	-	-	-	-	-	-	-
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	-	-	-	-	-	-	-	-	-
Heritage Assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-	-
<b>Payments for financial assets</b>	-	-	-	-	-	-	-	-	-
<b>Total economic classification</b>	-	43 340	39 120	36 392	39 730	39 730	44 816	46 221	47 964

The allocation for the branch increases by 23 percent from R36.4 million in 2021/22 to R44.8 million in 2022/23 financial year.

Compensation of Employees budget increased by 17 per cent from R 35.9 million in 2021/22 to R44.8 million in 2022/23 financial year and will cover the filling of vacant funded posts in the branch.

Goods and Services has seen an increase of 483 per cent from R450k in 2021/22 to R2.6 million in 2022/23 financial year to fund travel and subsistence for officials when performing audits across the province and Quality Assurance Review.

**1.5.6. Updated Key Risks and Mitigations from the SP**

<b>Programme 5: Financial Governance</b>		
<b>Outcomes</b>	<b>Key Risks</b>	<b>Risk Mitigations</b>
Unqualified Audit Outcomes of Provincial Departments, Public Entities and Municipalities.	Slow implementation of Internal Audit recommendations (agreed management actions) due to lack of consequence management, IA action plan list not monitored and lack of skills/resources.	Request follow up progress report in the beginning of the quarter, through HOD's offices by CAE.  Quarterly reporting to HOD's Forum and EXCO to ensure consequence management.  Provide focused training to audit staff

**2. Public Entities**

Not applicable

**3. Infrastructure Projects**

Not applicable

**4. Public-Private Partnerships (PPPs)**

Not applicable

**PART D: TECHNICAL INDICATOR DESCRIPTIONS**  
**TECHNICAL INDICATORS FOR PROGRAMME 1**

<b>Indicator Title</b>	Number of Capacity Building Programmes.
<b>Definition</b>	This performance indicator is about the number of capacity building programmes that are implemented by LPT to a specific group of officials. The programmes will be implemented as per Skills Development Committee recommendations
<b>Source of Data</b>	WSP.
<b>Method of Calculation / Assessment</b>	Simple Count.
<b>Means of Verification</b>	Training Quarterly Monitoring Report. Attendance Registers/certificates for capacity building sessions. Minutes of Skills Development Committee.
<b>Assumptions</b>	Skills audit is conducted and report available.
<b>Disaggregation of Beneficiaries (where applicable)</b>	Departmental Employees.
<b>Spatial Transformation (where applicable)</b>	N/A
<b>Calculation type</b>	Cumulative (year-end)
<b>Reporting Cycle</b>	Quarterly.
<b>Desired Performance</b>	Targeted Performance and above desirable.
<b>Indicator Responsibility</b>	Director: Employee Utilisation and Capacity Building



<b>Indicator Title</b>	% on Vacancy Rate attained.
<b>Definition</b>	This performance indicator is about filling of vacant posts timeously to ensure attainment of vacancy rate that is not more than 10% as calculated from PERSAL system in line with vacant funded posts as capture in PERSAL system as at each reporting time.
<b>Source of Data</b>	PERSAL
<b>Method of Calculation / Assessment</b>	% vacancy rate will be calculated as follows: - Total number of vacant funded posts that are in the approved organizational structure / Total number of funded posts in the department that are in the approved organizational structure
<b>Means of Verification</b>	PERSAL report
<b>Assumptions</b>	PERSAL report is available.
<b>Disaggregation of Beneficiaries (where applicable)</b>	N/A
<b>Spatial Transformation (where applicable)</b>	N/A
<b>Calculation type</b>	Non - Cumulative
<b>Reporting Cycle</b>	Quarterly.
<b>Desired Performance</b>	Targeted Performance desirable.
<b>Indicator Responsibility</b>	Director: Human Resource Management

Indicator Title	ICT steering Committee meeting held in compliance with CGICTPF
Definition	This performance indicator is about the number of improvement of Information and Technology governance in the department. The ICT Steering Committee will be held in compliance with CGICTPF and Institutional Arrangements.
Source of Data	ICT Steering Committee charter and CGICTPF
Method of Calculation / Assessment	Simple Count.
Means of Verification	<ul style="list-style-type: none"> <li>• Number of meetings held and Attendance Registers.</li> <li>• Minutes of ICT Steering Committee meetings.</li> <li>• Presentation to the Executive Committee</li> </ul>
Assumptions	Institutional Arrangements reviewed and approved.
Disaggregation of Beneficiaries (where applicable)	Department.
Spatial Transformation (where applicable)	N/A
Calculation type	Cumulative (year-end)
Reporting Cycle	Quarterly.
Desired Performance	Targeted Performance and above desirable.
Indicator Responsibility	Director: ICT

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

## TECHNICAL INDICATORS FOR PROGRAMME 2

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

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

<b>Indicator Title</b>	Number of Budget documents tabled in line with the set standards and National Treasury.
<b>Definition</b>	Main Appropriation Bill and Adjustment Budget documents compiled and tabled.
<b>Source of Data</b>	Budget documents (Budget Statements, Appropriation Bills and Schedules, Citizen Guides, etc.)
<b>Method of Calculation / Assessment</b>	Simple count.
<b>Means of Verification</b>	<ul style="list-style-type: none"> <li>Approved Provincial Budgets (Main and Adjustment Budget).</li> <li>Proof of tabling at the Legislature.</li> </ul>
<b>Assumptions</b>	All Provincial Departments and Public Entities implements integrated budget planning.
<b>Disaggregation of Beneficiaries (where applicable)</b>	None
<b>Spatial Transformation (where applicable)</b>	None
<b>Calculation type</b>	Cumulative (year-end)
<b>Reporting Cycle</b>	Bi-Annual
<b>Desired Performance</b>	Two credible Provincial Budgets tabled (Main and adjustment budget).
<b>Indicator Responsibility</b>	Director: Budget Management

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

<b>Indicator Title</b>	Number of Infrastructure Reporting Model assessments conducted in infrastructure departments.
<b>Definition</b>	The Performance indicator measures the number of Infrastructure Reporting Model assessments that are conducted for nine infrastructure departments (Health, Social Development, Agriculture, Public Works, Transport, CoGSTA, Sport, Arts and Culture, LEDET and Education) and feedback provided for implementation of recommendations.
<b>Source of Data</b>	Web based Infrastructure Reporting Model (IRM), BAS report and monthly ITMC reports
<b>Method of Calculation / Assessment</b>	Simple count – non cumulative
<b>Means of Verification</b>	<ul style="list-style-type: none"> <li>• Infrastructure Reporting Model assessment report</li> <li>• Proof of communication.</li> </ul>
<b>Assumptions</b>	That all Provincial Departments timely submit monthly IRM reports with informed narratives
<b>Disaggregation of Beneficiaries (where applicable)</b>	None
<b>Spatial Transformation (where applicable)</b>	None
<b>Calculation type</b>	Cumulative (year-end)
<b>Reporting Cycle</b>	Quarterly.
<b>Desired Performance</b>	All 108 IRM assessments conducted
<b>Indicator Responsibility</b>	Director: Infrastructure and PPP



<b>Indicator Title</b>	Number of infrastructure assessments on support to local government to optimize MIG performance conducted.
<b>Definition</b>	The performance Indicator measures the number of infrastructure assessment conducted on support to ten (10) municipalities to optimize MIG performance.
<b>Source of Data</b>	Municipal documents, Section 71 reports and MIG reports
<b>Method of Calculation / Assessment</b>	Simple count – non cumulative
<b>Means of Verification</b>	<ul style="list-style-type: none"> <li>• Approved Infrastructure Assessment Reports</li> <li>• Proof of communication</li> </ul>
<b>Assumptions</b>	That all Municipalities timely submit monthly MIG reports with informed narratives
<b>Disaggregation of Beneficiaries (where applicable)</b>	None
<b>Spatial Transformation (where applicable)</b>	None
<b>Calculation type</b>	Cumulative (year-end)
<b>Reporting Cycle</b>	Quarterly
<b>Desired Performance</b>	All quarterly consolidated MIG assessments conducted annually
<b>Indicator Responsibility</b>	Director: Infrastructure Management and PPP

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

### TECHNICAL INDICATORS FOR PROGRAMME 3

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

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

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

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

## TECHNICAL INDICATORS FOR PROGRAMME 4

<b>Indicator Title</b>	Number of courses conducted on transversal systems in votes.
<b>Definition</b>	Financial management capacity building through training courses. Training of votes officials (nominated) on transversal systems for 2022/23 (BAS and LOGIS - 36 and PERSAL - 36 )
<b>Source of Data</b>	Votes nomination lists, attendance registers
<b>Method of Calculation / Assessment</b>	Simple Count
<b>Means of Verification</b>	Attendance Registers
<b>Assumptions</b>	Trainers, training venues, stable network and systems, client's nominations
<b>Disaggregation of Beneficiaries (where applicable)</b>	11 votes
<b>Spatial Transformation (where applicable)</b>	N/A
<b>Calculation type</b>	Cumulative (year-end)
<b>Reporting Cycle</b>	Quarterly
<b>Desired Performance</b>	Actual performance that is higher than targeted performance is desirable
<b>Indicator Responsibility</b>	Director: Financial Management Capacity Building.

<b>Indicator Title</b>	Number of financial statements assessments conducted in provincial votes.
<b>Definition</b>	Assessments conducted on votes financial statements and feedback provided for implementation of recommendations
<b>Source of Data</b>	Financial Reports
<b>Method of Calculation / Assessment</b>	Simple count.
<b>Means of Verification</b>	<ul style="list-style-type: none"> <li>• Assessment Reports</li> <li>• Proof of feedback to Votes</li> </ul>
<b>Assumptions</b>	Timely submission of financial statements, staff and clients' availability
<b>Disaggregation of Beneficiaries (where applicable)</b>	11 votes
<b>Spatial Transformation (where applicable)</b>	N/A
<b>Calculation type</b>	Cumulative (year-end)
<b>Reporting Cycle</b>	Quarterly
<b>Desired Performance</b>	Targeted performance
<b>Indicator Responsibility</b>	Director: Financial Accounting and Reporting



<b>Indicator Title</b>	Number of Audit Committee Reports submitted to votes.
<b>Definition</b>	This indicator is about audit committee reports generated by Chairpersons and circulated to 11 votes for implementation of recommendations.
<b>Source of Data</b>	Audit Committee packs, attendance registers, minutes resolution register
<b>Method of Calculation / Assessment</b>	Simple count.
<b>Means of Verification</b>	Audit Committee reports
<b>Assumptions</b>	Timely submission of AC packs, Availability of staff, AC members and clients for meetings
<b>Disaggregation of Beneficiaries (where applicable)</b>	11 votes
<b>Spatial Transformation (where applicable)</b>	N/A
<b>Calculation type</b>	Cumulative (year-end)
<b>Reporting Cycle</b>	Quarterly
<b>Desired Performance</b>	Targeted performance
<b>Indicator Responsibility</b>	Director: Governance, Monitoring and Compliance.

<b>Indicator Title</b>	Number of assessment for votes and public entities conducted on provincial risk profile for presentation at HOD's forum.
<b>Definition</b>	Assessment reports on the monitoring of Provincial Risk Profile and feedback provided to the HOD's forum
<b>Source of Data</b>	Votes and Public Entities risk profiles and APPs; Limpopo Development Plan; Auditor General and Internal Audit reports; Stakeholder Consultations
<b>Method of Calculation / Assessment</b>	Simple count.
<b>Means of Verification</b>	<ul style="list-style-type: none"> <li>Assessment Reports.</li> <li>Proof of communication to HOD's forum.</li> </ul>
<b>Assumptions</b>	Access to Clusters, relevant risk champions, staff and timely submission of assessments
<b>Disaggregation of Beneficiaries (where applicable)</b>	11 Votes and 5 public entities
<b>Spatial Transformation (where applicable)</b>	N/A
<b>Calculation type</b>	Cumulative (year-end)
<b>Reporting Cycle</b>	Quarterly
<b>Desired Performance</b>	Targeted performance
<b>Indicator Responsibility</b>	Director: Transversal Risk Management

<b>Indicator Title</b>	Number of public sector risk management framework compliance assessments conducted in Votes and Public Entities.
<b>Definition</b>	Assessment reports on compliance with the Public-Sector Risk Management Framework and feedback provided to Provincial Votes and Public Entities for implementation of recommendations.
<b>Source of Data</b>	Votes and Public Entities Quarterly Risk Management Reports, Public Sector Risk Management Framework
<b>Method of Calculation / Assessment</b>	Simple count.
<b>Means of Verification</b>	<ul style="list-style-type: none"> <li>• Assessment Reports.</li> <li>• Proof of feedback to votes and public entities.</li> </ul>
<b>Assumptions</b>	Timely submission credible institutions reports, CROs, staff and effective Risk champions
<b>Disaggregation of Beneficiaries (where applicable)</b>	<b>11 Votes and 5 public entities</b>
<b>Spatial Transformation (where applicable)</b>	N/A
<b>Calculation type</b>	Cumulative (year-end)
<b>Reporting Cycle</b>	Quarterly
<b>Desired Performance</b>	Targeted performance
<b>Indicator Responsibility</b>	Director: Transversal Risk Management

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

<b>Indicator Title</b>	% of provincial irregular expenditure condonement requests considered by Provincial Treasury in terms of the National Treasury Irregular Expenditure Framework
<b>Definition</b>	This performance indicator measures the percentage of provincial irregular expenditure condonement requests considered by Provincial Treasury in terms of the National Treasury Irregular expenditure framework
<b>Source of Data</b>	Departmental Reports
<b>Method of Calculation</b>	Actual Performance will be calculated as follows:
<b>Assessment</b>	Numerator = Total number of irregular expenditure condonement requests considered by Provincial Treasury (i.e. what has been executed). Denominator = Total number of irregular expenditure condonement requests submitted to Provincial Treasury by provincial departments (i.e. what should be executed). Results of the above expressed in percentages.
<b>Means of Verification</b>	Feedback report on condonement request submitted to Provincial Treasury to Provincial Votes.
<b>Assumptions</b>	Provincial Votes submit irregular expenditure condonement requests to Provincial Treasury for consideration in terms of the National Treasury Irregular expenditure framework
<b>Disaggregation of Beneficiaries (where applicable)</b>	11 Votes
<b>Spatial Transformation (Where applicable)</b>	N/A
<b>Calculation type</b>	Non - Cumulative
<b>Reporting Cycle</b>	Quarterly
<b>Desired Performance</b>	Targeted performance
<b>Indicator Responsibility</b>	Director: Governance, Monitoring and Compliance.

## TECHNICAL INDICATORS FOR PROGRAMME 5

<b>Indicator Title</b>	Number of Cluster Based Annual Audit Plans approved by Audit Committee.
<b>Definition</b>	Three years rolling and annual audit plans for the 11 votes (excluding Legislature as listed under table 2 & 3 of this APP) approved by the Audit Committee for the financial year 2022/23.
<b>Source of Data</b>	Votes Risk Profiles and votes strategic outcomes
<b>Method of Calculation / Assessment</b>	Simple count
<b>Means of Verification</b>	4 x Approved Cluster Based Annual Internal Audit Plans.
<b>Assumptions</b>	Votes will prepare and provide risk profiles and APP's timely
<b>Disaggregation of Beneficiaries (where applicable)</b>	11 Provincial Votes
<b>Spatial Transformation (where applicable)</b>	N/A
<b>Calculation type</b>	Cumulative (year-end)
<b>Reporting Cycle</b>	Annual
<b>Desired Performance</b>	4 x Approved Cluster Based Annual Internal Audit Plans.
<b>Indicator Responsibility</b>	Chief Audit Executive

<b>Indicator Title</b>	% of Internal Audits finalised in terms of the approved Audit Plans.
<b>Definition</b>	This performance indicator measures the percentage of audits finalised and communicated to departments (all votes except Legislature) in accordance with the approved internal audit plan.
<b>Source of Data</b>	Finalised Internal Audit Reports.
<b>Method of Calculation</b>	Actual Performance will be calculated as follows:
<b>Assessment</b>	Numerator = Number of audits performed. Denominator = Total number of planned audits x targeted % for the quarter / financial year.
<b>Means of Verification</b>	Results of the above expressed in percentages. Exception Reports and Approved Audit plans of departments.
<b>Assumptions</b>	The assumption is that the internal audit plan is dynamic and may change as circumstances warrant.
<b>Disaggregation of Beneficiaries (where applicable)</b>	11 Provincial Votes
<b>Spatial Transformation (where applicable)</b>	N/A
<b>Calculation type</b>	Non-cumulative
<b>Reporting Cycle</b>	Quarterly
<b>Desired Performance</b>	100% of finalised Internal Audit Reports
<b>Indicator Responsibility</b>	Chief Audit Executive

<b>Indicator Title</b>	Number of annual internal Quality Assurance Improvement Programme (QAIP) report prepared to improve the quality of client service.
<b>Definition</b>	This performance indicator measures the conformance of SIAS to the International Standards for the Professional Practice of Internal Auditing.
<b>Source of Data</b>	Internal Audit Projects Files / Teammate Working Papers.
<b>Method of Calculation / Assessment</b>	Simple count
<b>Means of Verification</b>	Approved Internal Quality Assurance Improvement Programme (QAIP) report.
<b>Assumptions</b>	Internal Quality Assurance Review Team is set-up and appointed.
<b>Disaggregation of Beneficiaries (where applicable)</b>	N/A
<b>Spatial Transformation (where applicable)</b>	N/A
<b>Calculation type</b>	Non-cumulative
<b>Reporting Cycle</b>	Annual
<b>Desired Performance</b>	Improved quality of internal audit services to 11 client provincial departments and stakeholders.
<b>Indicator Responsibility</b>	Chief Audit Executive



## **Annexures to the Annual Performance Plan**

### **Annexures A: Amendments to the Strategic Plan**

Not applicable.

### **Annexures B: Conditional grants**

Not applicable.

### **Annexures C: Consolidated indicators**

Not applicable.

### **Annexures D: District Development Model**

Not applicable.

Limpopo Provincial Treasury does not contribute to DDM but the oversight role is reflected below.

### **Provincial Own Revenue**

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

### **Provincial Budget**

The role of Provincial Budget Management towards the District Development Model is to prepare provincial budget in collaboration with Departments and Public Entities

considering provincial priorities and the scarcity of resources. Budget allocation will focus mainly on developmental plans in the districts, however this is a conjoint function with departments and public entities.

### **Public Finance Management**

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

### **Infrastructure Management**

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

### **Municipal Finance**

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

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

### **Shared Internal Audit Services**

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

The SIAS will consider providing assurance on the establishment and integrity of the District Development Models (DDM). This will entail auditing the completeness of the DDM's (including the implementation and integration of the model into the organisation's operational plans).