



LIMPOPO

PROVINCIAL GOVERNMENT
REPUBLIC OF SOUTH AFRICA

PROVINCIAL TREASURY

2023/24

**ANNUAL
PERFORMANCE PLAN**

The heartland of southern Africa - development is about people



LIMPOPO

PROVINCIAL GOVERNMENT
REPUBLIC OF SOUTH AFRICA

PROVINCIAL TREASURY

Annual Performance Plan 2023/24

DATE OF TABLING

23 MARCH 2023

EXECUTIVE AUTHORITY STATEMENT



As the department we are privileged with the opportunity to reflect on broader developments relating to our Strategic and Annual Performance Plans, with a view to inform and set priorities that the department will pursue.

To date, our economy remains affected by the aftermath of COVID-19, and the people of the province are experiencing serious challenges of recovery. The department is key in providing support towards economic recovery. There is a need to redirect how public resources will be used towards provincial developmental priorities. The department will assist the provincial government to weigh the trade-offs and make the difficult but necessary choices.

The department will endeavor to address the financial management capacity challenges and will continue to implement the Chartered Accountant trainee programme to produce certified Chartered Accountants (CA's). The Department will ensure that the CAs that are produced through our Chartered Accountant Training Programme are used in the various departments and entities of the province, thus enhancing their institutional and financial management capacities.

The Departmental APP will also strengthen the role of Provincial Budget Management towards the District Development Model, in collaboration with Departments and Public Entities, in the consideration of provincial priorities and vis-à-vis the scarcity of our resources. The plans will, in conjoint with departments and public entities, ensure that the budget allocation will focus mainly on developmental plans in the districts.

The Limpopo provincial Treasury will continue to oversee the implementation of the Public Finance Management Act and Municipal Finance Management Act and will exercise prudence in monitoring the utilization of resources in the province.

A handwritten signature in black ink, appearing to read 'S. Sekoati', 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.

In 2023/24 the province will be faced with a constrained fiscal environment and the inflationary challenges posed by the ongoing Russia and Ukraine war as well as the enduring COVID-19 stream that resists to fade. In this environment the Provincial Treasury will continue to monitor the allocated provincial appropriated budget of all departments, public entities and municipalities.

The province has managed to reduce the percentage of the allocated budget that is assigned to Compensation of Employees (COE) from over 72 percent in previous years to 65.7 percent in 2023/24 which is a tremendous achievement as these funds are released to fund service delivery and infrastructure priorities. This initiative needs to be sustained through the Provincial Personnel Management Committee.

The deteriorating financial health status of the provincial municipalities remains a key concern and focus area for Provincial Treasury in 2023/24 and in and endeavour to provide focused support where necessary additional support initiatives will be considered.

Provincial Treasury will also play a key role in facilitating forwarded planning for all identified infrastructure projects in the various Departments.

In order to enhance our mechanisms and strengthen our support to institutions and further improve the provincial audit outcomes, Provincial Treasury has started with the review of our service delivery model and organisational structure, which process is planned to be completed early in 2023.

The department remains committed to implementing our 2020 to 2025 Strategic Plan by ensuring that the limited provincial resources are distributed towards service delivery programmes in provincial departments and that the resources are used to improve the provincial economy and reduce unemployment and poverty in the province as per the 2020-2025 Limpopo Development Plan.

GC Pratt CA (SA)
Accounting Officer
Limpopo Provincial Treasury

OFFICIAL SIGN-OFF

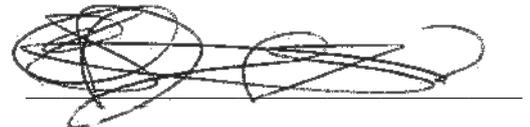
It is hereby certified that this Annual Performance Plan:

- 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 2023/24 financial year.

Ms L Ebrahim
Deputy Director General:
Corporate Management Services



Mr M Phukuntsi
Deputy Director General:
Sustainable Resource Management



Ms MB Rakubu
Acting Deputy Director General:
Assets, Liabilities & Supply Chain Management



Ms PA Semenya
Deputy Director General:
Financial Governance



Mr M Tshitangano CA (SA)
Chief Audit Executive



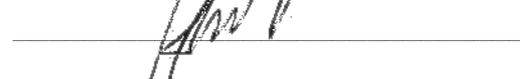
Mr HM Mawela
Chief Financial Officer



Ms MM Maboko
Acting Director: Strategic Management



Mr GC Pratt CA (SA)
Accounting Officer



Approved by:

Hon. SC Sekoati (MPL)
Executive Authority



TABLE OF CONTENTS

EXECUTIVE AUTHORITY STATEMENT	II
ACCOUNTING OFFICER STATEMENT	III
OFFICIAL SIGN-OFF.....	1
LIST OF TABLES AND FIGURES.....	4
LIST OF ACRONYMS.....	5
PART A: OUR MANDATE.....	9
1. CONSTITUTIONAL MANDATE.....	9
2. UPDATES TO THE RELEVANT LEGISLATIVE AND POLICY MANDATES.....	9
3. UPDATES TO INSTITUTIONAL POLICIES AND STRATEGIES	11
4. UPDATES TO RELEVANT COURT RULINGS.....	11
PART B: OUR STRATEGIC FOCUS	13
1. UPDATED SITUATIONAL ANALYSIS.....	13
2. EXTERNAL ENVIRONMENTAL ANALYSIS.....	13
2.1 OPPORTUNITIES	13
2.3. PERFORMANCE DELIVERY ENVIRONMENT	17
2.3.1. FISCAL POLICY ANALYSIS (REVENUE)	19
2.3.3. LIMPOPO ECONOMY.....	20
2.3.4. PROVINCIAL BUDGET MANAGEMENT	23
2.3.5. PUBLIC FINANCE MANAGEMENT.....	23
2.3.6. INFRASTRUCTURE MANAGEMENT AND PUBLIC PRIVATE PARTNERSHIPS (PPP).....	24
2.3.7. PROVINCIAL ASSET MANAGEMENT	26
2.3.8. BANKING AND CASH MANAGEMENT	27
2.3.9. PROVINCIAL SUPPLY CHAIN MANAGEMENT	29
2.3.10. AG AUDIT OUTCOMES	30
2.3.11. 30 DAYS PAYMENT OF INVOICES	36
2.3.12. THE INTERNAL AUDIT PROCESS	36
2.4. INTERNAL ENVIRONMENTAL ANALYSIS.	38
2.4.1. STRENGTHS	38
2.4.2. WEAKNESSES	38
2.4.3. PERFORMANCE DELIVERY ENVIRONMENT.	39
2.5. ORGANISATIONAL ENVIRONMENT	40
2.5.1. ORGANIZATIONAL DESIGN AND PERSONNEL PROVISIONING	40
2.5.2. INDIVIDUAL PERFORMANCE MANAGEMENT	40
2.5.3. CAPACITY BUILDING PROGRAMMES	40
2.5.4. RISK MANAGEMENT	40
2.5.5. ICT	41
2.5.6. TRANSFORMATION SERVICES	41
PART C: MEASURING OUR PERFORMANCE	43
1. INSTITUTIONAL PROGRAMME PERFORMANCE INFORMATION	43
2.6. PROGRAMME 1: ADMINISTRATION	43
1.1.2. PROGRAMME 1: OUTCOMES, OUTPUTS, PERFORMANCE INDICATORS AND TARGETS.....	44

1.1.3.	PROGRAMME 1: OUTPUT INDICATORS, ANNUAL AND QUARTERLY TARGETS.....	45
1.1.4.	EXPLANATION OF PLANNED PERFORMANCE OVER THE MEDIUM-TERM PERIOD.....	46
1.1.5.	PROGRAMME RESOURCE CONSIDERATION	47
1.1.6.	UPDATED KEY RISKS AND MITIGATIONS FROM THE SP.....	48
2.7.	PROGRAMME 2: SUSTAINABLE RESOURCE MANAGEMENT	49
2.7.1.	PURPOSE	49
2.7.2.	PROGRAMME 2: OUTCOMES, OUTPUTS, PERFORMANCE INDICATORS AND TARGETS.....	50
2.7.3.	PROGRAMME 2: OUTPUT INDICATORS, ANNUAL AND QUARTERLY TARGETS.....	51
2.7.4.	EXPLANATION OF PLANNED PERFORMANCE OVER THE MEDIUM-TERM PERIOD.....	52
2.7.5.	PROGRAMME RESOURCE CONSIDERATION	53
2.7.6.	UPDATED KEY RISKS AND MITIGATIONS FROM THE SP.....	54
2.8.	PROGRAMME 3: ASSET, LIABILITIES AND SUPPLY CHAIN MANAGEMENT.....	56
2.8.1.	PURPOSE	56
2.8.2.	PROGRAMME 3: OUTCOMES, OUTPUTS, PERFORMANCE INDICATORS AND TARGETS	57
2.8.3.	PROGRAMME 3: OUTPUT INDICATORS, ANNUAL AND QUARTERLY TARGETS.....	58
2.8.4.	EXPLANATION OF PLANNED PERFORMANCE OVER THE MEDIUM-TERM PERIOD.....	59
2.8.5.	PROGRAMME RESOURCE CONSIDERATION	60
2.8.6.	UPDATED KEY RISKS AND MITIGATIONS FROM THE SP.....	61
2.9.	PROGRAMME 4: FINANCIAL GOVERNANCE	62
2.9.1.	PURPOSE	62
2.9.2.	PROGRAMME 4: OUTCOMES, OUTPUTS, PERFORMANCE INDICATORS AND TARGETS	63
2.9.3.	PROGRAMME 4: OUTPUT INDICATORS, ANNUAL AND QUARTERLY TARGETS.....	64
2.9.4.	EXPLANATION OF PLANNED PERFORMANCE OVER THE MEDIUM-TERM PERIOD.....	65
2.9.5.	PROGRAMME RESOURCE CONSIDERATION	66
2.9.6.	UPDATED KEY RISKS AND MITIGATIONS FROM THE SP.....	67
2.10.	PROGRAMME 5: SHARED INTERNAL AUDIT SERVICES.....	68
2.10.1.	PURPOSE	68
2.10.2.	PROGRAMME 5: OUTCOMES, OUTPUTS, PERFORMANCE INDICATORS AND TARGETS	69
2.10.3.	PROGRAMME 5: OUTPUT INDICATORS, ANNUAL AND QUARTERLY TARGETS.....	70
2.10.4.	EXPLANATION OF PLANNED PERFORMANCE OVER THE MEDIUM-TERM PERIOD (SIAS).....	71
2.10.5.	PROGRAMME RESOURCE CONSIDERATION	72
2.10.6.	UPDATED KEY RISKS AND MITIGATIONS FROM THE SP.....	73
3.	PUBLIC ENTITIES.....	74
4.	INFRASTRUCTURE PROJECTS	74
5.	PUBLIC-PRIVATE PARTNERSHIPS (PPPS)	74
	PART D: TECHNICAL INDICATOR DESCRIPTIONS.....	76
	TECHNICAL INDICATORS FOR PROGRAMME 1	76
	TECHNICAL INDICATORS FOR PROGRAMME 2	81
	TECHNICAL INDICATORS FOR PROGRAMME 3	87
	TECHNICAL INDICATORS FOR PROGRAMME 4	91
	TECHNICAL INDICATORS FOR PROGRAMME 5	97
6.	ANNEXURES TO THE ANNUAL PERFORMANCE PLAN	100
	ANNEXURES A: AMENDMENTS TO THE STRATEGIC PLAN.....	100
	ANNEXURES B: CONDITIONAL GRANTS.....	100
	ANNEXURES C: CONSOLIDATED INDICATORS	100
	ANNEXURES D: DISTRICT DEVELOPMENT MODEL	100

LIST OF TABLES AND FIGURES

TABLES

Table 1: Stakeholder Analysis.....	14
Table 2: List of Public Institutions supported by Limpopo Provincial Treasury.....	17
Table 3: Audit Outcomes for Provincial Departments.....	31
Table 4: Audit Outcomes for Public Entities.....	32
Table 5: Five (5) Year analysis of Municipal Audit Outcomes.....	34
Table 6: Five Year Period Municipalities Audit Opinions.....	35
Table 7: April 2022 to August 2022 Payment compliance rate (Number of Invoices).....	36
Table 8: Budget Allocation for programme 1 and sub – programmes as per ENE and / or EPRE.....	47
Table 9: Budget Allocation for programme 2 and sub – programmes as per ENE and / or EPRE.....	53
Table 10: Budget Allocation for programme 3 and sub – programmes as per ENE and / or EPRE.....	60
Table 11: Budget Allocation for programme 4 and sub – programmes as per ENE and / or EPRE.....	66
Table 12: Budget Allocation for programme 5 and sub – programmes as per ENE and / or EPRE.....	72

FIGURES

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

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

LIST OF ACRONYMS

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

FMIS	-	Financial Management Information Systems
GDP	-	Gross Domestic Product
GIAMA	-	Government Immovable Asset Management Act
GIS	-	Government Information Systems
GITO	-	Government Information Technology Office
GRAP	-	Generally Recognised Accounting Practice
GRCC	-	Government Risk Control and Compliance
HOD	-	Head of Department
HRM	-	Human Resource Management
IBM	-	International Business Machines
ICT	-	Information and Communication Technology
ITMC	-	Infrastructure Technical Management Committee
LIIMP	-	Limpopo Integrated Infrastructure Master Plan
LOGIS	-	Logistics Information System
MCS	-	Modified Cash Standards
MEC	-	Member of the Executive Council
MMC	-	Member of Mayoral Council
MMS	-	Middle Management Services
MPL	-	Member of Parliament
MPRA	-	Municipal Property Rates Act
MTEC	-	Medium Term Expenditure Committee
MTEF	-	Medium Term Expenditure Framework
N/A	-	Not Applicable
NT	-	National Treasury
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

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

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

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

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

Section	Function and powers
(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

3. 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.

4. UPDATES TO RELEVANT COURT RULINGS

None



PART B

OUR STRATEGIC FOCUS

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 2022/23 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 effected changes to the Draft 2023/24 APP incorporating inputs from all branches and DPME recommendations. There were no changes effected to the Strategic Plan 2020–2025.

2. EXTERNAL ENVIRONMENTAL ANALYSIS

2.1 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. The department continues to implement the ICT strategy focusing on ICT governance, universal access to mobile devices and technologies, virtual and online technologies and building ICT and digital literacy skills. The department will continue to maximise 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.

2.2. 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, load shedding and natural disasters pose a serious threat by putting severe pressure on limited resources. Litigations in Public Service also pose a serious threat where resources meant for services delivery 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.

An action plan to minimize the impact of identified threats and maximise the identified opportunities has been developed covering the medium term. Progress on implementation of these action plans are presented in EXCOM meetings. 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. ICT Project Management 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. Update own SLA to incorporate usage of third parties by SITA.
AGSA.	AGSA Conduct external audit to	In the process of conducting	Slow implementation	Expedite implementation

Stakeholder	Reason for collaboration	Collaboration Description	Challenges	Proposed interventions
	the department and generate a report on the outcomes of the audit.	external audits, AGSA collaborates with assurance providers such as Internal Audit and other transversal functions within Provincial Treasury.	of Combined Assurance.	of Combined Assurance.
State attorney	To deal with contingent liabilities	State Attorney represents the state in legal matters.	Inability to determine the value of the claims	Minimize claims against the state
All Departments.	Effective Utilization of transversal systems.	Adherence to transversal user accounts management policies.	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 Annual Reporting 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.	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.

2.3. 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 Departments	Public Entities	Municipalities (27)
Provincial Treasury (LPT).	Gateway Airport Authority Limited (GAAL).	Lepelle Nkumpi Local Municipality.
Economic Development, Environment and Tourism (LEDET).	Limpopo Tourism Agency (LTA).	Polokwane Local Municipality (Not delegated).
Health (DoH).		Sekhukhune District Municipality
Transport and Community Safety (DTCS).		Elias Motsoaledi Local Municipality
Public Works, Roads and Infrastructure (DPW&I).		Ephraim Mogale Local Municipality
Co-operative Governance, Human Settlements & Traditional Affairs (CoGHSTA).		Makhuduthamaga Local Municipality
Social Development (DSD).		Fetakgomo Tubatse Local Municipality
Sport, Arts and Culture (DSAC).		Mopani District Municipality
	Maruleng Local Municipality	
	Ba-Phalaborwa Local Municipality	
	Tzaneen Local Municipality	
	Giyani Local Municipality	
	Letaba Local Municipality	
	Vhembe District Municipality	
	Makhado Local Municipality	
	Musina Local Municipality	
	Thulamela Local Municipality	
	Collins Chabane Municipality	
	Waterberg District Municipality	
	Mogalakwena Local Municipality	
	Thabazimbi Local Municipality	
	Lephalale Local Municipality	
	Modimolle Mookgophong Local Municipality	
	Bela-Bela Local Municipality	

2.3.1. FISCAL POLICY ANALYSIS (REVENUE)

The South African economy has been adversely impacted by global and National challenges like the war between Russia and Ukraine as well as amongst others, the electricity crisis in the country. Economic growth is facing an uncertain outlook which puts more pressure on the allocation of resources in the country. The limited fiscal resources compel Provinces to augment the Provincial Equitable Share with Provincial Own Revenue to ensure that services are rendered in the province. The uncertain economic outlook is expected for some time, as food and fuel prices continue to rise thus making it compulsory for the Province to continue supporting revenue enhancement projects to increase the provincial own revenue while augmenting the equitable share of the province.

The Provincial Own Revenue target for 2023/24 is R1.710 billion, R1.794 billion in 2024/25 and R1.882 billion in 2025/26 which reflect an average increase of 8.3 percent over the 2023 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.

2.3.1.1. 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.

2.3.2. Macro-Economic Analysis

The Macro-Economic Analysis unit continue to perform its role in terms of conducting research and provide economic policy to influence the budget allocation on Provincial level. Prevailing economic and social conditions on global, national and provincial levels are being analyzed. On quarterly basis the unit produces quarterly economic bulletins, which highlights the most recent economic developments on a quarterly basis and also provide inputs on relevant economic topics of the day like the importance of the informal

sector in addressing the challenge of unemployment and the impact of COVID-19 to the province and the country. The tight fiscal situation at national level is expected to continue with negative consequences for the provincial budget allocation impacted by the continuing war between Russia and Ukraine as well as the local challenges of electricity and the continuing climate changes which leads to harsh weather conditions.

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

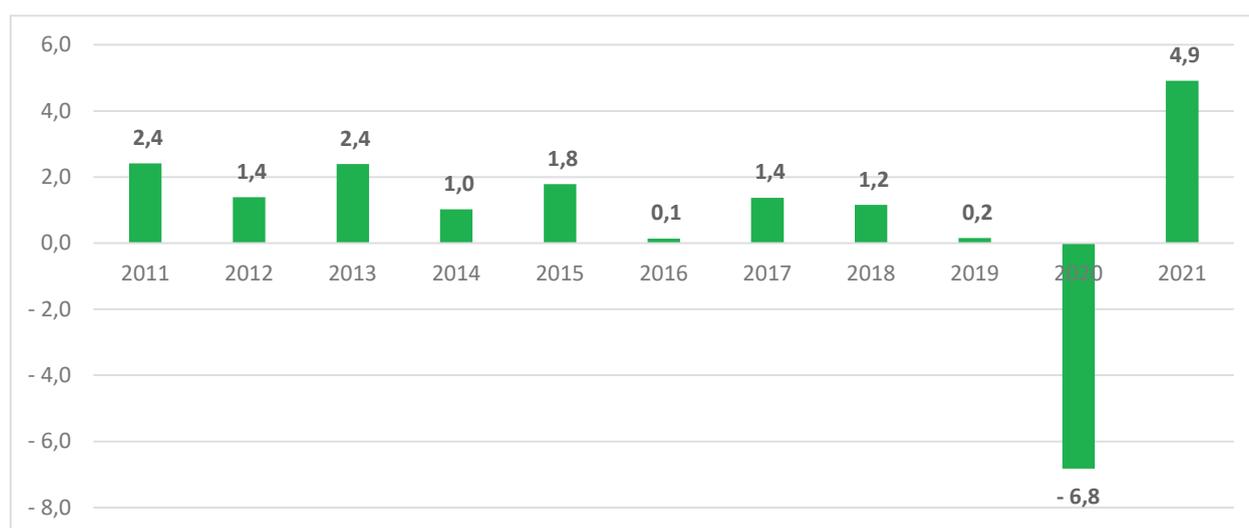
2.3.3. LIMPOPO ECONOMY

The 2023/24 APP is developed during a period where the province and country has managed to bounce back from the extremely difficult period of the impact of Covid-19. The double shock of COVID-19 and Russia's invasion of Ukraine, two events that induced a series of negative aggregate supply shocks that have curtailed production and increased costs, has led to a bout of global stagflation. The latest developments in the war has led to the sharp escalation in global food prices, such as wheat and cooking oil; the implications of the high oil price in the region; consequences of disruptive trade flows. This is a situation in which the inflation rate is high, economic growth slows and unemployment remains steadily high. While events in Russia show that a lot can change in a short period of time, the IMF's latest economic outlook makes worrying reading as some of its findings could have dire implications for emerging economies such as South Africa, where consumers are facing rising costs for basic goods and higher interest rates. Global economic recovery is continuing, but the momentum has weakened and uncertainty has increased, Meanwhile, inflation has increased markedly in the United States and some emerging market economies including South Africa. Although price pressures are expected to subside in most countries in 2022, inflation prospects are highly uncertain. These increases in inflation are occurring even as employment is below pre-pandemic levels in many economies, forcing difficult choices on policymakers.

After a dismal 2020, which saw the country's economy contract by 6.4 percent, the South African Real Gross Domestic Product (measured by production), increased by 4.9 percent in 2021. Headline consumer inflation spiked to 7.4 percent in June 2022, from 6.5 percent in May, mainly driven by rising transport and food prices. The June rate is the highest inflation recorded since May 2009 (8.0 percent), following the global financial crisis. Inflation is now far above the South Africa Reserve Bank's (SARB) inflation target range of between 3 percent to 6 percent, and may convince the monetary policy committee to hike interest rates by a heftier margin, the inflation increase was driven by large price rises in the transport category (particularly fuel) and increases in important food groups such as meat and oils & fats as spiked by COVID-19 and the Russia- Ukraine war.

The provincial economic growth has been facing a decline in recent years, growing below 2 percent as aspired in the Limpopo Development plan. The provincial economy was growing at an average growth rate of 1.3 percent. This low economic growth rate is insufficient to sustain the growing population and the creation of much-needed jobs. The provincial GDP further declined to negative 6.8 percent in 2020 affected by the COVID-19 pandemic. In 2021 the provincial economy bounced to a positive growth of 4.9 percent, boosted by the high demand of mining and quarrying products.

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



Source: Quantec, 2022

The electricity interruptions in the country continue to have a negative impact on both the country and provincial economic recovery, as under the current condition businesses could barely thrive under the load shedding conditions, as they were still trying to cope with the effects of the pandemic. This in turn has led to high unemployment rate in the country and province, caused by closure of businesses and slow productions.

According to the official definition of unemployment SA unemployment rate surged from 30.1 percent in the 1st quarter of 2020 to 34.5 percent in the 1st quarter of 2022. Only Western Cape and Northern Cape have unemployment below 30 percent, with Eastern Cape at 44 percent being the highest. While the South African Expanded unemployment rate was recorded at 45.5 percent in the 1st quarter 2022. This is reflective of the fact that people were available for work but did not actively look for work. Eastern Cape, Mpumalanga, Limpopo and Kwa-Zulu Natal all recorded Expanded Unemployment rates above 50 percent. Limpopo unemployment rate surged from 23.6 percent in the 1st quarter of 2020 to 35.2 percent in the 1st quarter of 2022. The provincial unemployment has seen a bigger upsurge of about 12 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 to 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.

2.3.3.1. Interventions over the medium-term period

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

2.3.4. PROVINCIAL BUDGET MANAGEMENT

In order for the Province to table the credible budget for the MTEF period, the Provincial Treasury continuously providing support to departments and public entities through constant engagements with departments and entities on MTEF guidelines and budget circulars.

Provincial Treasury also hold MTEC Hearing with departments and entities to assess the MTEF budget if is fully funding the contractual obligations, non-negotiables and compensation of employees and if it is responding to departmental policy priorities and any budget pressures. The departments are also provided with analysis reports on 1st and 2nd Draft budget submission to assist them to achieve credible budget.

The reducing Provincial Equitable Shares remain a challenge 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.

2.3.4.1. Interventions over the medium-term period

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

2.3.5. PUBLIC FINANCE MANAGEMENT

Section 18 of Public Finance Management Act (PFMA), Act 1 of 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 Quarterly Bilateral meetings with departments and public entities to review spending trends and provide support on how the spending can be improved. This is coupled with site visits to departmental projects that are

conducted with the Infrastructure Units 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 mechanisms are aimed at enforcing accountability and responsibility to Accounting Officers to ascertain that the set targets are achieved.

2.3.5.1. Interventions over the medium-term period

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

2.3.6. INFRASTRUCTURE MANAGEMENT AND PUBLIC PRIVATE PARTNERSHIPS (PPP)

The Limpopo Provincial Treasury (LPT) is a convener and coordinator of the infrastructure planning framework that has now been established and endorsed by all the infrastructure governance structures in the province. In essence, the planning framework is aligned to the Provincial Budget Cycle and other legislative frameworks such as the Framework of Infrastructure Procurement and Delivery Management (FIPDM), Government Immoveable Assets Management Act (GIAMA), including the Infrastructure Delivery Management System (IDMS).

In preparation for the 2023/24 MTEF and in line with the infrastructure planning framework comprises all sector departments have been assisted to develop and submit the User-Asset Management Plans (U-AMP) – also known as the Infrastructure Asset Management Plan (IAMP), to Provincial Treasury and Limpopo Department of Public Works, Roads and Infrastructure (LDPWR&I). All the provincial user departments have complied to this requirement as stipulated in the Division of Revenue Act (DoRA). Other sector plans such as the Infrastructure Programme Management Plans (IPMPs) have also been developed and finalised by the sector departments.

During third quarter of the 2022/23 financial year the LPT and DPWR&I coordinated a 2023/24 financial year infrastructure readiness workshop to provide technical support to departments and implementing agents. It is the responsibility of LPT as the custodian of the Infrastructure Delivery Management System (IDMS) to ensure that all infrastructure departments within the province; conform to a uniform system of planning, procuring, and delivery infrastructure. Departments have been assisted to capture the projects and programmes for 2023/24 financial year in the web Infrastructure Reporting Model (IRM). On a monthly basis through the institutional arrangements forums and by also using the web-based Infrastructure Reporting Model (IRM) assessments, the LPT will give departments feedback on areas of improvements.

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

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

2.3.6.1. Interventions over the medium-term period

- Coordinate the support to the Department of Public Works Roads and Infrastructure including the integration plan which entails secondment of built environment professionals to departments; which will sustain the infrastructure planning and implementation capacity over a medium to long term.
- Continuous provision of requisite support to Municipalities in order to ensure that MIG is spent efficiently and effectively.

2.3.7. PROVINCIAL ASSET MANAGEMENT

As at the 3rd quarter 2022/23, three Departments performed above 90%, 7 Departments performed between 70%-89%, and one Department is performing below 50%.

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	Departments to develop strategies to conduct asset verification through user affirmations.	Operational	None
Emerging R1/R0 value assets that are not fair-valued.	Strengthen Internal Control where assets values must be recorded immediately when the asset is recognised in the Asset Register using source documents. Where source documents are not available, fair-value them using Treasury methodology guideline	Operational	Operational Team
Poor Maintenance of Asset Registers	The department of Health to review processes and allocate resources appropriately to manage and maintain the Asset Register.	Strategic	Executive Management of the Department
Disposed assets which are still found during verification.	Departments must avoid disposing assets on the desktop without source documents that are confirming that assets have been sold or transferred to other institutions.	Operational	Operational Team
Assets not assigned to users	Departments must avoid shortcuts when conducting assets verification and ensure that they complete table 1 before they begin with scanning the assets	Operational	Operational Team

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

2.3.8. BANKING AND CASH MANAGEMENT

As at end of the 3rd quarter of 2022/23, compliance assessments revealed the following findings as common and persistent in Departments and Public Entities: -

- Deviation by over 2.5% from original cash flow projections, in exception of DoE, DSD, DTCS and DPWRI that deviated by allowable less than 2.5%. All other departments under or overspent their projections for reasons ranging from poor planning and execution to unforeseen circumstances beyond control.
- High levels of “Claims Against the State” vs slow turn-around of cases in the Court-Roll, with cumulatively high legal costs. Almost all departments are facing litigations with five departments leading: DoH @ R7.6 billion, CoGHSTA @ R368m, LPT @ R251m, DPWRI @ R170m and DoE @ R148m.
- Compromised debt management in all departments due to delays in confirmation and creation of debts, poorly managed employment termination processes with perpetual salary payments, low debt recovery rate due to capacity and delays in participating in RT27 Contract of debt collectors, common prescription and writing-off of debts.
- Non-participation of Schedule 3C Public Entities in Inter-Governmental Cash Co-ordination to optimize returns on cash surpluses by opening CPD accounts in SA Reserve Bank.
- All Public Entities not participating in Commercial Banking Contract, while not in any formal banking relationship with their current bankers in terms of PFMA & Treasury Regulations.

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. Refresher training on cash forecasting is also necessary for relevant officials in departments.	Operational	Collaboration with Departments
High level of "Claims Against the State" vs slow turn-around of cases in the Court-Roll, with cumulatively high legal costs.	Continuous monitoring and need for development of appropriate risk mitigation and reduction strategies in departments.	Strategic	Collaboration with Accounting Officers, Office of the Premier and Transversal Risk Management.
Compromised debt management in Departments and Public Entities	Continuous support, monitoring, assessments and feedback. Engagements with contracted Debt Collectors where there is a poor recovery rate. Need for streamlining of the process and proper coordination of the roles of all Strategic Business Units within the department to avoid high rate of staff debts.	Operational	Collaboration with Debt Collectors, PERSAL User Support, Human Resource Management, Legal Services and State Attorneys
Non-participation of Schedule 3C Public Entities in Inter-governmental Cash Co-ordination to optimise returns on cash surpluses by opening CPD accounts in SA Reserve Bank.	Withholding of funds as Schedule 3C Entities are compelled by law to open CPD accounts and invest every surplus cash on daily basis.	Strategic	Collaboration with Shareholder Departments, Public Entities and Sustainable Resource Management

Identified Challenge	Intervention over the medium-term period	Nature or level of intervention	Collaboration needed
All Public Entities not participating in Commercial Banking Contract, while not in any formal banking relationship with their current bankers in terms of PFMA & Treasury Regulations.	Escalation of the matter to PTCF and HoDs' Forum for final decision.	Strategic	Collaboration with Provincial Banker & the Public Entities.

2.3.9. PROVINCIAL SUPPLY CHAIN MANAGEMENT

Supply Chain Management audit outcome as reflected in AGSA 2021/22 report indicated noncompliance to various Supply chain management prescripts, as tabulated below.

Identified Challenge	Intervention over the medium-term period	Nature or level of intervention (Operational or strategic)	Collaboration needed
Inadequate Market Research.	Provide training to departments and entities.	Operational	Expected commitment from departments and entities.
Inadequate Contract Management.	Monitor the implementation of the approved Provincial Contract Management Strategy and provide training on contract management.	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 to SCM Heads and SCM Practitioners.	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.	Provide on-going in-service training with SCM Practitioners	Operational	Attendance of SCM planned workshops by relevant SCM Practitioners.
Non-publication of bid awards and bids	Continue to hold SCM Forum information sharing sessions with	Operation	Attendance of SCM Forum meetings by institutions

Identified Challenge	Intervention over the medium-term period	Nature or level of intervention (Operational or strategic)	Collaboration needed
received on the institution's websites	institutions to highlight the issue.		

2.3.10. 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.

2.3.10.1. AG Outcomes for Provincial Departments

The Provincial Departments achieved the following audit outcomes for the financial year 2021/22: Three (3) Clean Audits, Seven (7) Unqualified Audits, and two (2) Qualified Audits. Only 1 department has regressed from a Clean audit to Unqualified.

The Public entities achieved the following audit outcomes: One Clean audit, two (2) unqualified audits, two (2) Qualified. One public entity improved from Adverse to Qualified.

The Department of Economic Development, Environment and Tourism, Office of the Premier 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, Social Development and Provincial Legislature maintained unqualified audit outcomes. The Department of Transport and Community Safety regressed during the year from a Clean audit to unqualified opinion. The Departments 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	201718	201819	201920	202021	202122	TREND
1	Premier	UQ	UQ	CL	CL	CL	↔
2	Legislature	UQ	UQ	CL	UQ	UQ	↔
3	Education	Q	Q	Q	Q	Q	↔
4	Agriculture & Rural Development	UQ	UQ	UQ	UQ	UQ	↔
5	Treasury	CL	CL	CL	CL	CL	↔
6	Economic Development	Q	UQ	UQ	CL	CL	↔
7	Health	Q	Q	UQ	Q	Q	↔
8	Transport & Community Safety	UQ	UQ	CL	CL	UQ	↓
9	Public Works , Roads & Infr	Q	Q	UQ	UQ	UQ	↔
11	Co-Operative Governance, Housing Settlements & Traditional Affairs	UQ	UQ	UQ	UQ	UQ	↔
12	Social Development	UQ	Q	UQ	UQ	UQ	↔
10	Sport, Arts & Culture	Q	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

Notes

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

2.3.10.2. AG Outcomes for Public Entities.

For the financial year 2021/22 the Limpopo Gambling Board maintained clean audit outcome and Limpopo Tourism Authority and Roads Agency Limpopo maintained unqualified audit outcomes. Gateway Airport Authority Limited (GAAL) improved its audit status from an Adverse opinion to a Qualified opinion, while the Limpopo Economic Development Agency maintained a qualified audit opinion.

Table 4: Audit Outcomes for Public Entities

No	PUBLIC ENTITY	2017/18	2018/19	2019/20	2020/21	2021/22	TREND
1	Limpopo Economic Development Agency (LEDA)	Q	Q	UQ	Q	Q	↔
2	Limpopo Tourism Agency	UQ	UQ	UQ	UQ	UQ	↔
3	Limpopo Gambling Board	UQ	UQ	CL	CL	CL	↔
4	Roads Agency Limpopo (RAL)	UQ	UQ	UQ	UQ	UQ	↔
5	Gateway Airport Authority Limited (GAAL)	Q	Q	Q	A	Q	↑

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
- O/S Outstanding

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 and 4.
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	Centralisation of Syscons in Treasury.	Strategic Provincial Level.	EXCO.

Identified Challenge	Intervention over the medium-term period	Nature or level of intervention	Collaboration need
non – attendance of 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.

2.3.10.3. AG Outcomes for Municipalities

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

The province also further retained 11 unqualified audit opinions and had 2 improvements from qualified to unqualified audit opinions in 2021/22. In 2021/22 the province still had 6 municipalities that retained their qualified audit opinion status and 4 municipalities that regressed from unqualified audit opinions to qualified audit opinions and 1 municipality that improved from a disclaimed audit opinion to a qualified opinion. Unfortunately, the province remained with 1 disclaimed audit opinion in the Mopani District Municipality, which will require focussed support in 2022/23 municipal financial year ending 30 June 2023 in order to address the disclaimed matters. The province will continue to provide assistance to further improve this status in 2022/23 and 2023/24 municipal financial year.

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

	2017/18	2018/19	2019/20	2020/21	2021/22
Disclaimed	4	1	0	2	1
Adverse	2	1	1	0	0
Qualified	13	18	10	8	11
Unqualified	8	6	15	16	13
Clean Audit	0	1	1	1	2
Outstanding	0	0	0	0	0
TOTAL	27	27	27	27	27

Table 6: Five Year Period Municipalities Audit Opinions

No	MUNICIPALITIES	2017/18	2018/19	2019/20	2020/21	2021/22	TREND
1	Vhembe District	D	Q	Q	Q	Q	↔
2	Makhado	Q	Q	UQ	UQ	UQ	↔
3	Musina	Q	Q	UQ	UQ	Q	↓
4	Colins Chabane	D	Q	UQ	UQ	UQ	↔
5	Thulamela	UQ	UQ	UQ	UQ	UQ	↔
6	Waterberg District	Q	UQ	UQ	CL	CL	↔
7	Bela-bela	Q	Q	Q	D	Q	↑
8	Lephalale	Q	Q	UQ	UQ	UQ	↔
9	Modimolle /Mookgophong	D	D	Q	Q	Q	↔
10	Mogalakwena	A	A	A	Q	Q	↔
11	Thabazimbi	D	Q	Q	Q	Q	↔
12	Capricorn District	UQ	CL	CL	UQ	CL	↑
13	Blouberg	Q	Q	UQ	UQ	UQ	↔
14	Lepelle –Nkumpi	Q	Q	UQ	UQ	Q	↓
15	Molemole	UQ	UQ	UQ	UQ	UQ	↔
16	Polokwane	Q	Q	Q	Q	UQ	↑
17	Mopani District	A	Q	Q	D	D	↔
18	Ba-Phalaborwa	Q	Q	Q	Q	Q	↔
19	Greater Giyani	Q	Q	UQ	Q	UQ	↑
20	Greater Letaba	UQ	UQ	UQ	UQ	UQ	↔
21	Greater Tzaneen	Q	Q	UQ	UQ	UQ	↔
22	Maruleng	UQ	UQ	UQ	UQ	UQ	↔
23	Sekhukhune District	UQ	Q	Q	Q	Q	↔
24	Elias Motsoaledi	UQ	Q	Q	UQ	UQ	↔
25	Fetagomo / Tubatse	Q	Q	Q	UQ	Q	↓
26	Ephraim Mogale	UQ	Q	UQ	UQ	Q	↓
27	Makhudutamaga	Q	UQ	UQ	UQ	UQ	↔

Legends

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

2.3.11. 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 2022 to January 2023, provincial compliance to section 38 (1) (f) of the PFMA by Departments is **99.38%**. All departments obtained above 99% compliance.

Table 7: April 2022 to January 2023 Payment compliance rate (Number of Invoices)

Count of INVOICE AMOUNT	Column Labels					Paid in excess	Compliance	
Row Labels	0 - 30	31 - 60	61 - 90	91 - 120	> 120	Grand Total	of 30 days	rate %
LP: AGRICULTURE & RURAL DEVELOPM	5 703	25				5 728	25	99,56%
LP: CO-OP GOV; HUM SET; TRAD AFF	5 939	8		1	1	5 949	10	99,83%
LP: ECON DEV; ENVIRONM & TOURISM	3 716					3 716	0	100%
LP: EDUCATION	60 569	207	16	7	31	60 830	261	99,57%
LP: HEALTH	79 489	638	31	12	51	80 221	732	99,09%
LP: OFFICE OF THE PREMIER	2 543				1	2 544	1	99,96%
LP: PROVINCIAL TREASURY	1 860	4				1 864	4	99,79%
LP: PUBLIC WORKS;ROADS & INFRAST	9 530	26	6		4	9 566	36	99,62%
LP: SOCIAL DEVELOPMENT	9 449	50		1	4	9 504	55	99,42%
LP: SPORT;ARTS & CULTURE	3 925	7			2	3 934	9	99,77%
LP: TRANSPORT & COMMUNITY SAFETY	3 764	19		2	5	3 790	26	99,31%
Grand Total	186 487	984	53	23	99	187 646	1 159	
	99,38%	0,52%	0,03%	0,01%	0,053%	100%	0,62%	

2.3.12. 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.

2.3.12.1. The Internal Audit Report

The output of the internal audit process as discussed above is Internal Audit Reports. Such reports are intended to provide client management as well as stakeholders, such as the Audit Committee and Executive Authority, with reliable and credible information for decision making.

2.3.12.2. Combined Assurance Approach

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

2.3.12.3. Challenges in the Performance Delivery Environment.

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

2.3.12.4. 2022/23 to 2024/25 Planned interventions to address challenges

- Develop and implement an integrated Skills Development Programme and plan guided by the IIA's Global Internal Audit Competency Framework to address the dynamic expectations from Internal Audit; and the changes brought about by technological advancements and emerging risks.
- Optimise the organisational structure and methodology to improve functionality of SIAS and achieve inclusion and coverage of all Districts and key service centres in the Province; within available resources.
- Set up and appoint internal quality assurance teams that will perform periodic reviews to inform ongoing quality improvements.

- Continue conducting and analyzing client satisfaction surveys while responding to the concerns of Client Departments.

2.4. INTERNAL ENVIRONMENTAL ANALYSIS.

2.4.1. STRENGTHS

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

2.4.2. WEAKNESSES

Inability of the department to meet the Department’s target for persons with disabilities is identified as a weakness. Absence of integrated procurement system is identified as a weakness within the department and the province. Inability to enforce consequence management for non-compliance by public institutions is also a weakness identified that must be urgently addressed. The high staff turnover due to retirements, secondment and promotion of officials to other departments, and municipalities constrain the capacity of the department to perform its function.

2.4.3. PERFORMANCE DELIVERY ENVIRONMENT.

2.4.3.1. Limpopo Provincial Treasury AG Audit Outcomes.

Provincial Treasury received an unqualified audit opinion without findings, also referred to as a Clean Audit, for six consecutive financial years (2016/17, 2017/18, 2018/19, 2019/20, 2020/21 and 2021/22). The department did not incur fruitless and wasteful expenditure in 2021/22 financial year.

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) and disputes raised by organised labour prolonged the processes.

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

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

2.4.3.2. 2023/24 Planned interventions to address challenges.

- Encourage persons with disabilities to apply for posts through strengthened engagements with relevant stakeholders.
- Implement Knowledge Management Strategy.
- Review the Human Resource and Recruitment Plans.
- Implement consequence management. E.g. withhold budget allocation to affected directorates, suspend procurement of goods and services.

2.5. ORGANISATIONAL ENVIRONMENT

2.5.1. ORGANIZATIONAL DESIGN AND PERSONNEL PROVISIONING

The Department implemented the current organizational structure with effect from 1 April 2019, and is currently in the process of reviewing the approved structure to ensure alignment to the five-year strategic plan in an effort to create operational efficiency. The department has challenges in filling vacant posts due to disputes raised by organised labour for salary level 9 and 11. This has exacerbated the high vacancy rate in the department.

2.5.2. 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. The submission rate for 2022/23 performance agreement stands at 98% which means that employees have contracted on their performance.

2.5.3. CAPACITY BUILDING PROGRAMMES

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

2.5.4. RISK MANAGEMENT

Implementation of Business Continuity Management Plan plays an important role in ensuring that service delivery, on identified critical activities, can carry on in case of a

disruption. The Annual Risk Identification and Assessment for the Financial Year 2023-2024 was conducted in December 2022, and a departmental Risk Profile was finalised.

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

2.5.5. ICT

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 to implement ICT strategy with regard to the provision of tools of trade to employees over the MTEF period. Continuous assessments will be undertaken based on the nature of work undertaken by employees on allocation of tools of trade. During 2021/22 and 2022/23 financial years, the department has managed to allocate 71 laptops to employees.

2.5.6. TRANSFORMATION SERVICES

The department has reviewed its Safety, Health, Environmental, Risk and Quality (SHERQ) Management Policy. The implementation of the policy is continuously monitored by the appointed OHS Committee, which includes Labour Unions and the Health and Safety Representatives. Meetings are held quarterly in terms of the Occupational Health and Safety Act, where related matters are deliberated and all key stakeholders implement resolutions taken through the collaborative effort.



PART C
MEASURING OUR
PERFORMANCE

PART C: MEASURING OUR PERFORMANCE

1. INSTITUTIONAL PROGRAMME PERFORMANCE INFORMATION

2.6. 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			
			2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26
Sustainable Support Services and Good Governance .	Capacity Building Programmes Implemented.	Number of Capacity Building Programmes implemented.	New Output Indicator	New Output Indicator	4	4	4	6	8
	Decrease in % on vacancy rate.	% on Vacancy Rate attained.	N/A	N/A	N/A	10%	10%	9%	8%
Departmental Unqualified Audit Outcomes.	ICT Steering Committee supported to ensure compliance with CGICTPF.	ICT Steering Committee meeting held in compliance with CGICTPF.	N/A	N/A	N/A	4	4	4	4
	Valid supplier invoices paid within 30 days	% of Supplier's valid invoices paid within 30 days.	100%	100%	100%	100%	100%	100%	100%
	Awarded bids/quotations to women owned enterprises	% of procurement of goods and services awarded to women owned enterprises	N/A	N/A	N/A	N/A	25%	30%	40%

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

Output Indicators		Annual Targets	Q1	Q2	Q3	Q4
1	Number of Capacity Building Programmes implemented.	4	1	1	1	1
2	% on Vacancy Rate attained.	10%	-	-	-	10%
4	ICT Steering Committee meeting held in compliance with CGICTPF.	4	1	1	1	1
5	% of Supplier's valid invoices paid within 30 days.	100%	100%	100%	100%	100%
6	% of procurement of goods and services awarded to women owned enterprises	25%	25%	25%	25%	25%

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 a 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.
- (v) 25% of procurement of goods and services awarded to women owned enterprises.

1.1.5. PROGRAMME RESOURCE CONSIDERATION

Table 8: Budget Allocation for programme1 and sub – programmes as per ENE and / or EPRE

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

R thousand	Outcome			Main appropriation	Adjusted appropriation 2022/23	Revised estimate	Medium-term estimates		
	2019/20	2020/21	2021/22				2023/24	2024/25	2025/26
Current payments	169 626	162 824	145 787	164 807	166 026	166 551	182 471	200 763	203 303
Compensation of employees	117 462	111 439	100 930	111 747	101 277	102 288	114 471	126 183	126 569
Goods and services	52 164	51 385	44 857	53 060	64 749	64 263	68 000	74 580	76 734
Interest and rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies to:	7 482	6 289	2 586	4 004	4 394	8 107	1 119	772	806
Provinces and municipalities	683	645	475	710	710	659	272	272	284
Departmental agencies and accounts	2 351	3 415	722	-	774	-1	500	500	522
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	4 448	2 229	1 389	3 294	2 910	7 449	347	-	-
Payments for capital assets	7 257	1 468	1 405	6 989	7 868	3 630	8 350	1 351	1 412
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	7 257	830	1 405	6 989	7 868	3 630	8 350	1 351	1 412
Heritage Assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	638	-	-	-	-	-	-	-
Payments for financial assets	-	-	-	-	-	-	-	-	-
Total economic classification	184 365	170 581	149 778	175 800	178 288	178 288	191 940	202 886	205 521

The overall allocation for this programme increases from R175.8 million in 2022/23 financial year to R191.9 million in 2023/24 financial year and this constitute 9.2 percent growth.

Compensation of Employees increases by 2.4 percent from R111.8 million in 2022/23 financial year to R114.8 million in 2023/24 financial year. The allocation is intended for warm bodies and to fund reprioritised vacant positions.

Goods and Services increases by 28.2 percent from R53.1 million in 2022/23 financial year to R68.0 million budget in 2023/24 financial year, the allocated budget will fund contractual obligations for the department, which amongst others are: Leases of Office buildings, Audit fees, Telephones, Security Services and GG Vehicle running costs.

Transfers and Subsidies decreases by 72.1 percent from R4.0 million in 2022/23 financial year to R1.1 million in 2023/24 financial year. The allocated funds will be used for payment of vehicle licences, rates and taxes and the South African Institute of Chartered Accountants - Thuthuka Training project.

Payment for Capital Assets increases by 19.5 percent from R6.9 million in 2022/23 financial year to R8.4 million in the 2023/24 financial year, the allocation will cater for working tools as well as the procurement of the security system.

1.1.6. UPDATED KEY RISKS AND MITIGATIONS FROM THE SP

Programme 1: Administration		
Outcomes	Key Risks	Risk Mitigations
Sustainable Support Services and Good Governance.	Disruption to Business process due to Disasters - Natural & Manmade [both predictable and unpredictable] leading to inability to meet departmental objectives and potential loss of information	<ol style="list-style-type: none"> 1. Implementation of the BCP Strategy and Plan. 2. Continuous Replication of Systems and Periodic Recovery Tests
	Departmental ICT Infrastructure failure due to electricity downtime and aged infrastructure leading to system down time, inability to meet departmental objectives and potential loss of information and reputational damage	Implement ICT Infrastructure improvement plans and monitoring thereof.
	Cyber Security: unauthorized access to systems, data and information, caused by internet access not using departmental network, human error/behavior (e.g. phishing and spoofing), leading to theft of departmental information, system down time, loss of information and reputational damage.	<ol style="list-style-type: none"> 1. Continuous ICT Security awareness to users. 2. Ensure that Patch Management is up to date. 3. Continuous monitoring of email gateway and firewall security systems.
	Inability to execute departmental mandate due to insufficient budget leading to non-achievement of targets	Request for additional funding

2.7. PROGRAMME 2: SUSTAINABLE RESOURCE MANAGEMENT

2.7.1. 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.

2.7.2. PROGRAMME 2: OUTCOMES, OUTPUTS, PERFORMANCE INDICATORS AND TARGETS

Outcomes	Outputs	Output Indicators	Annual Targets					
			Audited Performance		Estimated Performance	MTEF Period		
			2019/20	2020/21	2021/22	2022/23	2023/24	2024/25
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
	Provincial revenue assessment conducted	Number of Revenue Assessments conducted to ensure collection of set target.	4	4	4	4	4	4
	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 Assessment Reports produced.	Infrastructure Assessment Reports produced.	Number of Infrastructure assessments conducted in departments with infrastructure budgets	108	108	108	108	108	108
	Infrastructure Assessment conducted on Local Government.	Number of infrastructure assessments conducted in prioritized municipalities.	4	4	4	4	4	4

Outcomes	Outputs	Output Indicators	Annual Targets						
			Audited Performance			Estimated Performance			
			2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26
Unqualified Audit Outcomes of provincial departments, public entities and municipalities.	Municipalities of state finances analysis reports	Number of municipal state of finance reports assessed.	4	4	4	4	104	104	104

2.7.3. PROGRAMME 2: OUTPUT INDICATORS, ANNUAL AND QUARTERLY TARGETS

Output Indicators		Annual Targets	Q1	Q2	Q3	Q4
1	Number of Research documents produced to align the Provincial Fiscal Policy.	7	1	1	2	3
2	Number of Revenue Assessments conducted to ensure collection of set target.	4	1	1	1	1
3	Number of consolidated In Year Monitoring reports in line with section 32 of PFMA.	12	3	3	3	3
4	Number of Infrastructure assessments conducted in departments with infrastructure budgets	108	27	27	27	27
5	Number of infrastructure assessments conducted in prioritized municipalities.	40	10	10	10	10
6	Number of municipal state of finance reports assessed.	104	26	26	26	26

2.7.4. 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) Twelve (12) In Year Monitoring reports to be compiled in line with section 32 of PFMA.
 - (iv) Hundred and eight (108) infrastructure assessments to be conducted and feedback communicated to infrastructure departments to improve infrastructure planning and reporting.
 - (v) Forty (40) infrastructure assessments on support to local government to optimize MIG performance conducted to improve infrastructure planning and reporting.
 - (vi) One hundred and four (104) municipalities' state of finance reports communicated to municipalities for implementation of recommendations.

2.7.5. PROGRAMME RESOURCE CONSIDERATION

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

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

R thousand	Outcome			Main appropriation	Adjusted appropriation 2022/23	Revised estimate	Medium-term estimates		
	2019/20	2020/21	2021/22				2023/24	2024/25	2025/26
Current payments	80 866	66 538	51 998	69 987	60 544	60 544	84 895	86 049	89 905
Compensation of employees	53 449	54 334	51 225	57 238	51 875	53 296	72 500	73 414	76 705
Goods and services	27 417	12 204	773	12 749	8 669	7 248	12 395	12 635	13 200
Interest and rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies to:	-	125	616	-	500	500	914	-	-
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	-	125	616	-	500	500	914	-	-
Payments for capital assets	-	-	-	-	-	-	-	-	-
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	-	-	-	-	-	-	-	-	-
Heritage Assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	-	-	-	-	-	-	-	-	-
Total economic classification	80 866	66 663	52 614	69 987	61 044	61 044	85 809	86 049	89 905

The budget for Sustainable Resource Management increases by 22.6 percent from R69.9 million in 2022/23 financial year to R85.8 million in 2023/24 financial year.

Compensation of Employees increases by 26.6 percent from R57.2 million in 2022/23 financial year to R72.5 million in 2023/24 financial year to fund new appointments in the branch especially for municipal support programme.

Goods and Services has a slight decrease of 2.7 percent from R12.8 million in 2022/23 financial year to R12.4 million in 2023/24 financial year. The allocation will mainly cater for municipal support programme.

2.7.6. 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.	Uncoordinated infrastructure plans in the province caused by uncoordinated Infrastructure Master Plan for municipalities (SEZ's), inadequate capacity to deliver infrastructure projects in the province, inadequate administrative leadership and support, ineffective implementation of LIIMP and ineffective implementation of DDM leading to deteriorating infrastructure condition, slow delivery of infrastructure that supports economic growth and under spending of infrastructure budget.	<ol style="list-style-type: none"> 1. Support SEZ and Nodal Point Municipalities in development of Infrastructure Master Plan. 2. Implementation of the support programme to enhance the infrastructure capacity in DPWR&I, including capacity to Education and Health. 3. Development of business case and project charter for the institutionalization of LIIMP. 4. Conduct bi-annual provincial infrastructure planning workshops. 5. Monthly reporting to Infrastructure Cluster (HOD and MEC). 6. 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 leading to inadequate service delivery and reduction of Conditional Grant allocation	<ol style="list-style-type: none"> 1. Conditional Grant Bilateral meetings. 2. Budget and Revenue Forum. 3. Departmental Expenditure analysis reports

Programme 2: Sustainable Resource Management

Outcomes	Key Risks	Risk Mitigations
<p>Unqualified Audit Outcomes of Provincial departments, Public entities and Municipalities.</p>	<p>Unsustainable municipalities due to Inadequate implementation of LPT’s recommendations, Lack of consequence management, Non-compliance with the relevant legislation, Lack of decisive leadership. (Political and Administrative), Non-implementation of MFMA interventions leading to negative audit outcome, Financially distressed municipalities and Poor service delivery.</p>	<ol style="list-style-type: none"> 1. Collaboration with CoGHSTA which allows both MEC of CoGHSTA and LPT to jointly hold sessions for the purpose of supporting and holding municipalities accountable. 2. Strengthen reporting to EXCO to influence engagements with high risk municipalities- (implementation of Constitutional and MFMA interventions)

2.8. PROGRAMME 3: ASSET, LIABILITIES AND SUPPLY CHAIN MANAGEMENT

2.8.1. 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.

2.8.2. PROGRAMME 3: OUTCOMES, OUTPUTS, PERFORMANCE INDICATORS AND TARGETS

Outcome	Outputs	Output Indicators	Annual Targets						
			Audited Performance		Estimated Performance	MTEF Period			
			2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26
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
		Number of Cash Management assessments conducted in Votes and Public Entities	72	68	64	64	64	64	64
Increased economic participation of Youth, Military Veterans, women and Persons with disability (SMMEs).	Procurement spent analysis assessments conducted in provincial public institutions in line with Limpopo Procurement Strategy targets.	Number of SCM assessments conducted to Votes and Public Entities	68	64	64	64	64	64	64
		Number of assessments conducted in Votes and Public Entities	68	64	64	64	64	64	64

2.8.3. PROGRAMME 3: OUTPUT INDICATORS, ANNUAL AND QUARTERLY TARGETS

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

2.8.4. 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.

2.8.5. PROGRAMME RESOURCE CONSIDERATION

Table 10: Budget Allocation for programme 3 and sub – programmes as per ENE and / or EPRE.

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

R thousand	Outcome			Main appropriation	Adjusted appropriation 2022/23	Revised estimate	Medium-term estimates		
	2019/20	2020/21	2021/22				2023/24	2024/25	2025/26
Current payments	51 539	46 013	43 248	48 293	44 271	44 285	54 077	55 077	57 545
Compensation of employees	45 035	43 119	41 060	42 921	38 899	38 841	51 357	51 357	53 657
Goods and services	6 504	2 894	2 188	5 372	5 372	5 444	2 720	3 720	3 888
Interest and rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies to:	415	4 596	439	-	1 600	1 586	-	-	-
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	415	4 596	439	-	1 600	1 586	-	-	-
Payments for capital assets	-	-	-	-	-	-	-	-	-
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	-	-	-	-	-	-	-	-	-
Heritage Assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	-	-	-	-	-	-	-	-	-
Total economic classification	51 954	50 609	43 687	48 293	45 871	45 871	54 077	55 077	57 545

The budget for the branch increases by 11.9 percent from R48.3 million in 2022/23 financial year to R54.0 million in 2023/24 financial year.

Compensation of Employees increases by 19.7 percent from R42.9 million in 2022/23 financial year to R51.3 million in 2023/24 financial year. The budget increase will cater for warm bodies and filling of critical vacant posts in the programme.

Goods and Services decreases by 49.3 percent from R5.4 million in 2022/23 financial year to R2.7 million in 2023/24 financial year. The allocation in this programme is earmarked to pay for provincial bank charges and face value documents amongst others.

2.8.6. 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, inadequate resources, negligence during operations related to service delivery, deficient Internal Controls, Negligence and Lack of consequence Management leading to Depletion of the Provincial Revenue Fund (fiscus)	<ol style="list-style-type: none"> 1. Attending quarterly meetings with Provincial Legal Services 2. Quarterly assessments of the Departmental registers. 3. Bilateral meetings with the Departments on a quarterly basis. 4. Presentation of the progress in the PTCF meetings
	Increased unwanted Expenditures (Unauthorized, Irregular, Fruitless and Wasteful Expenditures) due to non-compliance with SCM prescripts, inadequate skills and competence on SCM and lack of consequence management leading to possible fraud and corruption and denting the image of the institutions/government	<ol style="list-style-type: none"> 1. Building SCM capacity at Institutions through training. 2. Monitor and Support the Institutions in the implementation of SCM Regulatory Framework 3. Escalate SCM None-Compliance to PTCF, Forum, Audit Committees and to the Accounting Officers 4. Conduct root-cause analysis and address them through consultative session 5. Provide feedback on SCM performance of the institutions to the Accounting Officers/Authorities
	Lack of reliable Provincial Asset Management System due to liquidation of the current Service Provider that was serving the Province leading to lack of the accountability in terms of assets of the Province and unfavorable audit outcome	<ol style="list-style-type: none"> 1. Temporary appointment of the service provider to assist with technical challenges in the BAUD system. 2. Migration from the BAUD system to LOGIS
Increased economic participation of Youth, Military Veterans, women and Persons with disability (SMMEs).	Failure to achieve the set targets due to inadequate availability of designated groups for the supply of commodities leading to increased economic inequality and poverty rates	Organs of state to conduct commodity and supplier analysis for their mandates and implement targeted procurement in line with existing prescripts

2.9. PROGRAMME 4: FINANCIAL GOVERNANCE

2.9.1. 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.

2.9.2. PROGRAMME 4: OUTCOMES, OUTPUTS, PERFORMANCE INDICATORS AND TARGETS

Outcome	Outputs	Output Indicators	Annual Targets						
			Audited Performance		Estimated Performance	MTEF Period			
			2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26
Unqualified Audit Outcomes of Provincial Department s, Public Entities and Municipaliti es.	Transversal system courses conducted.	Number of courses conducted on Transversal Systems in votes.	85	72	72	72	60	60	60
	Financial Statements assessments conducted in votes.	Number of financial statements assessments conducted in votes.	48	44	44	44	44	44	44
	Assessments conducted on provincial risk and public sector risk management framework compliance	Number of assessments conducted on provincial risk profile.	2	2	4	4	4	4	4
	Assessments conducted on provincial risk and public sector risk management framework compliance assessments conducted	Number of public risk sector management framework compliance assessments conducted	68	64	56	64	64	64	64
Assessments conducted on financial system utilization.	Number of financial system assessments conducted in Votes.	48	44	44	44	44	44	44	44
Irregular Expenditure condonement requests considered and reduction	% of provincial irregular expenditure condonement requests considered by Provincial Treasury in terms of	-	-	100%	100%	100%	100%	100%	100%

Outcome	Outputs	Output Indicators	Annual Targets								
			Audited Performance		Estimated Performance	MTEF Period					
			2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26		
	in reported provincial irregular expenditure.	the National Treasury irregular expenditure framework.									

2.9.3. 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.	60	13	17	15	15
2	Number of financial statements assessments conducted in Votes.	44	11	11	11	11
3	Number of assessments conducted on provincial risk profile.	4	1	1	1	1
4	Number of public sector risk management framework compliance assessments conducted	64	16	16	16	16
5	Number of financial system utilization assessments conducted in Votes.	44	11	11	11	11
6	% of provincial irregular expenditure condonement requests considered by Provincial Treasury in terms of the National Treasury Irregular expenditure framework.	100%	100%	100%	100%	100%

2.9.4. EXPLANATION OF PLANNED PERFORMANCE OVER THE MEDIUM-TERM PERIOD.

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

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

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

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

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

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

2.9.5. PROGRAMME RESOURCE CONSIDERATION

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

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

R thousand	Outcome			Main appropriation	Adjusted appropriation 2022/23	Revised estimate	Medium-term estimates		
	2019/20	2020/21	2021/22				2023/24	2024/25	2025/26
Current payments	107 552	91 525	63 381	71 014	69 394	64 194	78 275	81 425	85 071
Compensation of employees	47 090	44 125	41 865	49 200	44 590	43 267	47 012	47 012	49 118
Goods and services	60 462	47 400	21 516	21 814	24 804	20 927	31 263	34 413	35 953
Interest and rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies to:	600	1 456	1 223	-	2 020	2 018	-	-	-
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	600	1 456	1 223	-	2 020	2 018	-	-	-
Payments for capital assets	2 602	-	672	-	5 200	10 402	-	-	-
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	2 602	-	672	-	5 200	10 402	-	-	-
Heritage Assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	-	23	-	-	-	-	-	-	-
Total economic classification	110 754	93 004	65 276	71 014	76 614	76 614	78 275	81 425	85 071

The allocation for the programme increases by 10.2 percent from R71.0 million in 2022/23 financial year to R78.3 million in 2023/24 financial year.

Compensation of employees decreases by 4.4 percent from R49.2 million in 2022/23 financial year to R47.0 million in 2023/24 financial year. The allocation is intended to pay existing staff and vacant funded positions in the programme.

Goods and Services increases by 43.3 percent on from R21.8 million in 2022/23 financial year to R32.3 million in 2023/24 and the allocation caters mainly for Audit Committee fees, SITA and Transversal training costs.

2.9.6. 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 and material mis-statements on financial statements leading to modified audit outcomes	<ol style="list-style-type: none"> 1. Continue with the focused training for Public Entities on GRAP. 2. Monitor the Implementation of the Checklist for review of FS. 3. Provide hands on support to struggling institutions
	Poor financial management and governance in departments and public entities due to inadequate capacity and stability in CFO's offices leading to modified audit outcome	<ol style="list-style-type: none"> 1. Professionalization of CFO's office staff, starting with Supply Chain Management (SCM). 2. Develop and Implement Capacity building programme in line with the CFO's assessment
	Poor financial management and governance in departments and public entities due to lack of adequate internal controls leading to modified audit outcome	Implementation of Internal Control Framework
	Poor financial management and governance in departments and public entities due to Inadequate and unstable financial management systems leading to modified audit outcomes	<ol style="list-style-type: none"> 1. Evaluate and Support departments on the utilisation of systems. 2. Support departments on LOGIS asset module. 3. Evaluate and support. Departments on systems functionality.
	Poor financial management and governance in departments and public entities due to ineffective risk management processes and inadequate skill on BarnOwl leading to modified audit outcomes	<ol style="list-style-type: none"> 1. Professionalising Risk Management. 2. Training of Risk owners on BarnOwl by CRO's. 3. Evaluate the effectiveness of the Risk Management Committee

2.10. PROGRAMME 5: SHARED INTERNAL AUDIT SERVICES

2.10.1. PURPOSE

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

The Branch is currently comprised of the following approved sub-programmes:

- Risk-Based Auditing, Performance and Consulting Services (Cluster A) which is responsible for:
 - Providing risk-based auditing, performance and consulting services (for votes: 1,3,4,6 & 12).

- Risk-Based Auditing & Specialised Audit Services (Cluster B) which is responsible for:
 - Providing risk-based and specialized audit services (for votes: 5, 7,8,9,10 & 11).

- Quality Assurance and Technical Support Services which is responsible for:
 - Providing quality assurance and technical support services and monitor compliance within provincial departments.

2.10.2. PROGRAMME 5: OUTCOMES, OUTPUTS, PERFORMANCE INDICATORS AND TARGETS

Outcome	Outputs	Output Indicators	Annual Targets					MTEF Period			
			Audited Performance		Estimated Performance						
			2019/20	2020/21	2021/22	2022/23	2023/24		2024/25	2025/26	
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.	New Output Indicator	4	4	4	4	4	4		
	Audit Reports provided to the Clients Departments.	% of Internal Audits finalized in terms of the approved Audit Plans.	94%	97%	98%	100%	100%	100%	100%		
	Internal Quality Assurance Improvement Programme (QAIP) implementation report prepared.	Number of Annual Internal Quality Assurance Improvement Programme (QAIP) implementation report prepared to improve the quality of client service.	1	1	1	1	1	1	1	1	

2.10.3. 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

2.10.4. 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.

2.10.5. PROGRAMME RESOURCE CONSIDERATION

Table 12: Budget Allocation for programme 5 and sub – programmes as per ENE and / or EPRE.

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

R thousand	Outcome			Main appropriation	Adjusted appropriation 2022/23	Revised estimate	Medium-term estimates		
	2019/20	2020/21	2021/22				2023/24	2024/25	2025/26
Current payments	43 306	38 815	39 366	44 816	41 363	41 288	47 429	47 567	51 024
Compensation of employees	39 494	38 192	38 727	42 193	38 240	38 010	45 829	45 967	48 025
Goods and services	3 812	623	639	2 623	3 123	3 278	1 600	1 600	2 999
Interest and rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies to:	34	305	174	-	15	90	138	-	-
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	34	305	174	-	15	90	138	-	-
Payments for capital assets	-	-	-	-	-	-	-	-	-
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	-	-	-	-	-	-	-	-	-
Heritage Assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	-	-	-	-	-	-	-	-	-
Total economic classification	43 340	39 120	39 540	44 816	41 378	41 378	47 567	47 567	51 024

The allocation for the programme increases by 6.1 percent from R44.8 million in 2022/23 financial year to R 47.6 million in 2023/24 financial year.

Compensation of Employees increases by 8.6 percent from R42.2 million in 2022/23 financial year to R45.8 million in 2023/24 financial year. The allocation will cover the existing staff and filling of critical posts in the branch.

Goods and Services decreases by 39.0 percent in from R2.6 in 2022/23 financial year to R1.6 million in 2023/24 financial year. The allocation will cater for external quality assurance review project, payment for teammate audit software licences as well as subsistence and travel for officials when conducting audits.

2.10.6. UPDATED KEY RISKS AND MITIGATIONS FROM THE SP

Programme 5: Financial Governance		
Outcomes	Key Risks	Risk Mitigations
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 by Departments leading to lack of improvement in Department`s control environment	<ol style="list-style-type: none"> 1. Key commitment through PMDS based on provincial target resolution rate, i.e $\geq 50\%$ in 2023/24, $\geq 70\%$ in 2024/24 and $\geq 90\%$ in 2025/26 financial years. 2. Consistent quarterly reporting on resolution rate to HOD`s Forum and EXCO for both PDMS performance and consequence management.
	Slow implementation of Internal Audit recommendations (agreed management actions) due to Internal Audit action plan not monitored by Departments leading to lack of improvement in Department`s control environment	<ol style="list-style-type: none"> 1. Management comments and mitigation plans to be provided at DDG's level or similar. 2. Departments to report on progress made in resolving findings in the standing monthly Audit Steering Committee chaired by the Accounting Officer or delegated member of the EXCOM. 3. Escalation of lack of readiness for follow up, missed audits and deemed acceptance of risk by the Accounting Officer

Programme 5: Financial Governance		
Outcomes	Key Risks	Risk Mitigations
		to the DG and the Cluster Audit Committee for PMDS performance and consequence management.
	Slow implementation of Internal Audit recommendations (agreed management actions) due to lack of skills/resources by the Departments to implement action plans leading to lack of improvement in Department`s control environment.	<ol style="list-style-type: none"> 1. Emphasis on guided practical recommendations to resolve identified weaknesses in processes, and systems of internal and risk management. 2. Workshops, newsletters etc. to guide the Departments on quick wins to repeat and overlapping findings as derived from the annual assessment of findings database (in the 3rd quarter).

3. PUBLIC ENTITIES

Not applicable

4. INFRASTRUCTURE PROJECTS

Not applicable

5. PUBLIC-PRIVATE PARTNERSHIPS (PPPs)

Not applicable



PART D
TECHNICAL INDICATOR
DESCRIPTIONS

PART D: TECHNICAL INDICATOR DESCRIPTIONS
TECHNICAL INDICATORS FOR PROGRAMME 1

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

Indicator Title	% on Vacancy Rate attained.
Definition	This performance indicator is about filling of vacant posts 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.
Source of Data	PERSAL
Method of Calculation / Assessment	% vacancy rate will be calculated as follows: - Total number of vacant funded posts that are on PERSAL / Total number of funded posts on PERSAL.
Means of Verification	PERSAL report
Assumptions	PERSAL report is available.
Disaggregation of Beneficiaries (where applicable)	N/A
Spatial Transformation (where applicable)	N/A
Calculation type	Non – Cumulative.
Reporting Cycle	Annually.
Desired Performance	Targeted Performance desirable.
Indicator Responsibility	Director: Human Resource Management.

Indicator Title	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"> • Attendance Registers. • Minutes of ICT Steering Committee meetings. • Presentation / Report made to the ICT Steering Committee.
Assumptions	Institutional Arrangements reviewed and approved.
Disaggregation of Beneficiaries (where applicable)	Department.
Spatial Transformation (where applicable)	N/A
Calculation type	Cumulative (year-end).
Reporting Cycle	Quarterly.
Desired Performance	Targeted Performance and above desirable.
Indicator Responsibility	Director: ICT.

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

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

TECHNICAL INDICATORS FOR PROGRAMME 2

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

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

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

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

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

Indicator Title	Number of municipal state of finance reports assessed.
Definition	Municipalities state of finances are assessed on a quarterly basis to assess and report and financial health of municipalities
Source of Data	Municipal reports and National Treasury Local Government Database
Method of Calculation / Assessment	Simple count – Non cumulative
Means of Verification	Quarterly assessment reports of municipal finance state of affairs
Assumptions	Municipalities will submit complete and accurate reports to the National Treasury Local Government Database Municipalities will submit complete and accurate information to Provincial Treasury
Disaggregation of Beneficiaries (where applicable)	None
Spatial Transformation (where applicable)	None
Calculation type	Cumulative (year-end)
Reporting Cycle	Quarterly
Desired Performance	Targeted performance and above.
Indicator Responsibility	Chief Director: Municipal Finance and Governance

TECHNICAL INDICATORS FOR PROGRAMME 3

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

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

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

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

TECHNICAL INDICATORS FOR PROGRAMME 4

Indicator Title	Number of courses conducted on transversal systems in votes.
Definition	Financial management capacity building through training courses. Training of votes officials (nominated) on transversal systems for 2023/24 (BAS, LOGIS and PERSAL).
Source of Data	Votes nomination lists, attendance registers.
Method of Calculation / Assessment	Simple Count
Means of Verification	Attendance Registers
Assumptions	Trainers, conducive training venues, stable network on all computers and systems, clients' nominations, electricity and water availability.
Disaggregation of Beneficiaries (where applicable)	Provincial votes
Spatial Transformation (where applicable)	N/A
Calculation type	Cumulative (year-end)
Reporting Cycle	Quarterly
Desired Performance	Actual performance that is higher than targeted performance is desirable
Indicator Responsibility	Director: Financial Management Capacity Building.

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

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

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

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

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

TECHNICAL INDICATORS FOR PROGRAMME 5

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

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

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

6. ANNEXURES TO THE ANNUAL PERFORMANCE PLAN

ANNEXURES A: AMENDMENTS TO THE STRATEGIC PLAN

Not applicable.

ANNEXURES B: CONDITIONAL GRANTS

Not applicable.

ANNEXURES C: CONSOLIDATED INDICATORS

Not applicable.

ANNEXURES D: DISTRICT DEVELOPMENT MODEL

Not applicable.



Our Offices

Call: 015 298 7000

Fax: 015 295 7010

Email: info@limtreasury.gov.za

Postal Address

Private Bag X 9486

Polokwane

0700

Physical Address

Ismini Towers

46 Hans Van Rensburg

Polokwane

0700

www.limtreasury.gov.za

PR62/2023

ISBN: 978-0-621-51006-5

