



LIMPOPO

PROVINCIAL GOVERNMENT

REPUBLIC OF SOUTH AFRICA

PROVINCIAL TREASURY

ANNUAL PERFORMANCE PLAN 2018/19

DATE OF TABLING

15 MARCH 2018

FOREWORD BY THE MEMBER OF THE EXECUTIVE COUNCIL FOR FINANCE

The 2018/19 Annual performance Plan (APP) of the Limpopo Provincial Treasury (LPT) provides a framework for the department to carry out its statutory obligations. This plan is developed in a period when the country is on a new trajectory of hope and renewal, due to recent political developments, while at the same time alive to global challenges that impact on our economic prospects.

It is against this background that the department will continue with its austerity measures and deepen the levels of financial prudence.

The National Development Plan (NDP), Medium Term Strategic Framework (MTSF) 2014 - 2019 and Limpopo Development Plan (LDP) remain our guiding documents towards building a society envisioned in Vision 2030.

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

- Further strengthening and resourcing Provincial Treasury core functions and responsibilities
- Strengthening our support to Municipalities through the implementation of the Provincial Municipal Strategy.
- Continuously support provincial departments and public entities in order to improve financial management practices and strive towards improving audit outcomes.
- Support provincial departments in infrastructure planning and delivery by maximizing value for money in infrastructure spend.
- Maximize provincial revenue collection by identifying revenue sources in departments and public entities to enable contribution to job creation, skills development and access to public services.
- Pursue the implementation of regulation 4 of the PPPFA by provincial departments and public entities for the empowerment of youth, women, people with disabilities and military veterans.

The Provincial Treasury will continue to play a leading role in ensuring that departments, municipalities and public entities within the province exercise adequate financial management controls and instill good governance practices. Furthermore, we will exercise continuous monitoring of costs containments within the province without compromising service delivery needs of the citizens. It is within this context that we further commit ourselves to the Medium Term Strategic Framework (MTSF) with special emphasis on Outcomes 9 and 12 as well as the implementation Limpopo Development Plan. I therefore endorse this Annual Performance Plan (APP) and commit to ensuring that it is implemented.



Hon. RWN TOOLEY
EXECUTIVE AUTHORITY

OFFICIAL SIGN-OFF

It is hereby certified that this Annual Performance Plan,

- Was developed by the management of Limpopo Provincial Treasury under the guidance of the Honourable MEC RWN Tooley.
- Was prepared in line with the current Strategic Plan of Limpopo Provincial Treasury, and takes into account all relevant policies, legislations and other mandates for which the department is responsible.
- Accurately reflects the performance targets which Limpopo Provincial Treasury will endeavour to achieve given the resources made available in the budget for 2018/19.

Mr HM MAWELA
Chief Financial Officer

Signature:



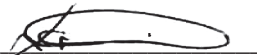
Mr MS MACHEVELE
Director: Strategic Operations
and Policy Coordination

Signature:



Ms L EBRAHIM
Deputy Director General: Corporate
Governance

Signature:



Mr GC PRATT
Accounting Officer

Signature:



Approved by:

Hon. RWN TOOLEY (MPL)
Executive Authority

Signature:

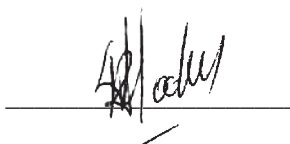


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LIST OF ACRONYMS

Acronym	Description
AFS	Annual Financial Statement
AG	Auditor General
APP	Annual Performance Plan
BAS	Basic Accounting System
BCOM	Bachelor of Commerce
BCP	Business Continuity Plan
BSC	Bachelor of Science
CAPEX	Capital Expenditure
CFO	Chief Financial Officer
COE	Compensation of Employees
COGHSTA	Co-Operative Governance, Human Settlement and Traditional Affairs.
CPI	Consumer Price Index
DoRA	Division of Revenue Act
DPSA	Department of Public Service and Administration
EPRE	Estimated Provincial Revenue and Expenditure
EXCOM	Executive Committee Meeting
GDP	Gross Domestic Product
GG	Government Garage
GITO	Government Information Technology Office
GTAC	Government Technical Advice Centre
HOD	Head of Department
HRD	Human Resource Development
HRM	Human Resource Management
IBM	International Business Machines
ICT	Information and Communication Technology
IMF	Information Monetary Fund
IRM	Infrastructure Reporting Model
IT	Information Technology
ITMC	Infrastructure Technical Management Committee
IYM	In Year Monitoring
KPA	Key Performance Area
LDP	Limpopo Development Plan
LEDET	Limpopo Economic Development, Environment and Tourism
LOGIS	Logistics Information System
LP	Limpopo Province
LPT	Limpopo Provincial Treasury
MEC	Member of the Executive Council
MFMA	Municipal Finance Management Act
Mgt	Management
MPAT	Management Performance Assessment Tool
MTBPS	Medium Term Budget Policy Statement
MTEF	Medium Term Expenditure Framework
MTSF	Medium Term Strategic Framework

LIST OF ACRONYMS

NDP	National Development Plan
OTP	Office of the Premier
PAJA	Promotion of Administrative Justice Act
PERSAL	Personnel Salary
PESTEL	Political, Economic, Social, Technological, Environment and Legal
PFMA	Public Finance Management Act
PMDS	Performance Management and Development System
PPP	Public Private Partnership
QAIP	Quality Assurance Improvement Programme
QEP	Quarterly Economic Bulletin
SCM	Supply Chain Management
SERO	Socio Economic Review and Outlook
SITA	State Information Technology Agency
SLA	Service Level Agreement
StatsSA	Statistics South Africa
SWOT	Strength, Weakness, Opportunities and Threats

PART A: STRATEGIC OVERVIEW

1. UPDATED SITUATIONAL ANALYSIS

The Provincial Treasury undertook an analysis to review the strategic position and environment of the department during the strategic planning processes. A tool referred to as McKinsey 7s model was used to analyse the internal environment and PESTEL was used to analyse the external environment. The focus was on analyzing 7 key internal elements namely: strategy, structure, systems, shared values, style, staff and skills, in order to review the overall strategic position of the department and its environment. PESTEL analysis was used to identify the macro (external) forces facing the organisation. The acronym PESTEL stands for Political, Economic, Social, Technological, Environmental and Legal.

The outcome of the situational analysis assisted branches to align the department's resources and capabilities to the requirements of the mandate of the department. The key issues identified during the situational analysis by all branches are summarized as follows:

Strengths

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

Weaknesses

The department acknowledges the weakness of operating with an aged Organisational Structure that has not been reviewed for more than five (5) years which may result in misalignment between the approved structure and the Strategic Plan, unfunded posts and misplaced employees. Poor implementation of the Department's Employment Equity plan is also 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.

Opportunities

The department identified opportunities that may maximise the departmental performance. Provincial Treasury through its transversal responsibilities has the ability to share knowledge across various platforms and enable benchmarking with National and other Provincial Treasuries. Utilising technological capabilities to streamline our activities, for example online banking services. Effective utilisation of the Provincial IT Risk Management System (BARNOWL) which is web enabled.

Threats

There are identified threats that may hinder the department from achieving the desired outputs and outcomes as set out in the Strategic Plan and Annual Performance Plan. The provincial equitable share in the province has been reduced by R168m for the 2018/19 financial year. This reduction presents a fiscal challenge given the increasing provincial funding responsibilities coupled with the high percentage of the provincial budget that is spent on the wage bill that is above the national norm. Public perception about

procurement irregularities poses a threat as citizens lose confidence in public sector procurement. Poor IT infrastructure networks in the province, coupled with the risk of IT systems being hacked are also a threat. An action plan addressing weaknesses and threats has been developed covering the medium term. An opportunity register was also developed focusing on key opportunities and strengths that can be harnessed over the medium term. The action plan and the opportunity register serve quarterly in EXCOM meetings where progress is presented. The interventions to address SWOT outcomes in the action plan and the opportunity register will be monitored separately from the Annual Performance Plan as they are operational in nature.

1.1. PERFORMANCE DELIVERY ENVIRONMENT

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

LIMPOPO PROVINCIAL DEPARTMENTS

1. Vote 1: Office of the Premier
2. Vote 2: Legislature
3. Vote 3: Education
4. Vote 4: Agriculture and Rural Development
5. Vote 5: Provincial Treasury
6. Vote 6: Economic Development, Environment and Tourism
7. Vote 7: Health
8. Vote 8: Transport
9. Vote 9: Public Works, Roads and Infrastructure
10. Vote 10: Community Safety
11. Vote 11: Co-operative Governance, Human Settlements & Traditional Affairs
12. Vote 12: Social Development
13. Vote 13: Sport, Arts and Culture

PUBLIC ENTITIES

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

MUNICIPALITIES

CAPRICORN DISTRICT

1. Capricorn District Municipality
2. Blouberg Local Municipality
3. Molemole Local Municipality
4. Lepelle Nkumpi Local Municipality
5. Polokwane Local Municipality (Not delegated)

SEKHUKHUNE DISTRICT

1. Sekhukhune District Municipality
2. Elias Motsoaledi Local Municipality
3. Ephraim Mogale Local Municipality
4. Makhuduthamaga Local Municipality
5. Fetakgomo Tubatse Local Municipality

MOPANI DISTRICT

1. Mopani District Municipality
2. Maruleng Local Municipality
3. Letaba Local Municipality
4. Tzaneen Local Municipality
5. Giyani Local Municipality
6. Ba-Phalaborwa Local Municipality

VHEMBE DISTRICT

1. Vhembe District Municipality
2. Makhado Local Municipality
3. Musina Local Municipality
4. Thulamela Local Municipality
5. Collins Chabane Local Municipality

WATERBERG DISTRICT

1. Waterberg District Municipality
2. Mogalakwena Local Municipality
3. Thabazimbi Local Municipality
4. Lephalale Local Municipality
5. Modimolle Mookgophong Local Municipality
6. Bela-Bela Local Municipality

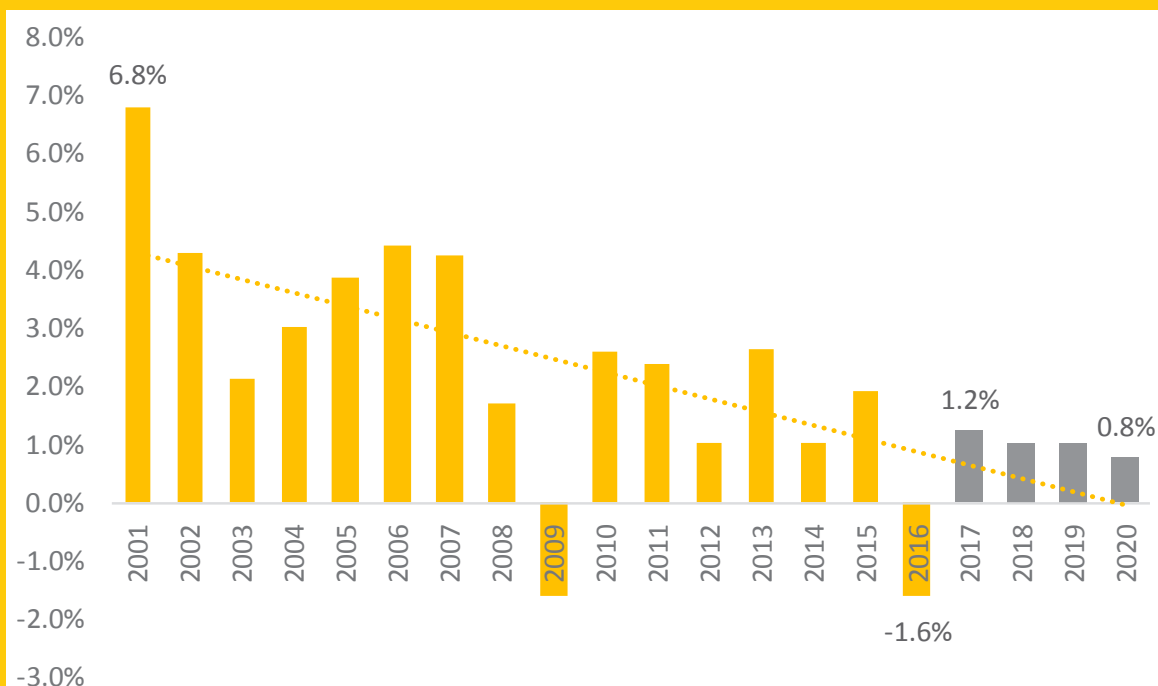
MUNICIPAL ENTITIES

1. Greater Tzaneen Economic Development Agency
2. Waterberg Development Agency
3. Sekhukhune Development Agency

1.1.1. LIMPOPO ECONOMY

The growth performance of the Limpopo economy is very important to determine the potential to address the triple challenge of unemployment, poverty and inequality. The growth rate declined by 1.6 percent in 2016 after the positive growth rate of 1.9 percent in 2015. The volatile growth performance of the provincial economy can to a large extent be explained by the volatile growth performance in the mining industry. The impact of the mining industry is mainly due to the relative size of the sector as compared to total production in the provincial economy. The mining sector declined by 5.9 percent in 2016 and contributed 1.65 percent to the overall decline of the economy in 2016. The forecast for the provincial economy from 2017-2019 is still well below the 3 percent target in the Limpopo Development plan.

See below table that reflects GDP average annual growth (Constant 2010 Prices)



Regional Explorer 2018 (Forecast by Limpopo Treasury)

In terms of the districts economic performance, the districts' GDP growth rates trends tend to follow a similar pattern with the provincial trend except for some few instances where some districts tend to be performing above the provincial average.

The below table shows the growth situation in 2016. In line with the provincial economy; districts like Waterberg and Sekhukhune showed the biggest decline. The average growth over different periods is also indicated. Except for Capricorn the average growth rate between 2011 and 2016 was less than 1 percent.

Year/Years	District in Limpopo				
	Mopani	Vhembe	Capricorn	Waterberg	Sekhukhune
2016	-2.3%	-0.7%	0.3%	-3.4%	-3.1%
1996-2001	1.9%	4.3%	6.6%	2.2%	4.5%
2001-2006	2.9%	3.8%	3.8%	3.1%	5.0%
2006-2011	-0.2%	1.7%	3.8%	1.2%	2.9%
2011-2016	0.5%	0.7%	1.8%	0.8%	0.6%
1996-2016	1.3%	2.6%	4.0%	1.8%	3.2%

Source: Regional Explorer 2018

Given the above economic outlook, it is expedient that Limpopo provincial government target sectors that will stimulate accelerated economic growth and that are labour elastic such as agriculture, manufacturing and tourism. Though economic growth is not a panacea of all developmental challenges, it is necessary to address issues of unemployment, poverty and income equality. Furthermore, it is important that all spheres of government embrace fiscal discipline that will translate into government deriving value for money.

1.1.2. MPAT Outcomes

a. Departmental MPAT 1.6 Performance

Limpopo Provincial Treasury was rated a score of 3.3 on MPAT 1.6, which was 0.2 below the Strategic Objective target for the 2016/17 financial year. The department continuously monitors the implementation of MPAT Improvement plans with special focus on KPA 3 (Human Resource Management) and PMDS standards in particular.

b. Provincial MPAT 1.6 Performance

Limpopo Provincial Treasury has a transversal role of supporting provincial departments on issues of governance and accountability as well as financial management matters. Provincial Treasury is responsible and contributes towards the following standards under KPA 2 (Governance and Accountability): Audit Committees, Internal Audit and Risk Management. The Provincial MPAT 1.6 outcomes indicates that all three standards were performing above an average score of 3, which is satisfactory performance, and however implements are required to achieve a level 4 rating.

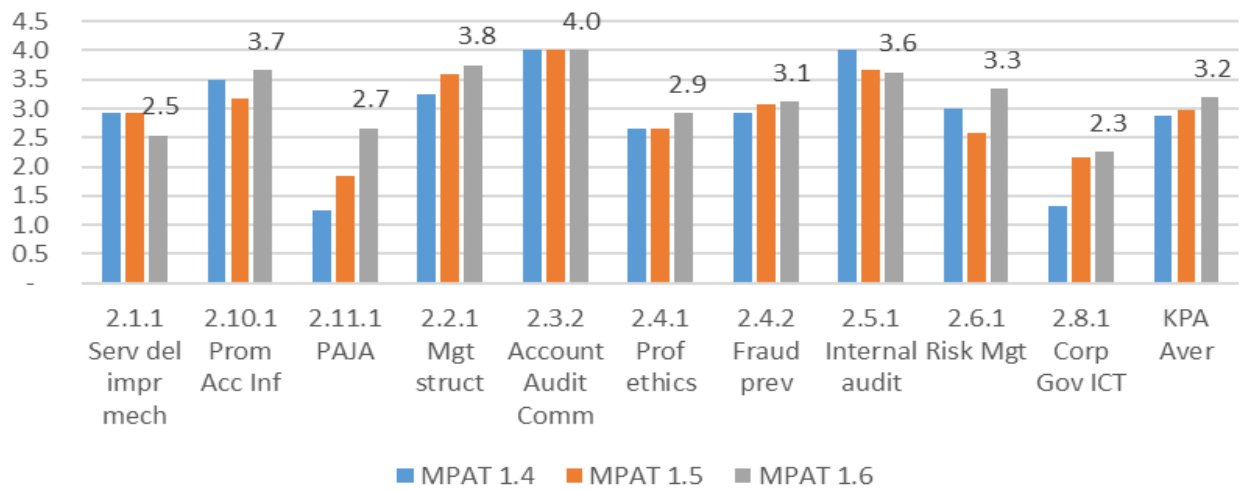
The department is also responsible for standards on payment of invoices within 30 days, unauthorized expenditures, cash flow management, demand management, acquisition management, logistics management and disposal management under KPA 4 (Financial Management).

The Provincial MPAT 1.6 outcomes indicates that standards on demand, acquisition and logistics management are performing above the provincial average score of 3, which is satisfactory performance which may not require major intervention, however, standards on disposal management, payment of suppliers and management of unauthorized expenditure requires concerted interventions as they performing at an average provincial score below 3.

A new performance indicator under programme four was introduced as an intervention to address poor provincial performance on payment of suppliers within 30 days. Programme 4 has included a performance indicator on the AG Action plan for departments and public entities to address the issues of unauthorized expenditures which is part of the issues that may be raised in the AG report. The performance indicator to address disposal management is included in programme 3 where assessment on compliance to SCM prescripts will be measured and disposal management included as one of the focus areas.

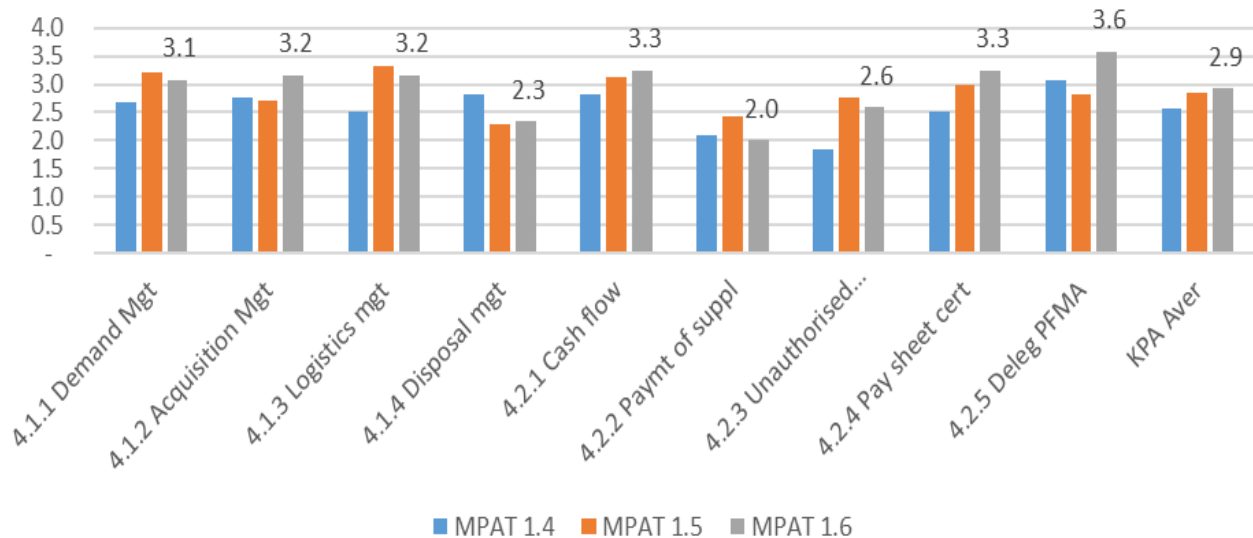
The figures below are graphical representations of Provincial MPAT 1.6 outcomes for KPA 2 and KPA 4 that informed the interventions outlined above. The information contained in the two figures below provide the provincial performance on specific focus areas in terms of MPAT standards and the information assists departments that provide transversal support to provincial departments to identify where intervention is required in the province.

MPAT 1.6 (Trends) Average scores per standard: Governance and Accountability: Limpopo Province



Provincial MPAT 1.6 average scores per standard for KPA 2: Governance and Accountability

MPAT 1.6 (Trends) Average scores per standard: Financial Management: Limpopo Province



Provincial MPAT 1.6 average scores per standard for KPA 4: Financial Management

1.1.3. AG AUDIT OUTCOMES

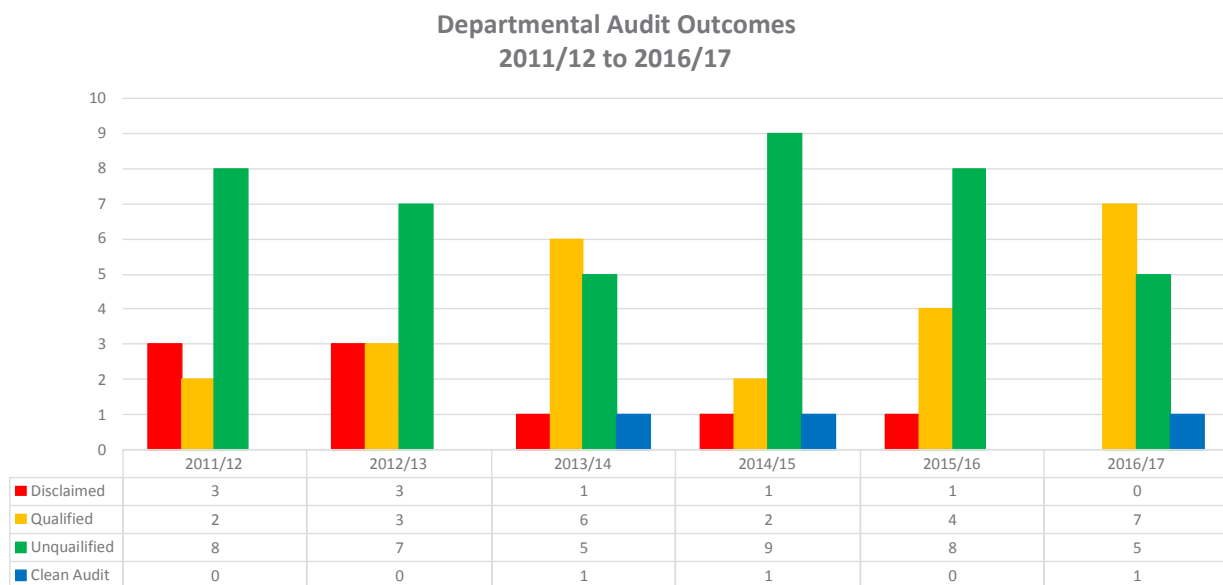
a. Limpopo Provincial Treasury AG Audit Outcomes

Limpopo Provincial Treasury received an unqualified audit opinion with findings in the 2015/16 financial year, however the department improved in the 2016/17 financial year by receiving an unqualified audit opinion without findings also referred to as a Clean Audit.

b. AG Outcomes for Provincial Departments

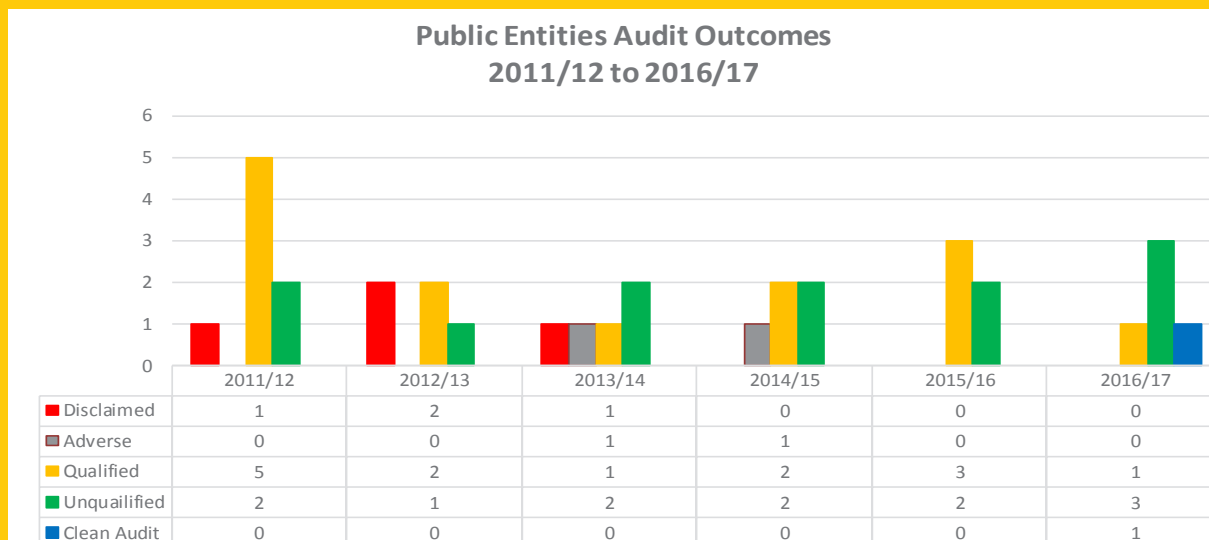
The role of Limpopo Provincial Treasury in supporting and monitoring provincial departments, public entities and municipalities will ensure improved management of financial resources and good governance in the province.

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



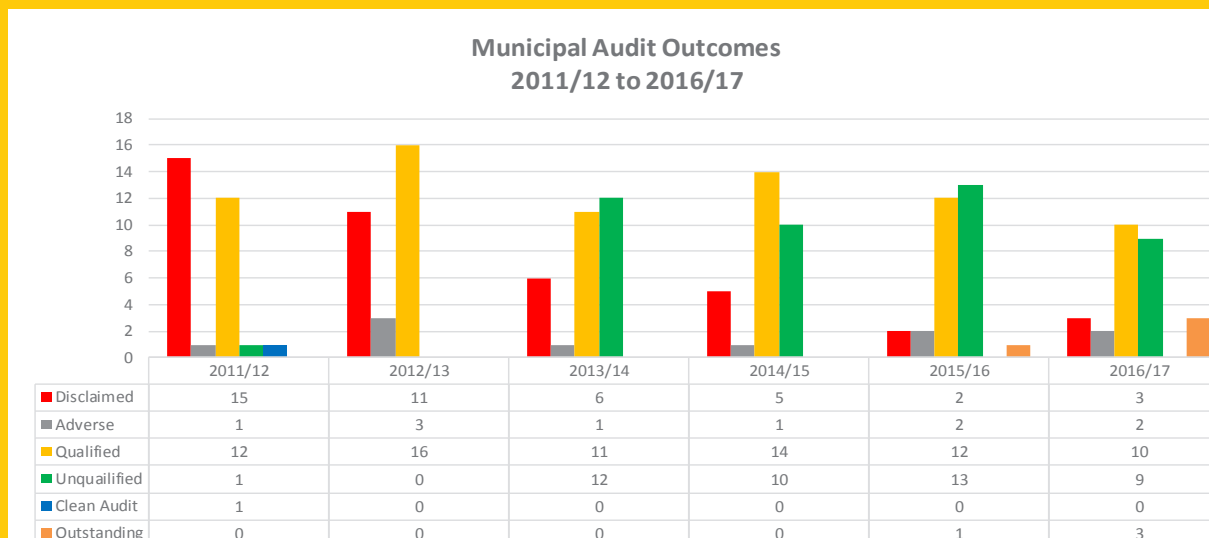
It is clear from the above graph that audit outcomes which is a reflection of internal controls within departments have not been stable in Limpopo Province and the province has recorded some regression in 2016/17, particularly Department of Agriculture and CoGHSTA that moved from Unqualified Audit opinions to Qualified audit opinions. The number of departments that received clean audits increased from zero in 2015/16 to one in 2016/17 and the number of departments that received unqualified audit opinions reduced from eight in 2015/16 to five in 2016/17. There was a significant increase in the number of departments with qualified audit opinions from five in 2015/16 to seven in 2016/17, however; in 2016/17 no department achieved Disclaimer or Adverse audit opinions. The support provided by Provincial Treasury is therefore necessary to ensure that these trends are improved and sustained. This Annual Performance Plan has taken these factors into consideration in determining our priorities, hence the performance indicator that measures number of assessment reports on AG Action Plan has been introduced in the 2018/19 APP.

c. AG Outcomes for Public Entities



There is significant improvement in audit outcome performance of public entities where three public entities received qualified audit opinions in 2015/16 and improved to only one qualified audit opinion in 2016/17, although the one qualified audit opinion for LEDA is a regression from unqualified audit opinion in 2015/16. The four public entities that received unqualified audit opinions includes a clean audit opinion for Limpopo Gambling Board. The department will continue to provide support to these public entities so that they can maintain the commendable performance achieved in 2016/17 and improve the audit opinion of LEDA.

d. AG Outcomes for Municipalities



Audit Outcomes for three municipalities (Giyani, Modimolle Mookgopong and Thabazimbi Local Municipalities) have not been finalised for 2016/17. Municipalities audit outcomes have regressed in the 2016/17 financial year. Municipal Finance in the department has restructured their performance measures to reflect the actual deliverables that will be measured in providing support to municipalities. Assessments

will be conducted on various aspects that contributed to the regression by municipalities in terms of 2016/17 Audit outcomes and feedback will be provided to municipalities for implementation of recommendations.

e. AG Outcomes for Municipal Entities

The audit outcome performance of the three municipal entities has remained at unqualified audit opinions for 2015/16 and 2016/17 financial years, which shows consistent acceptable performance by these entities.

1.2. ORGANISATIONAL ENVIRONMENT

Limpopo Provincial Treasury's current approved Organisational Structure has undergone a review and concurrence is being sought from the Minister of Public Service and Administration.

The Department strengthened the capacity of Limpopo Provincial Treasury by upgrading the level of the HOD's post from level 15 to 16, and those of the Deputy Director Generals for Asset, Liabilities and Supply Chain Management and Corporate Management to level 15 respectively. Three Chief Director posts were evaluated and graded at level 14 for the Chief Financial Officer, MFMA and Infrastructure Management and PPP units. The strengthening of LPT at managerial levels will ensure that Provincial Treasury is well equipped and capacitated to fulfil its monitoring and support role to departments, municipalities and public entities. There has been concerted efforts to increase the department's capacity within core programmes with particular focus on Municipalities and Public Entities.

In order for the department to deliver on its mandate the capacitation of employees is key. The department has adopted a multi-faceted approach towards the development of its human capital by enrolling employees on various programmes and offering bursaries to employees.

The 2017/18 bursaries registration statistics indicates that forty-three (43) employees have been registered for Bachelor of Accounting Science, five (5) for BCOM Economics, two (2) BCOM Financial Accounting, two (2) Bachelor of Business Science, one (1) BSC Computer Science and two (2) National Diploma Information Technology.

Personal Development Plans of all employees have found expression in the Workplace Skills Plan. One hundred and ten (110) employees are aligned to courses with the intention of professionalising the public service as depicted in the NDP.

Eleven (11) Senior Managers have participated in the WITS School of Governance programme focusing on Public Sector Governance and Risk Management, Programme and Project Management, Public Finance and Fiscal Management, Monitoring and Evaluation and Public Sector Procurement and Supply Chain Management.

2. REVISIONS TO LEGISLATIVE AND OTHER MANDATES

The Legislative and other mandates were not revised.

3. OVERVIEW OF 2018/19 BUDGET AND MTEF ESTIMATES

3.1 Expenditure estimates

DEPARTMENTAL SUMMARY

Provincial Treasury will continue to improve its strategies in supporting and monitoring departments, municipalities and public entities to improve compliance to the MFMA, PFMA and other policies and legislation thereby contributing towards improved Audit Outcomes. There is an allocation for the use of the National Treasury Government Technical Advisory Centre to an amount of R24.2 million which will be used to assist departments in improving spending of infrastructure allocations.

Provincial Treasury will continue with the implementation of key priorities strengthening support to Provincial departments, Entities and Municipalities to achieve sound financial management, maintain Unqualified Audit Outcomes, enforce and ensure compliance, monitor & facilitate infrastructure spending and the Revenue Enhancement Strategy.

Provincial Treasury will play a leading role in ensuring the implementation of austerity measures within the province without compromising service delivery needs of the citizens. It is within this context that Provincial Treasury further commits to the Medium Term Strategic Framework (MTSF), National Outcomes with special emphasis on Outcome 9 and 12 as well as the Limpopo Development Plan.

The Provincial Treasury will play a leading role in ensuring that departments, municipalities and public entities within the province exercise adequate financial management controls and good governance.

Key assumptions

Some of the main assumptions underpinning the 2018/19 MTEF budget are as follows:

- Salary increases are estimated at 6.7%, 6.6% and 6.5% in 2018/19, 2019/20 and 2020/21 respectively as per Consumer Price Index (CPI) with an implementation date of 1st April 2018.
- 1.5% & 2% provision has been made for pay progression and performance bonus respectively for all qualifying employees.
- A provision of 1% of total compensation of employee's budget has been set aside to assist with staff development as per National Skills Development Act.

Table 5.2(a): Summary of payments and estimates: Provincial Treasury

R thousand	Outcome			Main appropriation	Adjusted appropriation 2017/18	Revised estimate	Medium-term estimates		
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21
1. Administration	135 770	152 154	183 934	174 850	169 536	167 130	182 715	192 642	202 642
2. Sustainable Resource Management	45 972	50 127	94 516	119 577	90 426	92 584	97 310	95 664	82 465
3. Assets, Liabilities & Scm	69 360	83 051	85 092	82 940	87 190	84 287	56 521	60 117	64 024
4. Financial Governance	95 203	78 390	77 610	97 253	85 757	90 461	136 305	143 776	150 186
Total payments and estimates	346 305	363 722	441 152	474 620	432 909	434 462	472 850	492 199	499 318

Table 5.2(b): Summary of provincial payments and estimates by economic classification: Provincial Treasury

R thousand	Outcome			Main appropriation	Adjusted appropriation 2017/18	Revised estimate	Medium-term estimates		
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21
Current payments	335 046	346 850	399 010	444 103	398 664	404 865	454 613	480 978	487 368
Compensation of employees	218 549	235 895	259 219	312 795	280 145	297 010	310 658	336 146	354 153
Goods and services	116 497	110 955	139 791	131 308	118 519	107 855	143 955	144 832	133 214
Interest and rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies to:	5 152	8 668	8 617	26 328	6 601	7 571	7 301	6 528	6 952
Provinces and municipalities	-	-	-	20 000	-	-	-	-	-
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private entities	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	5 152	8 668	8 617	6 328	6 601	7 571	7 301	6 528	6 952
Payments for capital assets	6 098	7 845	8 494	4 189	7 644	2 026	10 936	4 693	4 998
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	6 098	7 845	7 536	4 189	7 644	2 026	10 936	4 693	4 998
Heritage Assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	958	-	-	-	-	-	-
Payments for financial assets	9	359	25 031	-	20 000	20 000	-	-	-
Total economic classification	346 305	363 722	441 152	474 620	432 909	434 462	472 850	492 199	499 318

3.2. Relating expenditure trends to strategic outcome oriented goals

There is a nominal decrease in the budget allocated to Provincial Treasury from R474.6 million in 2017/18 to R472.8 million in 2018/19 financial year. The minimal decrease is as results of the reduction in the budget allocated to fund the GTAC project.

Programme one (Administration) constitutes the highest share of the budget at 38.6%, the programme caters for centralised contractual obligations. Programme four (Financial Governance) constitutes the second biggest share of the budget at 28.8% of the overall budget. The cost drivers within programme four are payments for transversal SITA services, renewal of TEAMATE software licence being used by Provincial Internal Audit, Audit Committee fees as well as travel allowance for Internal Audit personnel while conducting their audits. Programme two (Sustainable Resource Management) shares 20.6% of the allocation, included in the allocation is an amount of R24.2 million for the GTAC project.

Programme three (Assets, Liabilities and Supply Chain Management) receives the smallest share of the budget at 12% and the budget will be used to procure face value documents, settle bank charges and support all Departments & Public Entities to comply with all Asset, Liabilities and Supply Chain prescripts.

Compensation of Employees: The item indicates a negative growth rate in 2018/19 financial year. Department has aligned funding with the proposed organisational structure which is due for approval by DPSA. Funds have been reprioritised to fund contractual obligations under Goods & Services and procurement of working tools under Payment of Capital assets.

Goods & Services: The increase of 8% from R131.3 million in 2017/18 to R143.9 million in 2018/19 includes an allocation of R24.2 million earmarked for GTAC project, allocation for escalations on contractual obligations and other variable costs such as Legal Fees, GG vehicle running costs, renewal of software licences, maintenance of software and subsistence allowance mainly for officials on transversal units.

Transfers & Subsidies: The increase of 13% will mainly cover bursaries for external students in the institutions of higher learning as well as paying leave gratuities for employees who will retire in the public service during the 2018/19 financial year.

Payment for Capital Assets: There is a substantial increase on CAPEX for 2018/19 financial year and this will be for the procurement of ten new G.G Vehicles to replace old vehicles that were sold at an auction and to pay for Cell Phone contracts which are classified as finance leases under payments for capital assets.

PART B: PROGRAMME AND SUB - PROGRAMME PLANS

BUDGET STRUCTURE

Programme	Sub-programme
a. Programme 1: Administration	1.1. Office of the MEC 1.2. Management Services 1.3. Corporate Services 1.4. Financial Management (Office of the CFO)
b. Programme 2: Sustainable Resource Management	2.1. Programme Support 2.2. Economic Analysis 2.3. Fiscal Policy 2.4. Budget Management 2.5. Public Finance 2.6. Intergovernmental Fiscal Relations (Municipal Finance)
c. Programme 3: Assets, Liabilities and Supply Chain Management	3.1. Programme Support 3.2. Asset Management 3.3. Liabilities Management 3.4. Supply Chain Management
d. Programme 4: Financial Governance	4.1. Programme Support 4.2. Accounting Services 4.3. Norms and Standards 4.4. Risk Management 4.5. Provincial Internal Audit 4.6. Support & Interlinked Financial Systems

4. PROGRAMMES

4.1. PROGRAMME 1: ADMINISTRATION

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

The programme has the following sub-programmes namely:

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

4.1.1. PROGRAMME 1 STRATEGIC OBJECTIVES ANNUAL TARGETS FOR 2018/19

Programme 1 Strategic Objective: Enable the Department to deliver in line with the Departmental mandate by improving management practices on HR, Strategic Management and Financial Management to level 4 of MPAT standards by 2019/20.	5 Year Strategic Plan Target	Audited/Actual Performance			Estimated performance 2017/18	Medium-Term Targets		
		2014/15	2015/16	2016/17		2018/19	2019/20	2020/21
Strategic outcome oriented Goal 1: Strategic partnership that enables effective execution of the department's legislative mandate by the 4 departmental programmes.								
Departmental average MPAT score.	4	2.5	2.5	3.3	3.5	3.8	4	4

4.1.2. PROGRAMME 1 PERFORMANCE INDICATORS AND ANNUAL TARGETS FOR 2018/19 – 2020/21

Programme 1 Performance Indicators	Audited/Actual Performance		Estimated Performance 2017/18	Medium-Term Targets		
	2014/15	2015/16		2018/19	2019/20	2020/21
Strategic Objective: Enable the Department to deliver in line with the departmental mandate by improving management practices on HR, Strategic Management and Financial Management to level 4 of MPAT standards by 2019/20.						
Indicators contribute towards the MTSF Outcome 12 of building an effective, efficient and development oriented public service and NDP objective 13 of Building and Capable and Developmental State as well as LDP Objective: Sound Financial and Administrative Management						
1	Number of PMDS moderations finalized by moderation committees.	New Performance Indicator	New Performance Indicator	New Performance Indicator	6	6
2	Number of risk management reports submitted to EXCOM.	New Performance Indicator	New Performance Indicator	New Performance Indicator	4	4
3	Number of prioritised ICT projects implemented in line with ICT Plan.	4	4	4	2	2
4	Number of departmental quarterly performance reports produced in line with Performance Information Management Frameworks and guidelines.	New Performance Indicator	New Performance Indicator	New Performance Indicator	4	4
5	Number of budget documents compiled and submitted.	4	4	4	4	4
6	Number of financial statements compiled and submitted for review by Provincial Treasury in line with the reporting framework.	New Performance Indicator	New Performance Indicator	New Performance Indicator	4	4
7	% of supplier's valid invoices paid within 30 days.	100% of supplier's valid invoices paid within 30 days	100%	99.12%	100%	100%
8	Number of reconciliations done on the asset registers.	New Indicator	New Indicator	New Performance Indicator	12	12

4.1.3 PROGRAMME 1 QUARTERLY TARGETS FOR 2018/19

Programme 1 Performance Indicators	Reporting Period	Annual Target 2018/19	Quarterly Targets				
			1st	2nd	3rd	4th	
Strategic Objective: Enable the Department to deliver in line with the departmental mandate by improving management practices on HR, Strategic Management and Financial Management to level 4 of MPAT standards by 2019/20.							
1	Number of PMDS moderations finalized by moderation committees.	Quarterly	6	3	0	3	0
2	Number of risk management reports submitted to EXCOM.	Quarterly	4	1	1	1	1
3	Number of prioritised ICT projects implemented in line with ICT Plan.	Annual	2	0	0	0	2
4	Number of departmental quarterly performance reports produced in line with Performance Information Management Frameworks and guidelines.	Quarterly	4	1	1	1	1
5	Number of budget documents compiled and submitted.	Quarterly	4	0	1	2	1
6	Number of financial statements compiled and submitted for review by Provincial Treasury in line with the reporting framework.	Quarterly	4	1	1	1	1
7	% of supplier's valid invoices paid within 30 days.	Monthly	100%	100%	100%	100%	100%
8	Number of reconciliations done on the asset registers.	Monthly	12	3	3	3	3

4.1.4. RISK MANAGEMENT

Programme 1: Administration		
Strategic Goal(s)	Strategic Risk	Mitigation
Strategic partnership that enables effective execution of the department's legislative mandate by the 4 departmental programmes.	Threat to business continuity caused by to slow implementation of Business Continuity Plan (BCP) leading to threat to the financial wellbeing of the province .	Monitoring BCP implementation plan and deliver quarterly report.
	Failure to provide proper support for Treasury to deliver on its mandates caused by delay in approving the Organisational structure, unfavourable economic conditions, misplacement and /or inadequate skills and indecisive management leading to compromised in service delivery.	<p>Bi monthly meeting between OTP and Treasury to finalize the approval of the structure.</p> <p>Reprioritization of programme and resource allocation to fund strategy service delivery functions and projects which may stimulate economic growth.</p> <p>Implementation of HRD plan and relevant on the job training.</p> <p>Conduct ethics workshops focusing on professionalism as a value impacting on decision making.</p> <p>Development of standards relating to decision making.</p>

4.1.5. RECONCILING PERFORMANCE TARGETS WITH THE BUDGET AND MTEF

Expenditure estimates

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

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2014/15	2015/16	2016/17				2017/18	2018/19	2019/20
Current payments	126 653	138 776	170 006	165 661	156 392	158 787	165 484	182 347	191 678
Compensation of employees	77 199	83 786	94 815	110 716	98 769	106 270	105 382	118 433	123 621
Goods and services	49 454	54 990	75 191	54 945	57 623	52 517	60 102	63 914	68 056
Interest and rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies to:	3 019	6 671	6 380	5 000	5 500	6 317	6 295	5 602	5 966
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Departmental agencies and acc	-	-	-	-	-	-	-	-	-
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and intern	-	-	-	-	-	-	-	-	-
Public corporations and private	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	3 019	6 671	6 380	5 000	5 500	6 317	6 295	5 602	5 966
Payments for capital assets	6 098	6 632	7 536	4 189	7 644	2 026	10 936	4 693	4 998
Buildings and other fixed struct	-	-	-	-	-	-	-	-	-
Machinery and equipment	6 098	6 632	7 536	4 189	7 644	2 026	10 936	4 693	4 998
Heritage Assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible as	-	-	-	-	-	-	-	-	-
Payments for financial assets	-	75	12	-	-	-	-	-	-
Total economic classification	135 770	152 154	183 934	174 850	169 536	167 130	182 715	192 642	202 642

Performance and expenditure trends

The overall increase of 4.4 per cent in 2018/19 as compared to 2017/18 budget allocation.

Compensation of Employees: The 5 per cent decrease on CoE in 2018/19 financial year is due to the decline in the number of Interns and Learnership intake, however the allocated budget will be sufficient to cater for filled posts and vacancies, not forgetting cost of improvement on living adjustment, performance bonuses and pay progression.

Goods & Services: The increase of 8 per cent from R54.945 million to R60.102 million in 2018/19 financial year. Funds are earmarked to pay for the lease of office buildings, security services, microsoft licence renewals, legal and audit fees amongst others.

Transfers and subsidies increase by 21 per cent from R5 million in 2017/18 to R6.2 million in 2018/19. The funds are meant for paying bursaries for external students as well as leave gratuities for employees who will be within the retirement age in the 2018/19.

Payments for capital assets increase by 62 per cent from R4.2 million in 2017/18 to R10.9 million in 2018/19, the increase is attributed to the department planning to procure ten motor vehicles and new I.T equipment's in 2018/19.

4.2. PROGRAMME 2: SUSTAINABLE RESOURCE MANAGEMENT

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

The Branch comprises of the following sub-programmes:

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

4.2.1. PROGRAMME 2 STRATEGIC OBJECTIVES ANNUAL TARGETS FOR 2018/19

Programme 2 Strategic Objective 1: To achieve sustainable fiscal policy for the province during the 2015/16 to 2019/20.	5 Year Strategic Plan Target	Audited/Actual Performance			Estimated Performance 2017/18	Medium-Term Targets		
		2014/15	2015/16	2016/17		2018/19	2019/20	2020/21
Strategic outcome oriented Goal 2: Responsive, accountable, effective and efficient provincial and local government system.								
% of provincial annual expenditure achieved.	98%	97.9%	98%	98%	98%	98%	98%	98%
Number of departmental and public entities budget plans that are credible.	13 departments and 5 public entities	13 departments and 5 public entities	13 departments and 5 public entities	13 departments and 5 public entities	13 departments and 5 public entities	13 departments and 5 public entities	13 departments and 5 public entities	13 departments and 5 public entities
% of Provincial revenue collected.	100%	102.4%	104.9%	100.8%	100%	100%	100%	100%
Programme 2 Strategic objective 2: To achieve annual improvement on financial management and effective governance in 26 delegated municipalities and 3 municipal entities by 2019/20.	5 Year Strategic Plan Target	Audited/Actual Performance			Estimated Performance 2017/18	Medium-Term Targets		
	2014/15	2015/16	2016/17	2018/19		2019/20	2020/21	
Number of municipalities and entities with unqualified audit opinions.	26 Municipalities and 3 municipal entities	18 municipalities and 3 municipal entities	12 municipalities and 3 municipal entities	13 municipalities and 3 municipal entities	15 municipalities and 3 municipal entities	15 municipalities and 3 municipal entities	18 municipalities and 3 municipal entities	26 municipalities and 3 municipal entities

4.2.2. PROGRAMME 2 PERFORMANCE INDICATORS AND ANNUAL TARGETS FOR 2018/19 2020/21

Programme 2 Performance Indicators	Audited/Actual Performance			Estimated Performance 2017/18	Medium-Term Targets		
	2014/15	2015/16	2016/17		2018/19	2019/20	2020/21
Strategic Objective 1: To achieve sustainable fiscal policy for the province during the 2015/16 to 2019/20.							
Indicators contribute towards MTSF Outcome 9 and National Development Plan objective 13: Building a capable developmental state as well as LDP Objectives: Sound Financial and Administrative; and Increase the number of unqualified audit opinions in departments, public entities and municipalities.							
1	7	7	7	7	7	7	7
2	New Indicator	New Indicator	New Indicator	New Indicator	4	4	4
3	2	2	2	2	2	2	2
4	12	12	12	-	12	12	12
Indicators 5 contributes towards the MTSF Outcome 6 and National Development Plan objective number 4: Economic Infrastructure as well as LDP focus area on Infrastructure Development							
5	New Indicator	New Indicator	New Indicator	New Indicator	108	108	108

Strategic Objective 2: To achieve annual improvement on financial management and effective governance in 26 delegated municipalities and 3 municipal entities by 2019/20.									
Indicator 7 contributes towards MTSF Outcome 9 and National Development Plan objective 13: Building a capable developmental state.									
6	Number of municipal budget assessments conducted.	New Indicator	New Indicator	New Indicator	New Indicator	New Indicator	26	26	26
7	Number of IYM assessments conducted on the implementation of the municipal budget.	New Indicator	New Indicator	New Indicator	New Indicator	New Indicator	78	78	78
8	Number of municipal governance assessments conducted.	New Indicator	New Indicator	New Indicator	New Indicator	New Indicator	78	78	78
9	Number of municipal accounting assessments conducted.	New Indicator	New Indicator	New Indicator	New Indicator	New Indicator	104	104	104

4.2.3. PROGRAMME 2: QUARTERLY TARGETS FOR 2018/19

Programme 2 Performance Indicators	Reporting Period	Annual Target 2018/19	Quarterly Targets				
			1st	2nd	3rd	4th	
Strategic Objective 1: To achieve sustainable fiscal policy for the province during the 2015/16 to 2019/20.							
1	Number of Research documents produced to align the Provincial Fiscal Policy.	Quarterly	7	1	1	2	3
2	Number of revenue assessments conducted to ensure collection of set target.	Quarterly	4	1	1	1	1
3	Number of budget documents tabled in line with the set standards and National Treasury guidelines.	Quarterly	2	0	0	1	1
4	Number of consolidated provincial in year monitoring reports produced in line section 32 of PFMA.	Quarterly	12	3	3	3	3
5	Number of Infrastructure Reporting Model assessments conducted.	Quarterly	108	27	27	27	27
Strategic Objective 2: To achieve annual improvement on financial management and effective governance in 26 delegated municipalities and 3 municipal entities by 2019/20.							
6	Number of municipal budget assessments conducted.	Annually	26	26	0	0	0
7	Number of IYM assessments conducted on the implementation of the municipal budget.	Quarterly	78	0	26	26	26
8	Number of municipal governance assessments conducted.	Quarterly	78	26	26	26	0
9	Number of municipal accounting assessments conducted.	Quarterly	104	26	26	26	26

4.2.4. RISK MANAGEMENT

Programme 2: Sustainable Resource Management		
Strategic Goal	Strategic Risk	Mitigation
Responsive, accountable, effective and efficient provincial and local government system.	Failure to deliver on Treasury mandates due to unfavourable economic conditions leading to institutions not adequately support to hold them accountable for resource management and non-compliance to the relevant prescripts.	Reprioritization of programme and resources allocation to fund strategy service delivery functions and projects which may stimulate economic growth.
	Unsustainable municipalities due to inadequate financial management and built environment skills and resources leading to community unrest and dilapidated infrastructure in the province.	Operationalization of the provincial infrastructure planning hub. Monitor the appointment of skilled officials in the municipalities.
	Mismanagement of resources by public institutions due to spending of the budget not in line with core mandates and over and under expenditure leading to misappropriation of public funds, loss of resources to the province and unauthorized expenditure.	Bi monthly monitoring reports outlining challenges and recommendations.
	Inadequate funding to support economic growth and development of public institutions due to slow economic growth, reduction in equitable share and poor integrated infrastructure planning and expenditure management leading to impoverished citizen in the province.	Allocate funding to Provincial priorities. Establish Equitable share formular review task team. Institutionalize the use of Limpopo Infrastructure master plan (GIS) for all infrastructure projects.
	Rate of growth on COE spending exceeding the rate growth of total budget due to bloated and overstaffed organizational structured leading to diminishing funds for service delivery.	Reduce provincial COE to 60%.

4.2.5. RECONCILING PERFORMANCE TARGETS WITH THE BUDGET AND MTEF

Expenditure estimates

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

R thousand	Outcome			Main appropriation	Adjusted appropriation 2017/18	Revised estimate	Medium-term estimates		
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21
Current payments	45 972	49 277	69 446	98 816	69 839	72 260	96 504	95 373	82 155
Compensation of employees	42 126	44 640	50 819	63 037	54 285	56 304	64 782	69 495	74 171
Goods and services	3 846	4 637	18 627	35 779	15 554	15 956	31 722	25 877	7 984
Interest and rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies to:	-	686	90	20 761	587	324	806	291	310
Provinces and municipalities	-	-	-	20 000	-	-	-	-	-
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private entities	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	-	686	90	761	587	324	806	291	310
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	-	164	24 980	-	20 000	20 000	-	-	-
Total economic classification	45 972	50 127	94 516	119 577	90 426	92 584	97 310	95 664	82 465

Performance and expenditure trends

The budget for Sustainable Resource Management decrease by 22.9 per cent from R119.6 million in 2017/18 main appropriation to R97.3 million in 2018/19 and this is due to once off allocation in 2017/18 for Musina municipality as well as the reduction on the GTAC allocation.

Compensation of Employees: The increase of 3 per cent from R63.0 million in 2017/18 to R64.7 million in 2018/19 and the budget will be used to cover improvement on condition of service as well as filling of funded vacant posts within the branch.

Goods and Services: The substantial decline on goods & services is due to a reduction on GTAC allocation. The budget for the branch is mainly spent on printing of budget books as well as travelling and accommodation costs for municipal finance sub-programme.

Transfers and subsidies: An increase of 6 per cent on this item is mainly to fund leave gratuities for those employees who will reach possible retirement age.

4.3. PROGRAMME 3: ASSETS, LIABILITIES AND SUPPLY CHAIN MANAGEMENT

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

The Branch is comprised of the following Sub-programmes:

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

4.3.1. PROGRAMME 3 STRATEGIC OBJECTIVES ANNUAL TARGETS FOR 2018/19

Programme 3 Strategic objective: To provide policy direction and support to 13 votes and 5 public entities on Assets, Liabilities and Supply Chain Management to ensure improvement of audit outcomes by 2019/20.	5 Year Strategic Plan Target	Audited/Actual Performance			Estimated Performance 2017/18	Medium-Term Targets		
		2014/15	2015/16	2016/17		2018/19	2019/20	2020/21
Strategic outcome oriented Goal 2: Responsive, accountable, effective and efficient provincial and local government system								
Goal and Objective contributes to the MTSF Outcome 12 and NDP objective 13 of building an efficient, effective and development oriented public service as well as LDP focus area of Building a Developmental State.								
Number of Votes and Public Entities complying with Assets management prescripts.	12 votes and 5 public entities	Not measured	13 votes and 5 public entities	13 votes and 5 public entities	12 votes and 5 public entities	12 votes and 5 public entities	12 votes and 5 public entities	12 votes and 5 public entities
Number of Votes and Public Entities complying with Cash Management prescripts.	13 votes and 5 public entities	Not measured	13 votes and 5 public entities	13 votes and 5 public entities	13 votes and 5 public entities	13 votes and 5 public entities	13 votes and 5 public entities	13 votes and 5 public entities
Number of Votes and Public Entities complying with SCM prescripts.	12 votes and 5 public entities	Not measured	12 votes and 5 public entities	12 votes and 5 public entities	12 votes and 5 public entities	12 votes and 5 public entities	12 votes and 5 public entities	12 votes and 5 public entities

4.3.2 . PROGRAMME 3 PERFORMANCE INDICATORS AND ANNUAL TARGETS FOR 2018/19 – 2020/21

Programme 3 Performance Indicators	Audited/Actual Performance				Estimated Performance 2017/18	Medium-Term Targets		
	2014/15	2015/16	2016/17	2018/19		2019/20	2020/21	
Strategic objective: To provide policy direction and support to 13 votes and 5 public entities on Assets, Liabilities and Supply Chain Management to ensure improvement of audit outcomes by 2019/20.								
Indicators contributes to the MTSF Outcome 12 and NDP objective 13 of building an efficient, effective and development oriented public service as well as LDP focus area of Building a Developmental State								
1	Number of asset management assessments conducted to votes and public entities.	New Indicator	New Indicator	New Indicator	New Indicator	68	68	68
2	Number of cash management assessments conducted to votes and public entities.	New Indicator	New Indicator	New Indicator	New Indicator	72	72	72
3	Number of SCM assessments conducted to votes and public entities.	New Indicator	New Indicator	New Indicator	New Indicator	68	68	68
4	Number of contract management assessments conducted to votes and public entities.	New Indicator	New Indicator	New Indicator	New Indicator	68	68	68
5	Number of assessments conducted on strategic procurement targets of departments and public entities.	New Indicator	New Indicator	New Indicator	New Indicator	68	68	68

4.3.3. PROGRAMME 3 QUARTERLY TARGETS FOR 2018/19

Programme 3 Performance Indicators	Reporting Period	Annual Target 2018/19	Quarterly Targets			
			1st	2nd	3rd	4th
Strategic objective: To provide policy direction and support to 13 votes and 5 public entities on Assets, Liabilities and Supply Chain Management to ensure improvement of audit outcomes by 2019/20.						
1 Number of asset management assessments conducted to votes and public entities.	Quarterly	68	17	17	17	17
2 Number of cash management assessments conducted to votes and public entities.	Quarterly	72	18	18	18	18
3 Number of SCM assessments conducted to votes and public entities.	Quarterly	68	17	17	17	17
4 Number of contract management assessments conducted to votes and public entities.	Quarterly	68	17	17	17	17
5 Number of assessments conducted on strategic procurement targets of departments and public entities.	Quarterly	68	17	17	17	17

4.3.4. RISK MANAGEMENT

Programme 3 : Assets, Liabilities, Financial Systems and Supply Chain Management		
STRATEGIC GOAL(S)	STRATEGIC RISK	MITIGATION
<p>Responsive, accountable, effective and efficient provincial and local government system.</p>	<p>Failure to deliver on Treasury mandates due to non-compliance to Treasury directives, ineffective support methodologies to votes and entities and lack of a consolidated reporting and tracking system (of results provided by various assurance stakeholders) leading to negative audit outcomes, institutions not adequately support to hold them accountable for resource management and non-compliance to the relevant prescripts and non-implementation of previous finding.</p>	<p>Enforce compliance to Treasury recommendations by escalating non-compliance to governance and oversight structures for consequence management</p> <p>Review support methodology to focus on strategic areas and achieve positive outcomes. Implementation of the Combined Assurance Model.</p> <p>Develop and implement integrated reporting and tracking tool.</p> <p>Escalating non-compliance to governance and oversight structures for consequence management.</p>

4.3.5. RECONCILING PERFORMANCE TARGETS WITH THE BUDGET AND MTEF

Expenditure estimates

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

R thousand	Outcome			Main appropriation	Adjusted appropriation 2017/18	Revised estimate	Medium-term estimates		
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21
Current payments	67 695	81 273	83 979	82 940	86 937	84 036	56 321	60 117	64 024
Compensation of employees	45 807	50 348	52 391	58 287	58 246	59 355	49 176	52 875	56 312
Goods and services	21 888	30 925	31 588	24 653	28 691	24 681	7 145	7 242	7 713
Interest and rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies to:	1 656	524	1 097	-	253	251	200	-	-
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private entities	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	1 656	524	1 097	-	253	251	200	-	-
Payments for capital assets	-	1 193	-	-	-	-	-	-	-
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	-	1 193	-	-	-	-	-	-	-
Heritage Assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	9	61	16	-	-	-	-	-	-
Total economic classification	69 360	83 051	85 092	82 940	87 190	84 287	56 521	60 117	64 024

Performance and expenditure trends

The budget for the branch decrease by 46 per cent from R82. 3 million in 2017/18 to R56.8 million in 2018/19 and this substantial decrease is due to the relocation of the sub-program Support & Interlinked Financial Systems to programme 4: Financial Governance.

Compensation of Employees: The decrease of 18.5 per cent from R58.3 million in 2017/18 to R49.2 million in 2018/19 mainly due to relocation of Support & Interlinked Financial Systems to Financial Governance branch whilst the allocation in this branch will generally cover for improvement in conditions of service costs.

Goods and Services budget decrease substantially due to Support & Interlinked Financial System sub program relocation from the branch to Financial Governance, the funds will mainly be used to pay for provincial bank charges, face value documents and travel and accommodation costs for provincial supply chain and asset management personnel while performing their duties in the districts.

4.4. PROGRAMME 4: FINANCIAL GOVERNANCE

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

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

The Branch is comprised of the following sub-programmes:

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

4.4.1. PROGRAMME 4: STRATEGIC OBJECTIVES ANNUAL TARGETS FOR 2018/19

Programme 4 Strategic Objective: To achieve annual improvements in audit outcomes in 12 votes and 5 public entities by 2019/20.	5 Year Strategic Plan Target	Audited/Actual Performance			Estimated Performance 2017/18	Medium-Term Targets		
		2014/15	2015/16	2016/17		2018/19	2019/20	2020/21
Strategic outcome oriented Goal 2: Responsive, accountable, effective and efficient provincial and local government system.								
Number of votes and public entities with unqualified Audit Outcomes.	11 votes and 5 public entities	-	-	-	7 votes and 3 public entities	8 votes and 4 public entities	11 votes and 5 public entities	12 votes and 5 public entities

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

Programme 4 Performance Indicators	Audited/Actual Performance			Estimated Performance 2017/18	Medium-Term Targets			
	2014/15	2015/16	2016/17		2018/19	2019/20	2020/21	
Strategic Objective: To achieve annual improvements in audit outcomes in 12 votes and 5 public entities by 2019/20.								
Indicators contribute to the MTSF Outcome 12 and NDP objective 13 of building an efficient, effective and development oriented public service as well as LDP focus area of Building a Developmental State.								
1	Number of courses conducted on transversal systems.	86	104	89	107	107	110	119
2	Number of long-term financial management qualification programmes provided in Provincial Departments.	2	2	0	1	1	2	3
3	Number of AG action plan assessments conducted to departments and public entities.	New Indicator	New Indicator	New Indicator	New Indicator	68	68	68
4	Number of 30 days payment assessments conducted.	New Indicator	New Indicator	New Indicator	New Indicator	4	4	4

5	Number of audit committee meetings supported in votes and public entities.	66	97	89	65	85 (65 votes and 20 public entities)	85 (65 votes and 20 public entities)	85 (65 votes and 20 public entities)
6	Number of financial statement assessments conducted to departments and public entities.	New Indicator	New Indicator	New Indicator	New Indicator	68	68	68
7	Number of consolidated Annual financial statements for votes and for public entities submitted to the Auditor General.	0	0	0	4	2	2	2
8	Number of assessment reports on provincial risk profile issued to HOD's forum.	New Indicator	New Indicator	New Indicator	New Indicator	3	4	4
9	Number of public sector risk management framework compliance assessments conducted to departments and public entities.	New Indicator	New Indicator	New Indicator	New Indicator	68	68	68
10	Number of financial system utilization assessments conducted	New Indicator	New Indicator	New Indicator	New Indicator	48	48	48
11	Number of LOGIS sites implemented.	17 (in 1 site)	3	30	24	24	24	-
12	Number of three year strategic rolling and annual audit plans prepared by Provincial Internal Audits and approved by Audit Committee for the year 2019/20.	12	12	12	12	12	12	12
13	% of Internal Audits finalised in terms of the approved Audit Plans .	New Indicator	New Indicator	New Indicator	New Indicator	90%	94%	97%
14	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

4.4.3. PROGRAMME 4: QUARTERLY TARGETS FOR 2018/19

Programme 4 Performance Indicators		Reporting Period	Annual Target 2018/19	Quarterly Targets			
				1st	2nd	3rd	4th
Strategic Objective: To achieve annual improvements in audit outcomes in 12 votes and 5 public entities by 2019/20.							
1	Number of courses conducted on transversal systems.	Quarterly	107	21	36	26	24
2	Number of long-term financial management qualification programmes provided in Provincial Departments.	Annually	1	0	0	0	1
3	Number of AG action plan assessments conducted to departments and public entities.	Quarterly	68	17	17	17	17
4	Number of 30 days payment assessments conducted.	Quarterly	4	1	1	1	1
5	Number of audit committee meetings supported in votes and public entities.	Quarterly	85	18	31	18	18
6	Number of financial statement assessments conducted to departments and public entities.	Quarterly	68	17	17	17	17
7	Number of consolidated Annual financial statements for votes and for public entities submitted to the Auditor General.	Bi-Annually	2	1	1	0	0
8	Number of assessment reports on provincial risk profile issued to HOD's forum.	Quarterly	3	0	1	1	1
9	Number of public sector risk management framework compliance assessments conducted to departments and public entities.	Quarterly	68	17	17	17	17
10	Number of financial system utilization assessments conducted	Quarterly	48	12	12	12	12
11	Number of LOGIS sites implemented.	Annually	24	0	0	0	24
12	Number of three year strategic rolling and annual audit plans prepared by Provincial Internal Audits and approved by Audit Committee for the year 2019/20.	Annually	12	0	0	0	12
13	% of Internal Audits finalised in terms of the approved Audit Plans.	Quarterly	90%	90%	90%	90%	90%
14	Number of annual internal Quality Assurance Improvement Programme (QAIP) implementation report prepared to improve the quality of client service.	Annually	1	0	0	0	1

4.4.4. RISK MANAGEMENT

Programme 4: Financial Governance		
Strategic Goal(s)	STRATEGIC RISK	MITIGATION
Responsive, accountable, effective and efficient provincial and local government system.	Failure to deliver on Treasury mandates due to lack of integrated financial management systems, ineffective support methodologies to votes and entities and lack of a consolidated reporting and tracking system (of results provided by various assurance stakeholders) leading to	Implement electronic system to assist to achieve accurate reports. Review support methodology to focus on strategic areas and achieve positive outcomes. Implementation of the Combined Assurance Model. Develop and implement integrated reporting and tracking tool. Escalating non-compliance to governance and oversight structures for consequence management.
	Mismanagement of resources by public institutions due to non-compliance to Treasury directive and ineffective governance structures in institutions leading to lack of accountability and consequence management and adverse audit findings/outcomes.	Enforce compliance to Treasury recommendations by escalating non-compliance to governance and oversight structures for consequence management. Monitoring the effectiveness of governance structures. Determine expectation and develop performance indicators for governance structures. Bi monthly reports on challenges and recommendations.

4.4.5. RECONCILING PERFORMANCE TARGETS WITH THE BUDGET AND MTEF

Expenditure estimates

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

R thousand	Outcome			Main appropriation	Adjusted appropriation 2017/18	Revised estimate	Medium-term estimates		
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21
Current payments	94 726	77 524	75 579	96 686	85 496	89 782	136 305	143 141	149 510
Compensation of employees	53 417	57 121	61 194	80 755	68 845	75 081	91 319	95 343	100 049
Goods and services	41 309	20 403	14 385	15 931	16 651	14 701	44 986	47 798	49 461
Interest and rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies to:	477	787	1 050	567	261	679	-	635	676
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Departmental agencies and acc	-	-	-	-	-	-	-	-	-
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and intern	-	-	-	-	-	-	-	-	-
Public corporations and private	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	477	787	1 050	567	261	679	-	635	676
Payments for capital assets	-	20	958	-	-	-	-	-	-
Buildings and other fixed struct	-	-	-	-	-	-	-	-	-
Machinery and equipment	-	20	-	-	-	-	-	-	-
Heritage Assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible as	-	-	958	-	-	-	-	-	-
Payments for financial assets	-	59	23	-	-	-	-	-	-
Total economic classification	95 203	78 390	77 610	97 253	85 757	90 461	136 305	143 776	150 186

Performance and expenditure trends

Overall allocation for the programme increase by 29 per cent from R97.3 million in 2017/18 to R136 million in 2018/19 and this is due to the relocation of the sub programme Support & Interlinked Financial System from Assets & Liabilities branch to this branch.

Compensation of Employees increase by 22 per cent and this is mainly due to the relocation of personnel from branch Assets & Liabilities when the sub-programme Support & Interlinked Financial Systems was added to this branch. The funding will cater for general salary increase as well as filling of funded vacant posts within the branch.

Goods and Services increases by 35 per cent from R15.9 million in 2017/18 to R44.9 million in 2018/19 and the allocation will cater for SITA services, renewal of teammate software licence whilst the rest of the budget will mainly be for payments of audit committee members travelling and accommodation costs for Internal audit and Financial training personnel who conduct audits and financial training to all 13 Provincial departments including districts.

PART C: LINKS TO OTHER PLANS

5. LINKS TO THE LONG TERM INFRASTRUCTURE AND OTHER CAPITAL PLANS

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

6. CONDITIONAL GRANTS

The Department does not administer any conditional grants.

7. PUBLIC ENTITIES

The department does not oversee any public entities.

8. PUBLIC-PRIVATE PARTNERSHIPS

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

ANNEXURES

ANNEXURE 1: TECHNICAL INDICATORS FOR PROGRAMME 1

Technical Indicator Definitions

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

Indicator number	1
Indicator title	Number of PMDS moderations finalized by moderation committees.
Short definition	Moderation assessments finalized for level 2- 12 moderation committee, SMS – level 13-14 moderation committee and departmental moderation committee and reports compiled and approved. The Moderation reports for 1st Quarter will be for 2017/18 Annual reviews whereas 3rd Quarter moderations will be on 2018/19 Mid – term reviews
Purpose/importance	To ensure departmental compliance to the PMDS Policy.
Source/collection of data	Performance Agreements and Performance Review Discussion, PMDS Policy and Procedures
Method of calculation	Simple count
Data limitations	Non and late submission of PIs by employees.
Type of indicator	Output
Calculation type	Non-Cumulative
Reporting cycle	Quarterly
New indicator	Yes
Desired performance	All moderations completed.
Indicator responsibility	Director: HRM

Indicator number	2
Indicator title	Number of risk management reports submitted to EXCOM.
Short definition	Quarterly risk management reports discussed by Risk Management Committee and presented to EXCOM.
Purpose/importance	To monitor implementation of mitigations plans.
Source/collection of data	Progress reports by programmes, Departmental Risk Register.
Method of calculation	Simple count
Data limitations	None
Type of indicator	Output
Calculation type	Non - cumulative
Reporting cycle	Quarterly
New indicator	Yes
Desired performance	All 4 risk management reports presented to EXCOM.
Indicator responsibility	Director: Enterprise Risk Management

Indicator number	3
Indicator title	Number of prioritised ICT projects implemented in line with ICT Plan
Short definition	Implementation of prioritized ICT projects in line with ICT Plan through completion of activities and tasks as outlined in the ICT / Operational Plan. The projects are PMDS system and Leave Management system.
Purpose/importance	Implementation of prioritized ICT projects in line with ICT Plan to improve management of information within the department
Source/collection of data	Branches in the department, IT Steering Committee and SITA
Method of calculation	Simple count
Data limitations	None
Type of indicator	Output
Calculation type	Non - cumulative
Reporting cycle	Quarterly
New indicator	No
Desired performance	All four prioritized ICT projects implemented in line with ICT Plan
Indicator responsibility	Director: GITO

Indicator number	4
Indicator title	Number of departmental quarterly performance reports produced in line with Performance Information Management Frameworks and guidelines.
Short definition	1st, 2nd, 3rd and 4th Quarterly Performance Reports that are finalized and submitted to Office of the Premier.
Purpose/importance	Department's compliance to the planning and performance information frameworks and to ensure that there is integrated planning and outcomes based performance monitoring for effective and efficient service delivery.
Source/collection of data	Strategic Plan, Annual Performance Plan, Quarterly and Annual Reports
Method of calculation	Simple count
Data limitations	None
Type of indicator	Output
Calculation type	Non-cumulative
Reporting cycle	Quarterly
New indicator	Yes
Desired performance	All 4 Quarterly Performance Reports submitted to OTP.
Indicator responsibility	Director: Strategic Operations and Policy Coordination

Indicator number	5
Indicator title	Number of budget documents compiled and submitted
Short definition	Four (4) Budget allocation documents (1st ,2nd ,Adjustment and Final Budgets) submitted to Treasury
Purpose/importance	To indicate budget allocations to programmes in the department.
Source/collection of data	BAS, Vulindlela & PERSAL reports
Method of calculation	Simple count
Data limitations	None
Type of indicator	Output
Calculation type	Non-Cumulative
Reporting cycle	Quarterly
New indicator	No
Desired performance	4 budget documents compiled and submitted to Treasury.
Indicator responsibility	Director: Management Accounting

Indicator number	6
Indicator title	Number of financial statements compiled and submitted for review by Provincial Treasury in line with the reporting framework
Short definition	Four (4) of financial statements (Annual, 1st, 2nd and 3rd Quarter Financial Statements) compiled and submitted to Provincial Treasury in line with reporting framework.
Purpose/importance	To report on how the department accounts for its transactions
Source/collection of data	BAS, Vulindlela & PERSAL reports
Method of calculation	Simple count
Data limitations	None
Type of indicator	Output
Calculation type	Non-Cumulative
Reporting cycle	Quarterly
New indicator	No
Desired performance	4 sets of financial statements compiled and submitted for audit purposes
Indicator responsibility	Director: Financial Accounting

Indicator number	7
Indicator title	% of supplier's valid invoices paid within 30 days
Short definition	The performance indicator measures the total number of valid invoices paid versus received within 30 days.
Purpose/importance	This performance indicator indicates how effectively the department pays its supplies
Source/collection of data	Invoice Register and BAS Reports
Method of calculation	% of invoices paid = Number of invoices paid/total number of valid invoices received
Data limitations	None
Type of indicator	Output
Calculation type	Non-cumulative
Reporting cycle	Quarterly
New indicator	No
Desired performance	All valid invoices paid within 30 days
Indicator responsibility	Director: Financial Accounting

Indicator number	8
Indicator title	Number of reconciliations done on the asset registers
Short definition	Monthly Reconciled asset and inventory registers in line with the Asset and Inventory Management Frameworks.
Purpose/importance	To control and safeguard state owned assets
Source/collection of data	LOGIS, Vulindlela, BAS and Finest
Method of calculation	Simple count
Data limitations	Unavailability of integrated SCM systems (Procurement, Asset and Inventory)
Type of indicator	Output
Calculation type	Non-cumulative
Reporting cycle	Monthly
New indicator	No
Desired performance	Actual performance is desirable
Indicator responsibility	Director: Supply Chain Management

ANNEXURE 2: TECHNICAL INDICATORS FOR PROGRAMME 2

Technical Indicator Definitions

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

Indicator number	1
Indicator title	Number of Research documents produced to align the Provincial Fiscal Policy
Short definition	Conduct research on Provincial Socio-Economic status to produce 1 Socio Economic Review and Outlook (SERO), 4 Quarterly Economic Bulletins (QEB), 1 Medium Term Budget Policy Statement (MTBPS) and 1 Estimated Provincial Revenue and Expenditure (EPRE) Overview
Purpose/importance	To ensure that Provincial resources are allocated according to the needs of the province
Source/collection of data	International Monetary Fund (IMF), Statistics South Africa (StatsSA), National Treasury and IHS Global Insight Company.
Method of calculation	Simple calculations
Data limitations	Most indicators are aggregated at national level
Type of indicator	Output
Calculation type	Cumulative
Reporting cycle	Quarterly
New indicator	No
Desired performance	All 7 research documents produced to align the Provincial Fiscal Policy
Indicator responsibility	Director: Macro Economic Analysis

Indicator number	2
Indicator title	Number of revenue assessments conducted to ensure collection of set target
Short definition	Assessment conducted on progress of revenue collection by departments and public entities to ensure collection of revenue set target.
Purpose/importance	Ensure attainment of set target.
Source/collection of data	Monthly and quarterly reports from departments and budget books
Method of calculation	Simple count
Data limitations	None
Type of indicator	Output
Calculation type	Cumulative
Reporting cycle	Monthly and Quarterly
New indicator	Yes
Desired performance	Maximisation of provincial own revenue generation by maintaining current revenue and identification of sustainable new revenue sources/projects.
Indicator responsibility	Director: Fiscal Development

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

Indicator number	4
Indicator title	Number of consolidated provincial in year monitoring reports produced in line section 32 of PFMA.
Short definition	12 monthly provincial IYMs produced in line section 32 of PFMA to ensure that 13 departments spend within 100% of their allocated budgets
Purpose/importance	To ensure 13 departments and 5 public entities spent within 100% of their allocated budget
Source/collection of data	In Year Monitoring report and budget book
Method of calculation	Simple count
Data limitations	None
Type of indicator	Output
Calculation type	Non-cumulative
Reporting cycle	Monthly
New indicator	No
Desired performance	That all 12 monthly provincial IYMs are produced for 13 departments
Indicator responsibility	Director Public Finance

Indicator number	5
Indicator title	Number of Infrastructure Reporting Model assessments conducted
Short definition	The Performance indicator measures the number of Infrastructure Reporting Model assessments that are conducted for nine infrastructure departments (Health, Social Development, Agriculture, Public Works, Transport, CoGSTA, Sport, Arts and Culture, LEDET and Education) and feedback provided for implementation of recommendations.
Purpose/importance	To ensure nine (9) infrastructure departments spent within their allocated budget and deliver infrastructure budget in line with tabled project lists
Source/collection of data	Web based Infrastructure Reporting Model (IRM) and monthly ITMC reports
Method of calculation	Simple Count
Data limitations	None
Type of indicator	Output
Calculation type	Non-cumulative
Reporting cycle	Quarterly
New indicator	Yes
Desired performance	All 108 IRM assessments conducted
Indicator responsibility	Director: Infrastructure Management

Indicator number	6
Indicator title	Number of municipal budget assessments conducted
Short definition	Assessment conducted on municipal budget and feedback provided to municipalities for implementation of recommendations. The assessments will cover the following key issues: Credibility, Relevance and Sustainability.
Purpose/importance	Ensure compliance with MFMA and Municipal Budget Reporting Regulation.
Source/collection of data	Municipal Budget Documents.
Method of calculation	Simple count.
Data limitations	Non submission of budget documents by municipalities.
Type of indicator	Output
Calculation type	Non-cumulative
Reporting cycle	Annually
New indicator	Yes
Desired performance	That all 26 Municipal budget assessments conducted
Indicator responsibility	Chief Director: Municipal Finance

Indicator number	7
Indicator title	Number of IYM assessments conducted on the implementation of the municipal budget.
Short definition	Assessments conducted on municipal budget implementation and feedback provided to municipalities for implementation of recommendations.
Purpose/importance	Ensure compliance with MFMA and Municipal Budget Reporting Regulation.
Source/collection of data	Section 71 reports.
Method of calculation	Simple count.
Data limitations	Non submission of section 71 reports by municipalities.
Type of indicator	Output
Calculation type	Non-cumulative
Reporting cycle	Quarterly
New indicator	Yes
Desired performance	That all 26 Municipal IYM assessments conducted.
Indicator responsibility	Chief Director: Municipal Finance

Indicator number	8
Indicator title	Number of municipal governance assessments conducted
Short definition	Assessment conducted on governance matters and feedback provided to municipalities for implementation of recommendations. The assessments will cover the following key issues: 1st Quarter will focus on SCM and Risk. 2nd Quarter will focus on Internal Audit. 3rd Quarter will focus on Risk and Internal Audit.
Purpose/importance	Ensure compliance with MFMA.
Source/collection of data	Municipal Documents.
Method of calculation	Simple count.
Data limitations	Non submission of documents by municipalities.
Type of indicator	Output
Calculation type	Non-cumulative
Reporting cycle	Quarterly
New indicator	Yes
Desired performance	That all 26 Municipal governance assessments conducted
Indicator responsibility	Chief Director: Municipal Finance

Indicator number	9
Indicator title	Number of municipal accounting assessments conducted.
Short definition	Assessments conducted on accounting related matters and feedback provided to municipalities for implementation of recommendations
Purpose/importance	Ensure compliance with MFMA, Accounting Framework and guidelines
Source/collection of data	Municipal documents
Method of calculation	Simple count.
Data limitations	Non submission of documents by municipalities.
Type of indicator	Output
Calculation type	Non-cumulative
Reporting cycle	Quarterly
New indicator	Yes
Desired performance	That all 26 Municipal accounting assessments conducted
Indicator responsibility	Chief Director: Municipal Finance

ANNEXURE 3: TECHNICAL INDICATORS FOR PROGRAMME 3

Technical Indicator Definitions

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

Indicator number	1
Indicator title	Number of asset management assessments conducted to votes and public entities.
Short definition	Conduct Asset Management assessments through monitoring and support activities on Maintenance of assets registers, Asset verifications, Safeguarding of assets, Assets disposals and Inventory management to (12) votes and five (5) public entities and provide feedback to 12 votes and 5 public entities for implementation of LPT recommendations.
Purpose/importance	To ensure effective, efficient and economical Asset Management
Source/collection of data	Provincial departments and public entities
Method of calculation	Simple count
Data limitations	None
Type of indicator	Output
Calculation type	Non - cumulative
Reporting cycle	Quarterly
New indicator	No
Desired performance	All 68 assessments conducted
Indicator responsibility	Director: Provincial Asset Management

Indicator number	2
Indicator title	Number of cash management assessments conducted to votes and public entities.
Short definition	Conduct Cash Management assessments through monitoring and support activities on Cash flow management, implementation of banking contract, face value documents control, maintenance of the debts register and the clearance of debts to thirteen (13) votes and five (5) public entities. Assessment reports reports will be submitted to thirteen (13) votes and five (5) public entities as feedback for implementation of LPT recommendations.
Purpose/importance	To enhance compliance with banking and cash management prescripts.
Source/collection of data	Government financial systems, annual financial statements, bank statements (provincial banker and SA Reserve Bank), banking contract and SLA, budget statements, IYM, PFMA, Treasury Regulations, DoRA and National Payment Schedule.
Method of calculation	Simple count
Data limitations	None
Type of indicator	Output
Calculation type	Non – cumulative
Reporting cycle	Quarterly
New indicator	No
Desired performance	All 72 assessments conducted
Indicator responsibility	Director: Banking and Cash-flow Management

Indicator number	3
Indicator title	Number of SCM assessments conducted to votes and public entities
Short definition	Conduct assessments of compliance on procurement administration, management of quotations and bids to avoid deviations, irregular expenditure, fruitless and wasteful expenditure in 12 votes and 5 public entities. The assessment reports will be submitted to twelve (12) votes and five (5) public entities as feedback for implementation of LPT recommendations.
Purpose/importance	To increase SCM compliance on SCM prescripts
Source/collection of data	Vouchers, Contracts, Bid Documents, Procurement Plans, Bid Committee Minutes and reports from Provincial Votes and public entities
Method of calculation	Simple count
Data limitations	None
Type of indicator	Output
Calculation type	Non- Cumulative
Reporting cycle	Quarterly
New indicator	No
Desired performance	All 68 assessments conducted
Indicator responsibility	Director: SCM Policy Development and Implementation

Indicator number	4
Indicator title	Number of contract management assessments conducted to votes and public entities
Short definition	Conduct contract management reviews and assessment on compliance with deliverables in terms of Service Level Agreements, contract registers, records management and administration of transversal contracts by 12 votes (excluding Legislature) and five (5) public entities. The assessment reports will be submitted to twelve (12) votes and five (5) public entities as feedback for implementation of LPT recommendations.
Purpose/importance	To support execution of contracts by departments to avoid deviations which lead to unnecessary litigations emanating from signed Service Level Agreements
Source/collection of data	Vouchers, Contracts and Reports on utilisation of contracts from Provincial Votes and Public Entities
Method of calculation	Simple count
Data limitations	None
Type of indicator	Output
Calculation type	Non-cumulative
Reporting cycle	Quarterly
New indicator	Yes
Desired performance	All 68 assessments conducted
Indicator responsibility	Director: Demand & Acquisition Management

Indicator number	5
Indicator title	Number of assessments conducted on strategic procurement targets of departments and public entities
Short definition	Conduct assessment on strategic procurement targets of departments and public entities. The assessment reports will be submitted to twelve (12) provincial departments (excluding Legislature) and five (5) public entities as feedback for implementation of LPT recommendations.
Purpose/importance	To support implementation of the CSD by votes and public entities
Source/collection of data	CSD, BAS and LOGIS Reports for Votes and Public Entities.
Method of calculation	Simple count
Data limitations	None
Type of indicator	Output
Calculation type	Non-Cumulative
Reporting cycle	Quarterly
New indicator	No
Desired performance	All 68 assessments conducted
Indicator responsibility	Director: SCM Advice Centre

ANNEXURE 4: TECHNICAL INDICATORS FOR PROGRAMME 4

Technical Indicator Definitions

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

Indicator number	1
Indicator title	Number of courses conducted on transversal systems.
Short definition	Financial management capacity building through training courses. Training of departmental officials (nominated) on transversal systems (BAS & LOGIS 65, PERSAL - 42)
Purpose/importance	Improve skills of officials on utilization of transversal systems in order to improve financial management in the province
Source/collection of data	Departmental nomination list, number of trainers, number and availability of training venues, availability of the system.
Method of calculation	Simple count.
Data limitations	Non-availability of trainers, training venues, network and the system
Type of indicator	Output
Calculation type	Non - Cumulative
Reporting cycle	Quarterly
New indicator	No
Desired performance	Actual performance that is higher than targeted performance is desirable
Indicator responsibility	Director: Financial Training

Indicator number	2
Indicator title	Number of long-term financial management qualification programmes provided in Provincial Departments
Short definition	Financial management capacity building facilitated through arrangement of a long term financial management programme (Public Sector Accounting Certificate programme) to finance officials in Provincial Departments.
Purpose/importance	Improve financial management skills in the province.
Source/collection of data	Service Providers, Training schedules, Nomination list of officials and attendance registers,
Method of calculation	Simple count
Data limitations	Non availability of participants to the programme
Type of indicator	Output
Calculation type	Non-cumulative
Reporting cycle	Quarterly
New indicator	No
Desired performance	Actual performance that is higher than targeted performance is desirable
Indicator responsibility	Director: Financial Training

Indicator number	3
Indicator title	Number of AG action plan assessments conducted to departments and public entities
Short definition	The assessment reports on implementation of AG Action Plan by votes and public entities and feedback provided for implementation of recommendations. The assessment reports will include progress made by each institution towards resolving AG audit findings, analysis and recommendations.
Purpose/importance	Improved audit outcomes for votes and public entities
Source/collection of data	AG Action Plans for departments and public entities and implementation reports from departments and public entities
Method of calculation	Simple count
Data limitations	Non availability of progress reports and limitation of skills to review and provide advice on submitted progress reports
Type of indicator	Output
Calculation type	Non-cumulative
Reporting cycle	Quarterly
New indicator	New
Desired performance	All 68 assessments conducted
Indicator responsibility	Director: Norms & Standards

Indicator number	4
Indicator title	Number of 30 days payment assessments conducted
Short definition	Assessments conducted to departments on payment of suppliers within 30 days.
Purpose/importance	Assist departments to pay all invoices within 30 days
Source/collection of data	Departmental reports on payment of suppliers
Method of calculation	Simple count
Data limitations	None
Type of indicator	Output
Calculation type	Non - Cumulative
Reporting cycle	Quarterly
New indicator	Yes
Desired performance	All 4 assessments conducted
Indicator responsibility	Director: Norms & Standards

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

Indicator number	6
Indicator title	Number of financial statement assessments conducted to departments and public entities
Short definition	Assessments conducted on departments and public entities financial statements and feedback provided for implementation
Purpose/importance	To ensure that all 12 votes and 5 public entities are adequately assessed and feedback provided so that public funds are properly and timely accounted for.
Source/collection of data	Financial Reports
Method of calculation	Simple count
Data limitations	Non submission of AFS by votes and public entities
Type of indicator	Output
Calculation type	Non-cumulative
Reporting cycle	Quarterly
New indicator	No
Desired performance	All 12 votes and five public entities are assessed and feedback provided
Indicator responsibility	Director: Provincial Financial Reporting

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

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

Indicator number	9
Indicator title	Number of public sector risk management framework compliance assessments conducted to departments and public entities
Short definition	Assessment reports on compliance with the Public Sector Risk Management Framework and feedback provided to Provincial Departments and Public Entities for implementation of recommendations.
Purpose/importance	To ensure compliance by votes and public entities to the Public Sector Risk Management Framework
Source/collection of data	Votes and Public Entities quarterly Risk Management Reports, Public Sector Risk Management Framework
Method of calculation	Simple count
Data limitations	Integrity and timeous submission of data is dependent on the submissions by votes. Common language of risks within the departments
Type of indicator	Output
Calculation type	Non-cumulative
Reporting cycle	Quarterly
New indicator	Yes
Desired performance	All 68 assessments conducted
Indicator responsibility	Director: Transversal Risk Management

Indicator number	10
Indicator title	Number of assessment reports on financial system utilization issued to departments for implementation
Short definition	Assessment reports on financial system utilization issued to all votes. The assessment reports will cover the following key issues: 1) Analysis of PERSAL backdated salary terminations and allowances 2) Analysis of Trial Balances in BAS 3) Analysis of Balance Score Card in LOGIS 4) Monitoring of User Account Management (LOGIS, BAS, PERSAL, BAUD, BARNOWL) 5) Analysis of incidents logged through the call logging tool
Purpose/importance	To track the financial systems utilization in 13 Votes to ensure effective usage
Source/collection of data	HRM Reports, Trial Balance, User Account Management Reports, SITA and IBM SLAs
Method of calculation	Simple count
Data limitations	None
Type of indicator	Output
Calculation type	Non - cumulative
Reporting cycle	Quarterly
New indicator	No
Desired performance	All 13 votes supported on financial systems utilization
Indicator responsibility	Director: Systems Administration

Indicator number	11
Indicator title	Number of LOGIS sites implemented
Short definition	Implementation of LOGIS in 24 sites (Department of Health - Hospitals) through executing activities as outlined in the LOGIS implementation plan
Purpose/importance	To coordinate the implementation of financial systems in the province
Source/collection of data	Project progress reports, Asset Register
Method of calculation	Simple count
Data limitations	None
Type of indicator	Output
Calculation type	Non - cumulative
Reporting cycle	Quarterly
New indicator	No
Desired performance	All identified LOGIS sites implemented
Indicator responsibility	Director: Systems Development

Indicator number	12
Indicator title	Number of three year strategic rolling and annual audit plans prepared by Provincial Internal Audits and approved by Audit Committee for the year 2019/20.
Short definition	Three year rolling and annual audit plans for the 12 votes(excluding Legislature as listed under table 2 & 3 of this APP) approved by the Audit Committee for the financial year 2019/20.
Purpose/importance	To agree on the auditable areas for the 12 votes with key stakeholders to ensure a systematic audit process
Source/collection of data	Departmental Risk Profiles and departmental strategic goals
Method of calculation	Simple count
Data limitations	None
Type of indicator	Output
Calculation type	Non-cumulative
Reporting cycle	Annually
New indicator	No
Desired performance	All 12 votes three year rolling and annual audit plans prepared and approved timeously
Indicator responsibility	Chief Audit Executive

Indicator number	13
Indicator title	% of Internal Audits finalised in terms of the approved Audit Plans
Short 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. Performance will be calculated as follows: Number of audits finalised against the total planned audits for the quarter and financial year.
Purpose/importance	To audit 12 votes in accordance with the approved internal audit plan to improve the effectiveness of internal controls, risk management and governance in departments.
Source/collection of data	Internal audit practices and departmental data
Method of calculation	Percentage
Data limitations	Non-submission of required data and delays in management comments from departments.
Type of indicator	Output
Calculation type	Non-cumulative
Reporting cycle	Quarterly
New indicator	Yes
Desired performance	Actual performance that is higher than targeted performance is desirable
Indicator responsibility	Chief Audit Executive

Indicator number	14
Indicator title	Number of annual internal Quality Assurance Improvement Programme (QAIP) Implementation Report prepared to improve the quality of client services.
Short definition	This performance indicator measures the number of reports on the quality of work performed by the Internal Audit function to enhance the credibility and the value proposition to its clients and relevant stakeholders.
Purpose/importance	To prepare annual internal Quality Assurance Improvement Plan to improve the quality of work product of the Internal Audit Activity
Source/collection of data	Institute of Internal Auditor's Standards
Method of calculation	Non - cumulative
Data limitations	None
Type of indicator	Output
Calculation type	Simple count
Reporting cycle	Annually
New indicator	No
Desired performance	Actual performance that is higher than targeted performance is desirable
Indicator responsibility	Chief Audit Executive