



LIMPOPO

PROVINCIAL GOVERNMENT
REPUBLIC OF SOUTH AFRICA

PROVINCIAL TREASURY

FINAL VALIDATED 1ST QUARTER PERFORMANCE REPORT: 2017/18

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ACRONYMS

The following acronyms are used in this report.

AC	-	Audit Committee
ALSCM	-	Assets, Liabilities and Supply Chain Management
APP	-	Annual Performance Plan
CAC	-	Central Audit Committee
CAE	-	Chief Audit Executive
CAM	-	Combined Assurance Model
CD	-	Chief Director
CFO	-	Chief Financial Officer
COE	-	Compensation of Employees
CSD	-	Central Supplier Database
DDG	-	Deputy Director General
DPSA	-	Department of Public Service and Administration
ERM	-	Enterprise Risk Management
EXCO	-	Executive Management
GITO	-	Government Information and Technology Office
HOD	-	Head of Department
HR	-	Human Resource
IA	-	Internal Audit
IAT	-	Internal Audit Technicians
ICT	-	Information and Communication Technology
IDMS	-	Infrastructure Development and Management System
LOGIS	-	Logistics Information System
LPIA	-	Limpopo Provincial Internal Audit
MPAT	-	Management Performance Assessment Tool
N/A	-	Not Applicable
OTP	-	Office of the Premier
PAG	-	Provincial Accountant General
PFM	-	Public Finance Management
PFMA	-	Public Finance Management Act
PMDS	-	Performance Management and Development System
PMDS	-	Performance Management and Development System
PPPFA	-	Preferential Procurement Policy Framework Act
QA	-	Quality Assurance
RMC	-	Risk Management Committee
SAQA	-	South African Qualifications Authority
SCM	-	Supply Chain Management
SDIP	-	Service Delivery Improvement Plan
SMS	-	Senior Management Service
STATSSA	-	Statistics South Africa

FIRST QUARTER PERFORMANCE OVERVIEW

This Performance report reflects the extent to which the Limpopo Provincial Treasury has performed against its 1st quarter targets in respect of the tabled 2017/18 Annual Performance Plan. The Department continues to strive towards attaining its vision of being excellence in public resource management for socio-economic development

HIGHLIGHTS OF ACHIEVEMENTS

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

Programme 1

1. Four (04) programmes were monitored for compliance to institutional arrangements.
2. Three (03) key services were monitored in implementation of SDIP.
3. Four (04) programmes were supported in the mitigation of the prioritised risks.
4. One (01) financial statement was compiled and submitted for review by Provincial Treasury in line with the reporting framework.
5. 100% of supplier's valid invoices were paid within 30 days.
6. Six (06) branch quarterly performance reports were analysed in line with Performance Information Management Frameworks and Guidelines.

Programme 2

1. One (01) Research documents was produced to align the Provincial Fiscal Policy.
2. Twelve (12) departments and three (03) public entities were supported to ensure collection of budgeted revenue.
3. Thirteen (13) departments and five (05) public entities were supported to ensure 98% spending.
4. Nine (09) infrastructure departments were supported in the implementation of the Infrastructure Delivery Management System to improve infrastructure service delivery.
5. Twenty six (26) municipalities and three (03) municipal entities were supported on budgeting and implementation.

Programme 3

1. Twelve (12) Votes and five (05) Public Entities were supported on Asset Management
2. Thirteen (13) Votes and five (05) Public Entities were supported on cash management
3. 12 Votes and 05 Public Entities were supported on SCM processes and on contract management
4. Thirteen (13) votes and five (05) public entities were supported on Central Supplier Database and PFM Enquiry – portal
5. Thirteen (13) votes were supported on financial system utilization

Programme 4

1. Twenty one (21) courses were conducted on transversal systems in line with National Treasury standards
2. 12 Votes and 05 Public Entities were supported in the following areas:
 - resolving of AG audit findings to improve audit outcomes
 - Preparation of financial statements in line with the PFMA.
 - compliance with public sector Risk Management Framework
3. Thirteen (13) audit committee meetings were supported to improve governance in votes and public entities
4. Twelve (12) votes were audited as per approved annual audit plans to improve the internal control, risk management and governance processes.

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

PROGRAMME 1: ADMINISTRATION

No	Programme Performance Indicators	Annual Target	1 st Quarter Target	Progress to date	Budget spent	Reason for deviation /challenges	Corrective Action
Strategic Objective: Enable the Department to deliver in line with the departmental mandate by improving management practices on HR, Strategic Management and Financial Management to level 4 of MPAT standards by 2019/20.							
HOD SUPPORT SERVICES							
1	Number of programmes monitored for compliance to institutional arrangements.	4	4	Four (04) programmes were monitored for compliance to institutional arrangements.	Budget: R3,186,000.00 Expenditure: R658,734.00 % spent: 21	None	N/A
HRM							
2	Number of programmes supported on compliance to PMDS policies.	4	4	Two (02) programmes were supported on compliance to PMDS policies.	Budget: R8,834,000.00 Expenditure: R1,990,149.00 % spent:23	Late submission of Performance Instruments and unavailability of Panel Members for the Moderation Committee meetings	Developed a Turn Around strategy on PMDS for implementation from 3 rd Quarter of 2017/18
TRANSFORMATION SERVICES							
3	Number of key services monitored in implementation of SDIP.	3	3	Three (03) key services were monitored in implementation of SDIP.	Budget: R6,424,000.00 Expenditure: R1,302,450.00 % spent:20	None	N/A
ENTERPRISE RISK MANAGEMENT							
4	Number of programmes supported in mitigation of the prioritised risks.	4	4	Four (04) programmes were supported in the mitigation of the prioritised risks.	Budget: R2,823,000.00 Expenditure: R585,320.00 % spent:21	None	N/A
GITO							

No	Programme Performance Indicators	Annual Target	1 st Quarter Target	Progress to date	Budget spent	Reason for deviation /challenges	Corrective Action
Strategic Objective: Enable the Department to deliver in line with the departmental mandate by improving management practices on HR, Strategic Management and Financial Management to level 4 of MPAT standards by 2019/20.							
5	Number of prioritised ICT projects implemented in line with ICT plan.	2	0	No target for the quarter	Budget: R11,840,000.00 Expenditure: R2,096,979.00 % spent: 18	None	N/A

FINANCIAL MANAGEMENT SUB PROGRAMME

No	Programme Performance indicators	Annual Target	1 st Quarter Target	Progress to date	Budget spent	Reason for deviation / challenges	Corrective Action
Strategic Objective: Enable the Department to deliver in line with the departmental mandate by improving management practices on HR, Strategic Management and Financial Management to level 4 of MPAT standards by 2019/20.							
MANAGEMENT ACCOUNTING							
6	Number of budget documents compiled and submitted.	4	0	No target for the quarter	Budget: R3,479,000.00 Expenditure : R 915,848.00 % spent: 26	None	N/A
FINANCIAL ACCOUNTING							
7	Number of financial statement compiled and submitted for review by Provincial Treasury in line with the reporting framework.	4	1	One (01) financial statement was compiled and submitted for review by Provincial Treasury in line with the reporting framework.	Budget: R11,114,000.00 Expenditure : R 2,277,897.00 % spent: 20	None	N/A
8	% of supplier's valid invoices paid within 30 days.	100%	100%	100% of supplier's valid invoices were paid within 30 days.		None	N/A

No	Programme Performance indicators	Annual Target	1 st Quarter Target	Progress to date	Budget spent	Reason for deviation / challenges	Corrective Action
Strategic Objective: Enable the Department to deliver in line with the departmental mandate by improving management practices on HR, Strategic Management and Financial Management to level 4 of MPAT standards by 2019/20.							
STRATEGIC OPERATIONS & POLICY COORDINATION							
9	Number of programmes supported in development of the Annual Performance Plans.	4	4	Three (03) programmes were supported in development of the Annual Performance Plans.	Budget: R2,916,000.00 Expenditure: R628,275.00 % spent:22	One (1) programme (ALSCM) not supported due to postponement of the Departmental Strategic Planning from the 19 & 20 of June 2017 to 13 & 14 July 2017.	Support ALSCM in development of the Annual Performance Plan in July 2017.
10	Number of branch quarterly performance reports analysed in line with Performance Information Management Frameworks and Guidelines.	24	6	Six (06) branch quarterly performance reports were analysed in line with Performance Information Management Frameworks and Guidelines.		None	N/A
DEPARTMENTAL SUPPLY CHAIN MANAGEMENT							
11	Number of reconciliations done on the asset and inventory registers.	12	3	Three (03) reconciliations were done on the asset and inventory registers.	Budget: R17,164,000.00 Expenditure: R 3,584,768.00 % spent:21	None	N/A

PROGRAMME 2: SUSTAINABLE RESOURCE MANAGEMENT

No	Programme Performance Indicators	Annual Target	1 st Quarter Target	Progress to date	Budget spent	Reasons for deviation / challenges	Corrective Action
Strategic Objective 1: To achieve sustainable fiscal policy for the province during 2015/16 to 2019/20.							
MACRO ECONOMIC ANALYSIS							
1	Number of Research documents produced to align the Provincial Fiscal Policy.	7	1	One (01) Research documents was produced to align the Provincial Fiscal Policy.	Budget: R3,202,000.00 Expenditure: R647,975.00 % spent:20	None	N/A
FISCAL DEVELOPMENT							
2	Number of departments and public entities supported to ensure collection of budgeted revenue.	15	15	15 (Twelve departments and three public entities) were supported to ensure collection of budgeted revenue.	Budget: R6,772,000.00 Expenditure: R1,198,269.00 % spent:18	None	N/A
BUDGET MANAGEMENT							
3	Number of budget documents compiled, tabled and gazetted in line with the set standards and National Treasury guidelines (Main Appropriation Bill and Adjustment Budget).	2	0	No target for the quarter	Budget: R4,453,000.00 Expenditure: R550,106.00 % spent:12	None	N/A
PUBLIC FINANCE							
4	Number of departments and public entities supported to ensure 98% spending.	18	18	18 (Thirteen departments and five public entities) were supported to ensure 98% spending.	Budget: R10,877,000.00 Expenditure: R2,092,638.00 % spent:19	None	N/A

No	Programme Performance Indicators	Annual Target	1 st Quarter Target	Progress to date	Budget spent	Reasons for deviation / challenges	Corrective Action
Strategic Objective 1: To achieve sustainable fiscal policy for the province during 2015/16 to 2019/20.							
INFRASTRUCTURE MANAGEMENT							
5	Number of infrastructure departments supported in the implementation of the Infrastructure Delivery Management System to improve infrastructure service delivery.	9	9	Nine infrastructure departments were supported in the implementation of the Infrastructure Delivery Management System to improve infrastructure service delivery.	Budget: R4,286,000.00 Expenditure: R967,687.00 % spent:23	None	N/A
Strategic Objective 2: To achieve annual improvements on financial management and effective governance in 26 delegated municipalities and 3 municipal entities by 2019/20.							
MUNICIPAL FINANCE							
6	Number of municipalities and municipal entities supported on budgeting and implementation.	26 Municipalities 3 Municipal Entities	26 Municipalities 3 Municipal Entities	Twenty six municipalities and three (03) municipal entities supported budgeting and implementation.	Budget: R45,512,000.00 Expenditure: R25,915,843.00 % spent:43	None	N/A

PROGRAMME 3: ASSET, LIABILITIES AND SUPPLY CHAIN MANAGEMENT

No	Programme Performance Indicators	Annual Target	1st Quarter Target	Progress to date	Budget spent	Reason for deviation / challenges	Corrective Action
Strategic Objective : To provide policy direction and support to 13 votes and 5 public entities on Assets, Liabilities, Supply Chain Management and Financial Systems to ensure improvement of audit outcomes by 2019/20							
PROVINCIAL ASSET AND LIABILITIES MANAGEMENT							
PROVINCIAL ASSETS MANAGEMENT							
1	Number of Votes and Public Entities supported on Asset Management	17	17	17 (twelve Votes and five Public Entities) were supported on Asset Management	Budget: R11,238,000.00 Expenditure: R3,022,446.73 % spent:26	None	N/A
BANKING AND CASH FLOW MANAGEMENT							
2	Number of Votes and Public Entities supported on cash management	18	18	18 (Thirteen Votes and five Public Entities) were supported on cash management	Budget: R8,782,000.00 Expenditure: R1,790,395.00 % spent:22	None	N/A
PROVINCIAL SUPPLY CHAIN MANAGEMENT							
POLICY DEVELOPMENT AND IMPLEMENTATION							
3	Number of Votes and Public Entities supported on SCM processes	17	17	17 (twelve Votes and five Public Entities) were supported on SCM processes	Budget: R10,604,000.00 Expenditure: R2,080,689.15 % spent:20	None	N/A
PROVINCIAL DEMAND AND ACQUISITION MANAGEMENT							
4	Number of votes and Public Entities Supported on contract management.	17	17	17 (twelve votes and five Public Entities) were Supported on contract management.	Budget: R7,272,000.00 Expenditure: R1,331,182.51 % spent:18	None	N/A
PROVINCIAL SCM ADVICE CENTRE							

No	Programme Performance Indicators	Annual Target	1st Quarter Target	Progress to date	Budget spent	Reason for deviation / challenges	Corrective Action
Strategic Objective : To provide policy direction and support to 13 votes and 5 public entities on Assets, Liabilities, Supply Chain Management and Financial Systems to ensure improvement of audit outcomes by 2019/20							
5	Number of votes and public entities supported on Central Supplier Database and PFM Enquiry - portal	17	17	18 (thirteen votes and five public entities) were supported on Central Supplier Database and PFM Enquiry – portal	Budget: R10,760,000.00 Expenditure: R502,160.37 % spent: 5	Request by Legislature to train their officials on PPPFA Regulations and CSD.	N/A
FINANCIAL SYSTEMS ADMINISTRATION							
6	Number of votes supported on financial system utilization	13	13	Thirteen (13) votes were supported on financial system utilization	Budget: R17,020,000.00 Expenditure: R2,512,661.89 % spent: 15	None	N/A
FINANCIAL SYSTEMS DEVELOPMENT							
7	Number of LOGIS sites implemented	24	0	No target for the quarter	Budget: R7,077,000.00 Expenditure: R291,564.22 % spent: 4	None	N/A

PROGRAMME 4: FINANCIAL GOVERNANCE

No	Programme Performance Indicators	Annual Target	1 st Quarter Target	Progress to date	Budget spent	Reason for deviation / challenges	Corrective Action
Strategic Objective: To achieve annual improvements in audit outcome in 12 votes and 5 public entities by 2019/20							
ACCOUNTING SERVICES							
FINANCIAL TRAINING							
1	Number of courses conducted on transversal systems in line with National Treasury standards	107	21	Twenty one (21) courses were conducted on transversal systems in line with National Treasury standards	Budget: R8,886,000.00 Expenditure: R1,532,246 % spent:17	None	N/A
2	Number of financial management short courses provided in line with SAQA.	10	0	No target for the quarter		None	N/A
3	Number of long-term financial management qualification programmes provided in Provincial Departments	1	0	No target for the quarter		None	N/A
NORMS AND STANDARDS							
4	Number of Votes and Public Entities supported in resolving AG audit findings to improve audit outcomes	17	17	17 (twelve Votes and five Public Entities) were supported in resolving AG audit findings to improve audit outcomes	Budget: R10,624,000.00 Expenditure: R2,488,918.00 % spent:23	None	N/A
5	Number of audit committee meetings supported to improve governance in votes and public entities	65	13	Thirteen (13) audit committee meetings were supported to improve governance in votes and public entities		None	N/A
FINANCIAL REPORTING							

No	Programme Performance Indicators	Annual Target	1 st Quarter Target	Progress to date	Budget spent	Reason for deviation / challenges	Corrective Action
Strategic Objective: To achieve annual improvements in audit outcome in 12 votes and 5 public entities by 2019/20							
6	Number of Votes and Public Entities supported in preparing financial statements in line with the PFMA.	17	17	17 (Twelve Votes and Five Public Entities) were supported in preparing financial statements in line with the PFMA.	Budget: R8,238,000.00 Expenditure: R590,541.00 % spent:7	None	N/A
7	Number of consolidated Annual financial statements for Votes and for Public Entities submitted to the Auditor General	4	2	No (zero) consolidated Annual financial statements for Votes and for Public Entities were submitted to the Auditor General		Awaiting prior years audit finalization.	N/A
TRANSVERSAL RISK MANAGEMENT							
8	Number of provincial risk Profiles developed	1	0	No target for the quarter	Budget: R8,146,000.00	None	N/A
9	Number of Votes and Public Entities supported on compliance with public Risk Management Framework	17	17	17 (Twelve Votes and five Public Entities) were supported on compliance with public sector Risk Management Framework	Expenditure: R1,680,571.00 % spent:21	None	N/A
PROVINCIAL INTERNAL AUDIT							
10	Number of three year strategic rolling and annual audit plans prepared by Provincial Internal Audits and approved by the Audit committee for the year financial year 2018/19	12	0	No target for the quarter	Budget: R46,517,000.00 Expenditure: R9,322,376.00 % spent:20	None	N/A

No	Programme Performance Indicators	Annual Target	1 st Quarter Target	Progress to date	Budget spent	Reason for deviation / challenges	Corrective Action
Strategic Objective: To achieve annual improvements in audit outcome in 12 votes and 5 public entities by 2019/20							
11	Number of votes audited as per approved annual audits plans to improve the internal control, risk management and governance processes.	12	12	Twelve (12) votes were audited as per approved annual audit plans to improve the internal control, risk management and governance processes.		None	N/A
12	Number of internal Assurance Improvement Programme (QAIP) implementation Report prepared to improve the quality of client service	1	0	No target for the quarter		None	N/A

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

Programmes	Original Budget R'000	Adjustment Budget R'000	Actual Expenditure Quarter 1 R'000	Actual Expenditure Quarter 2 R'000	Actual Expenditure Quarter 3 R'000	Actual Expenditure Quarter 4 R'000	Actual YTD Expenditure R'000	Projections for remaining months R'000	(Over)/Under Expenditure Variance R'000
Departmental Summary									
Administration	174 850	-	37 920	-	-	-	37 920	136 660	-
Sustainable Resources Management	119 577	-	35 720	-	-	-	35 720	83 857	-
Assets, liabilities and SCM	82 940	-	17 758	-	-	-	17 758	65 182	-
Financial Governance	97 253	-	18 501	-	-	-	18 501	78 752	-
Total	474 620	-	109 899	-	-	-	109 899	364 721	-

Compensation of employees	312 795	-	68 668	-	-	-	68 668	244 127	-
Goods & Services	131 308	-	18 055	-	-	-	18 055	113 253	-
Transfers and Subsidies	6 328	-	2 214	-	-	-	2 214	4 114	-
Capital Payments	4 189	-	962	-	-	-	962	3 227	-
Financial assets	20 000	-	20 000	-	-	-	20 000	-	-
Total	474 620	-	109 899	-	-	-	109 899	364 721	-

Programmes	Original Budget R'000	Adjustment Budget R'000	Actual Expenditure Quarter 1 R'000	Actual Expenditure Quarter 2 R'000	Actual Expenditure Quarter 3 R'000	Actual Expenditure Quarter 4 R'000	Actual YTD Expenditure R'000	Projections for remaining months R'000	(Over) /Under Expenditure Variance R'000
Programme 1: Administration									
Office of the MEC	5 846	-	1 569	-	-	-	1 569	4 277	-
Management Services	12 541	-	2 320	-	-	-	2 320	10 221	-
Corporate Services	117 215	-	23 941				23 941	93 274	
Financial Management	39 248	-	10 090	-	-	-	10 090	29 158	-
Total	174 850	-	37 920	-	-	-	37 920	136 930	-

Compensation of employees	110 716	-	24 888	-	-	-	24 888	85 828	-
Goods & Services	54 945	-	10 285	-	-	-	10 285	44 660	-
Transfers and Subsidies	5 000	-	1 785	-	-	-	1 785	3 215	-
Capital Payments	4 189	-	962	-	-	-	962	3 227	-
Total	174 850	-	37 920	-	-	-	37 920	136 930	-

Programmes	Budget R'000	nt Budget R'000	Expendit e Quarter 1 R'000	Expenditure Quarter 2 R'000	Expenditure Quarter 3 R'000	Expenditure Quarter 4 R'000	Expenditure R'000	remaining months R'000	Expenditure Variance R'000
Programme 2: Sustainable Resource									
Programme Support	32 951	-	2 359	-	-	-	2 359	30 592	-
Economic Analysis	3 202	-	648	-	-	-	648	2 554	-
Fiscal Policy	21 031	-	3 686	-	-	-	3 686	17 345	-
Budget Management	4 453	-	663	-	-	-	663	3 790	-
Public Finance	10 877	-	2 092	-	-	-	2 092	8 785	-
Intergovernmental Relations	47 063	-	26 272	-	-	-	26 272	20 791	-
Total	119 577	-	35 720	-	-	-	35 720	83 857	-

Programmes	Original Budget R'000	Adjusted Budget R'000	Actual Expenditure Quarter 1 R'000	Actual Expenditure Quarter 2 R'000	Actual Expenditure Quarter 3 R'000	Actual Expenditure Quarter 4 R'000	Actual YTD Expenditure R'000	Projections for remaining months R'000	(Over) /Under Expenditure Variance R'000
Programme 3: Assets, Liabilities and SCM									
Programme Support	1 825	-	451	-	-	-	451	1 401	-
Assets Management	12 893	-	3 358	-	-	-	3 358	9 535	-
Liabilities Management	8 782	-	2 177	-	-	-	2 177	6 605	-
Supply Chain Management	30 155	-	6 471	-	-	-	6 471	23 684	-
Support and Interlinked Financial Systems	29 285	-	5 301	-	-	-	5 301	23 984	-
Total	82 940	-	17 758	-	-	-	17 758	65 182	-

Compensation of employees	58 287	-	14 097	-	-	-	14 097	44 190	-
Goods & Services	24 653	-	3 661	-	-	-	3 661	20 992	-
Transfers and Subsidies	-	-	-	-	-	-	-	-	-
Capital Payments	-	-	-	-	-	-	-	-	-
Total	82 940	-	17 758	-	-	-	17 758	65 182	-

Programmes	Original Budget	Adjustment Budget	Actual Expenditure Quarter 1	Actual Expenditure Quarter 2	Actual Expenditure Quarter 3	Actual Expenditure Quarter 4	Actual YTD Expenditure	Projections for remaining months	(Over) /Under Expenditure Variance
	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000
Programme 4: Financial Governance									
Programme support	1 838	-	417	-	-	-	417	1 421	-
Provincial Internal Audit	18 621	-	2 481	-	-	-	2 481	16 140	-
Accounting Services	13 377	-	3 212	-	-	-	3 212	10 165	-
Norms and Standards	46 517	-	9 179	-	-	-	9 179	37 338	-
Provincial Risk management	16 900	-	3 212	-	-	-	3 212	13 688	-
Total	97 253	-	18 501	-	-	-	18 501	78 752	-

Compensation of employees	80 755	-	16 880	-	-	-	16 880	63 875	-
Goods & Services	15 931	-	1 379	-	-	-	1 379	14 552	-
Transfers and Subsidies	567	-	242	-	-	-	242	325	-
Capital Payments	-	-	-	-	-	-	-	-	-
Total	97 253	-	18 501	-	-	-	18 501	78 752	-

SCHEDULE 2: RISK MANAGEMENT PROGRESS REPORT (1ST QUARTER 2017/18)

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

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

Scope and Objectives

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

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

PRIORITIZED RISK REGISTER 2017/2018 FY

RISK No	Objective	Risk	Cause	Consequence	Inherent Risk Exp.	Current Control	Residual risk exposure	Mitigation Measure	Risk Owner	Time Frame	First quarter progress
1	Enable the Department to deliver in line with the mandate by improving management practices on HR, Strategic Management and Financial Management to level 4 of MPAT standards by 2019/20.	Threat to business continuity	Lack of Business Continuity Plan (BCP)	Leading to interruption of services	25	Business protection plans Offsite backup for paper based and ICT	20	Implementation of BCP through assistance of specialist service provider	DDG: Corporate Governance	30 June 2017	The BCP has been developed and handover of the project undertaken on 29 June 2017.
2		Inadequate support to Provincial Treasury.	Non-filling of vacant funded posts.	Inability to deliver on provincial priorities	20	Appointment of contract employees and experiential learners	13	Filling of identified critical posts and review of organizational structure	DDG: Corporate Governance	31 December 2017	76% of vacant funded posts were filled as per advertised circulars. Organizational structure was reviewed by the Department. OTP currently evaluating affected SMS posts and will be submitted to DPSA by OTP.
3		Material misstatement	Ineffective contract management	Qualified audit opinion	20	Dedicated personnel to manage contracts	13	Monthly reconciliation of contract register	CFO	31 May 2017	Contract management had been strengthened by appointing a dedicated person to monitor the

RISK No	Objective	Risk	Cause	Consequence	Inherent Risk Exp.	Current Control	Residual risk exposure	Mitigation Measure	Risk Owner	Time Frame	First quarter progress
4	To achieve sustainable fiscal policy for the province during 2015/16 to 2019/20.	Non-attainment of 98% expenditure	Poor planning and expenditure management by respective departments	Reduction of future budget allocations	20	In-year monitoring	13	Effective monitoring of departmental budget spending against plans Enforce compliance to planning prescripts.	DDG: Sustainable Resource Management	30 September 2017	contract on a monthly basis. There is continuous process of monitoring the implementation of the budget on a monthly basis and provide feedback to departments for improvement. Department has issued out the Budget Planning Process Schedule with critical due dates which need to be adhered by all departments and Public Entities and that is assisting in reminding departments and public entities to plan well in advance.
5		Poor budgetary planning	Non availability	Leading to decline in	20	Current data sources	17	Solicit alternative data sources	DDG: Sustainable	30 September 2017	Department has created a relationship with

RISK No	Objective	Risk	Cause	Consequence	Inherent Risk Exp.	Current Control	Residual risk exposure	Mitigation Measure	Risk Owner	Time Frame	First quarter progress
6		Under collection of departmental revenue set targets.	Departments not adhering to revenue targets	Decline in allocated budget	16	Provincial Revenue Strategy	10	Reinforce the implementation of provincial revenue enhancement strategy	DDG: Sustainable Resource Management	30 September 2017	STATSSA as an alternative source of data. Quarterly Revenue Enhancement Bilateral meetings held.
7		Non implementation of the Provincial IDMS.	Lack of build environment skills	Underspending	25	Infrastructure procurement plan	20	Implementation of the Infrastructure Delivery Management System. Workshop to up skill departments on infrastructure projects.	DDG: Sustainable Resource Management	30 September 2017	Limpopo Guideline Standard for Infrastructure procurement delivery management. The draft review IDMS 2017 is available to be submitted for EXCO approval. Issued practice note number 2 for submission of documents in line with IDMS. Extended Infrastructure Technical Management

RISK No	Objective	Risk	Cause	Consequence	Inherent Risk Exp.	Current Control	Residual risk exposure	Mitigation Measure	Risk Owner	Time Frame	First quarter progress
8		Inadequate funding to support economic growth and development	rate of growth on COE spending exceeding the rate of growth of total budget	Lackluster economic growth in the province	25	Treasury Instruction notes	17	Continuous monitoring and support	DDG: Sustainable Resource Management	30 November 2017	<p>Committee scheduled for 24 and 25 July 2017 to up skill the departments.</p> <p>An approval to continue monitoring advertisements and appointments by department has been granted by EXCO and since the implementation of the framework the CoE cost has reduced to 71 in 2017/18 as compared to 72 percent in 2016/17.</p>

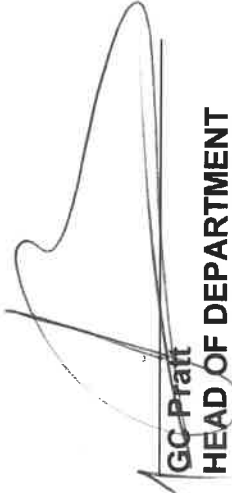
RI SK No	Objective	Risk	Cause	Consequence	Inherent Risk Exp.	Current Control	Residual risk exposure	Mitigation Measure	Risk Owner	Time Frame	First quarter progress
9	To achieve annual improvement on financial management and effective governance in 26 delegated municipalities and 3 municipal entities by 2019/20	Inadequate support to municipalities by the branch Sustainable Resource Management	Inability to keep up with technical developments.	The inability to fulfil legislative mandate.	25	Continuous training	20	Continuous professional and skills development	DDG: Sustainable Resource Management	Quarterly	Training has been held for budget officials on the assessment of budgets based on new mSCOA, Governance officials have been sent to Risk and Audit indaba to capacitate them on relevant matters. E-GRAP learning has been introduced for accounting officials. There are officials who are registered for formal qualifications and those who are qualified attend annual continuity development programme with their affiliated institutions.
10	To provide policy direction and support	Adverse audit outcomes	Non-compliance with legislative	Implementation of Section 100 of the	25	Implementation of internal control and	17	Enhance accountability by reporting	DDG: Assets, Liabilities and	31 July 2017	All non-compliance findings in the first quarter was

RISK No	Objective	Risk	Cause	Consequence	Inherent Risk Exp.	Current Control	Residual risk exposure	Mitigation Measure	Risk Owner	Time Frame	First quarter progress
	to 13 votes and 5 public entities on Assets, Liabilities and Supply Chain Management to ensure improvement of audit outcomes by 2019/20		mandates by Departments & Public Entities	Constitution and reputational loss		financial systems		non-compliance to oversight structures	Supply Chain Management		escalated to oversight structures. Audit committees could not process the submission due to review of the annual financial statements for AG audit.
11	To achieve annual improvements in audit outcomes in 12 votes and 5 public entities by 2019/20.	Inadequate support to votes and public entities	<ol style="list-style-type: none"> Inadequate support methodologies Lack of technical skills, 	Modified audit opinions with increase in unwanted expenditures, under spending of budget, failure to deliver on the mandates of the institutions (votes and public entities)	25	<ol style="list-style-type: none"> Transversal forums, policies, informal support methodologies Formal and informal training provided 	17	<ol style="list-style-type: none"> Develop and formalize support methodologies and implement combined assurance model Professionalize functions within treasury 	PAG	<p>31 December 2017</p> <p>31 December 2017</p>	<p>Support procedure has been developed by and formalized by directorates.</p> <p>The draft combined assurance model is being finalised after consideration by EXCOM. The implementation will resume in the second quarter.</p> <p>Attain professional accreditation of</p>

RISK No	Objective	Risk	Cause	Consequence	Inherent Risk Exp.	Current Control	Residual risk exposure	Mitigation Measure	Risk Owner	Time Frame	First quarter progress
12	To achieve annual improvements in audit outcomes in 12 votes and 5 public entities by 2019/20.	Ineffective governance structures (RMC, AC, Boards)	Inadequate monitoring of governance structures Lack of independence by members of governance structures	Modified audit opinions with increase in unwanted expenditures, under spending of budget, failure to deliver on the mandates of the institutions (votes and public entities)	20	Governance and ERM Checklists 360 degree evaluations, full control of audit committee in votes, and perform oversight during board and audit committee meetings of public entities	13	Detailed structured plan to address gaps identified	PAG	30 June 2017	11 official, two of which are from Treasury. Currently implementation the AAT (SA) training for junior officials. Treasury is sitting in the boards and audit committees to provide an advisory role.
13	To achieve annual improvements in audit outcomes in	Misaligned strategic Internal Audit direction	Inadequate Risk Management Processes	Incorrect Internal Audit Focus and Reduced	20	1. Audit RMP's 2. Obtain stakeholder input to inform plan.	13	1. Ensure completeness of the audit universe by developing a	CAE	30 Jun 2017	1. A set of generic risks have been developed and presented

RI SK No	Objective	Risk	Cause	Consequence	Inherent Risk Exp.	Current Control	Residual risk exposure	Mitigation Measure	Risk Owner	Time Frame	First quarter progress
	12 votes and 5 public entities by 2019/20.	and plan. (Internal Audit False Assurance Risk)	(RMP's) followed by Departments.	Strategic Impact.				set of generic risks. 2. To have common methodology to auditing RMP's to ascertain extent of reliance. 3. Internal Audit Function auditing risks as opposed to auditing controls.			to the cluster audit AC at the time the IA plans were presented for approval. 2. The CAE has developed a conceptual framework for the LPIA audit Methodology / Approach. 3. The methodology will contain an approach to auditing risks as opposed to auditing control.
14	To achieve annual improvements in audit outcomes in 12 votes and 5 public entities by 2019/20.	Ineffective and inefficient Internal Audit Function and methodology.	Ineffective implementation of the Quality Assurance Implementation Programme (QAIP)	Inappropriate Internal Audit Opinions and strategic impact of the IAF perceived not to be adding value.	25	As per APP a Quality Assurance & Improvement Programme has been developed.	20	1. Improved internal communication processes to strive to a shared IA vision and processes. 2. Review QAR processes to streamline	CAE	30 Sep 2017	A schedule of meetings have been developed for branch meetings. The appointment of two SMS staff (i.e. CD and Director) will enhance branch communication between SMS

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15		Inefficiencies of assurance and consulting services	Slow implementation of the Combined Assurance Model	Duplication of services	25	Draft CAM	20	Develop a CAM implementation Strategy and communicate to all stakeholders Review strategy	CAE	30 Jun 2017	A combined assurance conceptual framework has been developed and presented to the CAC. and the rest of the staff.


GC Pratt
HEAD OF DEPARTMENT

16/08/2017
DATE