



LIMPOPO

PROVINCIAL GOVERNMENT  
REPUBLIC OF SOUTH AFRICA

PROVINCIAL TREASURY

# Strategic Plan 2010/11 – 2014/15

## FOREWORD BY THE MEC OF LIMPOPO PROVINCIAL TREASURY

As we enter the new term our strategic plan coincides with a period where in South Africa and the rest of the world find themselves in the throes of an economic meltdown unprecedented in our history.

It is indeed a demanding time for our growing democracy.

It is clear that the period ahead is going to be tough. We will need collective leadership to ensure that the services delivery gains of the past years are not eroded and that the frontline services that seek to address vulnerability and reduce poverty will be protected at all cost. It is within this context that Cabinet has developed and approved the Medium Term Strategic Framework (MTSF), a strategy that outlines the key strategic priorities of the current term of democratic government (2009-2014).

The MTSF includes, but is not restricted to the following priorities:

- Massive programme to build social and economic infrastructure.
- Speeding up income distribution growth and transforming the economy to create decent work and sustainable livelihoods.
- Building a developmental state including improvement of public services and strengthening democratic institutions
- Intensifying the fight against crime and corruption.
- Strengthen our skills and human resources base.

A new outcomes approach led by The Presidency has been introduced and is designed to ensure that government is focused on achieving the expected real improvements in the life of all South Africans. Based on the election Manifesto and the MTSF, a set of 12 National Outcomes were identified that reflect the desired development impact that government seeks to achieve, given government's policy priorities

The Province has also developed a Limpopo Employment Growth and Development Plan (LEGDP) that seeks to align the province's growth and development direction with the objectives of the Manifesto. The LEGDP provides the framework for the provincial government, municipalities, the private sector and all organs of civil society to make hard choices in pursuit of strategic priorities as encapsulated in the MTSF.

It is therefore these National and provincial priorities that the Provincial Treasury is expected to align its programme and resources with. The Strategic Plan has identified the following focus areas, namely:

1. Good Corporate Governance
  - a) Position risk management to add value
  - b) Clean Audit 2014
2. Financial management competency and skills

3. Implementation of Integrated Financial Management Systems (IFMS)
4. Alignment of provincial budget to LEGDP - including procurement policy reforms
5. Mitigate the risk in the reduction of the Provincial Equitable Share
6. Building stakeholder relationships

I therefore take this opportunity to endorse this Strategic Plan and commit to ensuring that it is implemented.

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**D Masondo (MPL)**

**EXECUTIVE AUTHORITY OF LIMPOPO PROVINCIAL TREASURY**

## **OFFICIAL SIGN-OFF**

It is hereby certified that this Strategic Plan:

- Was developed by the management of the Limpopo Provincial Treasury under the guidance of MEC David Masondo
- Takes into account all the relevant policies, legislation and other mandates for which the Limpopo Provincial Treasury is responsible
- Accurately reflects the strategic outcome oriented goals and objectives which the Limpopo Provincial Treasury will endeavour to achieve over the period 2010 – 2015.

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**Signature:** \_\_\_\_\_

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**Signature:** \_\_\_\_\_

**Executive Authority**

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## LIST OF ACRONYMS

<b>Acronym</b>	<b>Description</b>
AFS	Annual Financial Statement
APP	Annual Performance Plan
BAS	Basic Accounting System
CFO	Chief Financial Officer
DORA	Division of Revenue Act
GG	Government Garage
GIAMA	Government Immovable Asset Management Act
HOD	Head of Department
HR	Human Resource
HRD	Human Resource Development
IDIP	Infrastructure Delivery Improvement Programme
IFMS	Integrated Financial Management System
IYM	In Year Monitoring
LEGDP	Limpopo Employment, Growth and Development Plan
LPT	Limpopo Provincial Treasury
MEC	Member of the Executive Council
MTEF	Medium Term Expenditure Framework
MTREF	Medium Term Revenue and Expenditure Framework
NCOP	National Council of Provinces
PERSAL	Personnel Salary
PFMA	Public Finance Management Act
PMS	Performance Management System
PPP	Public Private Partnership
PPPFA	Preferential Procurement Policy Framework Act
PRF	Provincial Revenue Fund
SAQA	South African Qualification Authority
SCM	Supply Chain Management
SCOPA	Standing Committee on Public Accounts
SGM	Senior General Manager
SISP	Strategic Information Systems Plan
SITA	State Information Technology Agency

SLA	Service Level Agreement
SMME	Small Medium Micro Enterprise
SMS	Senior Management Service
TR	Treasury Regulations



## **PART A: STRATEGIC OVERVIEW**

### **1. VISION**

To become the centre of excellence and provide sound financial management and leadership that enhances socio-economic growth and development in Limpopo.

### **2. MISSION**

To provide ethical, consultative and people focused service through sound public financial management, including attaining and maintaining effective financial resource mobilisation.

### **3. VALUES**

- Professionalism
- Equity
- Ubuntu and Batho Pele
- Transparency
- Accountability
- Public Participation
- Financial Accessibility
- Effective and efficient organisation that serves as a role model for other Departments and stakeholders.

### **4. LEGISLATIVE AND OTHER MANDATES**

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

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

- Public Finance Management Act 1 of 1999 (as amended by Act 29 of 1999),
- Municipal Finance Management Act 56 of 2003
- Annual Division of Revenue Act

## 4.1 Constitutional mandates

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

## 4.2 Legislative mandates

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

Section	Function and powers
<b>18 (1)</b>	A Provincial treasury must:
(a)	Prepare the provincial budget
(b)	Exercise control over the implementation of the provincial budget
(c)	Promote and enforce transparency and effective management in respect of revenue, expenditure, assets and liabilities of provincial departments and provincial public entities; and
(d)	Ensure its fiscal policies do not materially and unreasonably prejudice national economic policies.
<b>18 (2)</b>	A provincial treasury
(a)	must issue provincial instructions not inconsistent with the Act;
(b)	Must enforce the PFMA and any prescribed national and provincial norms and standards, including any prescribed standards of generally recognized accounting practice and uniform classification systems, in provincial departments
(c)	must comply with annual DORA and monitor and assess the implementation of that Act in public entities;
(d)	must monitor and assess implementation in provincial public entities of national and provincial national norms and standards
(e)	may assist provincial departments and provincial public entities in building their capacity for efficient, effective and transparent financial management;
(f)	may investigate any system of financial management and internal control applied by a provincial department or public entity
(g)	Must intervene by taking appropriate steps to address a serious and persistent material breach of the PFMA by a provincial department or a

<b>Section</b>	<b>Function and powers</b>
	provincial public entity, including withholding of funds
(h)	Must promptly provide National Treasury with any information required in terms of the PFMA
(i)	May do anything further that is necessary to fulfil its responsibilities effectively

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

<b>Section</b>	<b>Function and powers</b>
<b>3</b>	A provincial treasury must in accordance with a prescribed framework:
(c)	assist the National Treasury in enforcing compliance with the measures established in terms of section 216(1) of the Constitution, including those established in terms of this Act.
<b>4</b>	To the extent necessary to comply with subsection (3), a provincial treasury
(a)	Must monitor:
	(i) compliance with the MFMA by municipalities and municipal entities in the province;
	(ii) the preparation by municipalities in the province of their budgets;
	(iii) the monthly outcome of those budgets; and
	(iv) the submission of reports by municipalities in the province as required in terms of this Act;
(b)	may assist municipalities in the province in the preparation of their budgets;
(c)	may exercise any powers and must perform any duties delegated to it by the National Treasury in terms of this Act; and
(d)	may take appropriate steps if a municipality or municipal entity in the province commits a breach of this Act.

### **4.3 Policy mandates**

The Provincial Treasury also has an oversight role in performance oversight as mandated by **Framework for Managing Programme Performance Information**.

According to this Framework, Provincial Treasury is responsible for:

- Monitoring the implementation of the Framework by all institutions within their respective spheres.
- Providing training on the use of performance information
- Providing input into processes to select and define performance indicators

### **4.4 Relevant court rulings**

None

### **4.5 Planned policy initiatives**

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

The focus in the next five years will be continuing with building capacity in municipalities to ensure sound financial management for effective and efficient service delivery.

In view of the economic environment, focus will also be on prudent utilization of resources without compromising government priorities, and therefore monitoring of expenditure in the province will be key during this cycle.

The transfer of the Provincial Internal Audit function from the Office of the Premier to Provincial Treasury will increase the department's role in overseeing internal controls within departments to improve financial management in the province.

## **5. SITUATIONAL ANALYSIS**

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

### **5.1 Performance environment**

#### **5.1.1 Situational Analysis**

During the planning sessions, programmes/branches conducted internal analysis (situational analysis) and the following factors were identified as hindering achievement of objectives;

- On-going economic crisis which has a negative effect on the revenue base
- Inadequate technological infrastructure and skills in the province
- Staff absorbed in terms of the interim placement do not have requisite skills
- Failure by the province to fully implement Resolution 7 of 2002
- Absence of internal and external Integrated Financial Management Systems
- Lack of clearly departmental defined procedures and non-coordination of transversal function
- 2010/11 Budget not linked to key deliverables

This Strategic Plan strives to develop strategies and objectives that would address the identified challenges in an effort to improve on service delivery.

#### **5.1.2 Financial Management in the Province**

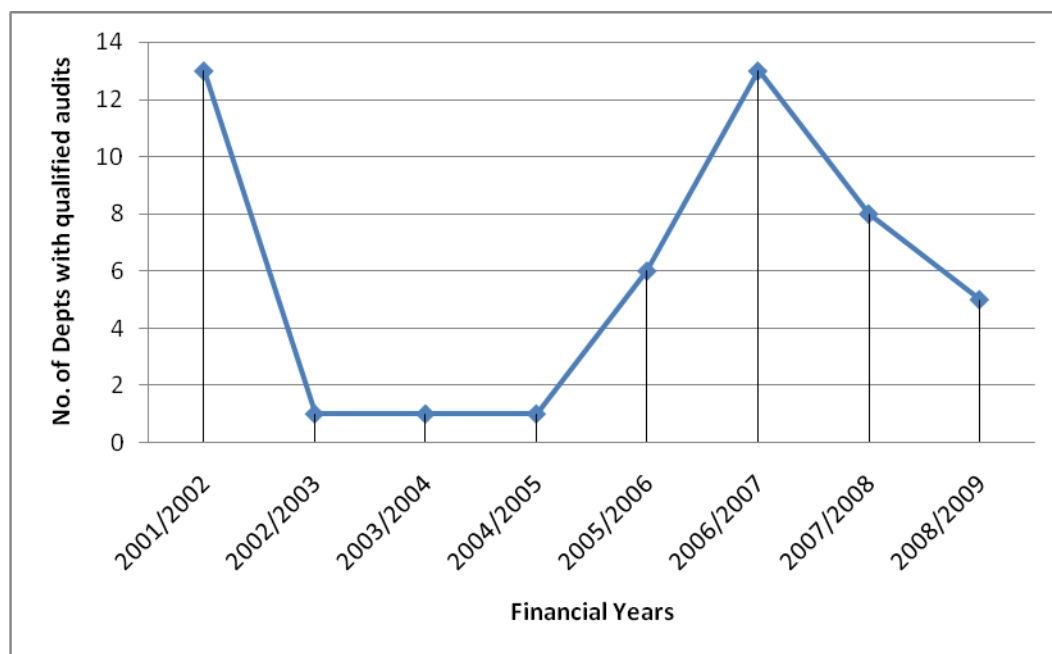
The role of Limpopo Provincial Treasury in supporting and monitoring provincial departments, public entities and municipalities will ensure improved management of financial management resources in the province. The current status of the province's financial management position in relation to audit outcomes is represented below:

**Audit outcomes of Limpopo Provincial Departments: 2001/02 – 2008/09**

<b>FINANCIAL YEAR</b>	<b>NO. OF DEPARTMENTS WITH QUALIFIED AUDIT REPORTS</b>
2001/2002	13 (All)
2002/2003	1
2003/2004	1
2004/2005	2
2005/2006	5 + 1 adverse opinion
2006/2007	13 (All )
2007/2008	8
2008/2009	5

The graphical representation of the above statistics is on Figure 1 below:

**Figure 1: Audit Outcomes of Limpopo Provincial Departments**



It is clear from the above graph that audit outcomes which reflect on internal controls within departments have not been stable in Limpopo province. The service provided by Provincial Treasury is therefore necessary in ensuring that these trends are improved and sustained in the years to come. This Strategic Plan has taken these factors into consideration in determining our priorities.

The declining Equitable Share of the province requires prudent management of resources and alternative sources of revenue so that the services delivered to South Africans citizens have a developmental impact.

### **5.1.3 Limpopo Economy**

The Limpopo economic growth rate was on a decline since first quarter of 2007. Negative growth was experienced since the first quarter of 2009 up to the fourth quarter of 2009, the first quarter of 2010 has experienced recovery resulting in 7.6% growth rate but reduced to 2.8% in the second quarter of 2010 .The main contributors to the negative growth were largely mining, agriculture and manufacturing .Mining had a decline ranging from -14.0% in third quarter of 2008 to that of -38.9% in the first quarter of 2009. There was an improvement in the first quarter of 2010 but declined to -19.5% in quarter 2 of 2010.Agriculture had a decline ranging from -8.2% in quarter 1 of 2009 to that of -13.7% in fourth quarter of 2009 before increasing in the first quarter of 2010.Agriculture is the one that boosted growth in the second quarter of 2010 being the highest contributor followed by transport and communication .The increase in the contribution by transport and communication can be linked to the activity that this sector was engaged in during the FIFA 2010 world cup.

In the fourth quarter of 2007 construction was the highest contributor to growth .The high contribution can be attributed to the initiation of construction of infrastructure that was needed for FIFA 2010 world cup .Slowing down in 2009 can be attributed to the fact that most of the construction was at the completion stage and slight recovery in first and second quarter of 2010 is because additional facilities were constructed including more roads.

## Limpopo and SA GDP

**Figure 2: Percentage change in GDP for Limpopo and SA 2007 to 2010**



The economic growth pattern of both Limpopo Province and the rest of the country is the same. Limpopo is on average performing slightly less than the rest of the country. SA experienced negative growth three quarters in succession during the second quarter of 2009 while Limpopo only started experiencing negative growth three quarters in succession in the third quarter of 2009. When SA economy was recovering, the Limpopo economy lagged behind and continued with negative growth for two more quarters after SA had started positive growth before it experienced positive growth in the first quarter of 2010. Both SA economy and Limpopo experienced positive growth in the second quarter of 2010 but a reduction from that of the first quarter. A growth rate of 4.6 percent was recorded in SA during the first quarter of 2010 while 3.2 percent was recorded in the second quarter of the same year. Limpopo province recorded 7.6 percent and 2.8 percent during the first and second quarter of 2010 respectively.

## Labor Market

Out of 3.3 million Limpopo working age populations, only 1.2 million per cent were economically active in the third quarter of 2010. Labour force participation ratio which was at 36.7 per cent for the third quarter of 2010 is down from 38.9 per cent a year



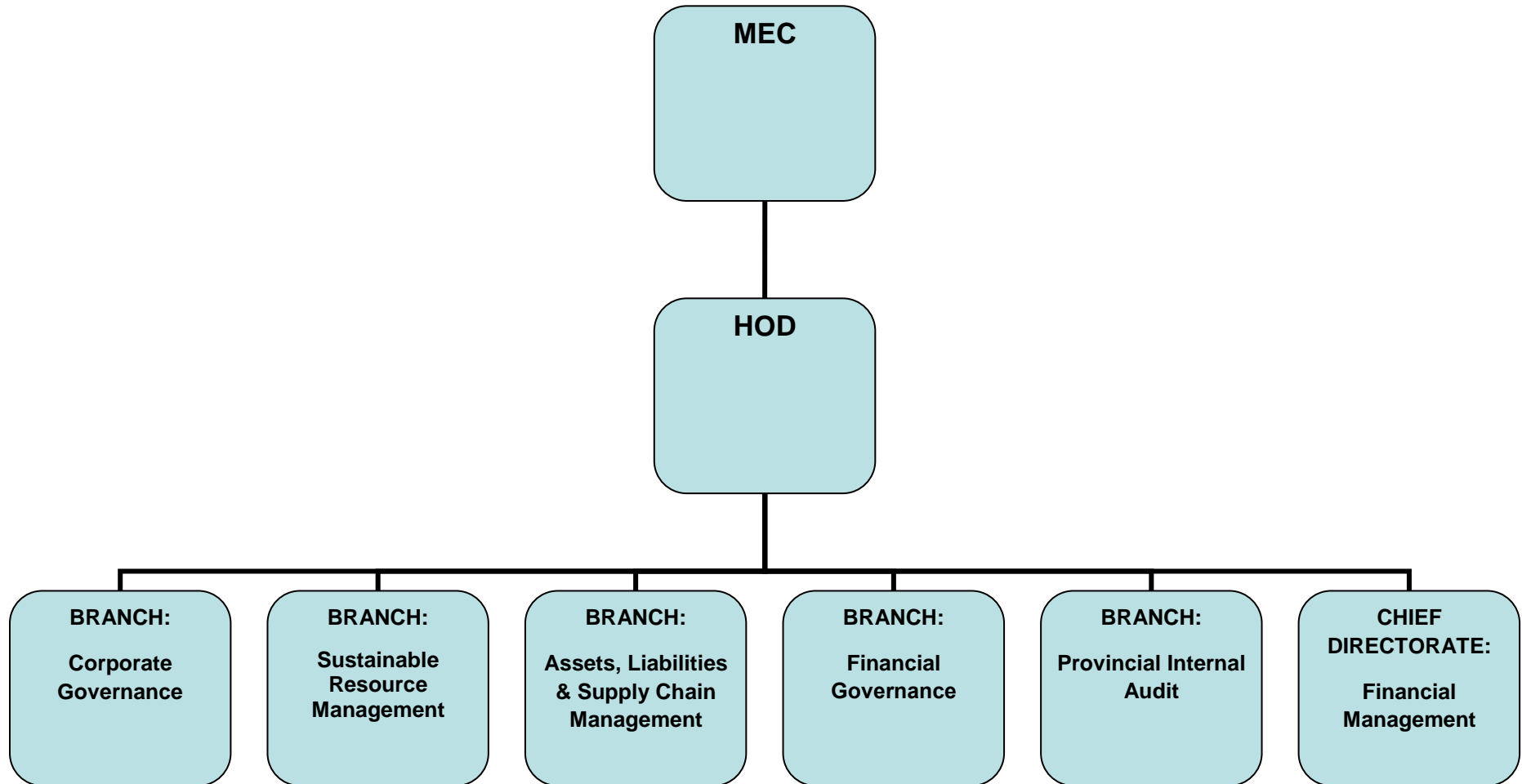
earlier. 303 000 labour market participants were unemployed, indicating an unemployment rate (officially defined) of 25.1 per cent for the quarter.

According to the Quarterly Labour Force Survey, the official unemployment rate in Limpopo fell by 0.4 percentage points between the third quarter of 2009 and the third quarter of 2010.

Unemployment increased significantly in the third quarter of 2010 as compared to the preceding second quarter. This is as a result of termination of temporary jobs that were created by the World Cup in the second quarter. Over the same period, employment in the province fell by 3.3 per cent, indicating that the fall in unemployment was a result of a decline in labour participation owing to recessionary effects. According to Statistics South Africa, the provincial unemployment rate was 25.1 per cent in the third quarter of 2010.

## 5.2 Organisational environment

The updated structure, with the inclusion of the transferred function of Provincial Internal Audit was implemented with effect from 1 October 2010 and the key elements of the structure are as follows:



The department's capacity has not been significantly increased. This is as a result of the change in management (HOD) and the reprioritisation exercise that had to be conducted on the filling of posts with the new HOD. Areas of real capacity challenge are in the areas of Municipal Finance, Transversal Risk Management, Planning support to departments as well Monitoring and Evaluation capacity.

The increased need for support to municipalities in order to achieve clean audits by 2014 also raises the need for increased capacity in the Municipal Finance chief directorate. Currently, the capacity to support municipalities is not adequate in relation to the need.

The move by the new administration to establish a Planning and Monitoring and Evaluation Ministries in The Presidency highlights the importance of planning and performance monitoring and evaluation. The Green Paper on Planning as well as on Monitoring and Evaluation titled "Improving Government's Performance: Our approach", emphasise the need for government to improve its planning and performance monitoring and evaluation capacity. The Green Papers highlight the need for an outcome-focused and results-oriented performance improvement programme. It is against this increased need that the department's capacity on planning and performance monitoring and evaluation needs to be increased.

The transfer of the Provincial Internal Audit function with limited capacity due to the challenge of retaining internal auditors is an added resource challenge facing the department.

These capacity challenges will be addressed during this period of 2010/11 – 2014/15.

### **5.3 Description of the strategic planning process**

The activities and processes followed in the development of the Strategic Plan include the following:

- A situational analysis was conducted in July 2009 using the McKinsey 7S model. Further environmental analysis was also conducted in September 2010 by the newly appointed Head of Department as well as senior management during the strategic planning sessions.

- Interviews were conducted with stakeholders from Municipalities, Public Entities and departments to understand their needs.
- A strategic planning training session was conducted on 6 August 2009 at the Extended Executive Management Committee meeting to train all SMS members on the new Strategic Planning Templates
- Strategic planning workshops were held on 12 -14 August 2009 with all SMS members and key managers to develop the strategic plan.
- Further strategic planning sessions were held on 1-3 September 2010, 8 and 25 October 2010 to review the Strategic Plan to align it with the national outcomes as well as the Limpopo Employment, Growth and Development Plan (LEGDP). Stakeholders such as the Auditor General and the Audit Committee representative were part of the strategic planning sessions to ensure that their needs and concerns are address during the planning process.
- Six focus areas were identified as priorities that would contribute to the achievement of national and provincial priorities, namely:
  - a) Good Corporate Governance
    - Position risk management to add value
    - Clean Audit 2014
  - b) Financial management competency and skills
  - c) Implementation of Integrated Financial Management Systems (IFMS)
  - d) Alignment of provincial budget to LEGDP - including procurement policy reforms
  - e) Mitigate the risk in the reduction of the Provincial Equitable Share
  - f) Building stakeholder relationships
- There is a need to broaden participation to include other lower ranking employees in the Department

## 6. STRATEGIC OUTCOME ORIENTED GOALS OF LIMPOPO PROVINCIAL TREASURY

<b>Strategic outcome oriented Goal 1</b>	Effective and efficient administrative support in the Department
<b>Goal Statements</b>	<p>Render effective support to 4 departmental programmes through 100% implementation and monitoring of departmental policies by 2015.</p> <p>This goal contributes towards <b>National Outcome 12</b> of an efficient, effective and development oriented public service (and an empowered, fair and inclusive citizenship) and <b>LEGDP pillar of Corporate Governance</b></p>

<b>Strategic Outcome Oriented Goal 2</b>	Responsive, accountable, effective and efficient provincial and local government system
<b>Goal Statements</b>	<p>Promote and enforce transparency and effective financial management in respect of revenue, expenditure, assets and liabilities of provincial departments and provincial public entities and municipalities</p> <p>This goal contributes towards <b>National Outcome 12</b> of an efficient, effective and development oriented public service (and an empowered, fair and inclusive citizenship), <b>National Outcome 9</b> of a responsive, accountable, effective &amp; efficient local government system and <b>LEGDP pillar of Corporate Governance</b></p>

## PART B: STRATEGIC OBJECTIVES

### BUDGET STRUCTURE

PROGRAMME	SUB-PROGRAMME
<b>1. Administration</b>	1.1. Office of the MEC 1.2. Management Services 1.3. Corporate Services 1.4. Financial Management (Office of the CFO)
<b>2. Sustainable Resource Management</b>	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)
<b>3. Assets, Liabilities and Supply Chain Management</b>	3.1. Programme Support 3.2. Asset Management 3.3. Liabilities Management 3.4. Provincial Supply Chain Management 3.5. Support & Interlinked Financial Systems
<b>4. Financial Governance</b>	4.1 Programme Support 4.2 Accounting Services 4.3 Transversal Risk Management & Internal Control

## 7. PROGRAMME 1: ADMINISTRATION

### 7.1 Programme Purpose

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
- HOD Support Services
- Corporate Services
- Financial Management (Office of the CFO)

### 7.2 Strategic Objectives

<b>Strategic Objective 1</b>	To provide efficient, effective and economic internal administrative support during 2010/11 to 2014/15.
<b>Objective statement</b>	Provide strategic administrative support to 4 departmental programmes through finalised HR Plan and a coordinated information management strategy during 2010/11 to 2014/15.
<b>Baseline</b>	All 4 Programmes supported with limitations, namely: <ul style="list-style-type: none"><li>• Draft HR Plan in place</li><li>• Inadequate implementation of policies and procedures.</li><li>• Absence of a coordinated Information Management Strategy</li></ul>
<b>Justification</b>	Fulfillment of this strategic objective will lead to improved service delivery on all targets.
<b>Links</b>	Strategic Outcome Oriented Goal 1: Effective and efficient administrative support in the department.

<b>Strategic Objective 2</b>	Improve financial management in the department during 2010/11 – 2014/15.
<b>Objective statement</b>	Maintain an unqualified audit opinion and reduce matters of emphasis in the Audit Report by 2010/11 -2014/ 2015.
<b>Baseline</b>	Procurement plan not properly implemented and monitored.
<b>Justification</b>	Implementation of the Constitution, PFMA and other relevant financial prescripts to improve service delivery through efficient management of financial resources
<b>Links</b>	Strategic Outcome Oriented Goal 1: Effective and efficient administrative support in the department.

### 7.3 Resource Considerations

Trends in staffing and budget will not change as it is not expected that the budget will increase significantly from the normal inflation adjustments.

In some sub-programmes goods and services budget has a negative growth of 2% in 2009/10 and 1% in 2010/11.

This will have an adverse effect on the targets due to most of the centralized costs increases with inflation but the budget is decreasing. Reprioritization of funding for objectives of the department will have to be effected.



## 7.4 Risk Management

<b>Programme : Administration</b>		
<b>Strategic Objective(s)</b>	<b>Strategic Risk</b>	<b>Mitigation</b>
To provide efficient, effective and economic internal administration support during 2010/11- 2014/15	Loss of opportunity to create a positive corporate culture	Develop, implement and adhere to Information Management strategy.
	Inefficient, ineffective and uneconomical delivery of service	Popularize and enforce compliance
	Lack of vision to embrace IT for service delivery	Implementation of Strategic Information System Plan
Improve financial management in the department during 2010/11 to 2014/15	Unreliable performance information	Enforce submission of means of verification

## 8. PROGRAMME 2: SUSTAINABLE RESOURCE MANAGEMENT

### 8.1 Programme Purpose

The programme purpose is to inform financial resource allocation, manage the provincial budget and to support and monitor provincial departments, municipalities and public entities for efficient and effective use of the province's fiscal resources.

The programme has the following sub-programmes:

- Fiscal Policy
- Economic Analysis
- Infrastructure Management and PPPs
- Intergovernmental Fiscal Relations (Municipal Finance)

### 8.2 Strategic Objectives

<b>Strategic Objective 1</b>	To achieve clean audit in Provincial and Local Government by 2014
<b>Objective statement</b>	Provincial and Local Government institutions to obtain unqualified audit opinions in the management of government fiscal resources in line with PFMA & MFMA by 2014
<b>Baseline</b>	Credible budget documents and limited monitoring of public entities 30 municipalities and 2 municipal entities are implementing financial management principles, however, improvement in the effectiveness is required
<b>Justification</b>	The research documents will assist in the improved alignment of the provincial budget with the LEGDP and MTSF priorities; monitoring will ensure improvement of the management of allocated budgets and compliance with MFMA and PFMA.
<b>Links</b>	Strategic Outcome Oriented Goal 2: Responsive, accountable, effective and efficient provincial and local government system

### 8.3 Resource Considerations

There are constant trends in number of key staff members. The staff turnover rate on key staff members is acceptable. It is expected that this trend will not change significantly in the next five years.

In order to improve on the reliability, accuracy and timeous delivery of data which is a key input to the unit, the unit plans to secure more than one data source.

### 8.4 Risk Management

Programme : Sustainable Resource Management		
Strategic Objective(s)	Strategic Risk	Mitigation
To achieve clean audit in Provincial and Local Government by 2014	Inability to provide value added support to all municipalities and entities	<ul style="list-style-type: none"> <li>• Engage HRD for the implementation of PDPs</li> <li>• Amendment of DORA allocation procedures</li> </ul>
	Unavailability of timeous credible social and economic data	Partnering with institution of higher learning
	Budget pressure due to the decline in Provincial Equitable Share	Continuous engagement with sector departments to provide accurate data

## 9. PROGRAMME 3: ASSETS, LIABILITIES AND SUPPLY CHAIN MANAGEMENT

### 9.1 Programme Purpose

This programme's purpose is to provide policy direction, facilitate the effective and efficient management of Assets, Liabilities, Financial Systems and Supply Chain Management.

The programme consists of the following sub-programmes:

- Programme Support
- Asset and Liabilities Management
- Provincial Supply Chain Management
- Support & Interlinked Financial Systems

### 9.2 Strategic Objectives

<b>Strategic Objective 1</b>	To achieve clean audit in Provincial Departments and Public Entities by 2014
<b>Objective Statement</b>	All Provincial Departments and Public Entities to obtain unqualified audit opinions on Assets, Cash-flow and Supply Chain Management in line with the PFMA and relevant SCM and Asset Management prescripts by 2014
<b>Baseline</b>	Financial and Non financial assets management (excluding inventory management) implemented in provincial departments.  Provincial departments and entities have been assessed, monitored, and supported in the implementation of supply chain management; the province was able to maximise economies of scale through arrangement of transversal contracts and the public empowered on doing business with government
<b>Justification</b>	Coordinated and integrated facilitation, monitoring and evaluation is a necessary process and plays a significant role in achieving results and accountability in public sector assets and liabilities management, including the optimal utilisation of assets in the province and the mitigation of any potential provincial bank overdraft; competent local bidders assist to achieve socio-economic objectives of the province as well.
<b>Links</b>	Strategic Outcome Oriented Goal 2: Responsive, accountable, effective and efficient provincial and local government system

<b>Strategic Objective 2</b>	To provide effective transversal financial systems in all provincial departments during 2010/11 to 2014/15.
<b>Objective statement</b>	Provide management and support to 13 departments on transversal financial systems during 2010/11 to 2014/15.
<b>Baseline</b>	Minimum utilization of existing financial systems and implementation of IFMS
<b>Justification</b>	Financial systems enable the province to record, manage financial transactions, and consolidate information for reporting both provincially and nationally on financial and non-financial issues.
<b>Links</b>	Strategic Outcome Oriented Goal 1: Responsive, accountable, effective and efficient provincial and local government system National Outcome 12: An efficient, effective and development oriented public service and an empowered, fair and inclusive citizenship

### 9.3 Resource Considerations

- **Additional Budget**
  - ✓ IFMS implementation costs
  - ✓ Monitoring costs (e.g.: travelling and accommodation)
- **Key Staff**
  - ✓ Liabilities Management
  - ✓ Build competency in placement staff
  - ✓ Technical expertise

## 9.4 Risk Management

<b>PROGRAMME: ASSETS, LIABILITIES, FINANCIAL SYSTEMS AND SUPPLY CHAIN MANAGEMENT</b>		
<b>STRATEGIC OBJECTIVE</b>	<b>STRATEGIC RISK</b>	<b>MITIGATION</b>
To achieve clean audit in Provincial Departments and Public Entities by 2014	Provincial Bank Overdraft due to potential over expenditure	<ul style="list-style-type: none"> <li>• Budget blocking and cash blocking functionality.</li> <li>• Continuous engagement with departments: to fund personnel correctly, to fill only funded posts and to avoid premature implementation of national initiatives</li> </ul>
	Misappropriation of assets	Implementation of IFMS Asset Management Module once funding has been secured
	SCM Fraud and Corruption	<ul style="list-style-type: none"> <li>• Monitoring and enhancement of SCM practices through the implementation of SCM policy reforms</li> <li>• Implement SCM Code of Conduct for all SCM practitioners and participants in the SCM committees and declaration of interest per bid by practitioners and committee members.</li> </ul>
To provide effective transversal financial systems in all provincial departments during 2010/11 to 2014/15.	Non implementation of IFMS projects in the remaining departments	Engage with National Treasury for the release of implementation and costing module.
	Fraud and corruption related to transversal system	Enforce the implementation of policies Monitor the adherence to policies

## **10. PROGRAMME 4: FINANCIAL GOVERNANCE**

### **10.1 Programme Purpose**

- To ensure sound financial management and financial accountability in the province through capacity building, financial reporting, financial management policies development and support of oversight structures/bodies.
- To ensure that all Departments and public entities have implemented an effective risk management and internal control processes.
- To provide internal audit services to all Limpopo provincial departments in compliance with the approved internal audit plan.

The programme consists of the following sub-programmes:

- Programme Support
- Accounting Services
- Internal Control and Risk Management
- Internal Audit services

## 10.2 Strategic Objectives

<b>Strategic Objective 1</b>	To achieve clean audits in Provincial departments and Public Entities by 2014
<b>Objective statement</b>	Provide effective guidance and support on financial management in 13 provincial departments/votes and 8 public entities in order to attain unqualified audit opinions in all departments and public entities in line with the PFMA by 2014
<b>Baseline</b>	<p>9 out of 13 votes obtained unqualified audit opinions and 7 out of 8 public entities obtained unqualified audit opinions (1 entity's audit is pending) for the period 2009/10.</p> <p>The Provincial Risk Management Framework has been developed to guide the implementation of risk management in the departments and public institutions and an Internal Control Framework has been developed to guide the improvement of systems of internal control in both departments and public entities and actions plans to implement audit reports are monitored.</p> <p>12 Votes audited in compliance with the approved 2010/11 approved internal audit plan</p>
<b>Justification</b>	Proper management and accountability of public funds.
<b>Links</b>	Strategic Outcome Oriented Goal 2: Responsive, accountable, effective and efficient provincial and local government system

## 10.3 Resource Considerations

- Proposed structure for Financial Training includes 8 additional trainers and 1 deputy manager and sacrificing one manager post
- Increases on Goods and Services are based on annual increase of audit committee costs and audit fees
- Increases on capital expenditure will be due to new appointments as laptops and desk top computers will be procured



## 10.4 Risk Management

<b>Programme : Financial Governance</b>		
<b>Strategic Objective</b>	<b>Strategic Risk</b>	<b>Mitigation</b>
To achieve clean audits in Provincial departments and Public Entities by 2014	Inadequate/ poor support to departments and public entities	<ul style="list-style-type: none"> <li>• Continuous on the job training</li> <li>• Funding of the approved Financial Training structure</li> <li>• Recruitment of relevant skilled employees</li> <li>• Strengthen the RM Forum.</li> <li>• Introduce RM Learnership programs.</li> <li>• Relocate staff to units where they are skilled in.</li> </ul>
	Lack of accountability on tribal levies and trust accounts	Improve interaction with relevant stake holders to facilitate awareness on improvement of control
	High staff turnover	Retention strategy developed to be implemented

## **PART C: LINKS TO OTHER PLANS**

### **1. LINKS TO THE LONG-TERM INFRASTRUCTURE AND OTHER CAPITAL PLANS**

There are no long term infrastructure and other capital plans

### **2. CONDITIONAL GRANTS**

#### **Infrastructure Conditional Grant**

This grant is allocated for infrastructure capacity building for all provincial departments excluding infrastructure departments (Education, Health and Public Works) for the 2010/11 financial year only.

### **3. PUBLIC ENTITIES**

The department does not oversee any public entities.

### **4. 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: Effective and efficient administrative support in the department.**

Indicator title	Number of reports submitted to Provincial Legislature in line with legislative requirements
Short definition	MEC's oversight role on performance of LPT 4 section 71 reports and a report to SCOPA
Purpose/importance	To adhere to statutory compliance of the MEC's oversight role on performance of LPT by reporting to Legislature, NCOP, Constituency office and other Stakeholders in order to enhance service delivery.
Source/collection of data	Primary and secondary sources (PERSAL, VULINDLELA, BAS and relevant stakeholders)
Method of calculation	Quantitative and qualitative
Data limitations	None
Type of indicator	output
Calculation type	Non- cumulative
Reporting cycle	Quarterly and annually
New indicator	Yes, this is a new indicator
Desired performance	Actual performance as per target is desirable
Indicator responsibility	Senior Manager : MEC Support Services

Indicator title	Number of documents tabled in the Provincial Legislature
Short definition	MEC's oversight role on performance of LPT Annual Report, Consolidated AFS, Annual Appropriation Bill, Adjustment Estimate, Unauthorized Expenditure Bill and Annual Performance Report
Purpose/importance	To adhere to statutory compliance of the MEC's oversight role on performance of LPT by reporting to Legislature, NCOP, Constituency office and other Stakeholders in order to enhance service delivery.
Source/collection of data	Primary and secondary sources (PERSAL, VULINDLELA, BAS and relevant stakeholders)
Method of calculation	Quantitative and qualitative
Data limitations	None
Type of indicator	outcome
Calculation type	Non- cumulative
Reporting cycle	Quarterly and annually
New indicator	Yes, this is a new indicator
Desired performance	Actual performance as per target is desirable
Indicator responsibility	Senior Manager : MEC Support Services

Indicator title	Number of programmes monitored for compliance to the compliance calendar and institutional arrangements
Short definition	To provide efficient and effective support for administrative commitments of the department
Purpose/importance	To adhere to statutory compliance and institutional arrangements so as to enhance service delivery.
Source/collection of data	Primary and secondary sources (PERSAL, VULINDLELA, BAS and relevant stakeholders, minutes of meetings)
Method of calculation	Qualitative and quantitative analysis (Conversation, Global and Statistical analysis)
Data limitations	None
Type of indicator	Output/outcome
Calculation type	Non- cumulative
Reporting cycle	Quarterly and annually
New indicator	Yes, this is a new indicator
Desired performance	Actual performance as per target is desirable
Indicator responsibility	Senior Manager : HoD Support Services

Indicator title	Number of HR strategies from the HR Plan implemented.
Short definition	Implementation of Recruitment and Retention Strategy, Organizational Development, PMS Strategy, Equity Plan, HRD Strategy, Employee Health and Wellness Strategic Framework and Batho Pele.
Purpose/importance	To facilitate the decrease in vacancy rate on funded posts, compliance with equity plan, training and development and promote employee health and wellness in an effort to enhance service delivery.
Source/collection of data	PERSAL, VULINDLEL,BAS and relevant stakeholders
Method of calculation	Statistics analysis
Data limitations	None
Type of indicator	output
Calculation type	Non-cumulative
Reporting cycle	Quarterly and annually
New indicator	Yes, this is a new indicator
Desired performance	Actual performance as per target is desirable
Indicator responsibility	General Manager : Corporate Services

Indicator title	Number of programmes supported and monitored in the implementation of Enterprise Risk Management plan to ensure achievement of set objectives.
Short definition	Facilitation on identification, assessment and mitigation of strategic risks.
Purpose/importance	To limit the effect of risks in order to enhance service delivery.
Source/collection of data	Progress reports by programmes, Departmental Risk Register
Method of calculation	Statistical analysis
Data limitations	Risks may be incorrectly identified by risk owners
Type of indicator	output
Calculation type	Non cumulative
Reporting cycle	Quarterly and annually
New indicator	No, this is not a new indicator
Desired performance	Actual performance as per the target is desirable
Indicator responsibility	Senior Manager: Enterprise Risk Management

Indicator title	Number of Information Management Strategies developed, implemented and monitored for improved information management in the department
Short definition	Implementation of the Communication and Records Management Strategies,
Purpose/importance	To facilitate professional internal and external communication as well as management of LPT records.
Source/collection of data	Interactive communication
Method of calculation	Qualitative and quantitative analysis
Data limitations	None
Type of indicator	output
Calculation type	Non-cumulative
Reporting cycle	Quarterly
New indicator	Yes, this is a new indicator
Desired performance	Actual performance as per target is desirable
Indicator responsibility	Senior Manager: Communication Services Senior Manager: Records Management



Indicator title	% implementation of prioritised SISP projects to achieve departmental objectives through optimal use of information technology
Short definition	Implementation of prioritised SISP projects in the department
Purpose/importance	To improve on information management and use of technology in the department
Source/collection of data	Branches in the department and SITA
Method of calculation	Quantitative and qualitative
Data limitations	None
Type of indicator	Outputs
Calculation type	Cumulative
Reporting cycle	Quarterly and annually
New indicator	No, this is not a new indicator
Desired performance	Targeted performance will only be accepted
Indicator responsibility	Senior Manager: GITO

Indicator title	% of GIAMA plan implemented to ensure a safe and healthy built and office environment
Short definition	Facilitation and provisioning of logistical and office support services that includes cleaning services, building maintenance, allocation of offices and provision of telecommunication
Purpose/importance	Provide necessary support to our internal and external clients on cleaning services, building maintenance, allocation of offices and provision of telecommunication
Source/collection of data	Telephone statement, cleaning routine forms, registers for building maintained plan on office allocation
Method of calculation	Quantitative and qualitative analysis
Data limitations	None
Type of indicator	Out-put
Calculation type	Cumulative
Reporting cycle	Quarterly and annually
New indicator	Yes, this is a new indicator
Desired performance	Actual performance as per the target is desirable
Indicator responsibility	Senior Manager: Records Management & Auxiliary Services

Indicator title	Number of Security Policies and Investigation Strategies implemented and monitored for improved information and physical security; and prevention of fraud and corruption
Short definition	Personnel suitability checks, vetting, investigations and prevention of fraud and corruption conducted on all prospective employees
Purpose/importance	Intended to show that all prospective employees are screened in order to minimize security risks for Provincial Treasury
Source/collection of data	Applications for employment & CV's
Method of calculation	Personnel suitability checks conducted v/s not conducted
Data limitations	Limited to the data as supplied by the institutions
Type of indicator	Outputs
Calculation type	Non cumulative
Reporting cycle	Quarterly
New indicator	No, this is not a new indicator
Desired performance	Actual performance as per the target is desirable
Indicator responsibility	Senior Manager: Security and Investigation Services

Indicator title	Number of IYM reports in line with prescripts to monitor expenditure (98-100%) in line with the allocated budget.
Short definition	Reporting on expenditure against the allocated budget.
Purpose/importance	To indicate possible areas of under - spending/over - spending in the department.
Source/collection of data	BAS, Vulindlela & PERSAL reports
Method of calculation	Quantitative and qualitative
Data limitations	None
Type of indicator	Indicates compliance with the legislative requirement.
Calculation type	Cumulative
Reporting cycle	Monthly
New indicator	No, this is not a new indicator
Desired performance	% under-spending/over spending to be less than 2%.
Indicator responsibility	SM: Management Accounting

Indicator title	% maintenance of departmental accounts in line with prescripts to ensure successful monthly and annual closure of books
Short definition	Systematic recording and maintenance of the financial transactions
Purpose/importance	For the compilation of a credible financial statements
Source/collection of data	Bank reconciliation statements, payments registers and financial statements
Method of calculation	Qualitative and Quantitative
Data limitations	None
Type of indicator	output
Calculation type	Non-cumulative
Reporting cycle	Monthly, Quarterly and yearly
New indicator	Yes, this is a new indicator
Desired performance	As per target on the APP
Indicator responsibility	SM: Financial Accounting

Indicator title	Number of programmes monitored in the implementation of performance information and planning frameworks to ensure achievement of predetermined objectives
Short definition	Departmental planning and M&E processes that are in line with National Treasury Performance Information and Planning Framework
Purpose/importance	The indicator tracks the Department's compliance to the planning and performance information frameworks and ensures 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	Qualitative and quantitative analysis
Data limitations	None
Type of indicator	The indicator measures outputs (Strategic Plan, Annual Performance Plan, Quarterly reports)
Calculation type	Non-cumulative
Reporting cycle	Annually
New indicator	No, this is not a new indicator
Desired performance	Integrated planning that is aligned to planning frameworks is desired and will improve the compliance rate and service delivery by the Department.
Indicator responsibility	SM: Strategic Operations and Policy Coordination

Indicator title	% Goods and services acquired, managed and disposed in line with applicable prescripts
Short definition	All requisitions received processed in line with applicable SCM prescripts.
Purpose/importance	Ensure procurement is done in a fair, transparent, cost effective, efficient and effective manner.
Source/collection of data	Database, contracts, SCM prescripts, eg. Practice notes, PPPFA
Method of calculation	Qualitative and quantitative
Data limitations	Database system down Expired contracts
Type of indicator	Outputs
Calculation type	Non-cumulative
Reporting cycle	Monthly, Quarterly
New indicator	Yes
Desired performance	All requisitions received processed in line with SCM prescripts to enhance service delivery
Indicator responsibility	SM: 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 title	Number of Research documents produced to align the Provincial Fiscal Policy
Short definition	Economic and Social outlook report, Economic bulletins published quarterly and Medium Term Budget Policy statement (MTBPS) annually and Budget Overview
Purpose/importance	Provincial resources are allocated according to the needs of the province(Provincial Socio-Economic Status)
Source/collection of data	Statistics South Africa and Quantec Research Pty Ltd
Method of calculation	Statistical analysis
Data limitations	None
Type of indicator	Outputs
Calculation type	Cumulative and non cumulative
Reporting cycle	Annual and Quarterly
New indicator	No
Desired performance	A provincial budget directed to improving the socio-economic status of the citizens of Limpopo Province.
Indicator responsibility	Senior Manager – Macro Economic Analysis



Indicator title	Number of Revenue and debt management reports to ensure collection of budgeted revenue and recovery of outstanding debts
Short definition	Report on progress of revenue collection by 13 Departments to ensure collection of revenue and recovery of debts in the province
Purpose/importance	Ensure attainment of set targets
Source/collection of data	Monthly and quarterly reports
Method of calculation	Quantitative
Data limitations	No data limitations
Type of indicator	Output indicator
Calculation type	Cumulative
Reporting cycle	Quarterly and Annually
New indicator	No, this is not a new indicator
Desired performance	Maximization of revenue generation by maintaining current revenue and identification of sustainable new sources.
Indicator responsibility	Senior Manager – Fiscal Development

Indicator title	Number of budget documents compiled, tabled and gazetted in line with the set standards and national treasury guidelines  (Main Appropriation Bill, Transfers to Local Government, Citizen Guide Gazetted)
Short definition	Examination of baselines to ensure alignment with set priorities
Purpose/importance	Credibility of provincial budgets
Source/collection of data	Budget documents (Budget Statements, Appropriation Bills and Schedules, Citizen Guides, etc.)
Method of calculation	13 budget votes
Data limitations	None
Type of indicator	Outputs
Calculation type	Qualitative and quantitative
Reporting cycle	Quarterly and Annually
New indicator	No, this is not a new indicator
Desired performance	Improved alignment of budget to priorities
Indicator responsibility	Senior Manager – Budget Management

Indicator title	Number of departments and public entities monitored and supported in the implementation of planning and performance information frameworks
Short definition	Provide policy advice, effective technical and strategic support on financial and non financial management.
Purpose/importance	Allocated budget spent on intended purpose
Source/collection of data	APP and Budget Book
Method of calculation	Quantitative and qualitative
Data limitations	None
Type of indicator	Output
Calculation type	Non cumulative
Reporting cycle	Quarterly and Annually
New indicator	No, this is not a new indicator
Desired performance	Departmental and public entities outputs in line with respective APP's
Indicator responsibility	Senior Manager – Public Finance

Indicator title	Number of provincial in year monitoring reports produced in line section 32 of PFMA
Short definition	Monthly and Quarterly expenditure analysis and spending trends
Purpose/importance	Departments spend within allocated budget
Source/collection of data	In year monitoring reports and Budget Book
Method of calculation	13 reports for 4 quarters
Data limitations	None
Type of indicator	Output
Calculation type	Cumulative
Reporting cycle	Monthly, Quarterly and Annually
New indicator	No
Desired performance	Departments spending within allocated budgets
Indicator responsibility	Senior Manager – Public Finance

Indicator title	Number of departments monitored and supported in the implementation of IDIP
Short definition	Monthly and Quarterly Infrastructure Reporting Models (IRMs) monitored. Reports consolidated and analysed.
Purpose/importance	Promote spending in departments in line with the norm (+-8.33% per month, 25% per quarter).
Source/collection of data	Monthly and quarterly IRM reports
Method of calculation	Quantitative
Data limitations	None
Type of indicator	Output
Calculation type	Cumulative
Reporting cycle	Monthly and quarterly
New indicator	No, this is not a new indicator
Desired performance	Departments' spending in terms of the norm which is +-8.33% per month (25% per quarter), ie spending 98 – 100% of the infrastructure budget annually
Indicator responsibility	Senior Manager – Infrastructure Management

Indicator title	% of PPP existing and potential projects for departments, municipalities and entities monitored and supported in line with Treasury Regulation 16
Short definition	Supported and monitored departments , municipalities and public entities to comply with PPP regulatory framework
Purpose/importance	This indicator ensures that the departments, municipalities and public entities are in line with PPP regulatory framework when they implement PPP projects
Source/collection of data	PPP Guidelines, TR 16
Method of calculation	Qualitative and quantitative
Data limitations	None
Type of indicator	Output
Calculation type	Non-cumulative
Reporting cycle	Quarterly and Annually
New indicator	No, this is not a new indicator
Desired performance	The provincial departments, municipalities and public entities procure infrastructure and services through PPP and comply with regulatory framework
Indicator responsibility	Senior Managers: PPP

Indicator title	Number of Municipalities and their entities monitored and supported on budget process and documentation, financial management and governance
Short definition	Municipalities and their entities supported on the budget process, Financial Management areas that include Municipal Budget Reporting Regulations implementation, Debt management, Audit files, Action plans, Asset management and Municipal Internship programme; Corporate governance matters that include the implementation of Risk Management Framework, Compliance with the National Treasury's Internal Audit Framework and International Professional Practice Framework and best practices.
Purpose/importance	Enables the Provincial Treasury to measure the effectiveness of financial management in municipalities
Source/collection of data	Municipalities' MTREF budgets and In year monitoring submitted by the municipalities to the Provincial Treasury, as well as Information obtained from the municipalities through assessments conducted and support provided
Method of calculation	None
Data limitations	Inability of municipalities to provide data
Type of indicator	The indicator measures the efficiency of the financial management in municipalities
Calculation type	Non cumulative
Reporting cycle	Quarterly
New indicator	Yes, this is a new indicator
Desired performance	Attainment of set annual target
Indicator responsibility	Senior Manager – Financial Planning and Budget Senior Manager – Accounting and Reporting Senior Manager – Compliance and Capacity Building

### **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 title	Number of Inventory Management Monitoring and Support Reports to improve on audit outcomes on inventory management
Short definition	Monitor, support and report on the compilation and maintenance of Inventory Registers.
Purpose/importance	To ensure sound financial management
Source/collection of data	Provincial departments
Method of calculation	Quantitative and qualitative
Data limitations	Credibility of reports from departments
Type of indicator	Outputs
Calculation type	Cumulative
Reporting cycle	Quarterly
New indicator	No, this is not a new indicator
Desired performance	Inventory Registers are necessary to render accountability on inventory expenditure and to enhance efficient service delivery in the province.
Indicator responsibility	Senior Manager: Provincial Asset Management



Indicator title	Number of Asset Management Monitoring and Support Reports to improve on audit outcomes on asset management
Short definition	Monitor, support and report on the compilation and maintenance of Asset Registers. Conduct assessments on the economic utilization and safeguarding of assets.
Purpose/importance	To ensure sound financial management
Source/collection of data	Provincial departments
Method of calculation	Qualitative and quantitative
Data limitations	Credibility of reports from departments
Type of indicator	Outputs
Calculation type	Cumulative
Reporting cycle	Quarterly
New indicator	No, this is not a new indicator
Desired performance	Asset Registers are necessary to render accountability on capital expenditure and to enhance efficient service delivery in the province.
Indicator responsibility	Senior Manager: Provincial Asset Management

Indicator title	Number of cash forecasting and implementation reports to ensure that departments spend within available funds.
Short definition	Determining and funding the cash requirements of the departments over short, medium and long-term.
Purpose/importance	To determine and plan the funding of the cash requirements of the departments over the short, medium and long-term.
Source/collection of data	Provincial departments AFSs, Section 40(4)(a) reports, Unauthorised Expenditure Act, Budget Statement, Bank accounts Statements and IYM.
Method of calculation	Quantitative and qualitative
Data limitations	Compliance by departments
Type of indicator	Output
Calculation type	Cumulative
Reporting cycle	Weekly, Monthly, Quarterly and annually
New indicator	Yes, this is a new indicator
Desired performance	Fiscal discipline, Achievements of targets within appropriated budget.
Indicator responsibility	Senior Manager: Banking and Cash Flow Management

Indicator title	Number of banking services reports on technical support provided to 13 departments to ensure that the provincial banker meets its SLA targets.
Short definition	Attending to banking queries from departments and liaising with the contracted bank for smooth cash management in provincial departments.
Purpose/importance	To ensure that the contracted bank meets its commitments to the Service Level Agreement
Source/collection of data	Signed Banking Contract, Service Level Agreement, minutes of the meetings, departments and the bank.
Method of calculation	Quantitative and qualitative
Data limitations	Compliance and cooperation of both departments and the bank.
Type of indicator	Output
Calculation type	Cumulative
Reporting cycle	Monthly, Quarterly, bi-annually and annually
New indicator	No, this is not a new indicator
Desired performance	To have all Service Level Agreement targets met
Indicator responsibility	Senior Manager: Banking and Cash Flow Management

Indicator title	Number of Annual Financial Statements and reconciliation statements produced (Provincial Revenue Fund (PRF), Bank Charges, Interest and Own Revenue Account) to ensure unqualified audit opinion on PRF.
Short definition	Accounting for Provincial Revenue Fund/Exchequer Account.
Purpose/importance	Accountability for the public funds
Source/collection of data	Provincial Revenue Fund database (BAS), Bank Statements
Method of calculation	Quantitative and qualitative
Data limitations	Un-updated reconciliations, System performance, Skills and commitment of staff.
Type of indicator	Output
Calculation type	Cumulative
Reporting cycle	Monthly, Quarterly and annually
New indicator	No, this is not a new indicator
Desired performance	Getting unqualified audit opinion on Provincial Revenue Fund
Indicator responsibility	Senior Manager: Banking and Cash Flow Management

Indicator title	Number of SCM Guidelines developed in line with SCM Prescripts to ensure transparent, equitable, fair, competitive and cost-effective procurement system in the province
Short definition	Regulate SCM compliance in the province
Purpose/importance	Ensure effective and efficient implementation of SCM prescripts by provincial departments and public entities.
Source/collection of data	National Treasury.
Method of calculation	Existing SCM policies and guidelines
Data limitations	None
Type of indicator	Output
Calculation type	Cumulative
Reporting cycle	Quarterly and Annually
New indicator	No, this is not a new indicator
Desired performance	Increased SCM compliance
Indicator responsibility	SM: SCM Policy Development and Implementation

Indicator title	Number of Provincial Departments and Public Entities monitored/assessed on SCM compliance
Short definition	Increased SCM compliance
Purpose/importance	To identify areas of non- compliance to SCM prescripts.
Source/collection of data	Provincial departments and public entities
Method of calculation	SCM assessment reports.
Data limitations	None
Type of indicator	Output
Calculation type	Number of Departments and Public Entities
Reporting cycle	Quarterly and Annually
New indicator	No, this is not a new indicator
Desired performance	Increased SCM compliance
Indicator responsibility	SM: SCM Policy Development and Implementation

Indicator title	Number of SCM capacity building interventions to improve the skills level on new procurement prescripts and close gaps identified during monitoring process.
Short definition	Competency building
Purpose/importance	Competency building in SCM practitioners.
Source/collection of data	In-house & external SCM service providers
Method of calculation	Attendance registers.
Data limitations	None
Type of indicator	Output
Calculation type	Cumulative
Reporting cycle	Quarterly and Annually
New indicator	No, this is not a new indicator
Desired performance	Competent SCM practitioners
Indicator responsibility	SM: SCM: Policy Development and Implementation

Indicator title	Number of transversal goods and services researched to identify transversal bids to ensure a cost-effective procurement system in the province.
Short definition	This is about the research on potential goods and services that can be acquired on a transversal contract.
Purpose/importance	To conduct needs analysis and research on potential goods and services that can be acquired on a transversal contract to obtain economies of scale for the province.
Source/collection of data	Source: Departments and Service providers/Suppliers. Data Collection: Through monthly reporting by departments.
Method of calculation	Qualitative and quantitative
Data limitations	None and late submission of necessary information by stakeholders;
Type of indicator	Outcomes
Calculation type	Cumulative
Reporting cycle	Quarterly
New indicator	Continues without change from the previous year.
Desired performance	Higher performance is desirable
Indicator responsibility	Senior Manager: Demand & Acquisition Management



Indicator title	Number of existing bids evaluated in line with prescripts to ensure transparent, equitable, fair, competitive and cost-effective procurement system in the province.
Short definition	This is about the awarding of transversal contract on goods and services for use by the provincial government.
Purpose/importance	To award transversal contracts for execution by departments
Source/collection of data	<u>Source:</u> Departments and Service providers/Suppliers. <u>Data Collection:</u> Through monthly reporting by departments.
Method of calculation	Qualitative
Data limitations	None and late submission of necessary information by stakeholders;
Type of indicator	Outcomes
Calculation type	Non-cumulative
Reporting cycle	Quarterly
New indicator	Continues without change from the previous year.
Desired performance	Higher performance is desirable
Indicator responsibility	Senior Manager: Demand & Acquisition Management

Indicator title	Number of departments monitored for compliance to all transversal contracts in Provincial Departments.
Short definition	This is about monitoring the execution by departments of the awarded transversal contracts
Purpose/importance	To monitor execution of transversal contracts by departments to avoid deviations which lead to unnecessary litigations emanating from signed Service Level Agreements
Source/collection of data	<u>Source:</u> Departments and Service providers/Suppliers. <u>Data Collection:</u> Through monthly reporting by departments.
Method of calculation	Quantitative and qualitative
Data limitations	None and late submission of necessary information by stakeholders;
Type of indicator	Outcomes
Calculation type	Non-cumulative
Reporting cycle	Quarterly
New indicator	Continues without change from the previous year.
Desired performance	Higher performance is desirable
Indicator responsibility	Senior Manager: Demand & Acquisition Management

Indicator title	Number of SMMEs and Cooperatives empowered on government procurement processes.
Short definition	SMME and Cooperatives Development
Purpose/importance	To provide non- financial business support to the local SMMEs and Cooperatives to increase their participation in government bidding processes s.
Source/collection of data	Provincial SMME and Cooperatives supplier database.
Method of calculation	Attendance registers to the training sessions.
Data limitations	Unlimited
Type of indicator	Output
Calculation type	Cumulative
Reporting cycle	Quarterly and Annually
New indicator	No
Desired performance	Increased participation by local SMME and Cooperatives in government procurement
Indicator responsibility	SM: SCM Advice Centres

Indicator title	Number SMME's and Cooperatives assessed on their capacity to deliver on government procurement
Short definition	SMME's and Cooperatives supplier development
Purpose/importance	Evaluate small enterprise's capacity to deliver on government procurement with the view to either capacitate them or link them to relevant government institutions for further development.
Source/collection of data	Provincial departments and entities SMME's and Cooperatives supplier database
Method of calculation	SMME's and Cooperatives registers
Data limitations	Limited- depending on the cooperation of provincial departments and entities to give evaluation feedback to Treasury.
Type of indicator	Output
Calculation type	Cumulative
Reporting cycle	Quarterly
New indicator	No
Desired performance	SMME's and Cooperatives suppliers' ability to deliver on government contracts improved.
Indicator responsibility	SM: SCM Advice Centres

Indicator title	Number of reports on financial systems utilization produced and analyzed.
Short definition	Reports on utilization of financial systems in the province
Purpose/importance	To provide support to provincial departments on the use of financial system
Source/collection of data	National Treasury, Provincial Departments and SITA
Method of calculation	Quantitative and qualitative
Data limitations	None
Type of indicator	Output
Calculation type	Cumulative
Reporting cycle	Quarterly and annually
New indicator	No, this is not a new indicator
Desired performance	Targeted performance will only be accepted
Indicator responsibility	Senior Manager: Financial Systems Administration

Indicator title	% implementation of IFMS asset module in departments
Short definition	Implementation of Integrated Financial Management System (IFMS) in 4 departments
Purpose/importance	To improve on financial management
Source/collection of data	National Treasury
Method of calculation	Quantitative and qualitative
Data limitations	None
Type of indicator	Output
Calculation type	Cumulative
Reporting cycle	Quarterly and annually
New indicator	No, this is not a new indicator
Desired performance	Targeted performance will only be accepted
Indicator responsibility	Senior Manager: Financial Systems Development

## **ANNEXURE 4: TECHNICAL INDICATORS FOR PROGRAMME 4**

### **Technical Indicator Definitions**

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

Indicator title	Number of courses conducted on transversal systems in line with National Treasury standards and financial management courses in line with SAQA
Short definition	Financial management capacity building through training courses
Purpose/importance	Improve financial management skills in the province
Source/collection of data	Departments, Public Entities, Service Providers, Training schedules, attendance registers
Method of calculation	Quantitative
Data limitations	Data is dependent on budget and availability of trainers, service providers and training venues
Type of indicator	Output indicator
Calculation type	Cumulative
Reporting cycle	Monthly, Quarterly and annually
New indicator	No, this is not a new indicator
Desired performance	100% achievement is required
Indicator responsibility	Senior Manager Financial Training

Indicator title	Number of feasibility studies conducted to identify the most suitable long term Financial Management programme
Short definition	Capacity building on financial management
Purpose/importance	Improve financial management skills in the province
Source/collection of data	Service providers, departments and public entities
Method of calculation	Qualitative
Data limitations	Data is dependent on availability of relevant financial management programmes
Type of indicator	Output indicator
Calculation type	Non-cumulative
Reporting cycle	Quarterly and annually
New indicator	Yes, this is a new indicator
Desired performance	100% achievement as per set target is required
Indicator responsibility	Senior Manager: Financial Training



Indicator title	Number of votes monitored in resolving audit findings
Short definition	Monitor votes in resolving audit findings
Purpose/importance	Strive towards attainment of clean audits in provincial departments/votes
Source/collection of data	Accounting records, Auditor General's reports
Method of calculation	Quantitative and qualitative
Data limitations	Availability of action plans to resolve audit findings
Type of indicator	Output indicator
Calculation type	Non-cumulative
Reporting cycle	Quarterly and annually
New indicator	Continues without change from the previous year
Desired performance	100% achievement as per set target is required
Indicator responsibility	Senior Manager: Norms & Standards

Indicator title	Number of Audit Committee meetings supported
Short definition	Arrange logistics for Audit Committee meetings
Purpose/importance	Ensures that meetings of the Audit committee take place as planned
Source/collection of data	Request information from votes for compilation of audit committee packs
Method of calculation	Quantitative
Data limitations	None submission of information by votes
Type of indicator	Output indicator
Calculation type	Non-cumulative
Reporting cycle	Quarterly and annually
New indicator	Yes, this is a new indicator
Desired performance	100% achievement as per set target is required
Indicator responsibility	Senior Manager: Norms & Standards

Indicator title	Number of votes supported with regards to SCoPA matters
Short definition	Monitor implementation of SCoPA resolutions by votes
Purpose/importance	Ensure that resolutions of the Legislature are implemented
Source/collection of data	Monthly progress report from votes
Method of calculation	Qualitative and quantitative
Data limitations	None submission of progress reports by votes
Type of indicator	Output indicator
Calculation type	Non-cumulative
Reporting cycle	Quarterly and annually
New indicator	No, this is not a new indicator
Desired performance	100% achievement as per set target is required
Indicator responsibility	Senior Manager Norms & Standards

Indicator title	Number of votes assessed on application of transversal financial policies
Short definition	Assess the application of approved transversal financial policies by provincial votes
Purpose/importance	Ensure that the province complies to PFMA, Accounting Standards and approved policies
Source/collection of data	Transversal and departmental policies
Method of calculation	Qualitative and quantitative
Data limitations	None approval of policies
Type of indicator	Output indicator
Calculation type	Non-cumulative
Reporting cycle	Quarterly
New indicator	Yes, this is a new indicator
Desired performance	100% achievement as per target is required
Indicator responsibility	Senior Manager Norms & Standards

Indicator title	Number of votes and public entities supported in preparing annual financial statements in line with the PFMA
Short definition	Support votes and public entities in preparation and submission of Annual Financial Statements in line with PFMA
Purpose/importance	To ensure that public funds are properly and timely accounted for.
Source/collection of data	Financial Reports
Method of calculation	Quantitative and qualitative
Data limitations	Non submission of AFS by votes and entities
Type of indicator	Output indicator
Calculation type	Non-cumulative
Reporting cycle	annually
New indicator	Continues without change from the previous year
Desired performance	100% achievement as per target is required
Indicator responsibility	Senior Manager Accounting & Reporting

Indicator title	Number of consolidated Annual financial statements for votes and for public entities prepared and submitted to the Auditor General
Short definition	Consolidated AFS for votes and for Public entities prepared and submitted for audit within the prescribed PFMA timeframes
Purpose/importance	To ensure that a provincial financial position is presented
Source/collection of data	Audited votes, public entities and Provincial Revenue Fund AFS
Method of calculation	Quantitative and qualitative
Data limitations	Delays in preparation and audit of the AFS
Type of indicator	Output indicator
Calculation type	Non-cumulative
Reporting cycle	Annually
New indicator	Continues without change from the previous year
Desired performance	100% achievement as per set target is required
Indicator responsibility	Senior Manager: Accounting & Reporting

Indicator title	Number of Annual Financial Statements prepared for Tribal Levies and Trust Accounts.
Short definition	AFS for the tribal levies and trust account prepared
Purpose/importance	To ensure that Tribal levies trust funds' financial status is presented.
Source/collection of data	Submission of accounting records by the tribal authorities
Method of calculation	Quantitative and qualitative
Data limitations	Non availability of accounting records, lack of accounting system
Type of indicator	Output indicator
Calculation type	Non-cumulative
Reporting cycle	Annually
New indicator	Continues without change from the previous year
Desired performance	100% achievement as per set target is required
Indicator responsibility	Senior Manager : Accounting & Reporting

Indicator title	Number of Risk Management tools developed
Short definition	This is about an effective system of risk management
Purpose/importance	It ensures that the province implements the PFMA and complies with Corporate Governance codes and practices.
Source/collection of data	Strategic Plans and APP's, Annual reports, management reports from officials of votes, public entities.
Method of calculation	Quantitative and qualitative
Data limitations	Data is dependent on votes and public entities submissions.
Type of indicator	Outcome indicator
Calculation type	Non-cumulative
Reporting cycle	Quarterly and annually
New indicator	Continues without change from the previous year
Desired performance	100% or more achievement as per set target is required
Indicator responsibility	Senior Manager: Transversal Risk Management



Indicator title	Number of votes assessed on Risk Management Performance
Short definition	This is about the assessment of implementation of risk management principles by votes and entities
Purpose/importance	It ensures that the provincial administration incorporates risk management in its planning in order to mitigate any risks that might impact on service delivery.
Source/collection of data	Strategic Plans and APP's, Annual reports, management reports from officials of votes, public entities.
Method of calculation	Qualitative and quantitative
Data limitations	Data is dependent on votes and public entities submissions.
Type of indicator	Outcome indicator
Calculation type	Non-cumulative
Reporting cycle	Quarterly and annually
New indicator	Continues without change from the previous year
Desired performance	100% or more achievement as per set target is required
Indicator responsibility	Senior Manager: Transversal Risk Management

Indicator title	Number of Provincial Risk Profiles monitored
Short definition	This is about the monitoring of the provincial risk profile to ensure high risks mitigated adequately
Purpose/importance	It ensures that the Provincial high risks are identified, mitigated and progress monitored
Source/collection of data	Strategic Plans and APP's, Annual reports, management reports from officials of votes, public entities.
Method of calculation	Qualitative and quantitative
Data limitations	Data is dependent on votes and public entities submissions.
Type of indicator	Outcome indicator
Calculation type	Non-cumulative
Reporting cycle	Quarterly and annually
New indicator	Continues without change from the previous year
Desired performance	100% or more achievement as per set target is required
Indicator responsibility	Senior Manager: Transversal Risk Management

Indicator title	Number of votes assessed in the implementation of Internal Controls
Short definition	This is about an effective system of internal control
Purpose/importance	It ensures that the province implements the PFMA and complies with Corporate Governance codes and practices.
Source/collection of data	Strategic Plans and APP's, Annual reports, management reports from officials of votes, public entities.
Method of calculation	Qualitative and quantitative
Data limitations	Data is dependent on votes and public entities submissions.
Type of indicator	Outcome indicator
Calculation type	Cumulative
Reporting cycle	Quarterly and annually
New indicator	Continues without change from the previous year
Desired performance	100% or more achievement as per set target is required
Indicator responsibility	Senior Manager Internal Control

Indicator title	Number of votes monitored in the implementation of internal audits findings and recommendations
Short definition	This is about an effective system of addressing audit findings.
Purpose/importance	It ensures that the province addresses audit outcomes as they relate to risk and internal control in order to avoid repeat findings that could result in unfavourable audit outcomes.
Source/collection of data	Departmental management letters and Audit Reports
Method of calculation	Qualitative and quantitative
Data limitations	Data is dependent on votes and public entities submissions.
Type of indicator	Outcome indicator
Calculation type	Non-cumulative
Reporting cycle	Quarterly and annually
New indicator	Continues without change from the previous year
Desired performance	100% or more achievement as per set target is required
Indicator responsibility	Senior Manager Internal Control

Indicator title	Number of votes audited by the Provincial Internal Audit in compliance with the approved 2011/12 risk based audit plan
Short definition	Number of Limpopo Votes audited by Provincial Internal Audit in accordance with the approved risk based internal audit plan.
Purpose/importance	To report on the compliance with the risk based audit plan and on the effectiveness of internal controls, risk management and governance in departments.
Source/collection of data	Final Internal Audit reports.
Method of calculation	Simple count of the number of departments for which audit reports have been issued in compliance with the approved risk based internal audit plan and discussed with the respective departmental management teams.
Data limitations	None
Type of indicator	Outputs
Calculation type	The reported performance is non-cumulative
Reporting cycle	Quarterly and annually
New indicator	Yes, this is a new indicator
Desired performance	Actual performance that is higher than targeted performance is desirable
Indicator responsibility	Chief Audit Executive