

PROGRAMME 2: SUSTAINABLE RESOURCE MANAGEMENT

1 PROGRAMME PURPOSE

To provide support and monitor socio economic policy, financial management to departments and municipalities as well as corporate governance and improving service delivery through PPPs and infrastructure management programme in the province.

The programme has the following sub-programmes:

- Economic Analysis
- Fiscal Policy
- Budget Management
- Public Finance
- Intergovernmental Fiscal Relations (Municipal Finance)

2 STRATEGIC OBJECTIVES

Strategic Objective 1	To influence planning and budgeting through Social and Economic Research and Policy advocacy during 2010/11 to 2014/15.
Objective statement	To Provide Provincial Economic and Social research analysis that informs fiscal policy development and the annual budget process thereby contributing to the provincial growth and development strategy during 2010/11 to 2014/15.
Baseline	Two research documents that unpacked the socio-economic and entirely economic state of the province are currently produced.
Justification	There is a need for a proper alignment between plans and budget, whereby the socio-economic status of the province guide the resource allocations
Links	Strategic Goal 1: Sound financial management in the province by 2015.

Strategic Objective 2	Enhancing provincial revenue and financing adequacy by 2015
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Objective statement	To ensure annual maximization of provincial revenue generation during 2010/11 to 2014/15.
Baseline	R530 million annual revenue collection
Justification	Augment national resource allocation to the Province
Links	Strategic Goal 1: Sound financial management in the province

Strategic Objective 3	To coordinate and guide the process to determine provincial priorities and recommend financial resource allocation during 2010/11 to 2014/15.
Objective statement	To ensure that the provincial budget allocation process is aligned to government goals and policies annually
Baseline	Credible budget documents
Justification	To ensure that policy priorities are efficiently funded with limited resources
Links	Strategic Goal 1: Sound financial management in the province

Strategic Objective 4	Provide policy advice, effective technical and strategic support to provincial departments by 2015
Objective statement	To ensure that 13 departmental budgets are credible, expenditure is within allocated budgets and for the budgeted purposes by 2015
Baseline	Some departments are overspending whilst others are under-spending. Budgets are not clearly aligned to Annual Performance Plans.
Justification	Prescribed by Division of Revenue Act and Public Finance Management Act.
Links	Strategic Goal 1: Sound financial management in the province

Strategic Objective 5	To efficiently and effectively deliver on infrastructure programmes in the province by 2015.
Objective statement	Efficient and effective delivery of infrastructure programmes in the province. Facilitation of Infrastructure Delivery and alternative funding

	mechanisms as well as ensure compliance with relevant legislation by 2015
Baseline	Improved spending patterns per quarter and annually – avoiding the March Spike Maximum Value for money attainment for PPPs
Justification	Improved infrastructure expenditure patterns. Timely planning, design and implementation of infrastructure projects. Provide support to provincial departments and municipalities to implement PPP projects.
Links	Strategic Goal 1: Sound financial management in the province

Strategic Objective 6	Monitoring of the local government fiscal resources and compliance with the Municipal Financial Management Act (MFMA) during 2010/11 to 2014/15.
Objective statement	To provide support to 30 municipalities and 2 municipal entities on financial management and cooperate governance during 2010/11 to 2014/15.
Baseline	30 municipalities and 2 municipal entities are implementing financial management principles, however, improvement in the effectiveness is required
Justification	This will improve financial viability, compliance and good cooperative governance in municipalities.
Links	Strategic Goal 1: Sound financial management in the province

3 RESOURCE CONSIDERATIONS

There are steadily constant trends in number of a key staff. 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.

4 RISK MANAGEMENT

Programme : Sustainable Resource Management		
Strategic Objective(s)	Strategic Risk	Mitigation
Enhancing provincial revenue and financing adequacy by	Inability to recover targeted outstanding debts by	Investigate the areas of concern and support departments to enforce

2015	Departments due to non adherence to debt management policies and strategies	adherence to debt management policies and strategies.
To influence planning and budgeting through Social and Economic Research and Policy advocacy during 2010/11 to 2014/15.	Data credibility and timeous delivery Credible reports depend on data being reliable .If data sourced is not reliable the reports will not be credible There are tight timelines attached to each deliverable. If data is not delivered on time the reports will not be delivered on time.	Diversification of data sources
Provide policy advice, effective technical and strategic support to provincial departments by 2015	Uninformed budgets due to poor planning	Enforce adherence to budget process timelines
To efficiently and effectively deliver on infrastructure programmes in the province by 2015.	Lack of integrated planning and delays in implementation of projects due to late planning and delays in tender process by implementing agents.	Planning forum to be established, co-location of all infrastructure units.
Monitoring of the local government fiscal resources and compliance with the Municipal Financial Management Act (MFMA) during 2010/11 to 2014/15.	Inappropriate support and advice to municipalities due to inadequate knowledge	Continuous training and capacity development of personnel.