

PROGRAMME 3: ASSETS, LIABILITIES AND SUPPLY CHAIN MANAGEMENT

1 PROGRAMME PURPOSE

This programme's purpose is to provide policy direction, facilitating 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

2 STRATEGIC OBJECTIVES

Strategic Objective 1	Sound management of assets and liabilities in provincial departments facilitated during 2010/11 to 2014/15.
Objective Statement	To serve as the coordination point for the integrated and transversal facilitation, monitoring, evaluation and reporting of financial and non financial assets and liabilities, in relation to provincial and national priorities, including all relevant policy directives during 2010/11 to 2014/15.
Baseline	Financial and Non financial assets management (excluding inventory management) implemented in provincial departments.
Justification	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.
Links	Strategic Goal 1: Sound financial management in the province

Strategic Objective 2	Transversal financial systems that will enhance compliance to PFMA provided during 2010/11 to 2014/15.
Objective statement	Provide the oversight and management of existing financial systems and the transition to the integrated Financial Management System enhancing compliance with the PFMA and other relevant legislation during 2010/11 to 2014/15.
Baseline	Minimum utilization of financial systems and planning for the implementation of IFMS is in progress
Justification	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.
Links	Strategic Goal 1: Sound financial management in the province

3 RESOURCE CONSIDERATIONS

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

4 RISK MANAGEMENT

PROGRAMME: ASSETS, LIABILITIES, FINANCIAL SYSTEMS AND SUPPLY CHAIN MANAGEMENT		
STRATEGIC OBJECTIVE	STRATEGIC RISK	MITIGATION
Sound management of assets and liabilities in provincial departments facilitated.	Provincial Bank Overdraft due to potential over expenditure	Cash flow disbursed per available cash
	Excel based fixed assets register due to lack of inherent system control	Implementation of IFMS Asset Management Module

Transversal financial systems that will enhance compliance to PFMA provided	Uncertainty in the timeliness for the implementation of IFMS	Commit National Treasury to the project plan
---	--	--

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

9.1 PROGRAMME PURPOSE

This programme's purpose is to provide policy direction, facilitating 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

Strategic Objective 1	Sound management of assets and liabilities in provincial departments facilitated during 2010/11 to 2014/15.
Objective Statement	To serve as the coordination point for the integrated and transversal facilitation, monitoring, evaluation and reporting of financial and non financial assets and liabilities, in relation to provincial and national priorities, including all relevant policy directives during 2010/11 to 2014/15.
Baseline	Financial and Non financial assets management (excluding inventory management) implemented in provincial departments.
Justification	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.
Links	Strategic Goal 1: Sound financial management in the province

Strategic Objective 2	Transversal financial systems that will enhance compliance to PFMA provided during 2010/11 to 2014/15.
Objective statement	Provide the oversight and management of existing financial systems and the transition to the integrated Financial Management System enhancing compliance with the PFMA and other relevant legislation during 2010/11 to 2014/15.
Baseline	Minimum utilization of financial systems and planning for the implementation of IFMS is in progress
Justification	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.
Links	Strategic Goal 1: Sound financial management in the province

9.3 RESOURCE CONSIDERATIONS

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

4 RISK MANAGEMENT

PROGRAMME: ASSETS, LIABILITIES, FINANCIAL SYSTEMS AND SUPPLY CHAIN MANAGEMENT		
STRATEGIC OBJECTIVE	STRATEGIC RISK	MITIGATION
Sound management of assets and liabilities in provincial departments facilitated.	Provincial Bank Overdraft due to potential over expenditure	Cash flow disbursed per available cash
	Excel based fixed assets register due to lack of inherent system control	Implementation of IFMS Asset Management Module
Transversal financial systems that will enhance compliance to PFMA provided	Uncertainty in the timeliness for the implementation of IFMS	Commit National Treasury to the project plan

