

PROGRAMME 4: FINANCIAL GOVERNANCE

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.

The programme consists of the following sub-programmes:

- Programme Support
- Accounting Services
- Internal Control and Risk Management
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10.2 STRATEGIC OBJECTIVES

Strategic Objective 1	Sound financial management in provincial departments/votes and public entities by 2014
Objective statement	Support 13 Provincial departments/votes and 8 Public Entities to obtain unqualified audit opinions by 2014.
Baseline	8 out of 13 votes obtained an unqualified audit opinion and 2 out of 8 public entities obtained an unqualified audit opinion for the period 2008/09.
Justification	Proper management and accountability of public funds.
Links	Strategic Goal 1: Sound financial management in the province

Strategic Objective 2	Facilitate Implementation of Risk Management in the province during 2010/11 to 2014/15
Objective statement	Support all Departments and Public Entities in implementing an effective risk management process during 2010/11 to 2014/15
Baseline	The Provincial Risk Management Framework has been developed to guide the implementation of risk management in the departments and public institutions

Justification	Implementation of the PFMA and compliance to Corporate Governance codes and practices.
Links	Strategic Goal 1: Sound financial management in the province

Strategic Objective 3	Improvement of systems on internal control by 2015
Objective statement	Support Departments/votes and Public Entities in developing, implementing and maintaining an effective system of internal control by 2015
Baseline	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.
Justification	Implementation of the PFMA and compliance to Corporate Governance codes and practices.
Links	Strategic Goal 1: Sound financial management in the province

3 RESOURCE CONSIDERATIONS

- Budget for Audit Committee from Office of the Premier (Goods & Services) **R 2,270,000.00**
- 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

4 RISK MANAGEMENT

Programme : Financial Governance		
Strategic Objective	Strategic Risk	Mitigation
Sound financial management in provincial departments/votes and public entities by 2014	1. Inadequate/poor support to departments and public entities due to lack of technical skills resulting in poor financial management.	<ul style="list-style-type: none"> • Continuous on the job training. • Approval of the proposed Financial Training structure • Recruitment of relevant skilled employees • Strengthen the RM Forum by establishing a Learning Network. Introduce RM learner ship programs • Relocate staff to units where they are skilled in
	2. Non accounting on tribal levies and trust accounts due to lack of controls.	<ul style="list-style-type: none"> • Improve interaction with relevant stake holders to facilitate awareness on improvement of controls.