

Provincial Treasury

ANNUAL PERFORMANCE PLAN

2005/06 to 2007/08



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APOLOGY

We fully acknowledge the Province's language policy and endeavour to implement it. However, it has been our experience that only the English version of the document is in demand. Consequently, the document will be available as soon as possible in the other two official languages of the Western Cape.

VERSKONING

Ons gee volle erkenning aan die Provinsie se taalbeleid en streef daarna om dit toe te pas. Praktyk het egter geleer dat slegs die Engelse weergawe van die dokument in aanvraag is. Die dokument sal gevolglik so gou moontlik in die ander twee amptelike tale van die Wes-Kaap beskikbaar wees.

ISINGXENGXEZO

Siyawuqonda umgaqo-nkqubo weelwimi wePhondo kwaye siyazama ukuwufezekisa. Kambe ke into esiye sayiqwalasela yeyokuba lulwimi lwesiNgesi ekufuneka lusetyenzisiwe kolu xwebhu. Iyakufumaneka nangezinye iilwimi ezimbini ezisemthethweni zaseNtsona Koloni kwakamsinya.

Foreword

In meeting its responsibilities as change agent in achieving specific socio-economic objectives, inclusive of introducing new practices through fiscal and associated policies eight lead strategies were identified of which two, namely improving financial governance and ensuring an effective interface between the provincial and local government pertain to the Provincial Treasury. The latter is driven in partnership with the departments of the Premier and Local Government and Housing.

The Provincial Treasury will have to focus its efforts in improving financial governance by, amongst others, establishing risk management and internal control capacity in all departments and by ensuring the existence of an appropriate and dynamic financial legislative framework through determining and implementing desirable financial norms and standards. Assessment of provincial departments' measurable information in line with their objectives and ultimately the outcomes of the Province will also have to receive close attention. The emphasis is thus on moving towards an outcomes based budget allocation and delivery process.

The Provincial Treasury will also have to fulfill its envisaged role as required by the Local Government: Municipal Finance Management Act, 2003 (Act 56 of 2003) with a special emphasis on the seamless integration of the different government spheres.

In assessing the qualitative impact of provincial service delivery on provincial socio-economic variables, analytical instruments will have to be designed. Furthermore, in similar vein, instruments will have to be developed to test and evaluate cost-efficiency of service delivery. To support the economic developmental objectives of the Provincial Government, our revenue base will have to be increased and in doing so Treasury will have to explore avenues for new sources of revenue. Coupled to this, the liquidity position of the Provincial Revenue Fund will have to be further optimised to ensure maximum returns within acceptable levels of risk.

Another area of focus will be on financial reporting so that it fully and truly reflects the financial position of the Province.

With regard to supply chain management processes strategic sourcing methodologies will have to be identified and developed in those industries where the bulk of the provincial procurement budget is spent. This has to be combined with the development of standardised supply chain management processes to ensure the further substantive enhancement of BEE practices and satisfactory delivery of physical assets, goods and services.

The Provincial Treasury envisages to build the necessary capacity over time to eventually take over all public private partnerships (PPPs) related responsibilities from the National Treasury. In support of sound financial management, all cross-cutting financial systems must be fully implemented and optimally managed on behalf of provincial departments. In conclusion steps need to be introduced for the implementation of monitoring and evaluating processes to systematically improve asset management within the Province.

I hereby endorse the service delivery targets as indicated in this Annual Performance Plan for the years 2005/06 to 2007/08. I also accept the challenge to submit annual reports for the next four years that are consistent and in line with the Provincial Treasury Five-Year Strategic and Performance Plan for 2005/06 to 2009/10 that is tabled today.

Lynne Brown
Minister of Finance, Economic Development and Tourism

Date: 23 March 2005

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Abbreviations

AG:	Auditor-General
AO:	Accounting Officer
ASB:	Accounting Standards Board
BAS:	Basic Accounting System
BBBEE:	Broad Based Black Economic Empowerment
BEE:	Black Economic Empowerment
BER:	Bureau for Economic Research
BPO:	Business Process Outsourcing
CASIDRA:	Cape Agency for Sustainable Development in Rural Areas
CeI:	Centre for e-Innovation
CFO:	Chief Financial Officer
CG:	Conditional grant
CIDB:	Construction Industry Development Programme
CPD	Corporation for Public Deposits
DBSA:	Development Bank of Southern Africa
DORA:	Division of Revenue Act
EDU:	Economic Development Unit
EPS:	Electronic Purchasing System
EPWP:	Expanded Public Works Programme
FET:	Further Education Training
FETC:	Further Education and Training Certificate
FMS:	Financial Management System
GDPR:	Cross Domestic Product per Region
GEPF:	Government Employees Pension Fund
GRAP:	Generally Recognised Accounting Practice
HDI:	Historically Disadvantaged Individual
HOT:	Head Official Treasury
HRD:	Human Resource Development
HRDS:	Human Resource Development Strategy
HSRC:	Human Sciences Research Council
ICS:	Improvement in Conditions of Service
ICT:	Information Communication Technology
IDIP:	Infrastructure Delivery Improvement Programme
IDP:	Infrastructure Delivery Plan
IDP:	Integrated Development Plans
IDP:	Individual Development Plans
IFMS:	Integrated Financial Management System
IGCC:	Intergovernmental Cash Co-ordination
IMLC:	Institutional Management and Labour Committee
IPMU:	Infrastructure Programme Management Unit
IT:	Information Technology
IYM:	In-Year Monitoring

LOGIS:	Logistical Information System
MEC:	Member of Executive Council
MEDSAS:	Medical Stores Administration System
MFMA:	Municipal Finance Management Act, 2003 (Act 56 of 2003)
MSP:	Master Systems Plan
MTBPS:	Medium Term Budget Policy Statement
MTEF:	Medium Term Expenditure Framework
MTFF:	Medium Term Fiscal Framework
NMIR:	National Minimum Information Requirements
NTR:	National Treasury Regulations
PDC:	Provincial Development Council
PERSAL:	Personnel and Salary Administration System
PER&O:	Provincial Economic Review and Outlook
PES:	Provincial Equitable Share
PFMA:	Public Finance Management Act, 1999 (Act 1 of 1999)
PGDS:	Provincial Growth and Development Summit
PGWC:	Provincial Government Western Cape
PMDS:	Performance Management Development System
PMU:	Programme Management Unit
PPP:	Public Private Partnership
PPSC:	Provincial Portfolio Steering Committee
PSCBC:	Public Service Commission Bargaining Council
PT:	Provincial Treasury
REAL:	Revenue, Expenditure, Assets, Liabilities
SARS:	South African Revenue Services
SCM:	Supply Chain Management
SCoA:	Standard Chart of Accounts
SCOF:	Standing Committee on Finance
SDR:	Service Delivery Review
SER:	Socio-economic Review
SETA:	Sector Education and Training Authority
SITA:	State Information Technology Agency
SME:	Small and Medium Enterprises
SMME:	Small Medium and Micro Enterprise
SMS:	Senior Management Service
SPMS:	Staff Performance Management System
TCF:	Technical Committee on Finance
TCO:	Total Cost of Ownership
TELKOM:	Telecommunication
TQM:	Total Quality Management
URS:	User Requirement Statement
WC-MTBPS:	Western Cape Medium Term Budget Policy Statement
WCSD:	Western Cape Supplier Database

Overview and strategic plan updates

1. Overview

Accepting the challenge of being the catalyst of change as far as provincial financial matters are concerned and arising from the Provincial Treasury's vision and mission as stated in this publication, the latter is committed to, and will primarily focus on the following:

- Producing a fiscal policy framework that will describe those socio-economic and service deliverable variables that will dictate the revenue and expenditure imperatives to be targeted;
- Improving budget management by aligning proposed allocations with desired outcomes, measuring post-budget allocation effectiveness and efficiency of resource expenditure, thereby making the vision of a "Home for All" a reality;
- Vesting of proper asset management by further developing and enhancing the different stages of supply chain management (SCM) whether for goods and services, moveable or fixed assets, provincial public private partnerships (PPPs), cash management and financial systems management;
- Management of liabilities by improving debtor management practices, management of creditors and dealing with budget pressures, contingencies and vis major occurrences;
- Establishing full nominal accounting compliance, producing consolidated financial statements and promoting substantive accrual based accounting standards and practices;
- Maintenance of fiscal discipline by perfecting and building on the basics in fiscal management, inclusive of the promotion of efficiency in spending;

- Acquisition and managing of resources to ensure the maximising of the Province's revenue and borrowing potential, without causing net economic harm;
- Building of capacity by effective recruitment within Treasury and through financial training for all finance staff in the Province;
- By adopting a transversal approach, establish structures and procedures to ensure a seamless integration between the provincial and local government spheres mainly pertaining to the implementation of the MFMA;
- Establishing and maintaining financial governance by setting of norms and standards, communication channels and analysis of departmental systems, procedures and structures pertaining to risk management and internal control and by expanding internal audit services.

The Provincial Treasury will for the first time submit annual performance plans for the next four years that are consistent with its Five-year Strategic and Performance Plan 2005/06 – 2009/10. A task not too difficult to attain with a newly restructured department that has now established itself.

2. Strategic plan update analysis

The Provincial Treasury compiled new strategic goals for all its components consistent with a Five-year Strategic and Performance Plan. Greater emphasis has been placed within each programme to compile measurable objectives, performance measures against quarterly time frames that should answer the question "what does it mean" to the Provincial Treasury and the Provincial Government of the Western Cape. For a first round this annual performance plan was compiled in tandem with the Five-year Strategic and Performance Plan and deviations to Annual Performance Plans should rather be expected when the next four plans are compiled. The Provincial Treasury's added responsibility towards the implementation of the MFMA as from 1 July 2005 will introduce interesting new challenges for all stakeholders involved in this process. It is therefore imperative that programme 1: Administration support to the other components is of such a standard that it will enable them to attain the afore-mentioned and other important goals.

Programme and sub-programme performance targets

1. Programme 1: Administration

This programme's aim is to provide and maintain high quality support services to the Minister and the Provincial Treasury pertaining to sound financial administration, supply chain management, auxiliary services and corporate services.

The programme structure is as follows:

Office of the Provincial Minister

To render secretarial, administrative and office support services and to act as linkage between Treasury, the Department of Economic Development, and the Provincial Parliament enabling the Minister to realise her treasury and economic development priorities.

Management Services

To render strategic support and conduct overall planning.

Corporate Services (Human Resource Management)

To develop a diverse and high level performing organisation.

Financial Management (Office of the CFO)

To deliver financial management (inclusive of risk management and internal control), supply chain management (SCM) and specialised auxiliary services for the Treasury.

a. Specified policies, priorities and strategic objectives

The strategic objectives are specified under the sections below.

b. Progress analysis

Greater emphasis and consolidation within the four sub-programmes of Programme 1 should ensure a higher-level administrative stability of the new transformed Provincial Treasury over the coming financial year.

c. Analysis of constraints and measures planned to overcome them

Concerted efforts will be taken further to optimise service delivery to all components and co-ordinate efforts to benefit Treasury as a whole.

d. Description of planned quality improvement measures

Improved control measures have been implemented within several areas to enhance service delivery of Treasury. Several circulars to improve budget control, In-Year Monitoring (IYM), payments control and risk management have already been compiled and distributed and it is expected that the Provincial Treasury will reap the benefits in future.

1.1 Sub-programme 1.1: Office of the Provincial Minister

1.1.1 Specified policies, priorities and strategic objectives

The optimisation of the services rendered by the office in order to assist the Minister to attain and consistently broaden the economic base of the Province through synergy and quality in service delivery, reducing economic and social inequalities and creating employment via stimulatory incentives and the redirection of resources and opportunities to that part of the population that needs it most.

Strategic goal 1: To render secretarial, administrative and office support services and acts as linkage between the Treasury, the Department of Economic Development, and the Provincial Parliament enabling the Minister to realise her treasury and economic development priorities.

Strategic objectives:

1. Ensure the rendering of secretarial, administrative and office support services.
2. Act as linkage between the Treasury and the Department of Economic Development.
3. Ensure an efficient public profile for the Minister.
4. Enable the Minister to realise both her treasury and economic development responsibilities.

1.1.2 Progress analysis

Greater emphasis and consolidation within the four sub-programmes of Programme 1 should ensure a higher-level administrative stability for the new transformed Provincial Treasury over the coming financial year.

1.1.3 Analysis of constraints and measures planned to overcome them

The day-to-day running of the office should be strengthened to proper functional and co-ordinated arrangements.

To overcome these constraints a fully functional organisational structure will be implemented and the applicable staff members will be sensitised to their different roles within such a structure.

1.1.4 Description of planned quality improvement measures

Defining the roles of the different staff members within the office, upgrading the level of general administrative, document management services and the reduction of the turnaround time of documents submitted to the Minister, are measures to improve the functioning of the office.

1.1.5 Specification of measurable objectives and performance indicators

Please see Table 1.1.

1.2 Sub-programme 1.2: Management Services

1.2.1 Specified policies, priorities and strategic objectives

The co-ordination, evaluation and communication of the activities of the Treasury that will be evolved over time in pursuit of its overall priorities, strategic goals and strategic objectives.

Strategic goal 2: To render strategic support and conduct overall planning.
Strategic objective:
1. A well functioning and co-ordinated institution that delivers on its responsibilities.

1.2.2 Progress analysis

Greater emphasis and consolidation within the four sub-programmes of Programme 1 should ensure a higher-level administrative stability of the new transformed Provincial Treasury over the coming financial year.

1.2.3 Analysis of constraints and measures planned to overcome them

As this is a newly created sub-programme, the main constraint will be to appoint personnel with the appropriate skills levels, knowledge and experience.

1.2.4 Description of planned quality improvement measures

This newly established sub-programme is under development.

1.2.5 Specification of measurable objectives and performance indicators

Please see Table 1.1.

1.3 Sub-programme 1.3: Corporate Services

1.3.1 Specified policies, priorities and strategic objectives

In order to meet the key challenges stated above, the following priorities have been identified:

- Build high level skills and competencies to deal with the changing environment and function.
- Implement quality improvement and process improvement measures.
- Develop, implement and maintain an effective, inclusive of HR, communication strategy.
- Implement and maintain an electronic record management system.
- Develop, implement and maintain clear HR performance measures and standards.
- Facilitate structure reviews and implement decisions thereof.
- Implement measures to enhance and optimise recruitment processes.
- Implement measures to attract and retain scarce skills.
- Implement measures to address and manage audit and risk reviews.
- Develop strategies to enhance cohesion and a shared corporate culture.

Strategic goal 3: To develop a diverse and high-level performing organisation.

Strategic objectives:

1. Creating a diverse transformed environment by building capacity and a high performing workforce through an embedded performance management system and an effective communication process to ensure good governance and risk management.

1.3.2 Progress analysis

The Provincial Treasury has embarked on key performance improvement processes in all the human resource functions including:

- Measures to improve the reliability and accuracy of information and advice.
- Improvement in customer and line function responsiveness and communication e.g. deployment of skilled practitioners to manage communication and processes with line managers.
- Concerted efforts to build and strengthen internal capacity.

1.3.3 Analysis of constraints and measures planned to overcome them

The following external and internal constraints were identified:

- External
 - Highly competitive environment and demand for professional skills.
 - Highly regulated environment.
 - Socio-economic factors.
 - Lack of prepared potential candidates for the complex world of HR work.

- Internal
 - High turnover rate.
 - Limited knowledge and application of human resource processes.
 - Ineffective communication.
 - Operating capacity inadequate for the complexity of the human resource function.
 - Slow and unproductive processes.

The implementing of effective and efficient recruitment and acquisition processes, the developing and implementing of human capital investment programmes, the developing of an integrated communication system and optimising capacity with clarified roles and accountability are planned measures to overcome above-stated constraints.

1.3.4 Description of planned quality improvement measures

As quality improvement measure the Provincial Treasury will be marketed as an employer of choice with a strong focus on learning and development, a conducive working environment, broad exposure to its unique and diverse nature of work and the building of a dynamic team.

1.3.5 Specification of measurable objectives and performance indicators

Please see Table 1.1.

1.4 Sub-programme 1.4: Financial Management

1.4.1 Specified policies, priorities and strategic objectives

Following from the situation analysis this sub-programme endeavours to further develop its services to be able to adequately deal with its challenges in support of the key strategic objectives of the Treasury. The following priorities were identified:

- Combining of registry, document control and tracking.
- Improved accounts control for payments and postings.
- Provide and develop SCM databases for stock, IT equipment, stores, assets and BBBEE purposes.
- Develop risk management strategies.
- Physical security of all offices and working areas (including documents and information).

Strategic goal 4: To deliver financial management (inclusive of risk management and internal control), supply chain management and specialised auxiliary services for the Treasury.

Strategic objectives:

1. Good budget management to remain within prescribed budget limits.
2. Timely and accurate reflection of the status of Provincial Treasury's ledger accounts.
3. Effective supply chain management services.
4. Proper internal control measures and risk management in the Provincial Treasury.
5. Determine and maintain good administrative standards.

1.4.2 Progress analysis

Greater focus have been and will be placed on skills development within Financial Management to ensure more professional support services and attain the set objectives linked to this sub-programme.

1.4.3 Analysis of constraints and measures planned to overcome them

System problems on LOGIS leads to frustrating problems with procurement and payment of goods and services.

Compliance procedures used when performing inspections by Internal Control are often cumbersome, outdated and vague.

Delays in rectifying records lead to a situation where payments and ledger control within Financial Accounting are not at the required level.

Reduced budget allocations for the MTEF will result in stricter budget control.

The following corrective measures will be put in place:

- Closer liaison with Financial Systems to alleviate LOGIS system problems.
- Internal Control should revise and improve compliance procedures.
- CFO to assist with training and focused guidance.
- Budget control measures will have to be sharpened within Financial Management and the different components within Provincial Treasury.

1.4.4 Description of planned quality improvement measures

Greater focus will be placed on skills development within Financial Management to ensure a higher level of professional support services and attain the set objectives linked to this sub-programme.

1.4.5 Specification of measurable objectives and performance indicators

Please see Table 1.1.

Table 1.1: Programme 1: Administration

Sub-programme 1.1: Office of the Provincial Minister		Strategic Goal 1: To render secretarial, administrative and office support services to the Minister, fostering and acts as linkages between Treasury, the Department of Economic Development, and the Provincial Parliament enabling the Minister to realise her treasury and economic development priorities.						
Strategic Objective	Measurable Objective	Performance Measure Indicator	Actual 2002/03	Actual 2003/04	2004/05 Estimate	2005/06 Budget	2006/07 Target	2007/08 Target
1. Ensure the rendering of secretarial, administrative and office support services.	1.1 Smooth and effective functioning of the Minister's office.	Percentage satisfaction by the Minister.	60 % of Target achieved.	60%	60%	95%	98%	99%
		Days turnaround time on documents submitted to the Minister.	7 days	7 days	7 days	6 days	5 days	4 days
	1.2 Fulfillment of Minister's legislative and political functions.	Good integration with departmental function.	Not applicable.	Not applicable.	50%	65%	75%	98%
2. Act as linkage between the Treasury and the Department of Economic Development.	2.1 Strengthen linkage with Treasury, Economic Development and Provincial Parliament.	Establish a sound relationship and communication link.	Not applicable.	Not applicable.	68%	72%	80%	95%
3. Ensure an efficient public profile for the Minister.	3.1 Ensure good public profile for Minister.	Improved public image.	Not applicable.	Not applicable.	70%	85%	90%	95%
4. Enable Minister to realise both her Treasury and economic development responsibilities.	4.1 Enable Minister realises both her Treasury and economic development responsibilities.	Provincial state of affairs in good shape.	Not applicable.	Not applicable.	60%	75%	88%	97%

Sub-programme 1.2: Management Services		Strategic Goal 2: To render strategic support and conduct overall planning.						
Strategic Objective	Measurable Objective	Performance Measure Indicator	Actual 2002/03	Actual 2003/04	2004/05 Estimate	2005/06 Budget	2006/07 Target	2007/08 Target
1. A well functioning and co-ordinated institution that delivers on its responsibilities.	1.1 Ensure good strategic support to the HoD and his management team.	Percentage satisfaction.	Not applicable.	Not applicable.	Not applicable.	30%	75%	85%
	1.2 Conduct overall planning to ensure that remaining management functions are conducted on such a level that the Provincial Treasury delivers on its responsibilities.	Percentage of planning mechanisms resulting in the correct deliverables.	Not applicable.	Not applicable.	Not applicable.	75%	85%	95%

Sub-programme 1.3: Corporate Services		Strategic Goal 3: To develop a diverse and high-level performing organisation.						
Strategic Objective	Measurable Objective	Performance Measure Indicator	Actual 2002/03	Actual 2003/04	2004/05 Estimate	2005/06 Budget	2006/07 Target	2007/08 Target
1. Creating a diverse transformed environment by building capacity and a high performing workforce through an embedded performance management system and an effective communication process to ensure good governance and risk management.	1.1 Ensure an optimal staff establishment.	Implement effective and efficient recruitment and acquisition processes.	10% vacancy rate.	24% vacancy rate.	37% vacancy rate.	Reduce vacancy rate to 15%.	Reduce vacancy rate to 10%.	Reduce vacancy rate to 8%.
	1.2 Establishing a high level workforce.	Reinforce and develop human capital investment programmes.	Not applicable.	Not applicable.	Skill profiles and priorities identified.	60% identified.	80% identified.	100% identified.
			Not applicable.	Not applicable.	Skills development programmes roll-out.	Implementation of skills programmes.	80% implemented.	100% implemented.

Sub-programme 1.3: Corporate Services		Strategic Goal 3: To develop a diverse and high-level performing organisation.						
Strategic Objective	Measurable Objective	Performance Measure Indicator	Actual 2002/03	Actual 2003/04	2004/05 Estimate	2005/06 Budget	2006/07 Target	2007/08 Target
1. Creating a diverse transformed environment by building capacity and a high performing workforce through an embedded performance management system and an effective communication process to ensure good governance and risk management. <i>(continued)</i>	1.3 Promote good governance and a sound working environment.	Facilitate communication and accessibility of all applicable policies, processes and procedures on human resource matters.	Non-existent.	Non-existent.	Develop an intranet site of all policies and prescripts.	100% activated.	100% maintained.	100% maintained.
		Management of workplace relations.	Non-existent.	Re-establishment of IMLC in 2003.	Established Institutional Management and Labour Committee.	100% operational.	100% operational.	100% operational.
	1.4 Promote embedded Performance Management.	Implementation and management of an integrated Staff Performance Management System.	Non-existent.	Develop a SPMS policy unique to PT circumstances.	Performance feedback and assessments concluded.	Maintain processes to measure, reward and manage performance.	100% maintained.	100% maintained.
				Communicate the developed SPMS to all employees and managers.	Facilitate interventions towards a performance culture.	Engage line managers and staff on performance processes.	100% achieved	100% achieved.
	1.5 Ensure effective and sustainable corporate communication processes.	Develop an integrated communication strategy.	Not applicable.	Not applicable.	Identify communication priorities.	Implement communication programmes.	100% maintained.	100% maintained.

Strategic Objective	Measurable Objective	Performance Measure Indicator	Actual 2002/03	Actual 2003/04	2004/05 Estimate	2005/06 Budget	2006/07 Target	2007/08 Target
1. Creating a diverse transformed environment by building capacity and a high performing workforce through an embedded performance management system and an effective communication process to ensure good governance and risk management. <i>(continued)</i>	1.6 Ensure an established, diverse and integrated workforce and environment.	Promote Transformation and Human Rights ethos.	Not applicable.	Develop transformation initiatives unique to PT.	Mainstream transformation programmes.	Review and monitor progress.	80% achieved.	100% achieved.
						Facilitate strategies for managing diversity in the workplace.	80% achieved.	100% achieved.
						Develop and partly implement strategies for managing HIV/AIDS in the workplace.	80% achieved.	100% achieved.
	1.7 Deliver an effective and efficient operational function.	Strengthen capacity in core HR functions and broaden competencies.	Not applicable.	Review of HR function.	Develop a quality improvement and skills improvement programme.	Implement programme.	100% improved.	100% maintained.
	1.8 Ensure good governance and risk management.	Implement the internal audit recommendations of the identified areas of risk.	Not applicable.	Not applicable.	50% of risk areas addressed.	60% of risk areas addressed.	80% of risk areas addressed.	100% of risk areas addressed.

Sub-programme 1.4: Financial Management		Strategic Goal 4: To deliver financial management (inclusive of risk management and internal control), supply chain management and specialised auxiliary services for the Treasury.						
Strategic Objective	Measurable Objective	Performance Measure Indicator	Actual 2002/03	Actual 2003/04	2004/05 Estimate	2005/06 Budget	2006/07 Target	2007/08 Target
1. Good budget management to remain within prescribed budget limits.	1.1 Efficient and effective planning and budget management.	Percentage variance between actual and approved budget.	19%	37%	17%	4%	3%	2%
	1.2 Effective application of resources in realising strategic goals.	Percentage expenditure in line with detailed budget per sub-programme.	70%	70%	80%	90%	93%	96%
2. Timely and accurate reflection of status of Provincial Treasury's ledger accounts.	2.1 Ledger accounts that accurately reflects the financial position of the Provincial Treasury.	Number of days for clearing of ledger control accounts.	60 days.	90 days.	70 days.	60 days.	45 days.	30 days.
		Number of days to complete reconciliations after month close.	30 days.	180 days.	60 days.	30 days.	20 days.	15 days.
		Number of management information tools to reflect the Provincial Treasury's records.	Not applicable.	Not applicable.	10	12	14	14
3. Good supply chain management services.	3.1 Efficient and effective supply chain management services.	Percentage of bids successfully administered to contract phase.	Not applicable.	60%	80%	80%	85%	90%
		Compliance with conditions of contract.	Not applicable.	90%	90%	90%	95%	98%
		Assets accurately recorded on inventory in terms of accrual accounting.	Not applicable.	Not applicable.	Not applicable.	70%	80%	90%

Sub-programme 1.4: Financial Management		Strategic Goal 4: To deliver financial management (inclusive of risk management and internal control), supply chain management and specialised auxiliary services for the Treasury.						
Strategic Objective	Measurable Objective	Performance Measure Indicator	Actual 2002/03	Actual 2003/04	2004/05 Estimate	2005/06 Budget	2006/07 Target	2007/08 Target
4. Proper internal control measures and risk management in the Provincial Treasury.	4.1 Financial inspections to improve internal control.	Number of inspections successfully completed.	Non-existent.	3	10	12	8	8
		Percentage improvement in the quality of inspection reports.	Non-existent.	40%	60%	70%	80%	90%
	4.2 Communicating guidelines on compliance with prescripts.	Review guidelines on compliance with prescripts.	Non-existent.	Annually	Annually	Annually	Annually	Annually
	4.3 Improved Provincial Treasury's risk profile.	Developmental level of risk profile.	Not applicable.	10%	30%	50%	70%	90%
		Percentage checking of high risk per component.	Non-existent.	10%	20%	30%	50%	70%
5. Determine and maintain good administrative standards.	5.1 Compliance with financial prescripts pertaining to management accounting.	Percentage compliance with regard to quality output and timeliness.	80%	85%	90%	90%	92%	95%
	5.2 Efficient control over debtors and creditors.	Days to follow-up debtors.	180 days.	180 days.	60 days.	30 day cycles.	30 day cycles.	30 day cycles.
		Days to pay creditors.		50 days.	35 days.	<30 days.	<30 days.	<30 days.
	5.3 Efficient system management (Syscon).	Regular maintenance checks on BAS.	Not applicable.	60 days.	45 days.	Monthly	Monthly	Monthly
		Regular maintenance checks on LOGIS.	Annually	Annually	Annually	Quarterly	Quarterly	Quarterly

Sub-programme 1.4: Financial Management		Strategic Goal 4: To deliver financial management (inclusive of risk management and internal control), supply chain management and specialised auxiliary services for the Treasury.						
Strategic Objective	Measurable Objective	Performance Measure Indicator	Actual 2002/03	Actual 2003/04	2004/05 Estimate	2005/06 Budget	2006/07 Target	2007/08 Target
5. Determine and maintain good administrative standards. <i>(continued)</i>	5.4 High quality delivery of auxiliary services.	Establish measures for a vehicle fleet that will cater for the changing needs of the Provincial Treasury.	Non-existent.	50%	80%	80%	90%	95%
		Good operative document control.	40%	50%	50%	75%	85%	95%
		Percentage of high quality and timely delivery of all other auxiliary services.	60%	80%	85%	90%	94%	98%
	5.5 Good communication and co-ordination within the sections of Financial Management and other components within Provincial Treasury.	Number of staff members trained in customer care.	Nil	Nil	Nil	20	20	20
		Number of staff members trained in communication skills and group dynamics.	Nil	Nil	Nil	15	15	15
	5.6 Ensure a full complement of competent staff.	Ensure low vacancy rate.	25%	15%	25%	<5%	<5%	<5%
		Review of identified staff suitably trained.	Annually	Quarterly	Quarterly	Quarterly	Bi-annually	Bi-annually
	5.7 Proper high level management information timeously.	Determine information needs on Directorate's meeting.	Non-existent.	Monthly	Monthly	Monthly	Monthly	Monthly
		Percentage of measures in place to have information available.	20%	50%	60%	70%	80%	90%

1.5 Reconciliation of budget with plan

Table 1.2: Programme 1: Administration budget by sub-programme (R' 000)

Programme 1: Administration								
Sub-programme	Year – 2 2002/03 (actual)	Year – 1 2003/04 (actual)	Base year 2004/05 (estimate)	Average annual change (%)	Year 1 2005/06 (MTEF projection)	Year 2 2006/07 (MTEF projection)	Year 3 2007/08 (MTEF projection)	Average annual change (%)
Office of the Provincial Minister	2,837	3,015	3,056	3.79	3,501	3,679	3,863	8.12
Management Services				0.00	2,535	2,664	2,797	0.00
Corporate Services	1,761	4,681	5,872	82.61	7,617	7,706	7,791	9.88
Financial Management	16,208	12,491	12,678	-11.56	12,631	13,244	15,025	5.82
Total	20,806	20,187	21,606	1.90	26,284	27,293	29,476	10.91

The average increase of almost 2% in the spending trends for the financial years 2002/03 to 2004/05 of this programme is mainly attributed to the increase in expenditure under the sub-programme: Human Resource Management (now Corporate Services), which is related to increased expenditure on recruitment costs. Furthermore, inflation adjustments over the MTEF are the main causes for the average increase with the exception of the sub-programme: Management Services for which provision of a planning unit was only made in the Office of the Accounting Officer as from 2005/06.

2. Programme 2: Sustainable Resource Management

Sustainable Resource Management comprises of five sub-programmes, Programme support, Economic Analysis, Fiscal Policy, Budget Management and Public Finance.

The Economic Analysis sub-programme comprises of one Director and three economists determining and evaluating economic parameters and socio-economic imperatives within a provincial and national macroeconomic context.

The Fiscal Policy sub-programme comprises of one Director and six economists, dealing with the evaluation and optimisation of revenue for the province.

The Budget Management sub-programme comprises of one Director and drives the annual budget process inclusive of the medium term budget policy statement and the medium term expenditure framework of the Province.

The Public Finance sub-programme is divided into two elements, namely that of public finance related to provincial government matters and public finance related to municipal matters inclusive of the implementation of the Local Government: Municipal Finance Management Act, 2003 (Act 56 of 2003). Each of these elements is managed by a Director.

a. Specified policies, priorities and strategic objectives

Apart from the specific objectives and priorities, which will be discussed below, two generalised priorities will be pursued and they are:

- To foster professionalism in attitudes, values, ethics, management and supervision, coaching, mentoring and career development.
- To create synergy and integration within and between components.

In aligning its daily operations and activities with the achievement of the iKapa Elihlumayo lead strategies this programme has redirected its strategic objectives, within the relevant sub-programmes, as follows:

Economic Analysis

Its objective is to conduct macroeconomic analysis and render policy advice, i.e. to determine and analyse key economic variables, their interrelation and relevance to the budget, the potential for growth and development and the interaction with governmental and revenue patterns, alternative budgeting and other revenue and expenditure scenarios on selected key economic growth and development indicators.

Fiscal Policy

It is tasked with the objective to enable the provincial government to finance its service delivery obligations. In doing so the component has identified a number of strategic objectives.

Budget Management

Through a range of consultations and discussions, iKapa Elihlumayo was born, and this was further concretised by the agreements taken at the Provincial Growth and Development Summit. The eight lead strategies as per iKapa Elihlumayo are currently being developed and full implementation is expected

in the coming year. The WC-MTBPS of 2006/07 will begin to shed light on the progress that will have been made and identify any challenges that are anticipated.

Public Finance

The Local Government: Municipal Financial Management Act, 2003 (Act 56 of 2003) in relation to the responsibilities of provincial treasuries takes effect from 1 July 2005. Readiness to accept the responsibilities relating to the said legislation is a key priority.

This sub-programme is also tasked with the facilitation of the provincial position on the placement of functions between the provincial and local spheres of government as well as the evolvement of the IYM expenditure and revenue reports into performance reports that contain financial and non-financial information.

b. Progress analysis

Economic Analysis

This sub-programme has made progress in attaining some of its strategic objectives such as:

- Analysing the sources of provincial economic growth and employment by analysing key and upcoming sectors in respect of historical and projected contribution to GDP and employment.
- Analysing the constraints to provincial economic growth and employment in respect of cross-cutting concerns such as state of the global economy and SMME development.

Fiscal Policy

This sub-programme has made considerable progress in the attainment of its strategic objectives, some of these, which have been successfully initiated, include:

- Review of the Provincial Equitable Share.
- A quantitative analysis of provincial own revenue.
- Ensuring effectiveness and efficiency of the own revenue retention models.
- Investigating the feasibility, efficiency and effectiveness of motor vehicle licence fees in the Western Cape.

Public Finance

In the provincial context the Public Finance Management Act, 1999 (Act 1 of 1999) assumes a phased approach towards improving the quality of financial management. Implementation in the first phase focused mainly on the basics, like the institutionalisation of in-year expenditure monitoring systems, of which the progress had been phenomenal and exceeded all expectations. Since, sub-programme activities have progressed beyond the basics and are now focusing on substantive matters such as the effectiveness and efficiency of the budget programmes of provincial departments.

In the municipal context the Local Government: Municipal Financial Management Act, 2003 (Act 56 of 2003) became effective 1 July 2004 with a phased implementation and compliance approach based on the capacity of municipalities and that of provincial treasuries. This sub-programme, under the guidance of the National Treasury, is actively involved with the implementation process.

In relation to the municipal/provincial interface the sub-programme has undertaken pioneering research and compiled a situation analysis on functions allegedly rendered by municipalities on behalf of the Province and or visa versa to ultimately resolve on the vesting of the affected functions and the most appropriate mechanisms of transfer.

An assessment of the draft annual Budget 2005 contributed towards ensuring that the distributions of budget allocations within the votes are aligned with policy priorities and credible budgets.

Nationally prescribed IYM reporting information has been augmented with deepened analytical and explanatory narrative reports to encourage the development of interpretive skills in Treasury and provincial departments to promote and enforce effective management of expenditure.

The Expenditure Review 2004 - Working Paper, an internal working document, is an accessible resource on the spending of provincial departments and has been a valuable instrument in informing the budget allocation process.

Similarly the Local Government Review 2004 - Working Paper, inter alia, revealed the difficulties with regard to intergovernmental fiscal relations.

Key challenges in collaboration with other are:

- Supporting the National Treasury in unfolding the process of collecting and aggregating non-financial information, the development and introduction of quarterly performance reports integrated with the current financial reporting and the institutionalisation thereof.
- Building analytical capacity both in the Provincial Treasury and provincial departments to gain a deepened understanding from a service delivery perspective of what expenditure performance and budget allocations actually mean. Responses thereto will translate into improved expenditure management because of early detection of issues requiring appropriate intervention.
- Improving financial management in the public sector through continued support of budget reforms related to strategic and performance plans, annual reports, budget statement formats and improving the measurability of objectives, etc.
- In a function/ economic classification context:
 - Education – Monitoring of compensation of employees.
 - Health – Monitoring of specific programmes.
 - Social Services – Monitoring of social security grants and the roll-out of the South African Social Security Agency, Act (Act 9 of 2004).
 - Transfer payments – Monitor that gains are affected to the extent that receiving entities provide greater efficiency, economy and efficacy than would be possible in the transferring department.

- Developing a competent Provincial Treasury with the ability to fulfill its responsibilities in terms of the Local Government: Municipal Financial Management Act, 2003 (Act 56 of 2003).
- Optimal placement of functions between the provincial and local spheres of government.

c. Analysis of constraints and measures planned to overcome them

Major constraints experienced throughout the Sustainable Resource Management component are capacity constraints, ranging from high vacancy rates to limited analytical and technical capacity and inter and intra departmental silos within the province. Constraints per component are discussed in more detail in the following sections.

d. Description of planned quality improvement measures

Fiscal Policy

This sub-programme has taken a number of steps to improve the quality of services provided by the component. Of particular importance is the forging of partnerships, both internal and external.

These partnerships will improve the quality of the services provided by a component through the resultant:

- Leveraging of technical expertise and capacity;
- Streamlined departmental revenue expenditure analysis and advice and
- The building of dialogue and debate at the horizontal level between provinces and at the vertical level between provinces and the national and local spheres.

Public Finance aims to:

- Encourage the development of human capital through, inter alia, the internal bursary scheme and accredited training offered by the National Treasury in connection with municipal financial management.
- Create partnerships and networks that will strengthen the links between various components within the Provincial Treasury, provincial departments, municipalities and national counterparts that will improve expenditure analysis.
- Interact regularly and robustly with departments on their IYM expenditure and revenue reports.
- Build relationships between the Provincial Treasury and municipalities one-on-one and through intergovernmental relation structures.
- Build the analytical capacity in the Provincial Treasury and extend that to the offices of chief financial officers in provincial departments.
- Do field trips to do site monitoring.
- Institutionalise the principles/objectives of iKapa Elihlumayo.

2.1 Sub-programme 2.1: Programme Support

2.1.1 Specified policies, priorities and strategic objectives

Generic Strategic goal: To facilitate the efficient and co-ordinated administration and management of the programme.

Strategic objectives:

1. Rendering administrative support services to ensure the effective operational management of the unit.
2. Capacitate and train administrative support and line function staff.
3. Support and promote BBBEE initiatives through administrative functions.

2.1.2 Progress analysis

Not applicable.

2.1.3 Analysis of constraints and measures planned to overcome them

This sub-programme will only be established and capacitated during the 2005/06 financial year and will be mainly responsible for administrative support regarding the human resources, financial, logistical and related administrative management activities of the relevant programme.

2.1.4 Description of planned quality improvement measures

Appoint and train suitable candidates and ensure proper procedure and process mapping of all activities within Sustainable Resource Management.

2.1.5 Specification of measurable objectives and performance indicators

Please see Table 2.1.

2.2 Sub-programme 2.2: Economic Analysis (EA)

2.2.1 Specified policies, priorities and strategic objectives

Strategic goal 5: To conduct macroeconomic analysis and render policy advice, i.e. to determine and analyse key economic variables, their interrelation and relevance to the budget, the potential for growth and development and the interaction with governmental spending and revenue patterns, alternative budgeting and other revenue and expenditure scenarios on selected key economic growth and development indicators.

Strategic objectives:

1. Describe the Western Cape economy by determining and analysing key provincial and, where possible, district economic variables and their interrelation.
2. Determine the sources, potential and constraints for enhanced growth and development in the Western Cape, as framed within iKapa Elihlumayo.
3. Assess the impact of various budget (municipal and provincial) policy objectives on selected economic variables, providing a link between the macro-, meso- and municipal spheres.
4. Provide technical assistance and training in the application of macroeconomic analysis.
5. Disseminate information to other government and external key stakeholders in the provincial economy and labour market to foster understanding of economic variables and promote steps to enhance economic growth and reduce inequalities.

2.2.2 Progress analysis

The Economic Analysis component was set up two years ago to determine the macroeconomic and socio-economic environment within which the provincial budget is formulated and implemented, the latter contributing towards the achievement of iKapa Elihlumayo.

The first two years were spent recruiting economically trained personnel, a scarce resource, contracting academic researchers and developing its analytical instruments. The key challenges over the next three years will be the commissioning and undertaking of appropriate analytical and economic policy research.

Presently, there are five research foci identified:

- Developing a Provincial Macroeconomic Model that provides 3-year forward looking estimates on key provincial economic variables and supporting analysis on the interrelations between such variables.
- Developing a Provincial Income Distribution Model that provides 3-year forward looking estimates and supporting analysis of resident and in-migrating population, their relevant income and employment status, educational and skill level, and their demand of key provincial services – notably, health, education and social assistance.
- Developing microeconomic poverty and inequality asset capability simulation models that focus on analysing labour market dynamics in the Western Cape, providing a link between the macro- and meso levels.

- Analysing the sources of provincial economic growth and employment by detailed analysis of the key and upcoming economic sectors, in respect of their historical and projected contribution to GDP and employment in the Western Cape.
- Analysing the constraints to provincial economic growth and employment in respect of cross-cutting concerns (that include international aspects such as state of the world economy, traditional versus upcoming trading partners, tariff and non-tariff barriers to trade and investment as well as national and provincial aspects such as crime and regulatory requirements, SMME development) that limit economic activity and constrain employment in the Western Cape economy.

2.2.3 Analysis of constraints and measures planned to overcome them

The major constraints that EA will face over the next three years are:

- The lack of analytical capacity, the paucity of data and the absence of an interpretative framework to order and channel socio-economic data into the budget process.
- Consolidating and expanding the network of academic researchers as well as a capacity building programme for permanent staff will address the lack of capacity.

2.2.4 Description of planned quality improvement measures

Since this component was only established in 2003/04, it will only start a cycle of quality improvement measures in 2005/06. The key improvement that EA will constantly pursue is the alignment of departmental activities to the socio-economic goals of iKapa Elihlumayo. Refining the reporting requirements and resource allocation process of the annual budget process will pursue this alignment. Related operational improvements may include:

- Improved co-ordination of researchers through peer review and more intensive oversight.
- Development of more targeted briefs for researchers.
- Acquire and obtain reliable sources of data for further research.
- Improve relationship with external and internal stakeholders to work towards a common goal (improved service delivery and economic growth).

2.2.5 Specification of measurable objectives and performance indicators

Please see Table 2.1.

2.3 Sub-programme 2.3: Fiscal Policy

2.3.1 Specified policies, priorities and strategic objectives

Strategic goal 6: To enable the provincial government to finance its service delivery obligations.

Strategic objectives:

1. Administer the medium-term revenue planning process.
2. Assess and optimise both the vertical and horizontal (equitable shares and conditional grants) from national.
3. Assess and optimise the Western Cape's present own revenue base.
4. Ensure effective and efficient management of debtors.
5. Ensure effective and efficient development of provincial own revenue, whether user charges or provincial taxes, levies and duties.
6. Ensure effective and efficient development of the Western Cape's borrowing capacity.
7. Administer gambling and racing matters.
8. Assess revenue trends, compile and submit revenue reports.
9. Determine an overall financing envelope for MTEF.
10. To assess viability of municipal revenue budgets.

2.3.2 Progress analysis

Presently, there are three main research areas – national revenue transfers, provincial own revenue and provincial borrowing. National revenue transfers has two research foci; provincial own revenue, six research foci and provincial borrowing, two research foci. These are:

National Revenue Transfers

- Analysing the provincial equitable share formula and transfers from the Western Cape's perspective as a key input into the Fiscal Framework Review being conducted by the Technical Committee on Finance.
- Analysing the conditional grant framework and transfers from the Western Cape's perspective as a key input into the Fiscal Framework Review being conducted by the Technical Committee on Finance.
- Conducting a case study analysis of intergovernmental fiscal systems and the role of provincial government with specific reference to the decentralisation of fiscal powers.
- Evaluating the evolution of the fiscal governance model in respect of vertical balance (or imbalance as at present) and provincial taxation and borrowing powers, functions and options.

Provincial Own Revenue

In respect of current sources of provincial own revenue:

- Quantitative analysis of the state of own revenue.
- Effectiveness and efficiency of own revenue retention policies.
- Developing a revenue estimation model to provide more accurate and robust estimates of revenue to be collected from current sources of provincial own revenue – motor vehicle licenses, hospital fees, interest revenue, and gambling and betting taxes.
- Analysing debtor management, sources and trends in respect of the present revenue base.
- Developing a Contingent Liability Statement in respect of the Western Cape's Provincial Revenue Fund.
- Analysing the socio-economic incidence/impact of recent (2001 – 2003) escalations in motor vehicle license fees in the Western Cape.
- Investigating the feasibility, efficiency and effectiveness of alternative collection mechanisms and rate structures for motor vehicle license fees in the Western Cape.
- Investigating the feasibility, efficiency and effectiveness of alternative rate structures for gambling taxes in the Western Cape.

In respect of new sources of provincial own revenue:

- Investigating the feasibility of a bed levy for the Western Cape Province in respect of constitutional, legal, economic, financial and enforcement and collection feasibilities and capabilities.
- Investigating additional sources of provincial own revenue through user charges or provincial taxes, levies and duties in line with the new Provincial Tax Regulation Process Act.

Provincial Borrowing

- Evaluating the range of borrowing and financing instruments in the capital market that are appropriate for Provincial Government borrowing in line with national legislation, policies and procedures as framed by the Provincial Borrowing Powers Act, 1996.
- Assessing and developing appropriate liability management capacity in the Provincial Treasury.

At present, there are three main reports and services that the Fiscal Policy Unit produces and/or delivers – regular revenue reports, policy recommendations/ reports and revenue planning services/reports.

In respect of regular revenue reports, these are:

- Compiling a monthly/quarterly report on national revenue transfers that reflects provincial equitable share transfers and conditional grant transfers.
- Compiling a monthly IYM revenue report that assesses provincial own revenue trends.
- Compiling a monthly/quarterly report on provincial debtors, in particular for report to the Provincial Public Accounts Standing Committee.

In respect of policy recommendations/ reports to the Minister of Finance, Economic Development and Tourism, these are recommendations/reports in respect of:

- The provincial equitable share formula and transfers from the Western Cape's perspective as a key input into the Fiscal Framework Review recommendations that the Technical Committee on Finance will present to the Budget Council.
- The conditional grant framework and transfers from the Western Cape's perspective as a key input into the Fiscal Framework Review recommendations that the Technical Committee on Finance will present to the Budget Council.
- An evaluation of the Fiscal Governance Model in respect of vertical balance (or imbalance as at present) and provincial taxation and borrowing powers, functions and options.
- An analysis of provincial revenue management, sources and trends in respect of the present revenue base.
- An analysis of debtor management, sources and trends in respect of the present revenue base.
- The socio-economic incidence/impact of recent (2001 – 2003) escalations in motor vehicle license fees in the Western Cape.
- The feasibility, efficiency and effectiveness of alternative collection mechanisms for motor vehicle license fees in the Western Cape.
- Cabinet approval of the fuel levy and the furtherance of the process going forward.
- The feasibility of a bed levy for the Western Cape Province.
- An assessment of additional sources of provincial own revenue through user charges or provincial taxes, levies and duties in line with the new Provincial Tax Regulation Process Act.
- Feasibility, efficiency, effectiveness as well as the socio-economic impact of gambling and the Western Cape Gambling and Racing Board.

In respect of revenue planning services/reports, these are:

- Determining the Medium Term Fiscal Framework (MTFF) or overall financing envelope for the Western Cape's MTEF.
- Compiling and publishing the annual Revenue Estimates.
- Compiling the revenue inputs for the annual Medium Term Budget Policy Statement and Budget Statement No. 1.

2.3.3 Analysis of constraints and measures planned to overcome them

A constraint that applies to all sub-programmes is the non-existence of proper bridges and structures with the approximate thirty municipalities and the lack of sufficient knowledge of the local government sphere. This would require extraordinary measures to successfully and cooperatively drive the implementation and evolution of the MFMA.

The major constraints are:

- Capacity constraints within the component ranging from high vacancy rates to limited analytical and technical capacity.
- Inter and intra departmental silos within the Province.

- The paradigm shift in respect of financing for development and the need to generate innovative financing solutions, contributing towards growth and development in the Province.
- Perception and acceptance of departmental policies by the Provincial Cabinet and other role players.
- Treasury approved process for the imposition of a provincial fuel and bed levy. Thoroughly researched and consulted proposals to assist with the approval process.
- Departmental co-operation to ensure effective focus on efficient debt collection. Quarterly assessment and reporting on the state of debtors and fostering co-operation with departments primarily through CFO structure interactions.

Measures taken to overcome constraints are:

- Concerted efforts have been made to address the capacity constraints currently experienced in the Provincial Treasury, three key capacity building foci have been identified:
- Utilising a revenue economist position (level 11) on the Fiscal Policy unit structure as an internship or revenue researcher position (level 9) as part of the Provincial Treasury's structure internship programme.
- Ensuring that the Fiscal Policy unit personnel undertake appropriate training that enhances their exposure to the latest developments in intergovernmental revenue and taxation management.
- Developing robust engagement and interaction on provincial revenue and taxation management within the Technical Committee of Finance Revenue and Taxation Working Group.
- Inter and intra departmental relationship will be forged, in particular with senior managers within departments to ensure cooperation and the timeous delivery of information, working together to attain iKapa Elihlumayo.
- Develop internal revenue and taxation analytical capacity and contribute towards a larger pool of provincial revenue and taxation analysts.
- Raise awareness of leveraging technical expertise and capacity through a broader network, extending and deepening the Fiscal Policy unit's output reach and transferring knowledge base and skills into the public sector.

2.3.4 Description of planned quality improvement measures

The Fiscal Policy unit aims to forge partnerships, which will:

- Broaden ownership of revenue collection and management across key partners, ensuring a deepening and expansion of the revenue envelope financing iKapa Elihlumayo.
- Raise awareness of the paradigm shift in respect of financing for development and the need to generate innovative financing solutions, contributing towards growth and development in the Province.
- Leverage technical expertise and capacity through a broader network, extending and deepening the Fiscal Policy unit's output reach and transferring knowledge base and skills into the public sector.

Partnership outcomes involve the following:

- Presently, there are four key partnership foci identified:
- Levering technical expertise and capacity through a broader research and technical expertise network, extending and deepening the Fiscal Policy unit's output reach and transferring knowledge base and skills into the public sector.
- Strengthening and deepening the iKapa Elihlumayo revenue partnership, centering on:
 - Improved linkages between the Fiscal Policy unit, Budget Management, Economic Analysis and the Public Finance expenditure analysts, thereby streamlining departmental revenue and expenditure analysis and advice.
 - Robust interaction and liaison with those departments that collect revenue on behalf of the Province, namely, the Departments of Transport and Public Works, Health, Education, Economic Development, Social Services and Poverty Alleviation as well as the Western Cape Gambling and Racing board.
 - Enhanced engagement within the intergovernmental system, building dialogue and debate at the horizontal level between provinces, and at the vertical level between provinces and the national and local spheres.
- Increased revenue flows enabling systematic lessening of socio-economic disparities as a desired end result.

2.3.5 Specification of measurable objectives and performance indicators

Please see Table 2.1.

2.4 Sub-programme 2.4: Budget Management

2.4.1 Specified policies, priorities and strategic objectives

Through a range of consultations and discussions, iKapa Elihlumayo was born, and this was further concretised by the agreements taken at the Provincial Growth and Development Summit. The eight lead strategies as per iKapa Elihlumayo are currently being development and are full implementation is expected in the coming year. The WC-MTBPS of 2006/07 will begin to shed light on the progress that will have been made and identify any challenges that are anticipated.

Strategic goal 7: To promote effective financial resource allocation.

Strategic objectives:

1. To promote and facilitate performance monitoring in provincial departments and municipalities and should be done in conjunction with similar processes undertaken by the Department of the Premier, Department of Local Government and Housing and the National Treasury.

2.4.2 Progress analysis

In the last financial year Budget Management (previously named Budget Office) has appointed a team of highly skilled economists. Work processes have been established and refined and the appropriate institutional infrastructure (including technical working groups) is being put in place with provincial departments and municipalities. One of the key products that has been developed is the SDR that will become a key feature of the provincial budget process.

2.4.3 Analysis of constraints and measures planned to overcome them

The major constraints that Budget Management will be facing over the next three years are:

- To build specific skills in areas such as costing, performance measurement, strategic planning, econometric modeling, etc.
- The quality of departmental strategic plans and IDP's and linkages of this information with outcomes of the Government.
- Poorly developed lead strategies.
- Late submission of budget related information.

Appropriate skills will be built as the appointees take part in the budgetary processes. Also, where necessary, analytical capacity will be addressed by recruiting a network of academic researchers as well as a capacity building programme for permanent staff. Measurable information in departmental strategic plans will be improved through specific interventions by the Provincial Treasury in departments. As the analytical ability of treasury staff improves, the improved knowledge will be transferred to departments by means of interaction with departmental personnel and associated budget reforms.

2.4.4 Description of planned quality improvement measures

Budget Management continuously strives towards a better-integrated and better-informed process of allocations to departments. These improvements will be addressed through budget reforms that will be communicated to role players by means of budget circulars.

2.4.5 Specification of measurable objectives and performance indicators

Please see Table 2.1.

2.5 Sub-programme 2.5: Public Finance

2.5.1 Specified policies, priorities and strategic objectives

Strategic goal 8: To ensure efficient budget management.

Strategic objectives:

1. Provide policy advice, effective technical and strategic support and a change agent service to provincial departments and municipalities.
2. Improve input-output sequencing of information and the quality of the latter within the budget processes.
3. Develop the effectiveness of in-year expenditure monitoring systems towards monitoring financial and non-financial performance indicators.
4. Strengthen the institutional capacity, inclusive of professionalism, skills, knowledge, motivation, attitudes, integration, and values.
5. Develop intra Departmental, intra provincial, inter provincial and government co-ordinating structures and systems.
6. Facilitate the optimal vesting of functions between the provincial and local spheres of government.
7. Deepen the analysis of budget votes, i.e. in content and profile.

2.5.2 Progress analysis

In the provincial context the Public Finance Management Act, 1999 (Act 1 of 1999) assumes a phased approach towards improving the quality of financial management. Implementation in the first phase focused mainly on the basics, like the institutionalisation of in-year expenditure monitoring systems the progress of which had been phenomenal and exceeded all expectations. Since, sub-programme activities have progressed beyond the basics and are now focusing on substantive matters such as the effectiveness and efficiency of budget programmes of provincial departments.

In the municipal context the Local Government: Municipal Financial Management Act, 2003 (Act 56 of 2003) became effective 1 July 2004 with a phased implementation and compliance approach based on the capacity of municipalities and that of provincial treasuries. This sub-programme, under the guidance of the National Treasury, is actively involved with the implementation process.

In relation to the municipal/provincial interface the sub-programme has undertaken pioneering research and compiled a situation analysis on functions allegedly rendered by municipalities on behalf of the province and or visa versa to ultimately resolve on the vesting of the affected functions and the most appropriate mechanisms of transfer.

An assessment of the draft annual Budget 2005 contributed towards ensuring that the distributions of budget allocations within votes are aligned with policy priorities and credible budgets.

Nationally prescribed IYM reporting information has been augmented with deepened analytical and explanatory narrative reports to encourage the development

of interpretive skills in Treasury and provincial departments and to promote and enforce effective management of expenditure.

The Expenditure Review 2004 - Working Paper, an internal working document, is an accessible resource on the spending of provincial departments and has been a valuable instrument in informing the budget allocation process.

Similarly the Local Government Review 2004 - Working Paper, inter alia, revealed the difficulties with regard to intergovernmental fiscal relations.

Key challenges in collaboration with other are: -

- Supporting the National Treasury in unfolding the process of collecting and aggregating non-financial information, the development and introduction of quarterly performance reports integrated with the current financial reporting and the institutionalisation thereof.
- Building analytical capacity both in the Provincial Treasury and provincial departments to gain a deepened understanding from a service delivery perspective of what expenditure performance and budget allocations actually mean. Responses thereto will translate into improved expenditure management because of early detection of issues requiring appropriate intervention.
- Improving financial management in the public sector through continued support of budget reforms related to strategic and performance plans, annual reports, budget statement formats and improving the measurability of objectives, etc.
- In a function/ economic classification context:
 - Education – Monitoring of compensation of employees.
 - Health – Monitoring of specific programmes.
 - Social Services – Monitoring of social security grants and the roll-out of the South African Social Security Agency, Act (Act 9 of 2004).
 - Transfer payments – Monitor that gains are affected to the extent that receiving entities provide greater efficiency, economy and efficacy than would be possible in the transferring department.
- Developing a competent Provincial Treasury with the ability fulfill its responsibilities in terms of the Local Government: Municipal Financial Management Act, 2003 (Act 56 of 2003).
- Optimal placement of functions between the provincial and local spheres of government.

2.5.3 Analysis of constraints and measures planned to overcome them

A policy intervention which will directly influence the sub-programme's performance and put pressure on its resources is the roll-out of the Local Government: Municipal Financial Management Act, 2003 (Act 56 of 2003) and the additional responsibilities to be assigned in terms thereof. It is envisaged that the post of Senior Manager Local Government Finance will be filled by 1 May 2005. Linked hereto is the creation and suitable filling of posts to support the senior manager prior to 1 July 2005. Processes to achieve the latter are in progress.

Limited skills and knowledge levels of existing staff in municipal financial matters is a constraining factor in relation to the implementation of the Local Government: Municipal Financial Management Act, 2003 (Act 56 of 2003). However, the available staff will be participating in the training programmes offered by the National Treasury.

The introduction of performance reports in the IYM system may place an additional burden on existing staff and a job evaluation process needs to be instituted to determine the impact thereof.

2.5.4 Description of planned quality improvement measures

The following quality improvement measures are planned:

- Encourage the development of human capital through, inter alia, the internal bursary scheme and accredited training offered by the National Treasury regarding municipal financial management.
- Create partnerships and networks that will strengthen the links between various components within the Provincial Treasury, provincial departments, municipalities and national counterparts that will improve expenditure analysis.
- Interact regularly and robustly with departments on their IYM expenditure and revenue reports.
- Build relationships between the Provincial Treasury and municipalities one-on-one and through intergovernmental relation structures.
- Build the analytical capacity in the Provincial Treasury and extend that to the offices of chief financial officers in provincial departments.
- Do field trips to do site monitoring.
- Institutionalise the principles/objectives of iKapa Elihlumayo.

2.5.5 Specification of measurable objectives and performance indicators

Please see Table 2.1.

Table 2.1: Programme 2: Sustainable Resource Management

Sub-programme 2.1: Programme Support		Generic Strategic Goal : To facilitate the efficient and co-ordinated administration and management of the programme.						
Strategic Objective	Measurable Objective	Performance Measure Indicator	Actual 2002/03	Actual 2003/04	2004/05 Estimate	2005/06 Budget	2006/07 Target	2007/08 Target
1. Rendering administrative support services to ensure the effective operational management of the programme.	1.1 Smooth and effective functioning of the programme.	Percentage compliance with rules and regulations.	Not applicable.	Not applicable.	Not applicable.	100% compliance.	100% compliance.	100% compliance.
		Percentage compliance to acceptable norms/ standards of service delivery.	Not applicable.	Not applicable.	Not applicable.	70% achieved.	100% achieved.	100% achieved.
		Hours turn around time for management of operational finances, human resources and logistical issues.	Not applicable.	Not applicable.	48 hours.	48 hours.	24 hours.	24 hours.
2. Capacitate and train administrative support and line function staff.	2.1 Trained and capacitated administrative support and line function staff.	Percentage of vacant posts filled.	Not applicable.	Not applicable.	Not applicable.	50% achieved.	100% achieved.	100% achieved.
		Percentage of staff complement trained according to IDPs.	Not applicable.	Not applicable.	Not applicable.	50% achieved.	100% achieved.	100% achieved.
3. Support and promote BBBEE initiatives through administrative functions.	3.1 Achievement of iKapa Elihlumayo goals.	Percentage support and promotion of goals in work environment.	Not applicable.	Not applicable.	Not applicable.	100% support achieved.	100% support achieved.	100% support achieved.
		Percentage procurement in terms of BBBEE.	Not applicable.	Not applicable.	Not applicable.	40%	50%	60%

Sub-programme 2.2: Economic Analysis		Strategic Goal 5: To conduct macroeconomic analysis and render policy advice, i.e. to determine and analyse key economic variables, their interrelation and relevance to the budget (provincial and municipal), the potential for growth and development and the interaction with governmental and revenue patterns, alternative budgeting and other revenue and expenditure scenarios on selected key economic growth and development indicators.						
Strategic Objective	Measurable Objective	Performance Measure Indicator	Actual 2002/03	Actual 2003/04	2004/05 Estimate	2005/06 Budget	2006/07 Target	2007/08 Target
1. Describe the Western Cape economy by determining and analysing key provincial and, where possible, district economic variables and their interrelation.	1.1 Describe the provincial economy.	Timely published PER&O before budget.	Not applicable.	Forerunner, the SER, published.	Publication delayed to March 2005.	PER&O published.	PER&O published.	PER&O published.
2. Determine the sources, potential and constraints for enhanced growth and development in the Western Cape, as framed within iKapa Elihlumayo.	2.1 Determine the sources, potential and constraints for enhanced growth and development in WC.	Timely published PER&O before budget.	Not applicable.	Forerunner, the SER, published.	Publication delayed to March 2005.	PER&O published.	PER&O published.	PER&O published.
3. Assess the impact of various budget (municipal and provincial) policy objectives on selected economic variables, providing a link between the macro, meso and municipal spheres.	3.1 Assess the impact of various budget policy objectives on selected economic variables.	Alignment of departmental activities to iKapa Elihlumayo.	Not applicable.	Not applicable.	Not applicable.	PER&O framing Budget 2005.	PER&O framing Budget 2006.	PER&O framing Budget 2007.
4. Provide technical assistance and training in the application of macroeconomic analysis.	4.1 Provide technical assistance and training.	Planning social dialogue events.	Not applicable.	Publication delayed to March 2005.	Social dialogues.	Social dialogues.	Social dialogues.	Social dialogues.

Sub-programme 2.2: Economic Analysis		Strategic Goal 5: To conduct macroeconomic analysis and render policy advice, i.e. to determine and analyse key economic variables, their interrelation and relevance to the budget (provincial and municipal), the potential for growth and development and the interaction with governmental and revenue patterns, alternative budgeting and other revenue and expenditure scenarios on selected key economic growth and development indicators.						
Strategic Objective	Measurable Objective	Performance Measure Indicator	Actual 2002/03	Actual 2003/04	2004/05 Estimate	2005/06 Budget	2006/07 Target	2007/08 Target
5. Disseminate information to other government and external key stakeholders in the provincial economy and labour market to foster understanding of economic variables and promote steps to enhance economic growth and reduce inequalities.	5.1 Disseminating information to other stakeholders in the provincial economy and labour market.	Publishing of PER&O.	Not applicable.	Not applicable.	Publication delayed to March 2005.	PER&O published.	PER&O published.	PER&O published.
		Engaging in social dialogues.	Not applicable.	Not applicable.	Publication delayed to March 2005.	Social dialogues.	Social dialogues.	Social dialogues.
		Hosting events launch and media briefing.	Not applicable.	Not applicable.	Publication delayed to March 2005.	Social dialogues	Social dialogues.	Social dialogues.
		Producing iKapa Elihlumayo quarterly bulletin.	Not applicable.	Not applicable.	4 Publications.	4 Publications.	4 Publications.	4 Publications.
		Developing iKapa Elihlumayo web-page.	Not applicable.	Not applicable.	Not applicable.	50% completed.	100% completed.	100% completed.
	5.2 Assessing socio-economic relevance of municipal IDPs.	IDPs that reflect the true socio-economic needs in each municipality.	Not applicable.	Not applicable.	Not applicable.	Not applicable.	40%	60%

Sub-programme 2.3: Fiscal Policy		Strategic Goal 6: To enable the provincial government to finance its service delivery obligations.						
Strategic Objective	Measurable Objective	Performance Measure Indicator	Actual 2002/03	Actual 2003/04	2004/05 Estimate	2005/06 Budget	2006/07 Target	2007/08 Target
1. Administer the medium-term revenue planning process.	1.1 Robust participation on the TCF, PES and CG working groups.	Position papers, policy briefs, reports and memos.	Not applicable.	100%	100%	100%	Optimised transfers from National government.	Optimised transfers from National government.
2. Assess and optimise both the vertical and horizontal (equitable shares and conditional grants) from national.	2.1 Analytical position paper analysing PES and CG transfers.	Timeous submission of informative and accurate reports to HoPT and MEC	Not applicable.	Not applicable.	Quarterly reports. Memos.	Quarterly reports. Memos.	Quarterly and monthly reports. Memos.	Quarterly and monthly reports. Memos.
	2.2 Framework position paper with respect to the Fiscal Governance.	Position papers, policy briefs, reports and memos.	Not applicable.	Not applicable.	Proposals submitted and accepted.	Final report.	Study complete.	Study complete.
3. Assess and optimise the Western Cape's present own revenue base.	3.1 Analytical provincial own revenue position papers.	Semi-final and final own revenue paper and quarterly reports timeously submitted.	Not applicable.	Not applicable.	Semi-final own revenue paper (inclusive of reports and memos).	Final own revenue paper (inclusive of reports and memos).	Final own revenue paper (inclusive of reports and memos).	Final own revenue paper (inclusive of reports and memos).
4. Ensure effective and efficient management of debtors.	4.1 Analysis of debtor reports.	Detailed analysis of debtors.	Not applicable.	Not applicable.	Final report on analysis of debtors.	Continuous	Continuous	Continuous
	4.2 Quarterly IYM debtors reports.	Quarterly reports.	Not applicable.	Not applicable.	4 Quarterly reports on debtors.	Continuous	Continuous	Continuous

Sub-programme 2.3: Fiscal Policy		Strategic Goal 6: To enable the provincial government to finance its service delivery obligations.						
Strategic Objective	Measurable Objective	Performance Measure Indicator	Actual 2002/03	Actual 2003/04	2004/05 Estimate	2005/06 Budget	2006/07 Target	2007/08 Target
5. Ensure effective and efficient development of provincial own revenue, whether user charges or provincial taxes, levies and duties.	5.1 Initiation of revenue estimation model process.	Accurate own revenue forecasting.	Not applicable.	Not applicable.	Revenue estimation model.	Initiation of model and develop adaptation.	Model complete.	Model complete.
6. Ensure effective and efficient development of the Western Cape's borrowing capacity.	6.1 Presentation of fuel levy proposal to the various stakeholders.	Implementation of fuel levy 06/07.	Not applicable.	Not applicable	Not applicable	Finalisation of fuel levy proposal.	Implementation of the fuel levy.	Continued implementation of fuel levy.
	6.2 Approval of the fuel levy by national treasury and provincial legislature.	Implementation of fuel levy 06/07.	Research into feasibility of fuel levy.	Research into feasibility of fuel levy.	Approval of fuel levy by provincial legislature.	Approval of fuel levy by NT.	Implementation of fuel levy (revenue R300 million)	Continued use of fuel levy as revenue source.
	6.3 Research into the feasibility of the bed levy.	Implementation of bed levy.	Not applicable.	Not applicable.	Commencement of bed levy feasibility study.	Continuation of bed levy feasibility study.	Continuation of bed levy feasibility study.	Implementation of the bed levy.
	6.4 Proceed to cancel the present bed levy tender and initiate a process.	Cancellation of present bed levy tender.	Not applicable	Not applicable.	Cancellation of present bed levy tender.	Cancellation of present bed levy tender.	Not applicable.	Not applicable.
	6.5 Exploring new potential tax sources.	Identification of viable revenue sources. Discussions with departments on viability.	Not applicable.	Not applicable.	Decide on final basket of potential taxes	Start process of implementation.	Implementation.	Implementation.
7. Administer gambling and racing matters.	7.1 Liaison with gambling board including monthly engagements.	Smooth and efficient running of the Western Cape Gambling and Racing Board.	Not applicable.	Database compiled.	Analyse trends.	Assess measures to increase own revenue.	Implement potential revenue raising measures.	Assess revenue trends and take "action".

Sub-programme 2.3: Fiscal Policy		Strategic Goal 6: To enable the provincial government to finance its service delivery obligations.						
Strategic Objective	Measurable Objective	Performance Measure Indicator	Actual 2002/03	Actual 2003/04	2004/05 Estimate	2005/06 Budget	2006/07 Target	2007/08 Target
7. Administer gambling and racing matters. <i>(continued)</i>	7.2 Liaison with SCOF, HOT, and MEC regarding the Western Cape Gambling and Racing Board.	Smooth and efficient running of the Western Cape Gambling and Racing Board.	Not applicable.	Database compiled.	Analyse trends.	Assess measures to increase own revenue.	Implement potential revenue raising measures.	Assess revenue trends and take "action".
8. Assess revenue trends, compile and submit revenue reports.	8.1 Monthly and quarterly IYM revenue reports.	Advanced analysis of own revenue.	Not applicable.	Not applicable.	IYM reports.	Continuous.	Continuous.	Continuous.
9. Determine an overall financing envelope for MTEF.	9.1 Liability statements (guarantees and loans).	Contingent Liability Statement.	Not applicable.	Not applicable.	Finalisation of the Contingent Liability Statement.	Not applicable.	Not applicable.	Not applicable.
10. To assess viability of municipal revenue budgets.	10.1 Assess viability of municipal revenue budgets to ensure sustainability.	Effective lines of communications and unified actions.	Not applicable.	Not applicable.	Not applicable.	Not applicable.	60% acceptance by Councils.	80% acceptance by Councils.

Sub-programme 2.4: Budget Management		Strategic Goal 7: To promote effective financial resource allocation.						
Strategic Objective	Measurable Objective	Performance Measure Indicator	Actual 2002/03	Actual 2003/04	2004/05 Estimate	2005/06 Budget	2006/07 Target	2007/08 Target
1. To promote and facilitate performance monitoring in provincial departments and municipalities in conjunction with similar processes undertaken by the Department of the Premier, Department of Local Government and Housing and the National Treasury.	1.1 Compile annual medium-term budget policy objectives targeted to reduce socio-economic disparities, achieve synergy, improve financial management of resources and promote integrated governance.	Submission of provincial medium-term budget policy statement to the Executive and Provincial Parliament.	Western Cape Fiscal Policy (WCFP) 2003 – 2006.	WC-MTBPS accepted by executive and tabled during November 2003. The Efficacy Review 2003 was also internally published.	WC-MTBPS 2005 – 2008 accepted by executive and tabled during November 2004. The SDR 2004 (working paper) was also internally published.	WC-MTBPS 2006 - 2009.	WC-MTBPS 2007 - 2010.	WC-MTBPS 2007 - 2010.
		Meeting of all due dates and timely corrective measures.	100% compliance.	Due dates met in relation to time schedule.	100% compliance.	100% compliance.	100% compliance.	100% compliance.
	1.2 Proposing of allocations per function to ensure realisation of policy priorities.	Acceptance of allocations by the Executive and Provincial Parliament.	Tabled budget 2003.	Allocations in line with iKapa Elihlumayo policy objectives accepted by executive during December (pre-final allocations) and February (Final allocations).	Allocations in line with iKapa Elihlumayo policy objectives accepted by executive during December (pre-final allocations) and February (Final allocations).	Outcome based allocations (70% phased in).	Outcome based allocations (100% phased in).	Outcome based allocations (100% phased in).

Sub-programme 2.4: Budget Management		Strategic Goal 7: To promote effective financial resource allocation.						
Strategic Objective	Measurable Objective	Performance Measure Indicator	Actual 2002/03	Actual 2003/04	2004/05 Estimate	2005/06 Budget	2006/07 Target	2007/08 Target
1. To promote and facilitate performance monitoring in provincial departments and municipalities and should be done in conjunction with similar processes undertaken by the Department of the Premier, Department of Local Government and Housing and the National Treasury. <i>(continued)</i>		Ensure budget allocations are in line with policy goals.	Allocations aligned with the WCFP 2003 –2006.	Allocations aligned with the WCFP 2004 –2007.	Allocations aligned with the WC-MTBPS 2005 – 2008.	Allocations aligned with the WC-MTBPS 2006 – 2009.	Allocations aligned with the WC-MTBPS 2007 – 2010.	Allocations aligned with the WC-MTBPS 2007 – 2010.
		Meeting of all due dates and timely corrective measures.	100% compliance.	Due dates met in relation to time schedule.	Due dates met in relation to time schedule.	100% compliance.	100% compliance.	100% compliance.
	1.3 Establishment of managerial and co-ordinating intergovernmental structures related to financial matters.	Percentage development to establish a fully functional structure.	Not applicable.	Not applicable.	50% functional.	70% functional.	100% functional.	100% functional.
	1.4 Organise, facilitate and report on regular assessments of departments' and municipalities' performance.	Quarterly assessment meetings are organised, conducted and reported on.	Not applicable.	Not applicable.	Not applicable.	Four quarterly reports.	Four quarterly reports.	Four quarterly reports.

Sub-programme 2.5: Public Finance		Strategic Goal 8: To ensure efficient budget management.						
Strategic Objective	Measurable Objective	Performance Measure Indicator	Actual 2002/03	Actual 2003/04	2004/05 Estimate	2005/06 Budget	2006/07 Target	2007/08 Target
Provincial Government Finance								
1. Provide policy advice, effective technical and strategic support and a change agent service to provincial departments and municipalities.	1.1 Budget in line with national and provincial policy goals.	Provincial benchmark exercise.	1 assessment.	1 assessment.	1 assessment.	1 assessment.	1 assessment.	1 assessment.
		Bilateral medium term expenditure committee hearings.	2 assessments.	2 assessments.	2 assessments.	2 assessments.	2 assessments.	2 assessments.
2. Improve input-output sequencing of information and the quality of the latter within the budget processes.	2.1 Credible budgets.	Bilateral medium term expenditure committee hearings.	14 reports.	14 reports.	14 reports.	13 reports.	13 reports.	13 reports.
		Expenditure Review.	1 review	1 review.	1 review.	1 review.	1 review.	1 review.
	2.2 Tabling of the annual budget.	Submission of budget documentation in line with prescribed formats and timelines to the Provincial Parliament.	February	February	February	February	February	February
	2.3 Tabling of the adjustments budget.	Submission of budget documentation in line with prescribed formats and timelines to the Provincial Parliament.	November	November	November	November	November	November
3. Develop effectiveness of in-year expenditure monitoring systems towards monitoring financial and non-financial performance indicators.	3.1 Effective and quality IYM of expenditure.	Prescribed reporting i.t.o. both sections 32 and 40 of PFMA.	14 reports x 4.	14 reports x 4.	14 reports x 4.	13 reports x 4.	13 reports x 4.	13 reports x 4.
		Non-prescribed reporting in development.	14 analytical reports x 4.	14 analytical reports x 4.	14 analytical reports x 4.	13 analytical reports x 4.	13 analytical reports x 4.	13 analytical reports x 4.
			Not applicable.	Not applicable.	Not applicable.	Pilot	13 performance reports x 4.	13 performance reports x 4.

Sub-programme 2.5: Public Finance		Strategic Goal 8: To ensure efficient budget management.						
Strategic Objective	Measurable Objective	Performance Measure Indicator	Actual 2002/03	Actual 2003/04	2004/05 Estimate	2005/06 Budget	2006/07 Target	2007/08 Target
3. Develop effectiveness of in-year expenditure monitoring systems towards monitoring financial and non-financial performance indicators. (continued)		Developed efficiency indicators/ratios.	Not applicable.	Not applicable.	Not applicable.	Indicators/ratios for Education, Health, Social Services and Poverty Alleviation, Transport and Public Works	Indicators/ratios for Agriculture, Housing and Local Government, Environmental Affairs and Development Planning	Not applicable.
		Functional database.	Maintenance of database with financial information.	Maintenance of database with financial information.	Maintenance of database with financial information.	Maintenance of database with financial information.	Maintenance of database with financial information.	Maintenance of database with financial information.
			Not applicable.	Not applicable.	Not applicable.	Develop database with non-financial information. Phase 1.	Develop database with non-financial information. Phase 2.	Develop database with non-financial information. Phase 3.

Sub-programme 2.5: Public Finance		Strategic Goal 8: To ensure efficient budget management.						
Strategic Objective	Measurable Objective	Performance Measure Indicator	Actual 2002/03	Actual 2003/04	2004/05 Estimate	2005/06 Budget	2006/07 Target	2007/08 Target
Local Government Finance								
4. Strengthen the institutional capacity, inclusive of professionalism, skills, knowledge, motivation, attitudes, integration, and values.	4.1 Implementation of the MFMA.	Readiness to perform the provincial treasury responsibilities.	Not applicable.	Not applicable.	Not applicable.	Central	Partly Central	Desentralised
		Assist with monitoring nominal and substantive compliance in accordance with National Treasury guidelines.	Not applicable.	Not applicable.	Not applicable.	24-30 municipalities.	24-30 municipalities.	24-30 municipalities.
5. Develop intra Department, intra provincial, inter provincial and government co-ordinating structures and systems.	5.1 Functional intra and inter governmental co-ordinating structures and institutions (forums) that relate to planning and financial matters.	Percentage development to establish fully functional structures.	Not applicable.	20% functional Municipal budgeting and Technical forum.	50% functional Municipal budgeting and Technical forum.	70% functional Municipal budgeting and Technical forum.	80% functional Municipal budgeting and Technical forum.	100% functional Municipal budgeting and Technical forum.
			Not applicable.	Not applicable.	Not applicable.	20% functional Municipal CFO forum.	50% functional Municipal CFO forum.	70% functional Municipal CFO forum..
6. Facilitate the optimal vesting of functions between the provincial and local spheres of government.	6.1 Facilitated vesting of functions between provincial and local government.	Appropriate authorisation.	Not applicable.	Not applicable.	Not applicable.	28 functions w.r.t. position statement.	28 functions w.r.t. position statement.	28 functions w.r.t. position statement.

Sub-programme 2.5: Public Finance		Strategic Goal 8: To ensure efficient budget management.						
Strategic Objective	Measurable Objective	Performance Measure Indicator	Actual 2002/03	Actual 2003/04	2004/05 Estimate	2005/06 Budget	2006/07 Target	2007/08 Target
7. Deepen the analysis of budget votes, i.e. in content and profile.	7.1 Effective monitoring of monthly outcome of municipal budgets.	Prescribed reporting.	Not applicable.	Not applicable.	Not applicable.	24-30 municipality reports x 9.	24-30 municipality reports x 12.	24-30 municipality reports x 12.
	7.2 Determine extent to which municipal budgets are aligned with broad national and provincial priorities.	Analysis of municipal budgets.	Not applicable.	Not applicable.	Not applicable.	24-30 budgets.	24-30 budgets.	24-30 budgets.
		Local Government Review.	1 review.	1 review.	1 review.	1 review.	1 review.	1 review.

2.6 Reconciliation of budget with plan

Table 2.2: Programme 2: Sustainable Resource Management budget by sub-programme (R'000)

Programme 2: Sustainable Resource Management								
Sub-programme	Year – 2 2002/03 (actual)	Year – 1 2003/04 (actual)	Base year 2004/05 (estimate)	Average annual change (%)	Year 1 2005/06 (MTEF projection)	Year 2 2006/07 (MTEF projection)	Year 3 2007/08 (MTEF projection)	Average annual change (%)
Programme Support					2,041	2,145	2,253	0.00
Economic Analysis		1,755	1,686	0.00	2,671	3,821	3,829	31.44
Fiscal Policy	5,973	6,942	2,525	-34.98	4,141	4,353	4,571	21.88
Budget Management	2,198	1,725	2,699	10.81	3,329	5,527	5,437	26.29
Public Finance	4,336	4,015	5,021	7.61	5,677	12,838	11,972	33.60
Total	12,507	14,437	11,931	-2.33	17,859	28,684	28,062	32.99

For the financial years 2002/03 to 2004/05 the average spending trend indicated a decline of over 2%. This is mainly due to the Western Cape Gambling and Racing Board not requiring any transfer payments for 2004/05 as a result of increased own revenues. The substantial increase (21%) at sub-programme: Public Finance (Local Government) is indicative of the establishment and expansion of this function. Over the MTEF the development and building of local government finance capacity is further confirmed with an average increase of almost 34%.

3. Programme 3: Asset and Liabilities Management

This programme's aim is to provide policy direction, facilitating the effective and efficient management of physical and financial assets, PPPs and liabilities.

The programme is structured in the following four sub-programmes:

Programme Support

To facilitate the efficient and co-ordinated administration and management of the programme.

Asset Management

To facilitate the effective and efficient management of physical and financial assets and to elicit sustainable PPP projects.

Liabilities Management

To facilitate the effective and efficient management of liabilities.

Supporting and Interlinked Financial Systems

To provide for the oversight and management of existing financial systems and the transition to the Integrated Financial Management System (IFMS) enhancing compliance with the PFMA and other relevant legislation.

The detailed review for this programme: Asset and Liabilities Management is included in the Financial Management Review, 2004. This Management Review provides in-depth information and insight on what was achieved during this financial year, and the strategic thrust of the various sub-programmes within this programme.

a. Specified policies, priorities and strategic objectives

In brief the programmes' strategic objectives have to do with the optimising of Provincial Asset Management and obtaining full value from the Province's physical assets.

This includes:

- The effective and efficient management of financial assets and eliciting of sustainable PPP projects, including technical, strategic support and training to provincial departments and municipalities where applicable.
- Provision of strategic leadership. Support and development of guidelines to ensure effective supply chain management of goods and services and immovable assets.
- Building the necessary capacity in the Provincial Treasury for PPP assessment and to facilitate and provide developmental technical assistance and support to departments on all PPP projects in progress.
- Establishment of the necessary structures to service loans and guarantees and the implementation of policies for effective management of assets and liabilities, and to strengthen and provide technical and strategic support to provincial departments and municipalities.

- To provide for the effective and efficient management and implementation of existing financial systems, management of SITA costs and the transition to the IFMS, enhancing compliance with the PFMA and other relevant legislation.

b. Progress analysis

The programme support unit will only be established during the 2005/06 financial year.

Financial Asset Management is responsible for the management and control of the Provincial Revenue Fund, ensuring all departmental bank accounts remain minimally cash positive on a daily basis and optimising on interest revenue derived from prudent investments with financial banking institutions. The intergovernmental cash co-ordination (IGCC) spurred by National Treasury is envisaged to be implemented by 1 April 2005, whereby equitable share and conditional grants will be credited directly to an account held at the Corporation for Public Deposits (CPD).

Physical Asset Management encompasses both movable assets (goods and services), previously known as Supply Chain Management (SCM) and immovable assets. The Movable Assets unit, during the 2004/05 financial year, was responsible for implementing SCM within the Provincial Government, developing Provincial Treasury Instructions and practice notes and facilitated the arrangements of transversal contracts.

The Immovable Assets unit during the 2004/05 financial year provided support for the implementation of the new framework “toolkit” for infrastructure best practices. It also engaged Public Works on specific areas on Property Management to be monitored by Provincial Treasury and conducted the assessment of the Infrastructure Budget shift from Public Works to the departments of Health and Education.

During the 2004/05 financial year the PPP unit facilitated, provided assistance, advice, guidance and support to departments during the various stages of the PPP processes. Further the unit had preliminary discussions with the departments of Transport and Public Works and Education on the possibility of the construction of “schools” via the PPP mechanism.

The Financial Systems unit was responsible for the implementation of PERSAL and BAS at all provincial departments and LOGIS at 62 institutions, and rendered user support and training to core and non-core users in excess of 7000 users.

c. Analysis of constraints and measures planned to overcome them

The credibility of departmental cash projections is a major constraint faced by the Financial Asset Management, sub-programme. To address this constraint the sub-programme will ensure that departments are guided by previous expenditure trends, outstanding commitments and new projects, etc. when compiling their annual projections for the Provincial Treasury.

The capacitation of provincial departments SCM units with the appropriately skilled persons is a constraint currently faced by the Movable Assets unit. Ongoing support, guidance and facilitation of accredited ad hoc courses to

address inefficiencies will be a part of the provincial drive to combat this problem.

With the implementation of the MFMA, this unit would now need to provide assistance, guidance and advice to municipalities from the 2005/06 financial year onwards. Capacitation in this regard is dependent on available funding, which is limited and could stifle progress.

The time consuming process currently experienced in the awarding of contracts together with the inadequacy of proper feasibility studies are major concerns for the Movable Assets unit. An assessment of existing procedures to identify systemic problems will need to be undertaken and alignment to the infrastructure development improvement programme could further contribute to alleviating such concerns.

The PPP unit faces a major concern regarding lack of capacity and skills required in this particular field of work. An endeavour will be made by the unit to address the skills gaps by ensuring that appropriate training is made available. Further, due to the relatively new nature of PPPs, departments reluctance to pursue this mechanism for infrastructure delivery will also need to be addressed. To dispel resistance, the PPP unit will embark upon workshops, seminars, newsletters, and consultative engagements with specific departments.

The supporting and interlinked financial systems component is confronted with the lack of skills and competencies of users utilising the online systems of BAS and PERSAL, the limited capacity of the network to accommodate the high volume of data and the availability of appropriate staff and funds to implement LOGIS at the remaining sites. The unit will provide continuous training, re-training and assistance where necessary, and monitor on a daily basis the network in conjunction with the Center for e-Innovation and SITA. Further pre-implementation assessments and management meetings of further LOGIS sites will be held to identify and address shortcomings.

d. Description of planned quality improvement measures

The lowering of the existing 2% deviation between the funding and the actual expenditure flowing through departmental bank accounts will further enhance cash flow management. Investment risk will be transferred to the CPD from 1 April 2005 with the implementation of the IGCC.

Ongoing refinement of best procurement practices, use of service level agreements to elevate contract management and reduce risk for government, compliance monitoring procedures to address non-compliance and restructuring of the Movable Asset unit to address the additional responsibilities of local and provincial government will be embarked upon as quality improvement measures within this unit.

The roll-out of the Infrastructure Delivery Improvement Programme (IDIP) and monitoring thereof, shift of the infrastructure budget from Public Works to client departments and the monitoring and refinement of existing procurement processes to alleviate bottlenecks are the main quality improvement measures to be implemented by the Immovable Assets unit.

The fostering and exchange of ideas on PPPs with key role players, promotion and involvement of the private sectors in PPP projects and the capacitation of the

unit with the appropriate skills and competencies will be embarked upon by this unit towards quality improvement.

Bridging finance, if required through the sub-programme: Liabilities Management, could be obtained with relative ease from the CPD with a much lower interest rate than at other financial institutions.

The sub-programme: Supporting and Interlinked Financial Systems will continuously pursue the daily monitoring of the various transversal systems to ensure functionality, availability, smooth and timeous interfacing of various sub-systems, proper maintenance and acceptable up-time of the networks with appropriate action and effective address of problems where necessary.

3.1 Programme 3.1: Programme Support

3.1.1 Specified policies, priorities and strategic objectives

Generic Strategic goal: To facilitate the efficient and co-ordinated administration and management of the programme.

Strategic objectives:

1. Render administrative support services to ensure the effective and efficient operational management of the programme.
2. Capacitate and train administrative support to fulfill line function responsibilities.
3. Support and promote BBBEE initiatives through administrative functions.

3.1.2 Progress analysis

Not applicable.

3.1.3 Analysis of constraints and measures planned to overcome them

This sub-programme will only be established and capacitated during the 2005/06 financial year and will be mainly responsible for administrative support regarding the human resources, financial, logistical and related administrative management activities of the relevant programme.

3.1.4 Description of planned quality improvement measures

Appoint and train suitable candidates and ensure proper procedure and process mapping of all activities within Asset and Liabilites Management.

3.1.5 Specification of measurable objectives and performance indicators

Please see Table 3.1.

3.2 Programme 3.2: Asset Management

3.2.1 Specified policies, priorities and strategic objectives

Strategic goal 9: To facilitate the effective and efficient management of physical and financial assets and to elicit sustainable PPP projects.

Strategic objectives:

Asset Management

Financial Asset Management

1. Ensure effective control and management of the Provincial Revenue Fund.
2. Render effective technical, strategic support and training to provincial departments and local government where applicable.
3. Compliance with the PFMA, MFMA, accounting policies, regulations and guidelines.

Physical Asset Management (Movable and Immovable Assets)

Movable Assets

1. Develop and implement provincial treasury instructions and guidelines to ensure effective supply chain management of goods and services.
2. Provide strategic leadership and guidance in the supply chain management of goods and services.
3. To strengthen and render effective, technical and strategic support to departments, public entities, municipalities and municipal entities.
4. Monitor compliance with legislative framework.

Immovable Assets

1. Establish Infrastructure Programme Units.
2. To strengthen and render effective, technical and strategic support to departments, public entities, municipalities and municipal entities.
3. Provide strategic leadership and guidance in immovable assets.
4. To address capacitation and training needs.
5. Monitor compliance within legislative framework.

Public Private Partnerships (PPP's)

1. Build the necessary capacity in the Provincial Treasury to take over all PPP assessment related responsibilities from the National Treasury.
2. Assess PPP projects in progress; monitor and enforce compliance with legislation.
3. Facilitate and provide developmental technical assistance and support to departments on all PPP projects in progress.
4. Identify new PPP opportunities.

3.2.2 Progress analysis

Financial Asset Management

This sub-programme is responsible for the management and control of the Provincial Revenue Fund that consists of the Provincial Exchequer Account and fourteen departmental banking accounts known as Paymaster General Accounts including the Provincial Parliament. Each provincial department has a Paymaster General Account, which is funded on a daily basis from the Provincial Exchequer Account in terms of daily cash flow inputs from the various departments.

The cash management system of the provincial banker, to which the province has a direct link, is utilised to perform such electronic transfers. Once the daily cash flow has been finalised, any moneys, that are not immediately required to defray expenditure are invested at various financial institutions, in terms of an internal investment policy.

During the past financial year, the group of banking accounts remained cash positive, capital and interest were repaid on maturities and interest on investments exceeded the appropriated budget figures.

One of the main challenges is that the accounts within the provincial and local government spheres remain minimally cash positive on a daily basis which ensures that no overdrawn situation occurs at any time.

A further challenge facing this sub-programme is to ensure that departments, in terms of section 40(4) (a) of the PFMA submit credible projections of expenditure annually.

The current bank tender theoretically expires on 31 March 2007, although provision exists for another year, and the challenge facing this sub-programme is the implementation process involved, should a different financial institution be the successful tenderer.

The implementation of the MFMA with effect from 1 July 2004 has added a further challenge to the current provincial cash flow framework, in that it is expected of this sub-programme to provide an advisory and monitoring role in respect of local government cash flow management. Thus far, in terms of the Act, a database of primary banking account details, contact names and details of each municipality has been established and it is envisaged that this sub-programme will play an integral role in cash flow management in future.

In addition to this the National Treasury initiated a proposal viz. the IGCC initiative, whereby the equitable share and conditional grants earmarked for Provinces are credited directly to an account held at the CPD. Provisional indications are that all provinces will be required to form part of this mechanism by 1 April 2005. The challenges would be the smooth implementation of this mechanism and to achieve or exceed our projected budgeted interest figure.

Physical Asset Management

Movable Assets

Supply chain management is an integral part of financial management and seeks to address the gap between the traditional methods of procuring goods and services, the control thereof and obsolescence planning.

Departments rely on the unit to:

- Provide strategic direction for supply chain management.
- Develop best practices to reduce the procurement unit cost.
- Facilitate the arrangement of transversal contracts to ensure uniformity and to take full advantages of economies of scale.
- Develop the necessary norms and standards to facilitate efficient physical asset management.
- To build capacity within the respective SCM units.

During the 2004/05 financial year the sub-programme was responsible to:

- Implement supply chain management within the provincial administration.
- Prepare departments to take over procurement related functions after the abolishment of the Tender Board.
- Assist departments with the establishment of supply chain units.
- Integrate the interim website for the advertising of provincial tenders with the Cape Gateway portal.
- Maintain the Western Cape Supplier Database in conjunction with the Unicity.
- Develop further Provincial Treasury instructions and supply chain management practice notes.
- Establish and implement the SCM forum.
- Engage departments with regard to the implementation of an asset register per department.

Main challenges facing the sub-programme include:

- Minimise procurement related costs.
- Elevate supply chain management in Provincial and Local government.
- Develop skillful supply chain management practitioners on Provincial and Local level.
- Obtain buy-in from departments and municipalities to promote and implement BBBEE.
- Monitor departments, public entities and municipalities adherence to SCM norms and standards.
- Develop and implement a complaints mechanism for the Province.
- To implement/introduce the regulatory framework on SCM in municipalities.
- To implement the SCM module of the IFMS.

Immovable Assets

Efficient and effective public sector spending is fundamental to infrastructure delivery, government's development and empowerment objectives. Further, public sector spending stimulates private sector capital investment, social and economic growth.

There are clear indications that despite increased budget allocations, actual spending on infrastructure is declining due to systemic bottlenecks, red tape, inadequate and inappropriately skilled capacity and the inertia of inherited procurement procedures that limit initiative and innovation. In short, departments within the province are inadequately equipped to address the current delivery challenges. Under spending affects the sustainability of the construction industry and government's developmental objectives.

Land and buildings of government structures are valuable assets that were divisively utilised in the past. These assets should be optimally utilised to undo the negative legacies and create an integrated society within which every individual is empowered to live and participate on an equal footing.

Departments rely on the unit to:

- Provide strategic direction to the management and implementation of immovable asset management.
- Develop best practice guidelines on infrastructure procurement and delivery management.
- Provide guidance to the management and implementation of the Infrastructure Delivery Improvement Programme (IDIP).
- Co-ordinate and promote alignment of IDIP activities.
- Develop the necessary norms and standards to facilitate efficient immovable asset management.
- Assist in capacity building.

During the 2004/05 financial year the sub-programme was responsible to:

- Promote good governance and socio-economic outcomes.
- Support the new framework "toolkit" for best practice guidelines.
- Monitor reports on spending on infrastructure projects.
- Facilitate Provincial Programme Steering Committee (PPSC).
- Engage with Public Works on specific areas indicated in the White Paper on Property Management.
- Conduct assessment report of shifting of budget and functions from Public Works.
- Facilitate refinement processes on infrastructure reporting.
- Evaluate submissions for property disposal, acquisitions, transfers and donations.

Main challenges facing the sub-programme include:

- The development of skillful property management practitioners.
- Inconsistent and time consuming procurement procedures.
- Lack of co-ordinated and structured management processes of infrastructure projects.
- Inadequate feasibility studies.
- Capacitation shortages.
- Poor forward planning of infrastructure projects.
- Poor contract administration.
- Budget and time over runs on infrastructure projects.

- Delayed completion and poor quality control.
- Insufficiency of project plans (poor delivery and slow spending).
- Promote utilisation of projects function cost spent on the BAS system.
- Inability to obtain acceptable reasons on deviation for infrastructure projects.
- Attainment of socio-economic objectives.
- Lack of appropriate management systems.

Public Private Partnerships (PPPs)

Public private partnerships (PPPs) are co-operative arrangements between the public and private sector. PPPs are considered as an alternative procurement/acquisition option to service delivery; investment and management of infrastructure. The increase in the formation of partnerships suggests that the public and private sectors are now working more closely in the provision of services and infrastructure. The pursuance of PPP initiatives is necessary to address socio-economic problems and infrastructure backlogs, enhance service delivery and increase revenue in the Province.

PPP unit's role:

- The PPP unit provides a means by which effective PPP deal flow can be co-ordinated within the province. It plays an active role in streamlining and dedicating the flow of funds originating from different departments. Knowledge and information exchange across the Western Cape provincial departments and public entities are facilitated through the maintenance of close working relationships with the procuring department across the full range of PPP procurement activity.
- Departments are the key drivers of the PPP projects and retain responsibility for progressing with the projects in terms of the PPP regulations and remain accountable for service delivery and infrastructure procurement.
- The MFMA includes a clear framework for municipal PPPs. National Treasury is responsible for the regulatory framework for municipal PPPs. Similarly to national and provincial PPPs, municipal PPPs are required to provide value for money, present an appropriate allocation of risks between the contracting parties and be affordable in terms of current and projected budgets.

Achievements of the sub-programme during the 2004/05 financial year:

- The Provincial Government is currently engaged in a number of partnerships, which varies in scope, nature and levels of private sector participation. Service delivery via the PPP mechanism varies across departments and featured projects primarily in the toll road, eco-tourism and health sectors. The operational aspects of projects being advanced in the health services involve the delivery of support or ancillary services associated with facilities by the private sector. The Provincial Treasury PPP unit facilitate and provide assistance and support to departments at various stages of the PPP procurement process of the following projects: Lentegeur Rehabilitation Hospital; Swellendam Hospital; and Hermanus Hospital.
- The current environment on PPP initiative was assessed through a 360 degree questionnaire and the concept diffused by way of a PPP circular. Structured and loosely structured interviews were held to get direct feedback from accounting officers and project managers.

- Fiscal constraints where the importance of education and timeous and effective delivery of classrooms/schools that have prompted the Provincial Treasury to take the lead to influence the building of schools via the PPP mechanism. It has drafted and submitted a pre-feasibility guideline document to the Department of Transport and Public Works for discussion and met with the latter and the Western Cape Education Department on the subject and advised National Treasury of intent.
- The Provincial Treasury is in the process to build the full range of functional and developmental technical skills necessary to take over all PPP functional and assessment related responsibilities from the National Treasury in the near future. The Provincial Treasury PPP unit conducted a skills gap analyses of the local unit to identify the full range of skills required to ultimately acquire accreditation to grant formal Treasury approval. The Provincial Treasury facilitated the National Treasury capacity survey project, which will serve as the basis for a capacity building strategy.
- In its quest to strengthen capacity, health PPP workshops were attended and a unit official actively participated as a team member in the drafting of the eco-tourism toolkit. The official also functioned as a member on the bid evaluation committee for the evaluation of the eco-tourism consultants.
- The unit staff also provides post implementation assistance on the Chapmans Peak Toll Road. It further attended site visits, assessed the toll collection process, reviewed, gave input and provided technical, functional and strategic support on the signing off on the Second Amending Agreement of the Chapmans Peak project.
- Data naturally generated by the project are collected, collated and compared with original plans. Data have been collected from the start of the projects, minutes and their appendices, from planning and steering group meetings.
- The legal and regulatory environment for PPPs have evolved over time with the following new additions to the existing legislation tailored to the provision of PPPs. These additions are the Standardised Public Partnership Provisions and the Public Private Partnership Manual and Code of Good Practice for BEE in PPPs.

Key challenges facing the unit are:

- Building capacity and skills required for PPP implementation.
- Creation of an optimal structure of the Provincial Treasury PPP unit to align with National Treasury's new reporting structures and to supplement the Infrastructure component.
- Address the reluctance to participate in implementing programmes due to PPP's inherent constraints and uncertainties on roles and responsibilities.
- Identification of new PPP opportunities within the unutilised Provincial property portfolio.

3.2.3 Analysis of constraints and measures planned to overcome them

Asset Management

Financial Asset Management

The major challenge facing this sub-programme is to ensure that departments, in terms of section 40(4) (a) of the Public Finance Management Act, 1999 submit annual

credible projections of expenditure. If departmental projections are not credible i.e. more funds are expended than actually projected, an overdrawn situation could occur. In contrast, if projections are inflated, it may necessitate borrowing funds in the form of bridging finance from the CPD or utilising an overdraft facility from the provincial banker at higher interest rates. Although a daunting task, departments will be encouraged to utilize previous expenditure trends, outstanding commitments and new projects when compiling and submitting their annual projections to the Provincial Treasury. Remedial measures will include the monthly monitoring of projections versus actual drawings and the reporting thereon. A request will be made to departments to make prior arrangements with the Provincial Treasury in the event of expected variances and to revise such projections on a quarterly basis.

This component needs to build capacity to take over the responsibility in respect of bank accounts control, cash flow analysis and withdrawals relating to municipalities as required in the MFMA.

Physical Asset Management

Movable Assets

The existing level of expertise in supply chain management units within departments are not at an acceptable standard. To this end, the Provincial Treasury will as far as possible assist departments with capacity building. Ad-hoc courses for SCM practitioners at departments have already been arranged as an interim measure. Accredited service providers will provide formal courses. National Treasury in consultation with the provincial treasuries are in the process of inviting proposals for the recruitment of service providers to develop courses on SCM. The idea would be to accredit and validate these service providers' material for possible presentation of courses to SCM practitioners in the province.

The Provincial Treasury in addition, will provide support to departments, their bid committees and SCM units by way of advice and guidance on SCM related matters.

A further constraint, is the lack of an integrated supply chain management system, and decision by the National Treasury to put a moratorium on the acquisition of any interim system, resulting in the delay in pursuance of best practices. The Provincial Treasury as part of the TCF workgroup is involved in the process of finalising the requirements for an IFMS for the national and provincial government spheres as a whole.

The current staff complement in the directorate will not be sufficient for both the provincial and local government. The unit is currently in the process to advertise/fill all existing vacancies.

Immovable Assets

The challenges faced by the component are the lack of skillful immovable asset practitioners. As this unit is at an early stage of development, personnel are still aligning to the objectives set by the sub-programme. Personnel will be capacitated over time according to an agreed development plan. The time consuming process currently in existence in departments posed major challenges to departments for the timeous awarding of contracts. An assessment of the existing procedures will have to be undertaken to identify systemic problems which will have to be and addressed accordingly.

The PPSC will play an integral role in managing the IDIP in the province. The recommended work processes described in the IDIP will contribute to a more coordinated and structured management process for infrastructure delivery. The inadequacy of proper feasibility studies is a major concern for the Provincial Treasury as the question is often asked whether we spend our funds wisely?

The IDIP “toolkit” as well as the PPP guidelines provide guidance to compile proper feasibility studies. Coupled with the capacitation plan for competent people in relevant positions and with the above guidelines, will address these constraints.

Finally, sound project management principles need to be adhered to, to combat the problems of budget and time overruns.

Public Private Partnerships (PPPs)

One of the major constraints facing this unit is the lack of capacity and skills required for PPP implementation. This can be addressed by filling vacancies, addressing the skills gaps through training and ensuring that the right skills are in the right place to manage the partnerships.

Another constraint is that PPP contracts are complex, long-term arrangements with significant costs.

Departments’ reluctance to pursue the PPP option, high risk factors, scarcity of well-resourced partners, and massive investment requirements result in the slow progress of awarding contracts. Resistance needs to be dispelled through training, seminars, workshops, specialised conferences, newsletters, and websites.

The lack of spatially integrated provincial infrastructure PPP projects poses another constraint and can be resolved by the integration of identified assets in the provincial property portfolio earmarked for PPP projects with the nascent Provincial Strategic Infrastructure Plan and Provincial Spatial Development Framework.

3.2.4 Description of planned quality improvement measures

The following quality improvement measures are envisaged:

Asset Management

Financial Asset Management

- To further enhance cash flow management, the current 2% deviation between the funding and the actual expenditure flowing through the departmental banking accounts be further decreased.
- The limitation of PERSAL supplementary runs from four to three per month will further enhance cash flow management.
- Payments in general, will be executed in terms of a payment schedule issued by the Provincial Treasury, in co-operation with departments.
- The implementation of the IGCC initiative on 1 April 2005 will transfer investment risk to the CPD.
- The Provincial Treasury is in the process of gearing up for the MFMA.

Physical Asset Management

Movable Assets

- Refinement of best procurement strategies to minimise procurement related costs.
- Use of service level agreements to elevate contract management and mitigate risk for government.
- Introduction of a mechanism to adequately address concerns from the public with regard to the awarding of bids.
- Introduction of the SCM forum where SCM related information is shared amongst municipalities/municipal entities.
- Implementation of monitoring/compliance procedures to address any non-compliance with minimum norms and standards.
- Restructuring of SCM component to address the additional responsibilities of local and provincial government.
- Uniformity of norms and standards within provincial government, public entities and municipalities.
- Timely filling of vacancies with competent personnel.
- Introduction of an information brochure and newsletter on SCM.
- Implementation of the envisaged IFMS.

Immovable Assets

- A “Toolkit for Infrastructure Delivery Management” (Toolkit) to support public sector officials to improve delivery of the infrastructure programmes and projects has been rolled out in the Department of Education and will be rolled out to Public Works during the course of the 2005/06 financial year. The key strategy of the roll-out programme is to facilitate the development of appropriate capacity in each department as well as to rectify inadequate monitoring and reporting on infrastructure projects.
- The shift of the budget from Public Works to Health and Education will take effect from 1 April 2005. This shift should improve the management of the capital budget and minimise overruns on infrastructure budgets.
- A PPSC has also been established during 2004/05 to monitor the performance in the processes and outputs envisaged by the programme. Further guidance will be provided to management on implementation of the Infrastructure Delivery Plan. The PPSC will also review and endorse inception reports compiled by the technical assistant, appointed by the National Treasury.
- A further initiative in conjunction with Public Works will be to monitor progress in establishing a credible register for fixed assets.
- Development of well-trained and skillful property management practitioners.
- Evaluate and streamline procurement procedures to alleviate bottlenecks and systemic system problems.
- Establishment of an Infrastructure Programme Management Unit (IPMU) will review the infrastructure programme implementation plan annually on the basis of available funding to ensure alignment with strategic plans.
- To provide guidelines and support on the compilation for departmental feasibility studies.

Public Private Partnerships (PPPs)

- PPP unit structure to be integrated and ring fenced with the immovable assets unit to derive greater synergy and congruence. Engage in all current provincial PPP projects to broaden the knowledge of the PPP concept and build capacity through exposure.
- Foster the exchange of ideas and the growth of PPP knowledge through conferences and meetings across the country. Actively link with National Treasury PPP unit, Provincial Treasury PPP units, departments, and private sector specialists for purposes of skills transfer and development of best practices.
- Market PPPs externally to promote the involvement of private sector skills, management capacity and financing in the provision of services and infrastructure procurement through the invitation of request for proposals – unlocking the potential in the provincial property portfolio.
- Engage in discussions with core departments on problem areas around PPP projects to dispel fears and reluctance and to share experiences.

3.2.5 Specification of measurable objectives and performance indicators

Please see Table 3.1.

3.3 Sub-programme 3.3: Liabilities Management

3.3.1 Specified policies, priorities and strategic objectives

Strategic goal 10: To facilitate the effective and efficient management of liabilities.

Strategic objectives:

1. Establish and ensure implementation of policies for effective management of assets and liabilities.
2. To strengthen and provide technical and strategic support for the institutional capacity of provincial and local government.
3. Monitor compliance with the PFMA, MFMA and regulations.
4. Establishment of the necessary structures to service loans and guarantees.

3.3.2 Progress analysis

To date, no request has existed for the procurement of loans/guarantees. It is envisaged however, that should the need arise in future, this sub-programme will be responsible for the administration and monitoring thereof.

The main challenges will be to maintain a database of all loans/guarantees which have been negotiated, ensure the timeous repayment thereof and the effective monitoring of such loans/guarantees.

3.3.3 Analysis of constraints and measures planned to overcome them

A possible constraint for the future could be that insufficient funds are available to service loans/guarantees. The repayment of these loans/guarantees will have to be included in departmental cash flow projections in terms of Section 40(4)(a) of the PFMA to ensure improved cash flow planning.

3.3.4 Description of planned quality improvement measures

Bridging finance, if required, could be obtained with relative ease from the CPD with a much lower interest rate than from other financial institutions. Repayment thereof is expected to be deducted from the following equitable share allocation.

3.3.5 Specification of measurable objectives and performance indicators

Please see Table 3.1.

3.4 Sub-programme 3.4: Supporting and Interlinked Financial Systems

3.4.1 Specified policies, priorities and strategic objectives

Strategic goal 11: To provide for 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.

Strategic objectives:

1. To provide for the management and implementation of existing financial systems and the transition to the IFMS enhancing compliance with the PFMA and other relevant legislation.
2. Monitor and report on financial management system's performance.
3. Render effective technical, strategic support and training to departments.
4. Monitor and verify monthly SITA costs relating to transversal financial systems ensuring optimal management of cost drivers.

3.4.2 Progress analysis

Basic Accounting System (BAS)

Due to the high cost of maintaining two financial systems and the non-compliance of the Financial Management System (FMS) to current requirements, the National Treasury has taken a policy decision that all National and Provincial departments migrated from FMS to BAS since 1 April 2004.

The Provincial Treasury, successfully migrated the Provincial Treasury and Provincial Parliament from FMS to BAS on 1 April 2003, in order to familiarise ourselves with the technical and functional aspects of BAS. The subsequent provincial implementation was therefore done with mainly own resources as opposed to other provinces, which minimised implementation costs.

After deliberation with all role players and thorough planning, prior to implementation, all 14 departments (including the Provincial Parliament) migrated to the new Standard Chart of Accounts (SCoA) version of BAS on 1 April 2004. The following risk areas were identified and addressed prior to implementation:

- The training and/or re-training of 1 600 core users by 1 April 2004.
- The limited capacity of the Centre for e-Innovation (CeI) to support the implementation.
- The capacity of the network (Provincial and National) to accommodate the high volume of data (on line system).
- The decision to take a big bang approach (all departments migrating on the same day).
- The implications of the availability and implementation of the new SCoA.
- The ability of CeI and Provincial Treasury to provide an effective technical and user support after 1 April 2004.

Additional enhancements since 1 April 2004

BAS: Payment advice

To address the shortcomings with BAS payment stubs, the Provincial Treasury embarked on a process to develop a BAS payment advice that is unique to the Provincial Government of the Western Cape. Provision was also made for the following functionalities:

- E-mail BAS payment advices directly to suppliers.
- Provide for the contact details of the individual institutions appearing on the same BAS payment advice.
- Enable departments to insert requests or notices to their suppliers.
- Utilise SITA to print BAS payment advices on behalf of departments.

BAS/PERSAL Reconciliation

With the continuous problem of monthly reconciling of PERSAL with BAS, the Provincial Treasury embarked on a process to develop a standard tool to assist departments in the process.

This new tool was developed, tested and implemented in all departments during July 2004. The PERSAL support and BAS implementation teams from the Provincial Treasury assisted departments to reconcile PERSAL and BAS, on a monthly basis as from April 2004.

Technical Support and Training

Training

The strategy that was followed prior to 1 April 2004 involved the following:

- 7 Training venues were established throughout the Province: Cape Town (3), Claremont, George, Parow and Worcester.
- Departments allocated ten 10 officials to the Provincial Treasury to be trained as trainers during August 2003.
- Training of the 1 600 core users commenced during November 2003.

- The 8 training modules were re-designed and updated to include case studies as well.

Personnel and Salary Administration System (PERSAL)

PERSAL is an integrated Human Resource, Personnel and Salary System that was designed and written to cater for all aspects of government regulations, prescripts, treasury instructions and policy. Currently all 14 departments (including the Provincial Parliament) are utilising the system.

Additional Enhancements:

Human Resource Planning Related: Function 3.2.19 MATRIX was developed on request of the Western Cape Provincial Government. This function makes use of the matrix principle giving users in each organisation control over the rules and validations pertaining to personnel expenses, establishment control and personnel information.

Personnel Administration Related: PERSAL has always tested for duplicate identity numbers – although never between bureaus. To avoid duplicate appointments between bureaus, the software packages ENTIRE NETWORK and ENTIRE BROKER have been installed on the various mainframes to validate PERSAL numbers as well as identity numbers across bureaus.

Although an employee's information will always be transferred with him/her to a new organisation on PERSAL, this facility did not exist in the case of transfers between bureaus. The system has now also been adapted to allow end users to have control over the complete transfer of data between bureaus. It also facilitates the validation of work permit numbers and related expiry dates. PERSAL was further adapted to facilitate the new leave dispensation.

PERSAL has been updated to facilitate the new post and rank code ranges necessitated by PSCBC Resolution 4/2003. Most posts and rank codes were translated programmatically.

Salary Administration Related: The system has been enhanced to facilitate the administration and payment of subsistence and transport (S&T).

Links have been established with the Department of Home Affairs allowing for the identification of deceased personnel, possibly still receiving payments on PERSAL.

On request of Provincial Treasury, supplementary runs have been reduced to one run per week (on Mondays) to enhance cash flow management.

The Provincial Treasury further initiated a project in co-operation with provincial departments to ensure that the bank details of all employees are obtained, enabling electronic bank transfer of salaries.

The PERSAL system has also undergone changes to facilitate the pay progression rules.

To prevent recurring allowances from being instated as erroneous duplicates, a system change request was approved by National Treasury. Once implemented, users will no longer be able to instate possible duplicate recurring allowance.

Management Information Related: On-line functionality was developed for reporting on financial liabilities e.g. monetary value of leave, service bonus and state guarantees.

A centralised repository named Persalshare was initiated and created by the Provincial Treasury to enhance communication between themselves and other Provincial Departments. Persalshare contains information in respect of:

- Monthly statistics.
- Monthly personnel expenditure reports.
- Various monthly audit reports.

Verification of PERSAL data

Various departments have in 2001 already identified the need for the updating of personnel information, qualifications and skills of all the employees of the PGWC as highlighted by the requirements of the Skills Development Act, the Employment Equity Act and the National Minimum Information Requirements (NMIR).

This resulted in data verification forms being published in all departments. PERSAL data was downloaded to these forms and distributed to personnel for verification and completion thereof. Once verified, these forms were returned to the various personnel offices where the changes or additions to the forms were captured on PERSAL. In the smaller departments this method of verification and updating of PERSAL was successful to a certain extent. However in the larger departments the enormity of the process prevented the completion thereof.

The inability of most departments to handle this once-off process versus the need to repeat the said process on at least an annual basis gave rise to the need to develop an electronic data verification and collection application. This was also in line with international benchmarking of Human Resource Management Systems, which require staff information to be updated and maintained in a planned, systematic and regular manner.

An electronic data verification and collection application were developed with the understanding that PERSAL is the primary source of Personnel and Salary Information in the PGWC (which will therefore incorporate the business rules of PERSAL) that will enable the PGWC to:

- Electronically populate the said application with PERSAL data.
- Electronically, whether via e-mail or the intra-/or internet, distribute data verification and collection surveys.
- Control the type of information completed on the survey, as the code files and rules of PERSAL will to a large extent be built into the application.
- Electronically gather information once all the fields on the survey has been verified.
- Electronically updated PERSAL or any other secondary systems in use in the various departments.
- Repeat the process or change the survey documentation depending on the need at the time.
- Do all of the above with the absolute minimal intervention of officials in personnel and salary offices, which will not only save time, but will contribute to the accuracy of information.

Although departments are very keen on obtaining an electronic solution, the budgetary constraints have, up to now, prevented full development and implementation of the solution.

Technical Support and Training

The objective of the sub-programme at Provincial Treasury is primarily to render support and guidance to all PERSAL Users in the Western Cape.

User support takes on many forms, including formal and informal training, technical support in its numerous facets. It also comprises basic support to ensure that PERSAL is used correctly and optimally. The supply of auditing and statistical reporting also forms an integral part of the component, to name but a few functional areas.

The Logistical Information System (LOGIS)

The Logistical Information System (LOGIS) is a computerised system that manages two of the core functions of supply chain management namely logistical and disposal management. The system further assists the Accounting Officers with regard to the management, including the safeguarding and the maintenance of assets.

LOGIS is currently implemented at 55 institutions (33 Health Institutions) and utilised by approximate 2342 users in the Western Cape. A total of R1, 390 billion worth of assets are managed. Provincial Treasury is currently busy rolling out LOGIS at 7 Health institutions and envisages the further roll-out to 9 institutions during the 2005/06 financial year.

LOGIS was enhanced to accommodate the requirements of current standards set by National Treasury (depreciation, asset categories, increase capacity, replacement, etc.) and is also the first financial system to fully integrate with the BAS. The integration holds the promise that the budget can now be controlled at the point of placing a requisition.

These enhancements required training and re-training of 800 core users and a further 1542 non-core users, which includes various presentations and workshops as well as person to person training sessions throughout the Province.

Additional Enhancements:

Asset Management:

Even though not originally developed as an asset management system, new standards and requirements necessitated the further enhancement of LOGIS, to comply with current national requirements, for asset management.

The current functionalities of the system, relating to asset management include the following advantages:

- Automated inventories (asset records).
- Value of all assets per unit and average price.
- Value of all major assets per invoice price.
- Depreciation on all major assets, according to pre-determined useful life.
- Reporting on asset categories on two levels i.e. furniture (1st level), chairs (2nd level).
- Information on serial number (individual item number), location receipt documentation, order and payment detail.
- Transaction history on location, date, quantity, price, balance on hand and inventory and receipt/issue document number.

- Detailed enquiry on documentation relating to provisioning and procurement.
- Tracking assets from acquisition to disposal.
- Information on the movement of assets.

Procurement Integration:

Procurement integration is a web-based application that integrates with the BAS.

The system results in the following advantages:

- Budget blocking which limits the possibility of overspending.
- More user friendly in terms of touch and feel of the application.
- On-line and direct transferring of payment to vendor accounts.
- Immediate access to information.
- Simplified daily reconciliation functionality.
- Cost centre management.

Technical support and training

Growth in training needs

The number of institutions to whom LOGIS has been rolled out has increased during 2003/04 from 34 to 55 resulting in a greater need for more decentralised training venues. The number of training venues has been increased by the addition of an extra two decentralised training venues situated in Worcester and George.

Notwithstanding the high level and standard of the training material being utilised, it is continuously updated, with additional needs identified as well as system enhancements released by National Treasury, to ensure an even higher level of skills and performance.

The following courses form part of the revamped training component:

- LOGIS Module 1
- LOGIS Module 2
- LOGIS Module 3
- LOGIS Module 4
- LOGIS Chief User and Chief User Clerk (Electronic and Manual)
- LOGIS Management Reports
- LOGIS Transit and Warehouse (Electronic)
- LOGIS Transit and Warehouse (Manual)

A further need was identified in terms of the skills level of LOGIS managers, resulting in an advance course being created and presented with great success.

User support:

User support is rendered to the approximately 2342 users utilising LOGIS throughout the Provincial Government Western Cape on a daily basis.

Establishment of a LOGIS User Form

LOGIS user forms were established on a decentralised basis situated at, (1) the Cape Metropole, (2) Worcester, (3) Citrusdal and (4) Oudtshoorn with the following objectives in mind to:

- Implement the provisions of the PFMA (as amended by Act 29 of 1999) and all other statutory enactments, in so far as they relate to BAS.
- Promote effective co-ordination between LOGIS System Controllers, training providers and external service providers.
- Share and disseminate ideas and information, especially new approaches and enhancements.
- Promote uniformity and consistency amongst LOGIS users in the interpretation of policy and prescripts.
- Undertake such tasks, activities and projects which will benefit LOGIS in general.

Integrated Financial Management System (IFMS)

On 3 October 2002 the Budget Council agreed that a coherent strategy should be developed for the implementation of a new financial management system. In developing the new strategy, the National Treasury had to liaise closely with all relevant stakeholders.

The strategy needed to be developed in phases. Phase one of the project formally commenced on 1 February 2003 and had to be completed by 30 March 2004. The work that needed to be completed under phase one, had to focus on the following deliverables:

- The development of a User Requirement Statement (URS) to specify government's business requirements.
- The development of a Systems Master Plan to propose a suitable technical solution.
- The development of a Project Prospectus to outline the commercial and financial implications of the proposals.

In having completed phase one of the IFMS project, the National Treasury consulted closely with all the key stakeholders. Through the TCF, a workgroup was established to facilitate the involvement of provinces. The workgroup had a number of meetings at which the findings and conclusions of the technical teams were discussed and joint decisions were taken regarding the interim management of the current systems that are in use in national and provincial government.

In addition to the activities of the workgroup, a number of workshops were also held with certain national and provincial departments to assess the systems that are currently in use and also to determine the more detailed user requirements of these departments.

The Provincial Treasury is part of the TCF workgroup, a sub-committee of the Budget Council, which will actively participate in finalising the further phases of the integrated financial management solution. It is further the intention to play a significant role in the planning, development testing and implementation phases of the project.

State Information Technology Agency (SITA)

As from 1 April 2004 the maintenance (SITA costs) of transversal systems were transferred from Vote 1 to Vote 3. Since 1 April various controls and initiatives were successfully initiated to reduce SITA costs. Due to the high SITA costs especially for BAS the Provincial Treasury requested the National Treasury to engage in discussions with SITA to reduce costs. The discussion took place during August 2004 and resulted in a reduction of 73% of BAS SITA costs as well as a smaller deduction in the cost of LOGIS and PERSAL backdated to 1 April 2004.

3.4.3 Analysis of constraints and measures planned to overcome them

The main risk with regard to the utilisation of the online systems (BAS and PERSAL) is the lack of skills and competencies. This will be addressed on a continuous basis by means of training, re-training and assistance. Additional to this, is the limited capacity of the network to accommodate the high volume of data. This will be addressed by the daily monitoring of the network in co-operation with the CeI and the SITA and where required the upgrade of the infrastructure.

A further risk is the implementation of LOGIS at the remaining sites, which is dependent on the availability of staff, updated asset registers and the general state of their stores and provisioning administration environment. To overcome this risk, pre-implementation assessments and management meetings of future sites must be held to identify and discuss shortcomings and implement remedial actions before implementation.

Other constraints are availability of funds, capacity of the network and sufficient skilled staff to roll-out LOGIS to the remaining 9 institutions. This will be addressed by filling of vacant posts with skilled and competent officials, testing and upgrading of the network where required and the negotiation for additional funds.

A risk that impacts on all three transversal systems is the possible upgrades by SITA resulting in an increase of SITA costs. This will be addressed on a continuous basis with National Treasury to assist in minimising costs to an absolute minimum and/or where necessary negotiate for additional funds.

3.4.4 Description of planned quality improvement measures

The following quality improvement measures are planned pertaining to the different systems:

Basic Accounting System (BAS)

- The daily monitoring of the system to ensure that all exceptions are cleared timeously to prevent forced closure. To further monitor the system to ensure that the available functionalities (e.g. electronic transfers, online enquiry and debtors) are utilised to their maximum potential, to monitor and ensure that the interfacing of various sub-systems (LOGIS, PERSAL, TELKOM, MEDSAS and official banker) occur properly five days a week and that access control and profiles are maintained.
- To further ensure that the networks (National /Provincial) are maintained and where applicable, upgraded to accommodate the high volume of data and ensure an acceptable reaction time.

Personnel and Salary Administrative System (PERSAL)

- Daily monitoring of rejections, exceptions and audit reports, ensuring that departments attend to these reports.
- Ensure that PERSAL system controllers maintain and update user profiles and functionalities on a regular basis.
- Standardise the optimal use of system functionalities.
- Investigate the minimising of supplementary runs after month end.
- Initiate a project to verify PERSAL data in accordance with established compulsory fields (in collaboration with the HR forum) utilising the electronic data verification application.
- Roll-out Persalshare to a wider range of users and extend the audit reporting and functionalities.
- Investigate the further enhancement of BAS/PERSAL reconciliation tool.

The Logistical Information System (LOGIS)

- Investigate the possibility of obtaining the daily exception reports of all LOGIS sites to ensure the effective, efficient and economical utilisation of the system.
- The further roll-out of LOGIS to the remaining 9 institutions by 31 March 2006.
- Implement a cost effective solution for the numbering and tracking of individual assets.
- Investigate, convert data, test and implement the requirements (hardware, network, data, etc.) necessary to migrate from LOGIS to the new supply chain module of the IFMS.

Integrated Financial Management System

- As part of the TCF work group, a sub-committee of the Budget Council, finalise the further phases of the integrated financial management solution. It is the intention of the Provincial Treasury to play an integral role in the planning, development, testing and implementation phases of the project.

VULINDLELA (Web based)

- The promotion, roll-out and training of the Vulindlela web based application to all departments including regions and institutions.
- To ensure that access control can be controlled on institutional level.
- Further enhancement of the application to address user requirements.

State Information Technology Agency (SITA)

- Optimally manage the cost drivers relating to the SITA accounts.

General

- To maintain and where possible further enhance the rendering of user support to users of the various systems, to enable the more effective registering of all incoming calls, monitoring of outstanding calls and determining the service delivery level. Further, to ensure an uptime of at least 95% of all financial administration and management information systems.
- To re-introduce a formal integrated training programme (covering six months) as from the first semester of 2005 as well as the updating of the prospectus.
- The Provincial Treasury will, on assessment of systems, issue the necessary Treasury Circulars, System Circulars/Notices regarding the effective, efficient and economical utilisation of the systems in all provincial departments.

3.4.5 Specification of measurable objectives and performance indicators

Please see Table 3.1.

Table 3.1: Programme 3: Asset and Liabilities Management

Sub-programme 3.1: Programme Support		Generic Strategic Goal : To facilitate the efficient and co-ordinated administration and management of the programme.						
Strategic Objective	Measurable Objective	Performance Measure Indicator	Actual 2002/03	Actual 2003/04	2004/05 Estimate	2005/06 Budget	2006/07 Target	2007/08 Target
1. Render administrative support services to ensure the effective operational management of the unit.	1.1 Smooth and effective functioning of the component.	Percentage compliance with rules and regulations.	Not applicable.	Not applicable.	Not applicable.	100% compliance.	100% compliance.	100% compliance.
		Percentage compliance to acceptable norms/ standards of service delivery.	Not applicable.	Not applicable.	Not applicable.	70% achieved.	100% achieved.	100% achieved.
		Hours turn around time for management of operational finances, human resources and logistical issues.	Not applicable.	Not applicable.	48 hours.	48 hours.	24 hours.	24 hours.
2. Capacitate and train administrative support and line function staff.	2.1 Trained and capacitated administrative support and line function staff.	Percentage of vacant posts filled.	Not applicable.	Not applicable.	Not applicable.	50% achieved.	100% achieved.	100% achieved.
		Percentage of staff complement trained according to IDPs.	Not applicable.	Not applicable.	Not applicable.	50% achieved.	100% achieved.	100% achieved.
3. Support and promote BBBEE initiatives through administrative functions	3.1 Achievement of iKapa Elihlumayo goals.	Percentage support and promotion of goals in the work environment.	Not applicable.	Not applicable.	Not applicable.	100% support achieved.	100% support achieved.	100% support achieved.
		Percentage procurement in terms of BBBEE.	Not applicable.	Not applicable.	Not applicable.	40%	50%	60%

Sub-programme 3.2: Asset Management	Strategic Goal 9: To facilitate the effective and efficient management of physical and financial assets and to elicit sustainable PPP projects.
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Financial Asset Management

Strategic Objective	Measurable Objective	Performance Measure Indicator	Actual 2002/03	Actual 2003/04	2004/05 Estimate	2005/06 Budget	2006/07 Target	2007/08 Target
1. Ensure effective control and management of the Provincial Revenue Fund	1.1 Effectively managed Provincial Revenue Fund (Receipts).	The daily monitoring of all banking accounts to ensure a deviation of less than 2% between transfers and actual expenditure.	100% achieved.	100% achieved.	100% achieved.	100% achieved.	100% achieved.	100% achieved.
		Scheduling of all payments by departments in terms of a payment schedule prescribed by the Provincial Treasury permitting payment only in 30 days from the date of invoice where possible. BAS reports to verify that departments actually adhere to this policy are envisaged.	Not applicable.	Not applicable.	40% of target.	70% of target.	100% of target.	100% of target.
		Investment of surplus funds at reputable financial institutions/CPD there-by ensuring a return of 5% above budgeted interest figure.	100% achieved.	100% achieved.	100% achieved.	100% achieved.	100% achieved.	100% achieved.
		Preparation, awarding and implementation of tender for the provision of commercial banking services to this province by 1 April 2007.	Not applicable.	Not applicable.	Not applicable.	Not applicable.	100% prepared and awarded.	100% implemented.

Sub-programme 3.2: Asset Management		Strategic Goal 9: To facilitate the effective and efficient management of physical and financial assets and to elicit sustainable PPP projects.						
Financial Asset Management								
Strategic Objective	Measurable Objective	Performance Measure Indicator	Actual 2002/03	Actual 2003/04	2004/05 Estimate	2005/06 Budget	2006/07 Target	2007/08 Target
2. Render effective technical, strategic support and training to provincial departments and local government where applicable.	2.1 Fully skilled and capacitated personnel.	Training of 150 departmental officials to familiarise such personnel with current banking procedures/policies.	Trained on an ad hoc basis.	Trained on an ad hoc basis.	Trained on an ad hoc basis.	25% of target market.	30% of target market.	45% of target market.
		Determining skills gap to improve capacity and address shortcomings of existing staff in the Provincial Treasury.	Underwent selective training.	Underwent selective training.	Underwent selective training.	25% of shortcomings addressed.	50% of shortcomings addressed.	100% of shortcomings addressed.
		Training relevant personnel of the approximate 30 municipalities to ensure enhancement of cash flow management.	Not applicable.	Not applicable.	Not applicable.	10% trained.	30% trained.	50% trained.
		Fully operational helpdesk managed by skilled staff rendering service to 150 users.	100% accessibility and availability of the helpdesk on a daily basis.	100% accessibility and availability of the helpdesk on a daily basis.	100% accessibility and availability of the helpdesk on a daily basis.	100% accessibility and availability of the helpdesk on a daily basis.	100% accessibility and availability of the helpdesk on a daily basis.	100% accessibility and availability of the helpdesk on a daily basis.
3. Compliance with the PFMA, MFMA, accounting policies, regulations and guidelines.	3.1 Compliance to prescripts.	Provincial Treasury to ensure accurate and timeous receipt of cash flow projections in terms of the PFMA.	Timeous submission and not more than 15% deviation in projections vs. transfers.	Timeous submission and not more than 15% deviation in projections vs. transfers.	Timeous submission and not more than 12% deviation in projections vs. transfers.	Timeous submission and not more than 10% deviation in projections vs. transfers.	Timeous submission and not more than 8% deviation in projections vs. transfers.	Timeous submission and not more than 6% deviation in projections vs. transfers.

Sub-programme 3.2: Asset Management	Strategic Goal 9: To facilitate the effective and efficient management of physical and financial assets and to elicit sustainable PPP projects.
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Financial Asset Management								
Strategic Objective	Measurable Objective	Performance Measure Indicator	Actual 2002/03	Actual 2003/04	2004/05 Estimate	2005/06 Budget	2006/07 Target	2007/08 Target
3. Compliance with the PFMA, MFMA, accounting policies, regulations and guidelines. <i>(continued)</i>		Monitor and supervise municipalities with regard to prescribed cash management requirements of the MFMA.	Not applicable.	Not applicable.	Not applicable.	100% compliance.	100% compliance.	100% compliance.

Sub-programme 3.2: Asset Management		Strategic Goal 9: To facilitate the effective and efficient management of physical and financial assets.						
Strategic Objective	Measurable Objective	Performance Measure Indicator	Actual 2002/03	Actual 2003/04	2004/05 Estimate	2005/06 Budget	2006/07 Target	2007/08 Target
Physical Asset Management								
Movable Assets								
1. Develop and implement provincial treasury instructions and guidelines to ensure effective supply chain management of goods and services.	1.1 A modernised and practical supply chain management system to promote economic development and improve efficiency.	Number of transversal contracts arranged.	Not applicable.	2 Transversal contracts.	5 Transversal contracts.	Facilitation and management of 3 transversal contracts.	Facilitation and management of 3 transversal contracts.	Facilitation and management of 3 transversal contracts.
		Percentage of departments assessed.	Not applicable.	Not applicable.	Not applicable.	30% on Education and Transport and Public Works.	70% on Education and Transport and Public Works.	70% on Health and Social Services and Poverty Alleviation.

Sub-programme 3.2: Asset Management		Strategic Goal 9: To facilitate the effective and efficient management of physical and financial assets.						
Strategic Objective	Measurable Objective	Performance Measure Indicator	Actual 2002/03	Actual 2003/04	2004/05 Estimate	2005/06 Budget	2006/07 Target	2007/08 Target
Physical Asset Management								
Movable Assets								
1. Develop and implement provincial treasury instructions and guidelines to ensure effective supply chain management of goods and services. <i>(continued)</i>		Number of commodities completed.	Not applicable.	Not applicable.	Not applicable.	TCO on 1 commodity items within 3 departments.	TCO on 2 commodity items within 3 departments.	TCO on 3 commodity items within 3 departments.
		Number of assessment reports on renewal of EPS and WCSD.	Not applicable.	Not applicable.	Not applicable.	Assessment report 100% complete.	Renewed contract by May 2006.	Not applicable.
		Number of officials knowledgeable in prescripts.	Not applicable.	Not applicable.	Not applicable.	100% complete	Not applicable.	Not applicable.
		Percentage of elements of TQM implemented in three departments.	Not applicable.	Not applicable.	Not applicable.	Not applicable.	Not applicable.	25% of work done.
2. Provide strategic leadership and guidance in the supply chain management of goods and services.	2.1 A professional and skilled SCM cadre in Provincial Treasury.	Percentage of vacancies filled.	Not applicable.	Not applicable.	Not applicable.	100% of vacancies filled by June 05.	100% of vacancies filled.	100% of vacancies filled.
		Capacitated and restructured PT: SCM component to manage the following specific areas:						
		Norms and standards.	Not applicable.	Not applicable.	Not applicable.	50% capacitated.	100% capacitated.	100% capacitated.
		Helpdesk/Call Centre/complaints mechanism.	Not applicable.	Not applicable.	Not applicable.	100% capacitated.	100% capacitated.	100% capacitated.
		Training.	Not applicable.	Not applicable.	Not applicable.	50% capacitated.	100% capacitated.	100% capacitated.
Monitoring and compliance.	Not applicable.	Not applicable.	Not applicable.	100% capacitated.	100% capacitated.	100% capacitated.		

Sub-programme 3.2: Asset Management		Strategic Goal 9: To facilitate the effective and efficient management of physical and financial assets.						
Strategic Objective	Measurable Objective	Performance Measure Indicator	Actual 2002/03	Actual 2003/04	2004/05 Estimate	2005/06 Budget	2006/07 Target	2007/08 Target
Physical Asset Management								
Movable Assets								
2. Provide strategic leadership and guidance in the supply chain management of goods and services. <i>(continued)</i>		Capacitate/co-ordinate training/re-training of 300 officials.	Not applicable.	Not applicable.	Not applicable.	30% capacitated.	50% capacitated.	60% capacitated.
3. To strengthen and render effective, technical and strategic support to departments, public entities, municipalities and municipal entities.	3.1 Fair, transparent, equitable, and competitive and cost effective SCM processes and procedures.	Percentage capacitation.	Not applicable.	Not applicable.	Not applicable.	50% capacitated.	100% capacitated.	100% capacitated.
4. Monitor compliance with legislative framework.	4.1 Compliance to prescripts.	Number of departments completed compliance testing.	Not applicable.	Not applicable.	Not applicable.	Compliance testing at 5 departments completed.	Compliance testing at 10 departments completed.	Compliance testing at 13 departments completed.
	4.2 Successful SCM module (IFMS) roll-out and implementation.	Prepare provincial departments for the implementation of IFMS.	Not applicable.	Not applicable.	Not applicable.	Not applicable.	100% completed.	100% capacitated.
		Develop norms and standards on IFMS.	Not applicable.	Not applicable.	Not applicable.	Not applicable.	100% completed.	100% capacitated.
		Implement/roll-out IFMS to provincial departments.	Not applicable.	Not applicable.	Not applicable.	Not applicable.	Not applicable.	100% completed in departments.
4.3 Successful implementation of MFMA roll-out of SCM in municipalities.	Number of vacancies filled in Provincial Treasury.	Not applicable.	Not applicable.	Not applicable.	3 posts filled.	4 posts filled.	Total number of posts filled.	

Sub-programme 3.2: Asset Management		Strategic Goal 9: To facilitate the effective and efficient management of physical and financial assets.						
Strategic Objective	Measurable Objective	Performance Measure Indicator	Actual 2002/03	Actual 2003/04	2004/05 Estimate	2005/06 Budget	2006/07 Target	2007/08 Target
Physical Asset Management								
Movable Assets								
4. Monitor compliance with legislative framework. <i>(continued)</i>		Number of SCM units in municipalities and municipal entities established with the percentage of set criteria.	Not applicable.	Not applicable.	Not applicable.	15 units met 25% of criteria.	15 units met 25% of criteria.	15 units met 50% of criteria.
		Number of municipalities within which SCM have been implemented.	Not applicable.	Not applicable.	Not applicable.	SCM implemented in 20 municipalities.	SCM implemented in 25 municipalities.	SCM implemented in 30 municipalities.
		Percentage of target population trained.	Not applicable.	Not applicable.	Not applicable.	20% of target population trained.	30% target population trained.	45% target population trained.
		Number of municipalities having access to WCSD.	Not applicable.	Not applicable.	Not applicable.	Implementation of WCSD in 1 municipality.	Implementation of WCSD in 5 municipalities.	Implementation of WCSD in 10 additional municipalities.

Sub-programme 3.2: Asset Management		Strategic Goal 9: To facilitate the effective and efficient management of physical and financial assets.						
Strategic Objective	Measurable Objective	Performance Measure Indicator	Actual 2002/03	Actual 2003/04	2004/05 Estimate	2005/06 Budget	2006/07 Target	2007/08 Target
Physical Asset Management								
Immovable Assets								
1. Establish Infrastructure Programme Units (IPU).	1.1 Successful implementation of the Infrastructure Delivery Improvement Plan (IDIP).	% IDIP implemented in participating departments.	Not applicable.	Not applicable.	Not applicable.	50% implemented in Education department.	100% completed in Education. 50% implemented in Public Works.	100% completed in Public Works.
		Percentage of reports from technical assistants timeously reviewed and endorsed by Provincial Treasury:	Not applicable.	Not applicable.	Not applicable.	100% of deliverables for Education endorsed by PT.	100% of deliverables for Public Works endorsed by PT.	Not applicable.
		Inception report.	Not applicable.	Not applicable.	Not applicable.	Completed by: 31/10/05	Endorsed and reviewed by Public Works by 31/03/06.	Maintenance against plan.
		Capacitating plan.	Not applicable.	Not applicable.	Not applicable.	31/01/05	31/05/06 (PW)	
		Delivery management system report.	Not applicable.	Not applicable.	Not applicable.	30/04/05	28/02/07 (PW)	
		Infrastructure Plan.	Not applicable.	Not applicable.	Not applicable.	31/05/05	31/03/07	
		Implementation Plan.	Not applicable.	Not applicable.	Not applicable.	30/06/05	Not applicable.	30/06/07
		Contracting Arrangement Plan (SLA).	Not applicable.	Not applicable.	Not applicable.	31/07/05	Not applicable.	Not applicable.
Number of meetings held for the year.	Not applicable.	Not applicable.	Not applicable.	10 meetings held for the year.	10 meetings held for the year.	10 meetings held for the year.		

Sub-programme 3.2: Asset Management		Strategic Goal 9: To facilitate the effective and efficient management of physical and financial assets.						
Strategic Objective	Measurable Objective	Performance Measure Indicator	Actual 2002/03	Actual 2003/04	2004/05 Estimate	2005/06 Budget	2006/07 Target	2007/08 Target
Physical Asset Management								
Immovable Assets								
2. To strengthen and render effective, technical and strategic support to departments, public entities, municipalities and municipal entities.	2.1 Develop and implement Provincial Treasury instructions for the effective and efficient management of immovable assets.	Completion of Provincial Treasury Instructions developed for immovable asset registers, acquisitions, disposals, transfers and donations.	Not applicable.	Not applicable.	Not applicable.	100 % completed.	100 % completed.	100 % completed.
		Number of workshops conducted on PT instruction on immovable assets.	Not applicable.	Not applicable.	Not applicable.	2 workshops conducted on PT instructions on immovable assets.	1 workshop conducted on PT instructions for immovable assets.	1 workshop conducted on PT instructions for immovable assets.
	2.2 Effective and efficient management of infrastructure delivery.	The percentage of project plans reviewed of R1 million and greater.	Not applicable.	Not applicable.	Not applicable.	100% project plans reviewed.	100% project plans reviewed.	100% project plans reviewed.
		Number of infrastructure reports compiled and compliant to IDIP/ NT Guidelines.	Not applicable.	Not applicable.	Not applicable.	10 infrastructure reports for the year.	10 infrastructure reports for the year.	10 infrastructure reports for the year.

Sub-programme 3.2: Asset Management		Strategic Goal 9: To facilitate the effective and efficient management of physical and financial assets.						
Strategic Objective	Measurable Objective	Performance Measure Indicator	Actual 2002/03	Actual 2003/04	2004/05 Estimate	2005/06 Budget	2006/07 Target	2007/08 Target
Physical Asset Management								
Immovable Assets								
3. Provide strategic leadership and guidance in immovable assets.	3.1 To manage an efficient and effective Provincial Property Portfolio.	Updated database of unutilised immovable assets.	Not applicable.	Not applicable.	Not applicable.	100% achieved.	100% achieved.	100% achieved.
		Promotion of property developmental options identified in conjunction with Public Works and private sector.	Not applicable.	Not applicable.	Not applicable.	Identification of 1 property for potential development.	Identification of 2 properties for potential development.	Identification of 2 properties for potential development.
		Monitoring of Public Works's disposal plan of obsolete/redundant immovable assets.	Not applicable.	Not applicable.	Not applicable.	50% initiate/ action according to Public Works disposal list.	70% initiate/ action according to Public Works disposal list.	100% initiate/ action according to Public Works disposal list.
	3.2 Credible immovable Asset Registers.	Percentage of relevant information pertaining to acquisitions, disposals, transfers, donations verified and accounted for on asset register.	Not applicable.	Not applicable.	Not applicable.	100% information verified with relevant documentation.	100% information verified with relevant documentation.	100% information verified with relevant documentation.

Sub-programme 3.2: Asset Management		Strategic Goal 9: To facilitate the effective and efficient management of physical and financial assets.						
Strategic Objective	Measurable Objective	Performance Measure Indicator	Actual 2002/03	Actual 2003/04	2004/05 Estimate	2005/06 Budget	2006/07 Target	2007/08 Target
Physical Asset Management								
Immovable Assets								
3. Provide strategic leadership and guidance in immovable assets. <i>(continued)</i>	3.3 Cost effective leasing of immovable property.	Percentage of non market-related rentals identified and addressed with Public Works.	Not applicable.	Not applicable.	Not applicable.	100% non-market related rentals identified and addressed.	100% non-market related rentals identified and addressed.	100% non-market related rentals identified and addressed.
		Address outstanding debtors of 90 days and over with Public Works.	Not applicable.	Not applicable.	Not applicable.	100% of outstanding debtors identified and corrective actions taken.	100% of outstanding debtors identified and corrective actions taken.	100% of outstanding debtors identified and corrective actions taken.
4. To address capacitation and training needs.	4.1 Fully capacitated and functional immovable asset management unit.	Percentage of vacancies filled.	Not applicable.	Not applicable.	Not applicable.	50% vacancies filled	100% vacancies filled.	100% vacancies filled.
		Percentage of specialists trained.	Not applicable.	Not applicable.	Not applicable.	50% staff adequately trained.	100% staff adequately trained.	100% staff adequately trained.
5. Monitor compliance with legislative framework	5.1 Compliance to prescripts.	Number of departments completed compliance testing.	Not applicable.	Not applicable.	Not applicable.	Compliance testing at 5 departments completed.	Compliance testing at 10 departments completed.	Compliance testing at 13 departments completed.

Sub-programme 3.2: Asset Management		Strategic Goal 9: To facilitate the effective and efficient management of physical and financial assets.						
Strategic Objective	Measurable Objective	Performance Measure Indicator	Actual 2002/03	Actual 2003/04	2004/05 Estimate	2005/06 Budget	2006/07 Target	2007/08 Target
Public Private Partnerships (PPPs)								
1. Build the necessary capacity in the Provincial Treasury to take over all PPP assessment related responsibilities from the National Treasury.	1.1 Capacitated PT structures to catalyse the PPP drive.	Percentage of vacancies filled.	Not applicable.	33% capacitated.	33% capacitated.	100% functional.	100% functional.	100% functional.
		Percentage of specialists trained.	Not applicable.	33% training achieved.	33% training achieved.	60% training achieved.	100% training achieved.	100% training achieved.
2. Assess PPP projects in progress; monitor and enforce compliance with legislation.	2.1 Facilitate, promote and support in liaison with accounting officers to implement PPP projects.	Monitor the application of the PPP processes.	Not applicable.	Advise and provide input on revised feasibility study of Hermanus and Swellendam Hospitals Co-location projects, Eerste River Hospital Facility Management project, Conradie Hospital Replacement project.	Advise and provide input on feasibility study and/or RFQ/RFP stages of Hermanus and Swellendam Hospitals Co-location projects and Conradie Hospital Replacement project.	100% response to all PPP project requests pertaining to the PPP process, received.	100% response to all PPP project requests pertaining to the PPP process, received.	100% response to all PPP project requests pertaining to the PPP process, received.

Sub-programme 3.2: Asset Management		Strategic Goal 9: To facilitate the effective and efficient management of physical and financial assets.						
Strategic Objective	Measurable Objective	Performance Measure Indicator	Actual 2002/03	Actual 2003/04	2004/05 Estimate	2005/06 Budget	2006/07 Target	2007/08 Target
Public Private Partnerships (PPPs)								
2. Assess PPP projects in progress; monitor and enforce compliance with legislation. <i>(continued)</i>		Financially and contractually viable PPP projects.	Not applicable.	Not applicable.	Support approval for TA1 on Swellendam PPP project and Conradie hospital Replacement project.	Support or reject approval of feasibility proposals for affordability, value for money and risk transfer perspectives for Eerste River Hospital. Support/reject procurement process for proposals on Lenteguur, Swellendam and Hermanus Hospital PPP projects.	As identified and appropriate.	As identified and appropriate.

Sub-programme 3.2: Asset Management		Strategic Goal 9: To facilitate the effective and efficient management of physical and financial assets.						
Strategic Objective	Measurable Objective	Performance Measure Indicator	Actual 2002/03	Actual 2003/04	2004/05 Estimate	2005/06 Budget	2006/07 Target	2007/08 Target
Public Private Partnerships (PPPs)								
2. Assess PPP projects in progress; monitor and enforce compliance with legislation. <i>(continued)</i>						Support/reject TAIII application for PPP agreement on Lenteguur Hospital PPP and Western Cape Nature Conservation Board PPP projects		
3. Facilitate and provide developmental technical assistance and support to departments on all PPP projects in progress.	3.1 Facilitate PPP school project.	Develop pre-feasibility guideline on school PPP project.	Not applicable.	Not applicable.	Project identified and advised on pre-feasibility study.	100% completion by 30 June 2005.		
		Project registration.	Not applicable.	Not applicable.	Not applicable.	Registered by 31 July 2005.	Completed by 31 December 2006.	Support or reject identified and appropriate proposal submissions.
		Completion of feasibility study.	Not applicable.	Not applicable.	Not applicable.			
4. Identify new PPP opportunities.	4.1 New PPP projects identified.	Identification of new PPP project from unutilised Provincial property portfolio.	Not applicable.	Not applicable.	Not applicable.	1 New project identified.	1 New project identified.	1 New project identified.

Sub-programme 3.3: Liabilities Management		Strategic Goal 10: To facilitate the effective and efficient management of liabilities.						
Strategic Objective	Measurable Objective	Performance Measure Indicator	Actual 2002/03	Actual 2003/04	2004/05 Estimate	2005/06 Budget	2006/07 Target	2007/08 Target
1. Establish and ensure implementation of policies for effective management of assets and liabilities.	1.1 Effective managed Provincial Revenue Fund (loan book).	Percentage achieved w.r.t provision for necessary funds to service loan agreements and/or guarantees.	Not applicable.	Not applicable.	Not applicable.	Not applicable.	Not applicable.	20% achieved.
		Percentage achieved w.r.t. meeting of all due dates for repayment of loans and/or guarantees.	Not applicable.	Not applicable.	Not applicable.	Not applicable.	Not applicable.	100% achieved.
		Percentage achieved w.r.t. refinement of cash flow to include such loan and/or guarantee repayments.	Not applicable.	Not applicable.	Not applicable.	Not applicable.	Not applicable.	100% achieved.
2. To strengthen and provide technical and strategic support for the institutional capacity of provincial and local government.	2.1 To strengthen and provide technical and strategic support for the institutional capacity of provincial and local government to ensure capacity with regard to liabilities management	Percentage achieved w.r.t. appointment of suitably qualified personnel and build capacity amongst existing staff.	Not applicable.	Not applicable.	Not applicable.	Not applicable.	50% achieved.	100% achieved.
		Percentage achieved regarding assistance and/or establishment of suitable monitoring mechanisms for loans and for guarantees.	Not applicable.	Not applicable.	Not applicable.	Not applicable.	50% compliance.	100% compliance.
3. Monitor compliance with the PFMA, MFMA and regulations.	3.1 Compliance to prescripts.	Percentage achieved i.t.o. all loans and/or guarantees that are administered and repaid strictly in terms of relevant legislation.	Not applicable.	Not applicable.	Not applicable.	Not applicable.	100% compliance.	100% compliance.

Sub-programme 3.3: Liabilities Management		Strategic Goal 10: To facilitate the effective and efficient management of liabilities.						
Strategic Objective	Measurable Objective	Performance Measure Indicator	Actual 2002/03	Actual 2003/04	2004/05 Estimate	2005/06 Budget	2006/07 Target	2007/08 Target
3. Monitor compliance with the PFMA, MFMA and regulations. <i>(continued)</i>		Percentage accuracy of reporting in terms of annual financial statements of all loans and/or guarantees.	Not applicable.	Not applicable.	Not applicable.	Not applicable.	100% achieved.	100% achieved.
4. Establishment of the necessary structures to service loans and guarantees.	4.1 Establish the necessary structures to ensure accurate reporting and servicing capabilities in respect of liabilities.	Percentage achieved i.t.o. creation and implementation of suitable mechanisms to facilitate accurate reporting, monitoring, administering and repayment of loans and/or guarantees.	Not applicable.	Not applicable.	Not applicable.	Not applicable.	50% achieved.	100% achieved.

Sub-programme 3.4: Supporting and Interlinked Financial Systems		Strategic Goal 11: To provide for 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.						
Strategic Objective	Measurable Objective	Performance Measure Indicator	Actual 2002/03	Actual 2003/04	2004/05 Estimate	2005/06 Budget	2006/07 Target	2007/08 Target
1. To provide for the management and implementation of existing financial systems and the transition to the Integrated Financial Management (IFMS) enhancing compliance with PFMA and other relevant legislation.	1.1 Effectively, efficiently and economically implemented and managed financial systems	The daily monitoring of the existing systems to ensure that all exceptions, rejections and audit reports are cleared within 7 days.	Not applicable.	As part of the TCF workgroup on a new Integrated Financial Management System, a position paper was completed by 31 December 2003.	Obtain approval from the TCF and Budget Council for phase 2 of the project.	100% compliance.	100% compliance.	100% compliance.
		The proper interfaces between sub-systems and BAS achieved.	Not applicable.	Not applicable.	90% achieved.	100% achieved.	100% achieved.	100% achieved.
		Logistical information system (LOGIS) fully rolled out to the remaining 9 Institutions (5 Departments and 4 Health Institutions) and integrated into the supply chain management system with fully capacitated personnel.	15 Sites successfully implemented.	21 sites successfully implemented.	7 sites successfully implemented.	9 institutions fully implemented.	Not applicable.	Not applicable.

Sub-programme 3.4: Supporting and Interlinked Financial Systems		Strategic Goal 11: To provide for 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.						
Strategic Objective	Measurable Objective	Performance Measure Indicator	Actual 2002/03	Actual 2003/04	2004/05 Estimate	2005/06 Budget	2006/07 Target	2007/08 Target
1. To provide for the management and implementation of existing financial systems and the transition to the Integrated Financial Management (IFMS) enhancing compliance with PFMA and other relevant legislation. <i>(continued)</i>		The roll-out of Vulindlela (WEB application) to all departments, regions and institutions to ensure the availability of updated management information.		Not applicable.	Not applicable.	100 % completion of the application to all 14 head office components of departments as well as 40 regional/district offices.	100 % completion of the application to all provincial institutions.	Not applicable.
	1.2 The smooth and cost-effective transition to the Integrated Financial Management System (IFMS).	Provincial Treasury to play an integral role in planning, development, testing and implementation phases.		The compilation of user requirements for the IFMS.	Attendance of quarterly national workgroup on the IFMS.	On completion of phase 2 of the project, proceed with the planning, development and testing phases of the project.	The development and testing of the SCM module of IFMS and the further planning of the remaining modules.	Implementation phase of the SCM module and development of the remaining IFMS modules.

Sub-programme 3.4: Supporting and Interlinked Financial Systems		Strategic Goal 11: To provide for 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.						
Strategic Objective	Measurable Objective	Performance Measure Indicator	Actual 2002/03	Actual 2003/04	2004/05 Estimate	2005/06 Budget	2006/07 Target	2007/08 Target
1. To provide for the management and implementation of existing financial systems and the transition to the Integrated Financial Management (IFMS) enhancing compliance with PFMA and other relevant legislation. <i>(continued)</i>		Data preparation and implementation of the various IFMS modules.		Not applicable.	Not applicable.	Not applicable.	Not applicable.	100% achievement of the data preparation of the 71 current LOGIS sites as well as the 3 Central Hospitals and commencement of the migration to the new SCM module of IFMS.
2. Monitor and report on financial management system's performance.	2.1 Availability, stability and accessibility of existing financial systems.	Availability and stability of existing financial systems to ensure an up-time of at least 95%.		98% up time.	96% up time.	97% up-time.	97% up-time.	98% up-time.
	2.2 System functionalities comply to norms and standards.	Needs assessment conducted and enhancements effected.		User requirements timeously addressed and implemented.	User requirements timeously addressed and implemented.	All user requirements submitted to National Treasury and rolled out within 2 weeks after release.	All user requirements submitted to National Treasury and rolled out within 2 weeks after release.	All user requirements submitted to National Treasury and rolled out within 2 weeks after release.

Sub-programme 3.4: Supporting and Interlinked Financial Systems		Strategic Goal 11: To provide for 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.						
Strategic Objective	Measurable Objective	Performance Measure Indicator	Actual 2002/03	Actual 2003/04	2004/05 Estimate	2005/06 Budget	2006/07 Target	2007/08 Target
3. Render effective technical, strategic support and training to departments.	3.1 Fully skilled and capacitated system users.	Fully operational helpdesk managed by skilled staff rendering service to 7000 users.		100% accessibility and availability of the helpdesk on a daily basis.	100% accessibility and availability of the helpdesk on a daily basis.	100% accessibility and availability of the helpdesk on a daily basis.	100% accessibility and availability of the helpdesk on a daily basis.	100% accessibility and availability of the helpdesk on a daily basis.
		Percentage officials appropriately trained on the various financial systems out of a target market of 7000.		1346 LOGIS and 1600 BAS users trained.	50% of target market.	70% of target market.	90% of target market.	90% of target market.
4. Monitor and verify monthly SITA costs relating to transversal financial systems ensuring optimal management of cost drivers.	4.1 A cost effective system.	Percentage deviation between actual expenditure and approved budget pertaining to SITA accounts.		Not applicable.	Expenditure within approved budget.	No more than 2% deviation between actual expenditure and approved budget.	No more than 2% deviation between actual expenditure and approved budget.	No more than 2% deviation between actual expenditure and approved budget.

3.5 Reconciliation of budget with plan

Table 3.2: Programme 3: Asset and Liabilities Management budget by sub-programme (R'000)

Programme 3: Asset and Liability Management								
Sub-programme	Year – 2 2002/03 (actual)	Year – 1 2003/04 (actual)	Base year 2004/05 (estimate)	Average annual change (%)	Year 1 2005/06 (MTEF projection)	Year 2 2006/07 (MTEF projection)	Year 3 2007/08 (MTEF projection)	Average annual change (%)
Programme Support					974	1,024	1,075	0.00
Asset Management	4,481	5,599	5,653	12.32	6,538	9,151	9,289	18.00
Liability Management					1	1	1	0.00
Supporting and Inter-linked Financial Systems	14,467	16,335	38,983	64.15	41,644	38,608	40,538	1.31
Total	18,948	21,934	44,636	53.48	49,157	48,784	50,903	4.48

The drastic increase in the spending trends of this programme over the financial years 2002/03 to 2004/05 can mainly be contributed to the SITA function shift from Vote 1 to the sub-programme: Supporting and Interlinked Financial Systems under Vote 3. It is, however, foreseen that spending trends of the latter sub-programme will stabilise over the MTEF. The other average increases in the sub-programmes over the MTEF period are attributed to a combination of the restructuring of the programme and inflation adjustments.

4. Programme 4: Financial Governance

The aim of this programme is to enhance performance orientated financial management, and consists of Accounting Services, Norms and Standards, Risk Management and Governance Systems, Provincial Internal Audit and Communication and Information Management.

a. Specified policies, priorities and strategic objectives

In aligning its daily operations and activities with the achievement of the iKapa Elihlumayo (IE) lead strategies this programme has identified the following long-term priorities:

1. To ensure the effective utilisation and development of financial governance resources to provide an integrated, co-ordinated and seamless advisory, assurance and consultancy service to departments to ensure that departmental fiscal and budgetary processes effectively meet IE objectives.
2. To ensure the development, enhancement, understanding and clearer communication of norms and standards and integrated systems, and provide guidance for the implementation thereof and where necessary enforce compliance.
3. To identify and disseminate critical and transversal Financial Governance issues and develop norms, systems and/or recommendations to provide reliable assurance through effective communication, risk management and internal audit to external and internal role players and ensure effective oversight, thereby improving strategic support.
4. To facilitate and create an enabling work environment within Financial Governance conducive to the achievement of its objectives through the capacitation of staff with the necessary resources and skills and the implementation of staff retention and recognition strategies.
5. To ensure the achievement of BBBEE, PPP and infrastructure objectives through risk based internal auditing, effective development of norms, communication, monitoring and financial reporting thereof.

Each sub-programme, mindful of the above programme priorities, identified the following one-year priorities:

Programme Support

Improving administrative support services to ensure the effective operational management of the programme.

Accounting Services

Ensuring that financial reporting is a full and true reflection of the financial position of the Province.

Norms and Standards

Ensuring that norms and standards within the legislative framework are developed, implemented and complied with in provincial departments.

Risk Management

Developing and facilitating the implementation of effective risk management and government governance capacity within the provincial government.

Provincial Internal Audit

Ensuring independent, objective assurance and consulting activity that adds value and contributes to the achievement and accomplishment of Provincial Government and departmental strategic goals and objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, internal controls, and governance processes.

Communication and Information Management

Developing, consolidating and maintaining effective internal and external communication strategies and information management.

b. Progress analysis

Due to the lack of Internal Audit capacity in the Province and to improve efficiency in financial governance assessment in, and assistance to departments, the Provincial Internal Audit function was shifted to the Provincial Treasury from 1 August 2003. Initial capacity constraints were overcome by co-sourcing/out-sourcing the internal audit function for a phased period of three years. When considering that the Internal Audit component has only been 38 per cent capacitated for the past two years and taking cognisance of the risks attached to an organisation with an annual budget of approximately R18 billion, shared by 14 different departments and approximately 69 000 officials, it cannot be disputed that drastic action is required to ensure that functional internal audit and risk management capacity are established as soon as practically possible.

In ensuring the above, the establishment of the new Financial Governance unit in the Provincial Treasury since August 2003 and the later expansion thereof to provide not only for norms and standards, communication and information management and provincial internal audit, but also risk management, government governance improvement as well as the relocation of accounting services to this programme, was a logical conclusion.

During 2004, the achievements can be deducted from sub-programme specific progress analyses and the second Financial Governance Review, now taken up as a Chapter in the Western Cape Financial Management Review, 2004. The latter is a working paper incorporating the facets of Asset Management, Financial Governance, MFMA and Accounting.

c. Analysis of constraints and measures planned to overcome them

Being a newly established programme it is imperative that vacant posts are filled and staff be capacitated to ensure a stable environment within which identified objectives can be achieved. The most significant constraints identified are:

Accounting Services

The major risk facing the transition from the current cash base of accounting to the accrual base of accounting, in terms of the GRAP implementation timeliness, are the existing inadequacies of the current accounting systems to enable this transition. The National Treasury is in the process of developing an integrated financial management solution and provincial treasuries will be consulted on the user requirements in order to address their needs.

Risk Management and Provincial Internal Audit

Currently the establishment of risk management and internal audit capacity within the provincial government is being addressed on a co-sourced basis with a consortium of service providers. Being new initiatives previously not practiced within the provincial government and scarce resources in these fields, the constraint is to get buy-in and to build capacity. Various initiatives have been embarked on in addressing this constraint such as the development of methodologies and frameworks, the roll-out of change management and capacity building strategies and the establishment, in conjunction with tertiary institutions and certain professional private sector institutions, a centre of excellence.

Norms and Standards

Norms and Standards is a significant strategic partner in the development of new and integrated policies and norms and the implementation and monitoring thereof. It ensures that such policies and norms are consistent with existing prescripts and integrated with other financial management disciplines. The major constraint currently is that the role of this sub-programme is misunderstood which leads to its ineffective utilisation and a progressive approach will be followed during this strategic period to rectify this situation.

Communication and Information Management (incorporated into Norms and Standards)

The correct organisational placement and capacitation of this very important enabler of financial governance improvement will significantly improve co-ordination and integration of various financial management activities and initiatives within the Provincial Treasury.

d. Description of planned quality improvement measures

The evolvment and eventual correct organisational placement of Communication and Information Management will be getting attention over the course of 2005/06. The relocation of Accounting Services to this programme and the establishment of the latter as well as Internal Audit and Risk Management and Governance Systems will contribute to an effective and integrated Provincial Accountant General service and financial governance improvement.

Continuous monitoring and evaluation processes will be established to ensure quality improvement in all Financial Governance units.

The monthly progress report and feedback meetings with the outsourced service provider will be continued to ensure effective contract management.

4.1 Sub-programme 4.1: Programme Support

4.1.1 Specified policies, priorities and strategic objectives

Generic Strategic goal: To facilitate the efficient and co-ordinated administration and management of the programme.

Strategic objectives:

1. Rendering administrative support services to ensure the effective operational management of the unit.
2. Capacitate and train administrative support and line function staff.
3. Support and promote BBBEE initiatives through administrative functions.

4.1.2 Progress analysis

Not applicable.

4.1.3 Analysis of constraints and measures planned to overcome them

This sub-programme will only be established and capacitated during the 2005/06 financial year and will be mainly responsible for administrative support regarding the human resources and financial, logistical and related administrative management activities of the relevant programme.

4.1.4 Description of planned quality improvement measures

Appoint and train suitable candidates and ensure proper procedure and process mapping of all activities within the Financial Governance programme.

4.1.5 Specification of measurable objectives and performance indicators

Please see Table 4.1.

4.2 Sub-programme 4.2: Accounting Services

4.2.1 Specified policies, priorities and strategic objectives

Strategic goal 12: To ensure that financial reporting is a full and true reflection of the financial position of the Province.

Strategic objectives:

1. Ensure the development of accounting practices that will promote effective and efficient capturing of REAL movements/accountability.
2. Ensure integrity of financial data.

4.2.2 Progress analysis

The Accounting Services sub-programme is a key link between Financial Accounting teams of provincial departments and the Provincial Treasury to encourage the development of sound accounting practices to ensure that financial reporting is a full reflection of the financial position of the Province. In establishing the Office of the Provincial Accountant General, Accounting will be relocated from Public Finance to Financial Governance.

Key services entail IYM of the state of book of accounts, roll-out of the GRAP, consolidation of annual financial statements, further implementation and maintenance of the SCoA and the interpretation of financial statements.

An appraisal of the existing services and performance covering the 2004/05 financial year highlighted the following key areas:

- Implementation of the SCoA with effect from 1 April 2004.
- Consolidation of the 2003/04 annual financial statements.

- Analytical reports on IYM.
- Roll-out of the prescribed annual financial statement formats.
- Enhanced analysis and interpretation of annual financial statements.
- Produced the second Provincial Accounting Review as a chapter of the Financial Management Review, 2004.
- Actively participated in the National Treasury's Financial Management Improvement programme by assisting in the readiness assessment for accrual accounting.
- Facilitation of relevant training interventions and various fora meetings.
- Assisted departments with the migration from FMS to BAS and BAS to the new BAS (SCoA).

4.2.3 Analysis of constraints and measures planned to overcome them

The major risk facing the transition from the current cash base of accounting to the accrual base of accounting, in terms of the GRAP implementation timeliness, are the existing inadequacies of the current accounting systems to enable this transition. The National Treasury is in the process of developing an integrated financial management solution and provincial treasuries will be consulted on the user requirements in order to address their needs.

4.2.4 Description of planned quality improvement measures

The relocation of Accounting Services to this programme and the establishment of the latter to ensure a well structured, effective and integrated Provincial Accountant General service will significantly contribute to Financial Governance's improvement.

4.2.5 Specification of measurable objectives and performance indicators

Please see Table 4.1.

4.3 Sub-programme 4.3: Norms and Standards

4.3.1 Specified policies, priorities and strategic objectives

Strategic goal 13: To develop, implement and monitor compliance of financial norms and standards and to ensure effective communication and information management.

Strategic objectives:

1. To identify, develop and implement financial norms and standards and to monitor and assist with nominal and substantive compliance.
2. To ensure the existence of an appropriate and dynamic financial legislative framework.
3. To develop, consolidate and maintain effective internal and external communication and information management.

4.3.2 Progress analysis

This sub-programme is responsible for ensuring that norms and standards within the financial legislative framework are developed, implemented and monitored for compliance in provincial departments, public entities and municipalities.

An appraisal of the existing services and performance covering the 2004/05 financial year highlighted the following key areas:

- Compiled and managed the programme for the Annual Reporting process.
- Progressive steps were taken to improve oversight by the executive and the provincial parliament through submissions and presentations on the content and outcome of annual reports.
- Deepened analysis and assessment of a normative measures questionnaire and made recommendations to heads of components in the Provincial Treasury, Accounting Officers and Accounting Authorities to address shortcomings.
- Analysis and follow-up of previous audit outcomes to prevent recurrence of reported deficiencies.
- Co-ordinated provincial departments' and Treasury's responses, inclusive of own inputs, on PFMA, NTR's and other draft legislation.
- Assessed Provincial Cabinet submissions with financial normative implications and provided comments.
- Rendered advice/comments on the interpretation of current financial legislation to departments, public entities and municipalities.
- Performed an in-depth governance and financial management analysis of Casidra.
- Actively participated in the establishment of new public entities.
- Compiled a position paper and drafted a policy on transfer payments to address identified deficiencies.
- Actively participated with drafting and implementation of the MFMA such as the development of a delegation framework for senior officials and political office bearers, monitoring of implementation requirements and provided interpretive guidance on MFMA enquiries.
- Contributed to the Financial Governance Review 2004 working paper.

4.3.3 Analysis of constraints and measures planned to overcome them

Norms and Standards is a significant strategic partner in the development and integration of new policies and norms and the implementation and monitoring thereof. It ensures that such policies and norms are consistent with existing prescripts and integrated with other financial management disciplines. The major constraint currently is that the role of this sub-programme is misunderstood which leads to its ineffective utilisation and a progressive approach will be followed during this strategic period to rectify this situation.

4.3.4 Description of planned quality improvement measures

The following quality improvement measures are planned:

- Increasing resource capacity to verify consistency with current financial prescripts and policies within the provincial government and to be recognised as a strategic value-added partner within the Provincial Treasury to ensure integrated norms.
- Identifying and addressing critical and transversal deficiencies in norms and where applicable facilitate solutions with relevant line function Treasury units and other role players.
- Departments comply at least nominally with the relevant prescripts (regulatory framework, reporting requirements and timelines) and the challenge for this unit is that financial practitioners should further pursue substantive compliance with the PFMA, which entail the setting of benchmarks for financial management and financial functionaries standards.
- Efficiency, efficacy and economy within the business operations of departments are promoted and enforced by AO's supported by CFO offices. However, an assessment of the human resource capacity within the CFO offices confirmed an average vacancy rate of 27 percent with an average of 58 percent officials having financial related qualifications. These results pose major risks in attaining substantive compliance with the PFMA and reaping benefits from efficiency gains. Significant improvement of the results will require further analysis and innovative thinking regarding the redirection of resources to substantially strengthen and capacitate CFO support.

4.3.5 Specification of measurable objectives and performance indicators

Please see Table 4.1.

4.4 Sub-programme 4.4: Risk Management

4.4.1 Specified policies, priorities and strategic objectives

Strategic goal 14: To facilitate the establishment of risk management capacity and financial governance systems in the Provincial Government.

Strategic objectives:

1. Develop and facilitate the implementation of effective risk management and government governance capacity within the provincial government.
2. Facilitation of residual risk assessments and the availability of a risk profile per department.
3. Consolidate inherent risk assessments, build a risk profile for the Provincial Government as a whole and ensure the development of response strategies to mitigate transversal risks.

4.4.2 Progress analysis

To create streamlined processes within departments that generate executive decision-making information on an integrated basis and consequent internal controls aligned to the key risks, Financial Governance was expanded with a Directorate: Risk Management and Governance Systems with the specific mandate of:

- The development of a standardised and integrated risk management methodology for the PGWC, of which the methodology should be:
 - Technological based (i.e. standardised software).
 - International best practice.
 - Integrated with risk-based internal auditing.
 - Complimentary to the Internal Control units within provincial departments.
 - Integrated with day-to-day operational management.
- The development of a financial government governance model and related norms and standards.

4.4.3 Analysis of constraints and measures planned to overcome them

It is planned to fully capacitate the unit during the financial year, by filling the vacant posts and ensuring the standardisation of the relevant software.

4.4.4 Description of planned quality improvement measures

Being a newly established unit, ensuring that the Provincial Government governs and manages its risks appropriately, aligns its day-to-day operations with strategic objectives and maintains a corporate memory thereof, the challenge is that the following be adequately resourced across departments:

- Risk management methodologies and a Financial Governance Framework and training manuals.
- Training of junior, middle and senior management.
- Establishing Risk Management, inclusive of Internal Control capacity within provincial departments.
- The embedding of governance and risk management practices into normal management processes.

4.4.5 Specification of measurable objectives and performance indicators

Please see Table 4.1.

4.5 Sub-programme 4.5: Provincial Internal Audit

4.5.1 Specified policies, priorities and strategic objectives

Following from the situation analysis the sub-programme: Provincial Internal Audit endeavours to deliver internal audit services to all departments by assuring management that governs, risk management and control processes are adequate to assist them in achieving their objectives in support of the iKapa Elihlumayo goals.

Strategic goal 15: To perform internal audit services on a risk-analysis basis.

Strategic objectives:

1. To render an effective risk based internal audit service.
2. Ensure effective audit committees.
3. Promote close co-operation and co-ordination between assurance providers to prevent duplication of effort.

4.5.2 Progress analysis

An appraisal of the existing services and performance covering the 2004/05 financial year highlighted the following key areas:

Provincial Internal Audit

The existing internal audit sub-programme of ten staff members compiled a macro-risk assessment for nine provincial departments, excluding Health, Social Services and Poverty Alleviation, Education and PAWC and each Accounting Officer of the relevant departments were presented with a synoptic summary of the high-risk processes identified, together with an indication of possible internal audits still to be conducted. Subsequent Service Level Agreements were concluded with each Accounting Officer and the finalised audits were consulted with the latter and also submitted to the relevant Audit Committees and the Office of the Auditor-General.

Audit Committees

The shared audit committee was fully established, as well as the audit committees for Health, Education and Social Services and Poverty Alleviation. A combined induction session for all audit committee members was held during January 2004, with the outcome being an internal audit charter and an audit committee charter, inclusive of terms of reference, which was approved by cabinet.

Outsourced/ Co-sourced Risk Assessment and Internal Audit Capacity

An out-sourced/co-sourced tender for an all-inclusive risk assessment and Provincial Internal Audit service was invited and awarded to a consortium consisting of seven internal audit firms of which five are fully HDI. In the first year risk assessments for all 14 Votes have been completed and by the second year a full internal audit service will be rendered.

4.5.3 Analysis of constraints and measures planned to overcome them

Prior to the effective functioning of Provincial Internal Audit in the Province, effective structures will have to be created and then capacitated. To manage the risk of non-compliance with the PFMA, the function was transferred to the Provincial Treasury with effect of 1 August 2003. A tender was finalised to outsource the function while the structures are developed. Building internal capacity to take over activities of the Internal Audit services from the current service provider, enabling the PGWC internal audit team to undertake 20 percent, 40 percent and then 60 percent of the Internal Audit services in each of the three years. The function will

be co-sourced until the units are capacitated to such an extent that they are fully functional and the tenderer can be withdrawn.

4.5.4 Description of planned quality improvement measures

The following quality improvement measures are envisaged:

- Establishment of internal audit capacity on a shared service basis.
- Co-sourcing of internal audit services to provide rapid capacity within the departments, with the departments of Education, Health and Social Services and Poverty Alleviation as part of the first phase.
- Establishment of five effective audit committees for Education, Health, Social Services and Poverty Alleviation and Transport and Public Works and one shared for the remaining departments, under whose guidance and control Internal Audit resorts.
- Building the capacity and the skilling of the existing shared Internal Audit unit.
- Performance of inherent risk assessments within all departments, inclusive of Provincial Parliament to provide for a risk based departmental rolling strategic audit plan and one-year operational audit plan approved by the relevant Audit Committee.
- The development and facilitation of the implementation of effective risk management and government governance capacity within all provincial departments.
- Close cooperation and co-ordination between all Provincial Government assurance providers to prevent duplication of effort.
- Internal Audit to be recognised as value added change agents, thus forming “business partnerships” with line management, fostering a process of improvement and facilitating change.

4.5.5 Specification of measurable objectives and performance indicators

Please see Table 4.1.

Table 4.1: Programme 4: Financial Governance

Sub-programme 4.1: Programme Support		Generic Strategic Goal: To facilitate the efficient and co-ordinated administration and management of the programme.						
Strategic Objective	Measurable Objective	Performance Measure Indicator	Actual 2002/03	Actual 2003/04	2004/05 Estimate	2005/06 Budget	2006/07 Target	2007/08 Target
1. Rendering administrative support services to ensure the effective operational management of the unit.	1.1 Smooth and effective functioning of the component.	Percentage compliance with rules and regulations.	Not applicable.	Not applicable.	Not applicable.	100% compliance.	100% compliance.	100% compliance.
		Percentage compliance to acceptable norms/ standards of service delivery.	Not applicable.	Not applicable.	Not applicable.	70% achieved.	100% achieved.	100% achieved.
		Hours turn around time for management of operational finances, human resources and logistical issues.	Not applicable.	Not applicable.	48 hours.	48 hours.	24 hours.	24 hours.
2. Capacitate and train administrative support and line function staff.	2.1 Trained and capacitated administrative support and line function staff.	Percentage of vacant posts filled.	Not applicable.	Not applicable.	Not applicable.	50% achieved.	100% achieved.	100% achieved.
		Percentage of staff complement trained according to IDPs.	Not applicable.	Not applicable.	Not applicable.	50% achieved.	100% achieved.	100% achieved.
3. Support and promote BBBEE initiatives through administrative functions	3.1 Achievement of iKapa Elihlumayo goals.	Percentage support and promotion of goals in work environment.	Not applicable.	Not applicable.	Not applicable.	100% support achieved.	100% support achieved.	100% support achieved.
		Percentage procurement in terms of BBBEE.	Not applicable.	Not applicable.	Not applicable.	40%	50%	60%

Sub-programme 4.2: Accounting Services		Strategic Goal 12: To ensure that financial reporting is a full and true reflection of the financial position of the Province.						
Strategic Objective	Measurable Objective	Performance Measure Indicator	Actual 2002/03	Actual 2003/04	2004/05 Estimate	2005/06 Budget	2006/07 Target	2007/08 Target
1. Ensure the development of accounting practices that will promote effective and efficient capturing of REAL movements/ accountability.	1.1 All transactions recorded and Financial Statements in line with formats and guidelines.	Compliance with statutory due dates and timely corrective measures.	100% compliance	100% compliance.	100% compliance.	100% compliance.	100% compliance.	100% compliance.
		Percentage qualified Auditor-General reports.	21%	<10% qualified.	<10% qualified.	Analyse reports of Auditor-General and take corrective steps.	Analyse reports of Auditor-General and take corrective steps.	Analyse reports of Auditor-General and take corrective steps.
		Percentage compliance with GRAP requirements.	Complied with target.	100% compliance.	100% compliance.	100% compliance.	100% compliance.	100% compliance.
		Accounting procedures to be established to close down the Western Cape Housing Development Fund and Provincial Capital Fund Ordinance, 1962 (Ordinance 3 of 1962).	Not applicable.	Accounting procedures to be established.	Accounting procedures to be established.	Accounting procedures to be established.	Finalised.	Finalised.
		Roll-out Standard Chart of Accounts to public entities.	Not applicable.	National Treasury advised of requirement of Province.	Roll-out.	Monitor.	Monitor.	Monitor.

Sub-programme 4.2: Accounting Services		Strategic Goal 12: To ensure that financial reporting is a full and true reflection of the financial position of the Province.						
Strategic Objective	Measurable Objective	Performance Measure Indicator	Actual 2002/03	Actual 2003/04	2004/05 Estimate	2005/06 Budget	2006/07 Target	2007/08 Target
1. Ensure the development of accounting practices that will promote effective and efficient capturing of REAL movements/accountability. <i>(continued)</i>		Clear old balances inherited from previous government dispensations.	Not applicable.	Balances transferred to Provincial Treasury (Department U7).	Accounts on Provincial Treasury (Department U7) followed up.	Accounts on Provincial Treasury (Department U7) followed up.	Accounts on Provincial Treasury (Department U7) followed up.	Finalised.
2. Ensure integrity of financial data.	2.1 Financial data analysed and interpreted.	Percentage compliance with and a 18 day turn around time for Provincial Treasury's interpretive narrative responses on departmental IYM reports.	Target achieved.	Target achieved.	Target achieved.	Target achieved.	Target achieved.	Target achieved.
		Produce an Accounting Review within deadline.	Published November.	Published November.	Published November.	Published November.	Published November.	Published November.
		Provide training on the interpretation of annual financial statements to CFO's.	Target achieved.	Target achieved.	Target achieved.	Target achieved.	Target achieved.	Target achieved.
		Improve the disclosure of the values of PPP BEE and infrastructure transactions in terms of REAL.	Not applicable.	Not applicable.	Not applicable.	Disclosure notes developed.	Disclosure notes introduced.	Disclosure notes assessed.
		Percentage compliance with statutory due dates and timely corrective measures.	100%	100%	100%	100%	100%	100%

Sub-programme 4.3: Norms and Standards		Strategic Goal 15: To develop and implement financial norms and standards and to ensure effective communication and information management.						
Strategic Objective	Measurable Objective	Performance Measure Indicator	Actual 2002/03	Actual 2003/04	2004/05 Estimate	2005/06 Budget	2006/07 Target	2007/08 Target
1. To identify, develop and implement financial norms and standards and to monitor and assist with nominal and substantive compliance.	1.1 Determination and implementation of financial management norms and standards to facilitate excellence in service delivery.	The assessment of both nominal and substantive compliance in departments, public entities and municipalities expressed in percentages.	90% nominal compliance.	95% nominal compliance.	98% nominal compliance and 30% substantive compliance with set benchmarks.	100% nominal compliance and 45% substantive compliance with set benchmarks.	100% nominal compliance and 60% substantive compliance with set benchmarks.	100% nominal compliance and 80% substantive compliance with set benchmarks.
		Percentage compliance with National Treasury guidelines on annual reports.	100% compliance.	100% compliance.	100% compliance.	100% compliance.	100% compliance.	100% compliance.
		Compilation and issuing of generic norms and standards to address deficiencies identified in internal audit reports.	Not applicable.	Not applicable.	15% deficiencies addressed.	25% deficiencies addressed.	35% deficiencies addressed.	45% deficiencies addressed.
2. To ensure the existence of an appropriate and dynamic financial legislative framework.	2.1 Ensuring the existence of an appropriate and dynamic financial legislative framework.	The assessment and proposal of amendments to financial legislation to ensure continued relevance.	100% w.r.t. proposed financial legislation.	100% w.r.t. proposed financial legislation.	100% w.r.t. proposed financial legislation.	100% w.r.t. proposed financial legislation and 15% w.r.t. existing financial legislation.	100% w.r.t. proposed financial legislation and 15% w.r.t. existing financial legislation.	100% w.r.t. proposed financial legislation and 15% w.r.t. existing financial legislation.

Sub-programme 4.3: Norms and Standards		Strategic Goal 15: To develop and implement financial norms and standards and to ensure effective communication and information management.						
Strategic Objective	Measurable Objective	Performance Measure Indicator	Actual 2002/03	Actual 2003/04	2004/05 Estimate	2005/06 Budget	2006/07 Target	2007/08 Target
2. To ensure the existence of an appropriate and dynamic financial legislative framework. <i>(continued)</i>		Compilation and maintenance of a database of all financial legislation and associated instructions and directives.	Not applicable.	Not applicable.	60% completion.	100% completion.	Database updated.	Database updated.
	2.2 Phasing in the provincial treasury's responsibilities of the MFMA.	Percentage nominal and substantive compliance by municipalities.	Not applicable.	Not applicable.	Not applicable.	40% nominal compliance.	60% nominal compliance.	80% nominal compliance.
		Percentage nominal and substantive compliance by provincial departments.	Not applicable.	Not applicable.	Not applicable.	40% nominal compliance.	60% nominal compliance.	80% nominal compliance.
		Percentage development of municipal capacity.	Not applicable.	Not applicable.	Not applicable.	50% functional.	70% functional.	90% functional.
3. To develop, consolidate and maintain effective internal and external communication and information management.	3.1 Effective internal and external communication systems and strategies.	Number of informed citizens.	Nil	Nil	580 000 households.	700 000 households.	1 million households.	1.2 million households.
		Level of informed Provincial Government personnel.	SMS staff	SMS staff.	All middle management.	All staff.	All staff.	All staff.
	3.2 Effective information management	Establish Provincial Treasury database.	Nil	Nil	Start preparation.	Implement with norms.	Updated database.	Updated database.

Sub-programme 4.4: Risk Management		Strategic Goal 14: To facilitate the establishment of risk management capacity and financial governance systems in the Provincial Government.						
Strategic Objective	Measurable Objective	Performance Measure Indicator	Actual 2002/03	Actual 2003/04	2004/05 Estimate	2005/06 Budget	2006/07 Target	2007/08 Target
1. Develop and facilitate the implementation of effective risk management (RM) and government governance capacity within the provincial government.	1.1 Developed and implemented risk management and government governance methodologies and frameworks within the provincial government.	Departments have approved risk management structures.	Not applicable.	Not applicable.	Not applicable.	All departments with approved structures.	All departments with approved structures and 50% capacitated.	All departments with approved structures and 100% capacitated.
		Percentage departmental risk management staff trained in RM framework and all existing tools.	Not applicable.	Not applicable.	Not applicable.	70% trained in all aspects.	100% trained in all aspects.	100% trained in all aspects.
		Percentage nominal compliance by all departments with the risk management framework.	Not applicable.	Not applicable.	Not applicable.	50% nominal compliance.	100% nominal compliance.	100% nominal compliance.
		Percentage nominal compliance by all departments with the government governance framework.	Not applicable.	Not applicable.	Not applicable.	70% nominal compliance.	100% nominal compliance.	100% nominal compliance.
2. Facilitation of residual risk assessments and the availability of a risk profile per department.	2.1 Facilitation of residual risk assessments and the availability of a risk profile per department.	Percentage risk assessments reviewed within departments	Not applicable.	Not applicable.	Not applicable.	100% reviewed.	100% reviewed.	100% reviewed.
		Percentage process and control maps completed per department.	Not applicable.	Not applicable.	20% of processes mapped.	80% of processes mapped.	100% of processes mapped.	100% of processes mapped.
		Percentage Accounting Officers are supplied with updated risk profiles.	Not applicable.	Not applicable.	100% of departments.	100% of departments.	100% of departments.	100% of departments.

Sub-programme 4.4: Risk Management		Strategic Goal 14: To facilitate the establishment of risk management capacity and financial governance systems in the Provincial Government.						
Strategic Objective	Measurable Objective	Performance Measure Indicator	Actual 2002/03	Actual 2003/04	2004/05 Estimate	2005/06 Budget	2006/07 Target	2007/08 Target
3. Consolidate inherent risk assessments, build a risk profile for the Provincial Government as a whole and ensure the development of response strategies to mitigate transversal risks.	3.1 The provision of a consolidated risk profile for the provincial government as a whole and the ensuring of risk response strategies to mitigate transversal risks.	Existence of a consolidated risk profile for PGWC.	Not applicable.	Not applicable.	Not applicable.	100% of departments included in consolidation.	100% of departments included in consolidation.	100% of departments included in consolidation.
		Transversal risks identified and allocated to transversal risk owners.	Not applicable.	Not applicable.	Not applicable.	50% transversal risks allocated.	70% transversal risks allocated.	100% transversal risks allocated.

Sub-programme 4.5: Provincial Internal Audit		Strategic Goal 15: To perform internal audit services on a risk-analysis basis.						
Strategic Objective	Measurable Objective	Performance Measure Indicator	Actual 2002/03	Actual 2003/04	2004/05 Estimate	2005/06 Budget	2006/07 Target	2007/08 Target
1. To render an effective risk based internal audit (IA) service.	1.1 Risk-based internal audit services.	Performance of internal audit work as approved by the relevant Audit Committee.	95% of audit work performed as per audit plan, but audit plan not approved due to non-existence of Audit Committee.	100% of audit work performed as approved by Audit Committee, however limited audit coverage achieved due to function shift and allocation of IA tender.	100% of audit work performed as approved by Audit Committee.	100% of audit work performed as approved by Audit Committee.	100% of audit work performed as approved by Audit Committee.	100% of audit work performed as approved by Audit Committee.

Sub-programme 4.5: Provincial Internal Audit		Strategic Goal 15: To perform internal audit services on a risk-analysis basis.						
Strategic Objective	Measurable Objective	Performance Measure Indicator	Actual 2002/03	Actual 2003/04	2004/05 Estimate	2005/06 Budget	2006/07 Target	2007/08 Target
1. To render an effective risk based internal audit service. <i>(continued)</i>		Percentage of audit findings accepted by management.	70% of audit findings accepted by management.	75% of audit findings accepted by management.	80% of audit findings accepted by management.	90% of audit findings accepted by management.	100% of audit findings accepted by management.	100% of audit findings accepted by management.
		Fully compliant external Quality Assurance Review report of the Provincial Internal Audit Function by the IIA (SA).	Nil	Nil.	Nil.	Nil.	Report submitted.	Report submitted.
	1.2 Building internal capacity to take over activities of the Internal Audit work from the current service provider and re-engineering the internal audit organisational fit.	Percentage of posts filled.	Not applicable.	38% of posts filled (Based on 2004/05 structure).	38% of posts filled (Based on 2004/05 structure).	50% of posts filled (Based on new organisational fit).	70% of posts filled (Based on new organisational fit).	100% of posts filled (Based on new organisational fit).

Sub-programme 4.5: Provincial Internal Audit		Strategic Goal 15: To perform internal audit services on a risk-analysis basis.						
Strategic Objective	Measurable Objective	Performance Measure Indicator	Actual 2002/03	Actual 2003/04	2004/05 Estimate	2005/06 Budget	2006/07 Target	2007/08 Target
2. Ensure effective audit committees.	2.1 Fully functional, competent and independent Audit Committees under whose guidance and control Internal Audit resorts.	Number of audit plans approved and audit committee reports issued.	Not applicable.	9 departments.	5 departments	All departments.	All departments.	All departments.
			Not applicable.	All departments.	All departments.	All departments.	All departments.	All departments.
3. Promote close co-operation and co-ordination between assurance providers to prevent duplication of effort.	3.1 Close cooperation and co-ordination between all assurance providers to prevent duplication of effort.	Number of meetings and quarterly progress reports to audit committees.	Not applicable.	3 liaison and co-ordination meetings per year.	4 liaison and co-ordination meetings per year.	10 liaison and co-ordination meetings per year.	10 liaison and co-ordination meetings per year.	10 liaison and co-ordination meetings per year.
			Not applicable.	Nil	Nil	3 quarterly and 1 annual report.	3 quarterly and 1 annual report.	3 quarterly and 1 annual report.

4.6 Reconciliation of budget with plan

Table 4.2: Programme 4: Financial Governance budget by sub-programme (R'000)

Programme 4: Financial Governance								
Sub-programme	Year – 2 2002/03 (actual)	Year – 1 2003/04 (actual)	Base year 2004/05 (estimate)	Average annual change (%)	Year 1 2005/06 (MTEF projection)	Year 2 2006/07 (MTEF projection)	Year 3 2007/08 (MTEF projection)	Average annual change (%)
Programme Support				0.00	1,063	1,117	1,173	0.00
Accounting Services	3,779	1,815	2,185	-23.96	2,980	3,872	3,882	21.12
Norms and Standards		1,183	5,467	0.00	6,878	8,497	8,922	17.73
Risk Management				0.00	2,547	2,677	2,811	0.00
Provincial Internal Audit	4,493	5,865	21,101	116.72	19,146	19,153	20,111	-1.59
Total	8,272	8,863	28,753	86.44	32,614	35,316	36,899	8.67

The average increase in the spending trends over the financial years 2002/03 to 2004/05 for this programme is mainly due to a substantial increase (117%) in the sub-programme: Provincial Internal Audit. This increase can be ascribed to the provincial audit function being shifted from Vote 1: Provincial Administration: Western Cape to this programme. While most of the sub-programmes indicate an inflation adjustment in the average increase in the spending trends over the MTEF, a new sub-programme, namely Risk Management was established from 2005/06 and a provision was made under the sub-programme: Accounting Services for the implementation of the MFMA thereby explaining the remaining increases.

5. Capital investment, maintenance and asset management plan

This section is not applicable to this Provincial Treasury as functional responsibilities of the Provincial Treasury do not relate to capital investment.

6. Medium-term receipts

6.1 Summary of receipts

The following sources of funding are used for the Vote:

Table 6.1: Summary of receipts: Provincial Treasury

Receipts R'000	Audited 2002/03	Audited 2003/04	Revised estimate 2004/05	Medium-term estimate		
				2005/06	2006/07	2007/08
Treasury funding						
Equitable share	(328 674)	(323 513)	(191 717)	(159 627)	(141 830)	(155 559)
Conditional grants						
Financing						
Total Treasury funding	(328 674)	(323 513)	(191 717)	(159 627)	(141 830)	(155 559)

6.2 Departmental receipts collection

Table 6.2: Departmental receipts collection: Provincial Treasury

Receipts R'000	Audited 2002/03	Audited 2003/04	Revised estimate 2004/05	Medium-term estimate		
				2005/06	2006/07	2007/08
Departmental receipts						
Tax receipts	133 093	146 349	161 339	182 281	190 195	198 505
Sales of goods and services other than capital assets	5 197	23	28	15	15	15
Transfers received	552	1 627	5	1	1	1
Fines, penalties and forfeits	232	314	183			
Interest, dividends and rent on land	250 133	240 621	137 089	103 244	91 696	102 378
Sales of capital assets						
Financial transactions in assets and liabilities						
Total departmental receipts	389 207	388 934	298 644	285 541	281 907	300 899
Total receipts	60 533	65 421	106 927	125 914	140 077	145 340

6.3 Conditional grants

Not applicable

6.4 Donor funding

Not applicable

7. Co-ordination, co-operation and outsourcing plans

7.1 Interdepartmental linkages

Not applicable.

7.2 Local government linkages

Although the Provincial Treasury accepts its responsibilities in terms of the MFMA, it is not foreseen that the Provincial Treasury will enter into service delivery agreements as such in the near future.

7.3 Public entities

Table 7.1: Details of public entity

Name of public entity	Main purpose of public entity	Transfers from the departmental budget		
		2005/06 MTEF R'000	2006/07 MTEF R'000	2007/08 MTEF R'000
Western Cape Gambling and Racing Board	To control all gambling, racing and activities incidental thereto in the Province.	0	0	0

The Western Cape Gambling and Racing Board's own revenue has increased to such a level that it has become self sufficient with the introduction of limited gambling machines that have become fully operative since the start of the 2005/06 financial year.

7.4 Public, private partnerships, outsourcing etc.

The Provincial Treasury is not yet functionally responsible for any PPPs. However, with capacity building within Provincial Treasury, it is envisaged to take over all PPPs related responsibilities from National Treasury at some future date.

8. Financial Management

8.1 Strategies to address audit queries

Every audit informal query received from the Auditor-General is forwarded to the accounting component within the office of the CFO where it is registered in an audit-register specifically drawn up for this purpose. It is then marked out to the applicable component with a request to present a written answer to the query at a specific date. A system of reminders is in place to ensure that the due dates are met. An informal answer then forwarded to the Auditor-General and the necessary inscriptions made in the audit register and copies thereof kept on file specifically opened for this purpose. It should be noted that no informal queries for 2003/04 have become formal queries and that no audit queries are outstanding.

8.2 Implementation of PFMA AND MFMA

All financial staff underwent intensive training on the content of the PFMA, the National Treasury Regulations and the Provincial Treasury Instructions.

A programme has also been drawn up to systematically implement the PFMA and bi-monthly reporting on progress is presented to the Treasury.

The Treasury is moving away from a nominal approach to a normative approach in order to capture the spirit of the PFMA and has embarked on a process of restructuring that started in 2002/03 aiming for completion in 2006/07 to realign the Department to the demands of good fiscal governance and those imposed by the PFMA and MFMA collectively.

Annual Performance Plan of Year- One

Programme 1: Administration

Sub-programme 1.1: Office of the Provincial Minister		Strategic Goal 1: To render secretarial, administrative and office support services and acts as linkage between the Treasury, the Department of Economic Development, and the Provincial Parliament enabling the Minister to realise her treasury and economic development priorities.							
Strategic Objective	Measurable Objective	Performance Measure Indicator	Actual 2003/04	2004/05 Estimate	2005/06 Budget	Quarter 1	Quarter 2	Quarter 3	Quarter 4
1. Ensure the rendering of secretarial, administrative and office support services.	1.1 Smooth and effective functioning of the minister's office.	Percentage satisfaction by the Minister.	60% of target achieved.	60%	90%	90%	90%	90%	90%
		Days turnaround time on documents submitted to the minister.	7 days.	7 days.	6 days.	6 days.	6 days.	6 days.	6 days.
2. Act as linkage between the Treasury and the Department of Economic Development	2.1 Strengthen linkage with Treasury, Economic Development and Provincial Parliament.	Establish a sound relationship and communication link.	Not applicable.	68%	72%	72%	72%	72%	72%
3. Ensure efficient public profile for the Minister.	3.1 Ensure good public profile for the Minister.	Improve public image.	Not applicable.	70%	85%	85%	85%	85%	85%
4. Enable the Minister to realise her direct treasury and economic development responsibilities.	4.1 Fulfillment of Minister's legislative and political functions.	Good integration with departmental function.	Not applicable.	50%	65%	65%	65%	65%	65%
		Provincial state of affairs in good shape.	Not applicable.	60%	75%	75%	75%	75%	75%

Sub-programme 1.2: Management Services		Strategic Goal 2: To render strategic support and conduct overall planning.							
Strategic Objective	Measurable Objective	Performance Measure Indicator	Actual 2003/04	2004/05 Estimate	2005/06 Budget	Quarter 1	Quarter 2	Quarter 3	Quarter 4
1. A well functioning and co-ordinated institution that delivers on its responsibilities.	1.1 Ensure good strategic support to the HoD and his management team.	Percentage satisfaction	Not applicable.	Not applicable.	50%	0%	15%	30%	50%
	1.2 Conduct overall planning to ensure that remaining management functions are conducted on such level that Provincial Treasury delivers on its responsibilities.	Percentage of planning mechanisms resulting in the right deliverables.	Not applicable.	Not applicable.	75%	75%	75%	75%	75%

Sub-programme 1.3: Corporate Services		Strategic Goal 3: To develop a diverse and high-level performing organisation.							
Strategic Objective	Measurable Objective	Performance Measure Indicator	Actual 2003/04	2004/05 Estimate	2005/06 Budget	Quarter 1	Quarter 2	Quarter 3	Quarter 4
1. Creating a diverse transformed environment by building capacity and a high performing workforce through an embedded performance management system and an effective communication process to ensure good governance and risk management.	1.1 Ensure an optimal staff establishment.	Implement effective and efficient recruitment and acquisition processes.	24% vacancy rate.	37% vacancy rate.	Reduce vacancy rate to 15%.	Reduce vacancy rate to 15%.	Reduce vacancy rate to 15%.	Reduce vacancy rate to 15%.	Reduce vacancy rate to 15%.

Sub-programme 1.3: Corporate Services		Strategic Goal 3: To develop a diverse and high-level performing organisation.							
Strategic Objective	Measurable Objective	Performance Measure Indicator	Actual 2003/04	2004/05 Estimate	2005/06 Budget	Quarter 1	Quarter 2	Quarter 3	Quarter 4
1. Creating a diverse transformed environment by building capacity and a high performing workforce through an embedded performance management system and an effective communication process to ensure good governance and risk management. <i>(continued)</i>	1.2 Establishing a high level workforce.	Reinforce and develop human capital investment programmes.	Not applicable.	Skill profiles and priorities identified.	60% achieved.	60% achieved.	60% achieved.	60% achieved.	60% achieved.
			Not applicable.	Skills development programmes implemented.	Roll-out of skills programme.	Roll-out of skills programme.	Roll-out of skills programme.	Roll-out of skills programme.	Roll-out of skills programme.
	1.3 Promote good governance and a sound-working environment.	Facilitate communication and accessibility of all applicable policies, processes and procedures on human resource matters.	Not applicable.	Develop an intranet site of all policies and prescripts.	100% activated.	25% activated.	50% activated.	75% activated.	100% activated.
			Management of workplace relations.	Not applicable.	Established Institutional Management and Labour Committee operational.	100% operational and maintained.	25% operational and maintained.	50% operational and maintained.	75% operational and maintained.
	1.4 Promote embedded Performance Management.	Implementation and management of an integrated Staff Performance Management System.	Not applicable.	Performance feedback and assessments concluded.	Maintain processes to measure, reward and manage performance.	Maintain processes to measure, reward and manage performance.	Maintain processes to measure, reward and manage performance.	Maintain processes to measure, reward and manage performance.	Maintain processes to measure, reward and manage performance.
			Not applicable.	Facilitate interventions towards a performance culture.	Engage line managers and staff on performance processes.	Engage line managers and staff on performance processes.	Engage line managers and staff on performance processes.	Engage line managers and staff on performance processes.	Engage line managers and staff on performance processes.

Sub-programme 1.3: Corporate Services		Strategic Goal 3: To develop a diverse and high-level performing organisation.							
Strategic Objective	Measurable Objective	Performance Measure Indicator	Actual 2003/04	2004/05 Estimate	2005/06 Budget	Quarter 1	Quarter 2	Quarter 3	Quarter 4
1. Creating a diverse transformed environment by building capacity and a high performing workforce through an embedded performance management system and an effective communication process to ensure good governance and risk management. <i>(continued)</i>	1.5 Ensure effective and sustainable corporate communication processes.	Develop an integrated communication strategy.	Not applicable.	Identify communication priorities.	Implement communication programmes.	Implement communication programmes.	Implement communication programmes.	Implement communication programmes.	Implement communication programmes.
	1.6 Ensure an established, diverse and integrated workforce and environment.	Promote Transformation and Human Rights ethos.	Completed a transformation process.	Compile mainstream transformation programmes.	Review and monitor progress.	Review and monitor progress.	Review and monitor progress.	Review and monitor progress.	Review and monitor progress.
			Facilitate strategies for managing diversity in the workplace.	Facilitate strategies for managing diversity in the workplace.	Facilitate strategies for managing diversity in the workplace.	Facilitate strategies for managing diversity in the workplace.	Facilitate strategies for managing diversity in the workplace.	Facilitate strategies for managing diversity in the workplace.	Facilitate strategies for managing diversity in the workplace.
			Develop and partly implement strategies for managing HIV/AIDS in the workplace.	Develop and partly implement strategies for managing HIV/AIDS in the workplace.	Develop and partly implement strategies for managing HIV/AIDS in the workplace.	Develop and partly implement strategies for managing HIV/AIDS in the workplace.	Develop and partly implement strategies for managing HIV/AIDS in the workplace.	Develop and partly implement strategies for managing HIV/AIDS in the workplace.	Develop and partly implement strategies for managing HIV/AIDS in the workplace.

Sub-programme 1.3: Corporate Services		Strategic Goal 3: To develop a diverse and high-level performing organisation.							
Strategic Objective	Measurable Objective	Performance Measure Indicator	Actual 2003/04	2004/05 Estimate	2005/06 Budget	Quarter 1	Quarter 2	Quarter 3	Quarter 4
1. Creating a diverse transformed environment by building capacity and a high performing workforce through an embedded performance management system and an effective communication process to ensure good governance and risk management. <i>(continued)</i>	1.7 Deliver an effective and efficient operational function.	Strengthen capacity in core HR functions and broaden competencies.	Not applicable.	Develop a quality improvement and skills improvement programme.	Implement programme.	Implement programme.	Implement programme.	Implement programme.	Implement programme.
	1.8 Ensure good governance and risk management.	Implement the internal audit recommendations of the identified areas of risk.	Not applicable.	50% of risk areas addressed.	60% of risk areas addressed.	60% of risk areas addressed.	60% of risk areas addressed.	60% of risk areas addressed.	60% of risk areas addressed.

Sub-programme 1.4: Financial Management		Strategic Goal 4: To deliver financial management (inclusive of risk management and internal control), supply chain management and specialised auxiliary services for the Treasury.							
Strategic Objective	Measurable Objective	Performance Measure Indicator	Actual 2003/04	2004/05 Estimate	2005/06 Budget	Quarter 1	Quarter 2	Quarter 3	Quarter 4
1. Good budget management to remain within prescribed budget limits.	1.1 Efficient and effective planning and budget management.	Percentage variance between actual and approved budget.	37%	17%	10%	10%	8%	6%	4%
	1.2 Effective application of resources in realising strategic goals.	Percentage expenditure in line with detailed budget per sub-programme.	70%	80%	90%	90%	92%	94%	96%

Sub-programme 1.4: Financial Management		Strategic Goal 4: To deliver financial management (inclusive of risk management and internal control), supply chain management and specialised auxiliary services for the Treasury.							
Strategic Objective	Measurable Objective	Performance Measure Indicator	Actual 2003/04	2004/05 Estimate	2005/06 Budget	Quarter 1	Quarter 2	Quarter 3	Quarter 4
2. Timely and accurate reflection of status of Provincial Treasury's ledger accounts.	2.1 Ledger accounts that accurately reflects the financial position of the Provincial Treasury.	Number of days for clearing of ledger control accounts.	90 days.	70 days.	60 days.	60 days.	60 days.	60 days.	60 days.
		Number of days to complete reconciliations after month close.	180 days.	60 days.	30 days.	30 days.	30 days.	30 days.	30 days.
		Number of management information tools to reflect the Provincial Treasury's records.	Not applicable.	10	12	12	12	12	12
3. Effective supply chain management services.	3.1 Efficient and effective supply chain management services.	Percentage of bids successfully administered to contract phase.	60%	80%	80%	80%	80%	80%	80%
		Compliance with conditions of contract.	80%	80%	90%	90%	90%	90%	90%
		Assets accurately recorded on inventory in terms of accrual accounting.	Not applicable.	Not applicable.	70%	70%	70%	70%	70%
4. Proper internal control measures and risk management in the Provincial Treasury.	4.1 Financial inspections to improve internal control.	Number of inspections successfully completed.	3	10	12	12	12	12	12
		Percentage improvement in the quality of inspection reports.	40%	60%	70%	70%	70%	70%	70%
	4.2 Communicating guidelines on compliance with prescripts.	Review guidelines on compliance with prescripts.	Annually	Annually	Annually	Not applicable.	Not applicable.	Not applicable.	Annually
	4.3 Improved Provincial Treasury's risk profile.	Developmental level of risk profile.	10%	30%	50%	50%	50%	50%	50%
		Percentage checking of high risk per component.	10%	20%	30%	30%	30%	30%	30%

Sub-programme 1.4: Financial Management		Strategic Goal 4: To deliver financial management (inclusive of risk management and internal control), supply chain management and specialised auxiliary services for the Treasury.								
Strategic Objective	Measurable Objective	Performance Measure Indicator	Actual 2003/04	2004/05 Estimate	2005/06 Budget	Quarter 1	Quarter 2	Quarter 3	Quarter 4	
5. Determine and maintain good administrative standards.	5.1 Compliance with financial prescripts pertaining to management accounting.	Percentage compliance with regard to quality output and timeliness.	85%	90%	90%	90%	90%	90%	90%	
	5.2 Efficient control over debtors and creditors.	Days to follow-up debtors.	180	60	30 day cycles.	30 day cycles.	30 day cycles.	30 day cycles.	30 day cycles.	
		Days to pay creditors.	50	35	<30 days	<30 days	<30 days	<30 days	<30 days	
	5.3 Efficient system management (Syscon).	Regular maintenance checks on BAS.	60 days	45 days	Monthly	Monthly	Monthly	Monthly	Monthly	
		Regular maintenance checks on LOGIS.	Annually	Annually	Quarterly	Quarterly	Quarterly	Quarterly	Quarterly	
	5.4 High quality delivery of auxiliary services.	Establish measures for a vehicle fleet that will cater for the changing needs of the Provincial Treasury.		80%	80%	80%	80%	80%	80%	80%
		Good operative document control.	Non-existent.	Non-existent.	75%	20	40%	60%	75%	
		Percentage of high quality and timely delivery of all other auxiliary services.		80%	85%	90%	90%	90%	90%	

Sub-programme 1.4: Financial Management		Strategic Goal 4: To deliver financial management (inclusive of risk management and internal control), supply chain management and specialised auxiliary services for the Treasury.							
Strategic Objective	Measurable Objective	Performance Measure Indicator	Actual 2003/04	2004/05 Estimate	2005/06 Budget	Quarter 1	Quarter 2	Quarter 3	Quarter 4
5. Determine and maintain good administrative standards. <i>(continued)</i>	5.5 Good communication and co-ordination within the sections of Financial Management and other components within Provincial Treasury.	Number of staff members trained in customer care.	Nil	Nil	20	5	10	15	20
		Number of staff members trained in communication skills and group dynamics.	Nil	Nil	15	4	8	12	15
	5.6 Ensure a full complement of competent staff.	Ensure low vacancy rate.	36%	45%	<5%	<35%	<25%	<15%	<5%
		Review of identified staff suitably trained.	Quarterly	Quarterly	Quarterly	Quarterly	Quarterly	Quarterly	Quarterly
	5.7 Proper high level management information timeously.	Determine information needs on Directorate's meeting.	Monthly	Monthly	Monthly	Monthly	Monthly	Monthly	Monthly
		Percentage of measures in place to have information available.	50%	60%	70%	62%	65%	68%	70%

Programme 2: Sustainable Resource Management

Sub-programme 2.1: Programme Support		Generic Strategic Goal : To facilitate the efficient and co-ordinated administration and management of the programme.							
Strategic Objective	Measurable Objective	Performance Measure Indicator	Actual 2003/04	2004/05 Estimate	2005/06 Budget	Quarter 1	Quarter 2	Quarter 3	Quarter 4
1. Render administrative support services to ensure the effective operational management of the unit.	1.1 Smooth and effective functioning of the component.	Percentage compliance with rules and regulations.	Not applicable.	Not applicable.	100% compliance.	25% compliance.	50% compliance.	75% compliance.	100% compliance.
		Percentage compliance to acceptable norms/ standards of service delivery.	Not applicable.	Not applicable.	70% achieved	17% achieved.	35% achieved.	53% achieved.	70% achieved.
		Hours turn around time for management of operational finances, human resources and logistical issues.	Not applicable.	48 hours.	48 hours.	48 hours.	48 hours.	48 hours.	48 hours.
2. Capacitate and train administrative support and line function staff.	2.1 Trained and capacitated administrative support and line function staff.	Number of vacant posts filled.	Not applicable.	Not applicable.	50% achieved.	12% achieved.	25% achieved.	38% achieved.	50% achieved.
		Percentage of staff complement trained according to IDPs.	Not applicable.	Not applicable.	50% achieved.	12% achieved.	25% achieved.	38% achieved.	50% achieved.
3. Support and promote BBBEE initiatives through administrative functions.	3.1 Achievement of iKapa Elihlumayo goals.	Percentage support and promotion of goals in work environment.	Not applicable.	Not applicable.	100% support achieved.	25% support achieved.	50% support achieved.	75% support achieved.	100% support achieved.
		Percentage procurement in terms of BBBEE.	Not applicable.	Not applicable.	40%	10%	20%	30%	40%

Sub-programme 2.2: Economic Analysis		Strategic Goal 5: To conduct macroeconomic analysis and render policy advice, i.e. to determine and analyse key economic variables, their interrelation and relevance to the budget, the potential for growth and development and the interaction with governmental and revenue patterns, alternative budgeting and other revenue and expenditure scenarios on selected key economic growth and development indicators.							
Strategic Objective	Measurable Objective	Performance Measure Indicator	Actual 2003/04	2004/05 Estimate	2005/06 Budget	Quarter 1	Quarter 2	Quarter 3	Quarter 4
1. Describe the Western Cape economy by determining and analysing key provincial and, where possible, district economic variables and their interrelation.	1.1 Describe the provincial economy.	Timely published PER&O before budget.	Forerunner, the SER, published.	Publication delayed to March 2005.	PER&O published.				PER&O published.
2. Determine the sources, potential and constraints for enhanced growth and development in the Western Cape, as framed within iKapa Elihlumayo.	2.1 Determine the sources, potential and constraints for enhanced growth and development in WC.	Timely published PER&O before budget.	Forerunner, the SER, published.	Publication delayed to March 2005.	PER&O published.				PER&O published.
3. Assess the impact of various budget (municipal and provincial) policy objectives on selected economic variables, providing a link between the macro, meso and municipal spheres.	3.1 Assess the impact of various budget policy objectives on selected economic variables.	Alignment of departmental activities to iKapa Elihlumayo.	Not applicable.	Not applicable.	PER&O framing Budget 2005.				PER&O framing Budget 2005.

Sub-programme 2.2: Economic Analysis		Strategic Goal 5: To conduct macroeconomic analysis and render policy advice, i.e. to determine and analyse key economic variables, their interrelation and relevance to the budget, the potential for growth and development and the interaction with governmental and revenue patterns, alternative budgeting and other revenue and expenditure scenarios on selected key economic growth and development indicators.							
Strategic Objective	Measurable Objective	Performance Measure Indicator	Actual 2003/04	2004/05 Estimate	2005/06 Budget	Quarter 1	Quarter 2	Quarter 3	Quarter 4
4. Provide technical assistance and training in the application of macroeconomic analysis.	4.1 Provide technical assistance and training.	Planning social dialogue events.	Not applicable.	Publication delayed to March 2005.	Social dialogues.	Social dialogues.	Social dialogues.	Social dialogues.	Social dialogues.
5. Disseminate information to other government and external key stakeholders in the provincial economy and labour market to foster understanding of economic variables and promote steps to enhance economic growth and reduce inequalities.	5.1 Disseminating information to other stakeholders in the provincial economy and labour market.	Publishing of PER&O.	Not applicable.	Publication delayed to March 2005.	PER&O published.				PER&O published.
		Engaging in social dialogues.	Not applicable.	Publication delayed to March 2005.	Social dialogues.	Social dialogues.	Social dialogues.	Social dialogues.	Social dialogues.
		Hosting events launch and media briefing.	Not applicable.	Publication delayed to March 2005.	Social dialogues.	Social dialogues.	Social dialogues.	Social dialogues.	Social dialogues.
		Producing iKapa Elihlumayo quarterly bulletin.	Not applicable.	4 Publications.	4 Publications.	1 Publication.	1 Publication.	1 Publication.	1 Publication.
	Developing iKapa Elihlumayo web-page.	Not applicable.	Not applicable.	50% completed.	12% completed.	25% completed.	38% completed.	50% completed.	
	5.2 Assessing socio-economic relevance of municipal IDPs	IDPs that reflect the true socio-economic needs in each municipality.	Not applicable.	Not applicable.	Not applicable.	Not applicable.	Not applicable.	Not applicable.	Not applicable.

Sub-programme 2.3: Fiscal Policy		Strategic Goal 6: To enable the provincial government to finance its service delivery obligations.							
Strategic Objective	Measurable Objective	Performance Measure Indicator	Actual 2003/04	2004/05 Estimate	2005/06 Budget	Quarter 1	Quarter 2	Quarter 3	Quarter 4
1. Administer the medium-term revenue planning process.	1.1 Robust participation on the TCF, PES and CG working groups.	Position papers, policy briefs, reports and memos.	100%	100%	100%	100%	100%	100%	100%
2. Assess and optimise both vertical and horizontal (equitable shares and conditional grants) from national.	2.1 Analytical position paper analysing PES and CG transfers.	Timeous submission of informative and accurate reports to HoPT and MEC.	Not applicable.	Quarterly reports. Memos.	Quarterly reports. Memos.	Quarterly reports. Memos.	Quarterly reports. Memos.	Quarterly reports. Memos.	Quarterly reports. Memos.
	2.2 Framework position paper with respect to the Fiscal Governance Model.	Position papers, policy briefs, reports and memos.	Not applicable.	Proposals submitted and accepted.	Final report.	Study complete.	Study complete	Study complete.	Study complete
3. Assess and optimise the Western Cape's present own revenue base.	3.1 Analytical provincial own revenue position papers.	Semi-final own revenue paper and quarterly reports timeously submitted.	Not applicable.	Semi-final own revenue paper (inclusive of reports and memos).	Final own revenue paper (inclusive of reports and memos).	Final own revenue paper (inclusive of reports and memos).	Final own revenue paper (inclusive of reports and memos).	Final own revenue paper (inclusive of reports and memos).	Final own revenue paper (inclusive of reports and memos).
4. Ensure effective and efficient management of debtors.	4.1 Analysis of debtor reports.	Detailed analysis of debtors.	Not applicable.	Final report on analysis of debtors.	Continuous.	Continuous.	Continuous.	Continuous.	Continuous.
	4.2 Quarterly IYM debtors reports.	Quarterly reports.	Not applicable.	4 Quarterly reports on debtors.	Continuous.	Continuous.	Continuous.	Continuous.	Continuous.

Sub-programme 2.3: Fiscal Policy		Strategic Goal 6: To enable the provincial government to finance its service delivery obligations.							
Strategic Objective	Measurable Objective	Performance Measure Indicator	Actual 2003/04	2004/05 Estimate	2005/06 Budget	Quarter 1	Quarter 2	Quarter 3	Quarter 4
5. Ensure effective and efficient development of provincial own revenue, whether use charges or provincial taxes, levies and duties.	5.1 Initiation and completion of revenue estimation model process.	Accurate own revenue forecasting.	Not applicable.	Revenue estimation model.	Initiation of model and develop adaptation.	Initiation of model and develop adaptation.	Initiation of model and develop adaptation.	Initiation of model and develop adaptation.	Initiation of model and develop adaptation.
6. Ensure effective and efficient development of the Western Cape's borrowing capacity.	6.1 Presentation of fuel levy proposal to the various stakeholders.	Implementation of fuel levy 06/07.	Not applicable.	Not applicable.	Finalisation of fuel levy proposal.	Finalisation of fuel levy proposal.	Finalisation of fuel levy proposal.	Finalisation of fuel levy proposal.	Finalisation of fuel levy proposal.
	6.2 Approval of the fuel levy by National Treasury and provincial legislature.	Implementation of fuel levy 06/07.	Research into feasibility of fuel levy.	Approval of fuel levy by provincial legislature.	Approval of fuel levy by NT.	Approval of fuel levy by NT.	Approval of fuel levy by NT.	Approval of fuel levy by NT.	Approval of fuel levy by NT.
	6.3 Research into the feasibility of the bed levy.	Implementation of bed levy.	Not applicable.	Commencement of bed levy feasibility study.	Continuation of bed levy feasibility study.	Continuation of bed levy feasibility study.	Continuation of bed levy feasibility study.	Continuation of bed levy feasibility study.	Continuation of bed levy feasibility study.
	6.4 Proceed to cancel the present Bed levy tender and initiate a process.	Cancellation of present bed levy tender.	Not applicable.	Cancellation of present bed levy tender.	Cancellation of present bed levy tender.	Cancellation of present bed levy tender.	Cancellation of present bed levy tender.	Cancellation of present bed levy tender.	Cancellation of present bed levy tender.
	6.5 Exploring new potential tax sources.	Identification of viable revenue sources.	Not applicable.	Decide on final basket of potential taxes.	Start process of implementation.	Start process of implementation.	Start process of implementation.	Start process of implementation.	Start process of implementation.
Discussions with departments on viability.		Not applicable.							

Sub-programme 2.3: Fiscal Policy		Strategic Goal 6: To enable the provincial government to finance its service delivery obligations.							
Strategic Objective	Measurable Objective	Performance Measure Indicator	Actual 2003/04	2004/05 Estimate	2005/06 Budget	Quarter 1	Quarter 2	Quarter 3	Quarter 4
7. Administer gambling and racing matters.	7.1 Liaison with gambling board including monthly engagements.	Smooth and efficient running of the Western Cape Gambling and Racing Board.	Database compiled.	Analyse trends.	Access measures to increase own revenue.	Access measures to increase own revenue.	Access measures to increase own revenue.	Access measures to increase own revenue.	Access measures to increase own revenue.
	7.2 Liaison with SCOF, HOT, and MEC regarding the Western Cape Gambling and Racing Board.	Smooth and efficient running of the Western Cape Gambling and Racing Board.	Database compiled.	Analyse trends.	Access measures to increase own revenue.	Access measures to increase own revenue.	Access measures to increase own revenue.	Access measures to increase own revenue.	Access measures to increase own revenue.
8. Assess revenue trends, compile and submit revenue reports.	8.1 Monthly and quarterly IYM revenue reports.	Advanced analysis of own revenue.	Not applicable.	IYM reports.	Continuous.	Continuous.	Continuous.	Continuous.	Continuous.
9. Determine an overall financing envelope for MTEF	9.1 Liability statements (guarantees and loans).	Contingent liability statement.	Not applicable.	Finalisation of the Contingent liability statement.	Not applicable.	Not applicable.	Not applicable.	Not applicable.	Not applicable.
10. To assess viability of municipal revenue budgets.	10.1 Assess viability of municipal revenue budgets to ensure sustainability.	Effective lines of communications and unified actions.	Nil	Nil	60% acceptance by councils.	60% acceptance by councils.	60% acceptance by councils.	60% acceptance by councils.	60% acceptance by councils.

Sub-programme 2.4: Budget management		Strategic Goal 7: To promote effective financial resource allocation.							
Strategic Objective	Measurable Objective	Performance Measure Indicator	Actual 2003/04	2004/05 Estimate	2005/06 Budget	Quarter 1	Quarter 2	Quarter 3	Quarter 4
1. To promote and facilitate performance monitoring in provincial departments and municipalities and should be done in conjunction with similar processes undertaken by the Department of the Premier, Department of Local Government and Housing and the National Treasury.	1.1 Compile annual medium-term budget policy objectives targeted to reduce socio-economic disparities, achieve synergy, improve financial management of resources and promote integrated governance.	Submission of provincial medium-term budget policy statement to the Executive and Provincial Parliament.	WC-MTBPS accepted by executive and tabled during November 2003. The Efficacy Review 2003 was also internally published.	WC-MTBPS 2005 – 2008 accepted by executive and tabled during November 2004. The SDR 2004 (working paper) was also internally published.	WC-MTBPS 2006 - 2009.	Not applicable.	Not applicable.	Not applicable.	WC-MTBPS 2006 - 2009.
		Meeting of all due dates and timely corrective measures.	Due dates met in relation to time schedule.	100% compliance.	100% compliance.	Not applicable.	Not applicable.	Not applicable.	100% compliance.
	1.2 Proposing of allocations per function to ensure realisation of policy priorities.	Tabling of allocations to the Executive.	Allocations in line with iKapa elihlumayo policy objectives accepted by executive during December (pre-final allocations) and February (Final allocations).	Allocations in line with iKapa elihlumayo policy objectives accepted by executive during December (pre-final allocations) and February (Final allocations).	Outcome based allocations (70% phased in).	Outcome based allocations (70% phased in).	Outcome based allocations (70% phased in).	Outcome based allocations (70% phased in).	Outcome based allocations (70% phased in).

Sub-programme 2.4: Budget management		Strategic Goal 7: To promote effective financial resource allocation.								
Strategic Objective	Measurable Objective	Performance Measure Indicator	Actual 2003/04	2004/05 Estimate	2005/06 Budget	Quarter 1	Quarter 2	Quarter 3	Quarter 4	
1. To promote and facilitate performance monitoring in provincial departments and municipalities and should be done in conjunction with similar processes undertaken by the Department of the Premier, Department of Local Government and Housing and the National Treasury. <i>(continued)</i>		Ensure budget allocations are in line with policy goals.	Allocations aligned with the WCFP 2004 –2007.	Allocations aligned with the WC-MTBPS 2005 – 2008).	Allocations aligned with the WC-MTBPS 2006 – 2009.	Allocations aligned with the WC-MTBPS 2006 – 2009.	Allocations aligned with the WC-MTBPS 2006 – 2009.	Allocations aligned with the WC-MTBPS 2006 – 2009.	Allocations aligned with the WC-MTBPS 2006 – 2009.	
		Meeting of all due dates and timely corrective measures.	Due dates met in relation to time schedule.	Due dates met in relation to time schedule.	100% compliance.	100% compliance.	100% compliance.	100% compliance.	100% compliance.	
	1.3	Establishment of managerial and co-ordinating intergovernmental structures related to financial matters.	Percentage development to establish a fully functional structure.	Not applicable.	50% functional.	70% functional.	70% functional.	70% functional.	70% functional.	70% functional.
	1.4	Organise, facilitate and report on regular assessments of departments' and municipalities' performance.	Quarterly assessment meetings are organised, conducted and reported on.	Not applicable.	Not applicable.	Four quarterly reports.	One report.	One report.	One report.	One report.

Sub-programme 2.5: Public Finance		Strategic Goal 8: To ensure efficient budget management.							
Strategic Objective	Measurable Objective	Performance Measure Indicator	Actual 2003/04	2004/05 Estimate	2005/06 Budget	Quarter 1	Quarter 2	Quarter 3	Quarter 4
Provincial Government Finance									
1. Provide policy advice, effective technical and strategic support and a change agent service to provincial departments and municipalities.	1.1 Budget in line with national and provincial priority goals.	Provincial benchmark exercise.	1 assessment.	1 assessment.	1 assessment.	Planning.	Research.	Research.	1st assessment.
		Bilateral medium term expenditure committee hearings.	2 assessments.	2 assessments.	2 assessments.	Planning.	Research.	1st assessment.	2nd assessment.
2. Improve input-output sequencing of information and the quality of the latter within the budget processes.	2.1 Credible budgets.	Bilateral medium term expenditure committee hearings.	14 reports.	14 reports.	13 reports.	Planning.	Research.	13 reports.	13 reports.
		Expenditure Review	1 review.	1 review.	1 review.	Planning and research.	1st Draft.	2nd Draft.	Publish working document.
	2.2 Tabling of the annual budget.	Submission of budget documentation in line with prescribed formats and timelines to the Provincial Parliament.	February.	February.	February.	Planning.	1st Draft.	2nd Draft.	Tabling.
	2.3 Tabling of the adjustments budget	Submission of budget documentation in line with prescribed formats and timelines to the Provincial Parliament.	November.	November.	November.	Planning.	Draft.	Tabling.	Not applicable.

Sub-programme 2.5: Public Finance		Strategic Goal 8: To ensure efficient budget management.								
Strategic Objective	Measurable Objective	Performance Measure Indicator	Actual 2003/04	2004/05 Estimate	2005/06 Budget	Quarter 1	Quarter 2	Quarter 3	Quarter 4	
3. Develop effectiveness of in-year expenditure monitoring systems towards monitoring financial and non-financial performance indicators.	3.1 Effective and quality IYM of expenditure.	Prescribed reporting i.t.o. both sections 32 and 40 of PFMA.	14 reports x 4.	14 reports x 4.	13 reports x 4.	13 reports.	13 reports.	13 reports.	13 reports.	
		Non-prescribed reporting in development.	14 analytical reports x 4.	14 analytical reports x 4.	13 analytical reports x 4.	13 analytical reports.	13 analytical reports.	13 analytical reports.	13 analytical reports.	13 analytical reports.
			Not applicable.	Not applicable.	Pilot 13 Performance reports x 4.	Pilot 13 Performance reports.	Pilot 13 Performance reports.	Pilot 13 Performance reports.	Pilot 13 Performance reports.	
		Developed efficiency indicators/ratios.	Not applicable.	Not applicable.	Indicators/ ratios for Education, Health, Social services and poverty alleviation, Transport and public works.	Draft.	Refine.	Apply in expenditure review.	Apply in analytical reports.	
		Functional database.	Maintenance of database with financial information.	Maintenance of database with financial information.	Maintenance of database with financial information.	Review and refine.	Maintain.	Maintain.	Maintain.	
			Not applicable.	Not applicable.	Develop database with non-financial information. Phase 1.	Plan and develop.	Activate.	Refine and maintain.	Maintain.	

Sub-programme 2.5: Public Finance		Strategic Goal 8: To ensure efficient budget management.							
Strategic Objective	Measurable Objective	Performance Measure Indicator	Actual 2003/04	2004/05 Estimate	2005/06 Budget	Quarter 1	Quarter 2	Quarter 3	Quarter 4
Local Government Finance									
4. Strengthen the institutional capacity, inclusive of professionalism, skills, knowledge, motivation, attitudes, integration, and values.	4.1 Implementation of the MFMA.	Readiness to perform the provincial treasury responsibilities.	Not applicable.	Not applicable.	Central	Implementation plan, Organisation structure, Recruitment and Training.	Training 50 % Functionality.	Training 60% Functionality.	Training 80% Functionality.
		Assist with monitoring nominal and substantive compliance in accordance with National Treasury guidelines.	Not applicable.	Not applicable.	24-30 municipalities.	24 municipalities.	24 municipalities.	24 municipalities.	24 municipalities.
5. Develop intra Provincial Treasury intra provincial, inter provincial and government co-ordinating structures and systems.	5.1 Functional intra and inter governmental co-ordinating structures and institutions (forums) that relate to planning and financial matters.	Percentage development to establish fully functional structures.	20% functional Municipal budgeting and Technical forum.	50% functional Municipal budgeting and Technical forum.	70% functional Municipal budgeting and Technical forum.	In principle approval for structure.	Consultation of structure	Final approval of structure	1st meeting.
			Not applicable.	Not applicable.	20% functional Municipal CFO forum.	Organise and 1 st meeting.	2 nd meeting.	3 rd meeting.	4 th meeting.

Sub-programme 2.5: Public Finance		Strategic Goal 8: To ensure efficient budget management.							
Strategic Objective	Measurable Objective	Performance Measure Indicator	Actual 2003/04	2004/05 Estimate	2005/06 Budget	Quarter 1	Quarter 2	Quarter 3	Quarter 4
6. Facilitate the optimal vesting of functions between the provincial and local spheres of government.	6.1 Facilitated vesting of functions between provincial and local government.	Appropriate authorisation.	28 functions w.r.t. information collection.	28 functions w.r.t. situation analysis.	28 functions w.r.t. position statement.	Process and reporting mechanism.	1 st Cabinet monitoring report	2 nd Cabinet monitoring report.	3 rd Cabinet monitoring report.
7. Deepen the analysis of budget votes, i.e. in content and profile.	7.1 Effective monitoring of monthly outcome of municipal budgets.	Prescribed reporting.	Not applicable.	Not applicable.	24-30 municipality reports X 9.	Not applicable.	24 reports.	24 reports.	24 reports.
	7.2 Determine extent to which municipal budgets are aligned with broad national and provincial priorities.	Analysis of municipal budgets.	Not applicable.	Not applicable.	24-30 budgets.	24 analytical reports on annual budget.	24 analytical reports on annual budget.	24 analytical reports adjustments budget.	24 analytical reports annual budget.
		Local Government Review.	1 review.	1 review.	1 review.	Planning and research.	1 st Draft.	2 nd Draft.	Publish working document.

Programme 3: Asset and Liabilities Management

Sub-programme 3.1: Programme Support		Generic Strategic Goal : To facilitate the efficient and co-ordinated administration and management of the programme.							
Strategic Objective	Measurable Objective	Performance Measure Indicator	Actual 2003/04	2004/05 Estimate	2005/06 Budget	Quarter 1	Quarter 2	Quarter 3	Quarter 4
1. Rendering administrative support services to ensure the effective operational management of the unit.	1.1 Smooth and effective functioning of the component.	Percentage compliance with rules and regulations.	Not applicable.	Not applicable.	100% compliance.	100% compliance.	100% compliance.	100% compliance.	100% compliance.
		Percentage compliance to acceptable norms/ standards of service delivery.	Not applicable.	Not applicable.	70% achieved.	18% achieved.	35% achieved.	53% achieved.	70% achieved.
		Hours turn around time for management of operational finances, human resources and logistical issues.	Not applicable.	Not applicable.	48 hours.	48 hours.	48 hours.	48 hours.	48 hours.
2. Capacitate and train administrative support and line function staff.	2.1 Trained and capacitated administrative support and line function staff.	Number of vacant posts filled.	Not applicable.	Not applicable.	50% achieved.	50% achieved.	50% achieved.	50% achieved.	50% achieved.
		Percentage of staff complement trained according to IDPs.	Not applicable.	Not applicable.	50% achieved.	12% achieved.	25% achieved.	38% achieved.	50% achieved.
3. Support and promote BBBEE initiatives through administrative functions.	3.1 Achievement of iKapa Elihlumayo goals.	Percentage support and promotion of goals in work environment.	Not applicable.	Not applicable.	100% support achieved.	100% support achieved.	100% support achieved.	100% support achieved.	100% support achieved.
		Percentage procurement in terms of BBBEE.	Not applicable.	Not applicable.	40%	10%	20%	30%	40%

Sub-programme 3.2: Asset Management		Strategic Goal 9: To facilitate the effective and efficient management of physical and financial assets and to elicit sustainable PPP projects.							
Strategic Objective	Measurable Objective	Performance Measure Indicator	Actual 2003/04	2004/05 Estimate	2005/06 Budget	Quarter 1	Quarter 2	Quarter 3	Quarter 4
Financial Asset Management									
1. Ensure effective control and management of the Provincial Revenue Fund.	1.1 Effective managed Provincial Revenue Fund (Receipts).	The daily monitoring of all banking accounts to ensure a deviation of less than 2% between transfers and actual expenditure.	100% achieved.	100% achieved.	100% achieved.	100% achieved.	100% achieved.	100% achieved.	100% achieved.
		Scheduling of all payments by departments in terms of a payment schedule prescribed by the Provincial Treasury permitting payment only in 30 days from the date of invoice where possible. BAS reports to verify that departments actually adhere to this policy are envisaged.	Not applicable.	40% of target.	70% of target.	48% of target.	56% of target.	64% of target.	70% of target.
		Investment of surplus funds at reputable financial institutions / CPD thereby ensuring a return of 5% above budgeted interest figure.	100% achieved.	100% achieved.	100% achieved.	100% achieved.	100% achieved.	100% achieved.	100% achieved.
		Preparation, awarding and implementation of tender for the provision of commercial banking services to this province by 1 April 2007.	Not applicable.	Not applicable.	Not applicable.	Not applicable.	Not applicable.	Not applicable.	Not applicable.

Sub-programme 3.2: Asset Management		Strategic Goal 9: To facilitate the effective and efficient management of physical and financial assets and to elicit sustainable PPP projects.							
Strategic Objective	Measurable Objective	Performance Measure Indicator	Actual 2003/04	2004/05 Estimate	2005/06 Budget	Quarter 1	Quarter 2	Quarter 3	Quarter 4
Financial Asset Management									
2. Render effective technical, strategic support and training to Provincial Departments and Local Government where applicable.	2.1 Fully skilled and capacitated personnel.	Training of 150 departmental officials to familiarise such personnel with current banking procedures/policies.	Trained on an ad hoc basis.	Trained on an ad hoc basis.	25% of target market.	6% of target market.	12% of target market.	19% of target market.	25% of target market.
		Determining skills gap to improve capacity and address shortcomings of existing staff in the Provincial Treasury.	Underwent selective training.	Underwent selective training.	25%	6%	12%	19%	25%
		Training relevant personnel of 30 municipalities to ensure enhancement of cash flow management.	Not applicable.	Not applicable.	10%	2%	5%	8%	10%
		Fully operational helpdesk managed by skilled staff rendering service to 150 users.	100% accessibility and availability of the helpdesk on a daily basis.	100% accessibility and availability of the helpdesk on a daily basis.	100% accessibility and availability of the helpdesk on a daily basis.	100% accessibility and availability of the helpdesk on a daily basis.	100% accessibility and availability of the helpdesk on a daily basis.	100% accessibility and availability of the helpdesk on a daily basis.	100% accessibility and availability of the helpdesk on a daily basis.
3. Compliance with the PFMA, MFMA accounting policies, regulations and guidelines.	3.1 Compliance to prescripts.	Provincial Treasury to ensure accurate and timeous receipt of cash flow projections in terms of the PFMA.	100% timeous submission and not more than 15% deviation in projections vs. transfers.	100% timeous submission and not more than 12% deviation in projections vs. transfers.	100% timeous submission and not more than 10% deviation in projections vs. transfers.	100% timeous submission and not more than 12% deviation in projections vs. transfers.	100% timeous submission and not more than 11% deviation in projections vs. transfers.	100% timeous submission and not more than 10% deviation in projections vs. transfers.	100% timeous submission and not more than 10% deviation in projections vs. transfers.

Sub-programme 3.2: Asset Management		Strategic Goal 9: To facilitate the effective and efficient management of physical and financial assets and to elicit sustainable PPP projects.							
Strategic Objective	Measurable Objective	Performance Measure Indicator	Actual 2003/04	2004/05 Estimate	2005/06 Budget	Quarter 1	Quarter 2	Quarter 3	Quarter 4
Financial Asset Management									
3. Compliance with the PFMA, MFMA accounting policies, regulations and guidelines. <i>(continued)</i>		Monitor and supervise municipalities with regard to prescribed cash management requirements of the MFMA.	Not applicable.	Not applicable.	100% compliance.	25% compliance.	50% compliance.	75% compliance.	100% compliance.

Sub-programme 3.2: Asset Management		Strategic Goal 9: To facilitate the effective and efficient management of physical and financial assets and to elicit sustainable PPP projects.							
Strategic Objective	Measurable Objective	Performance Measure Indicator	Actual 2003/04	2004/05 Estimate	2005/06 Budget	Quarter 1	Quarter 2	Quarter 3	Quarter 4
Physical Asset Management									
Movable Assets									
1. Develop and implement provincial treasury instructions and guidelines to ensure effective supply chain management of goods and services.	1.1 A modernised and practical supply chain management system to promote economic development and improve efficiency.	Number of transversal contracts arranged.	2 Transversal contracts.	5 Transversal contracts.	Facilitation and management of 3 transversal contracts.	Facilitation and management of 3 transversal contracts.	Facilitation and management of 3 transversal contracts.	Facilitation and management of 3 transversal contracts.	Facilitation and management of 3 transversal contracts.
		Percentage of specific departments assessed.	Not applicable.	Not applicable.	30% on Education and Transport and Public Works.	30% on Education and Transport and Public Works.	30% on Education and Transport and Public Works.	30% on Education and Transport and Public Works.	30% on Education and Transport and Public Works.

Sub-programme 3.2: Asset Management		Strategic Goal 9: To facilitate the effective and efficient management of physical and financial assets and to elicit sustainable PPP projects.							
Strategic Objective	Measurable Objective	Performance Measure Indicator	Actual 2003/04	2004/05 Estimate	2005/06 Budget	Quarter 1	Quarter 2	Quarter 3	Quarter 4
Physical Asset Management									
Movable Assets									
1. Develop and implement provincial treasury instructions and guidelines to ensure effective supply chain management of goods and services. <i>(continued)</i>		Number of commodities completed.	Not applicable.	Not applicable.	TCO on 1 commodity items within 3 departments.	TCO on 1 commodity items within 3 departments.	TCO on 1 commodity items within 3 departments.	TCO on 1 commodity items within 3 departments.	TCO on 1 commodity items within 3 departments.
		Number of assessment reports on renewal of EPS and WCSD.	Not applicable.	Not applicable.	Assessment report 100% complete.	Not applicable.	Not applicable.	Not applicable.	Assessment report 100% complete.
		Number of officials knowledgeable in prescripts.	Not applicable.	Not applicable.	100% complete.	25% complete.	50% complete.	75% complete.	100% complete.
		Percentage of elements of TQM implemented in three departments.	Not applicable.	Not applicable.	Not applicable.	Not applicable.	Not applicable.	Not applicable.	Not applicable.
2. Provide strategic leadership and guidance in the supply chain management of goods and services.	2.1 A professional and skilled SCM cadre in Provincial Treasury.	Percentage of vacancies filled.	Not applicable.	Not applicable.	100% complete by June 05.	100% complete by June 05.	Not applicable.	Not applicable.	Not applicable.

Sub-programme 3.2: Asset Management		Strategic Goal 9: To facilitate the effective and efficient management of physical and financial assets and to elicit sustainable PPP projects.							
Strategic Objective	Measurable Objective	Performance Measure Indicator	Actual 2003/04	2004/05 Estimate	2005/06 Budget	Quarter 1	Quarter 2	Quarter 3	Quarter 4
Physical Asset Management									
Movable Assets									
2. Provide strategic leadership and guidance in the supply chain management of goods and services. <i>(continued)</i>		Capacitated and restructured PT: SCM component to manage the following specific areas:	Not applicable.	Not applicable.	Not applicable.	Not applicable.	Not applicable.	Not applicable.	Not applicable.
		Norms and Standards.	Not applicable.	Not applicable.	50% capacitated.	50% capacitated.	50% capacitated.	50% capacitated.	50% capacitated.
		Helpdesk/Call Centre/ complaints mechanism.	Not applicable.	Not applicable.	100% capacitated.	100% capacitated.	100% capacitated.	100% capacitated.	100% capacitated.
		Training.	Not applicable.	Not applicable.	50% capacitated.	50% capacitated.	50% capacitated.	50% capacitated.	50% capacitated.
		Monitoring and compliance.	Not applicable.	Not applicable.	100% capacitated.	100% capacitated.	100% capacitated.	100% capacitated.	100% capacitated.
Capacitate/co-ordinate training/re-training of 300 officials.	Not applicable.	Not applicable.	30% capacitated	30% capacitated	30% capacitated	30% capacitated	30% capacitated	30% capacitated	
3. To strengthen and render effective, technical and strategic support to departments, public entities, municipalities and municipal entities.	3.1 Fair, transparent, equitable, and competitive and cost effective SCM processes and procedures.	Percentage capacitated complaints mechanism in Province.	Not applicable.	Not applicable.	50% capacitated.	50% capacitated.	50% capacitated.	50% capacitated.	50% capacitated.
4. Monitor compliance with legislative framework.	4.1 Compliance to prescripts.	Number of departments completed compliance testing.	Not applicable.	Not applicable.	Compliance testing at 5 departments completed.	Not applicable.	Not applicable.	Not applicable.	Compliance testing at 5 departments completed.

Sub-programme 3.2: Asset Management		Strategic Goal 9: To facilitate the effective and efficient management of physical and financial assets and to elicit sustainable PPP projects.							
Strategic Objective	Measurable Objective	Performance Measure Indicator	Actual 2003/04	2004/05 Estimate	2005/06 Budget	Quarter 1	Quarter 2	Quarter 3	Quarter 4
Physical Asset Management									
Movable Assets									
4. Monitor compliance with legislative framework. (continued)	4.2 Successful SCM module (IFMS) roll-out and implementation.	Prepare provincial departments for the implementation of IFMS.	Not applicable.	Not applicable.	Not applicable.	Not applicable.	Not applicable.	Not applicable.	Not applicable.
		Develop norms and standards on IFMS.	Not applicable.	Not applicable.	Not applicable.	Not applicable.	Not applicable.	Not applicable.	Not applicable.
		Implement/roll-out of IFMS to provincial departments.	Not applicable.	Not applicable.	Not applicable.	Not applicable.	Not applicable.	Not applicable.	Not applicable.
	4.3 Successful implementation and roll-out of MFMA: SCM in municipalities.	Number/ percentage of vacancies filled in Provincial Treasury.	Not applicable.	Not applicable.	3 posts filled.	3 posts filled.	3 posts filled.	3 posts filled.	3 posts filled.
		Number of SCM units in municipalities and municipal entities established with the percentage of set criteria.	Not applicable.	Not applicable.	15 units met 25% of criteria.	15 units met 25% of criteria.	15 units met 25% of criteria.	15 units met 25% of criteria.	15 units met 25% of criteria.
		Number of municipalities within which SCM have been implemented.	Not applicable.	Not applicable.	SCM implemented in 20 municipalities.	SCM implemented in 20 municipalities.	SCM implemented in 20 municipalities.	SCM implemented in 20 municipalities.	SCM implemented in 20 municipalities.
		Percentage of target population trained.	Not applicable.	Not applicable.	20% of target population trained.	20% of target population trained.	20% of target population trained.	20% of target population trained.	20% of target population trained.
		Number of municipalities having access to WCSD.	Not applicable.	Not applicable.	Implementation of WCSD in 1 municipality.	Implementation of WCSD in 1 municipality.	Implementation of WCSD in 1 municipality.	Implementation of WCSD in 1 municipality.	Implementation of WCSD in 1 municipality.

Sub-programme 3.2: Asset Management		Strategic Goal 9: To facilitate the effective and efficient management of physical and financial assets and to elicit sustainable PPP projects.							
Strategic Objective	Measurable Objective	Performance Measure Indicator	Actual 2003/04	2004/05 Estimate	2005/06 Budget	Quarter 1	Quarter 2	Quarter 3	Quarter 4
Physical Asset Management									
Immovable Assets									
1. Develop and implement provincial treasury instructions and guidelines to ensure the effective and efficient management of immovable assets.	1.1 Develop and implement Provincial Treasury instructions for the effective and efficient management of immovable assets.	Completion of Provincial Treasury Instructions developed for immovable asset registers, acquisitions, disposals, transfers and donations.	Not applicable.	Not applicable.	100 % completed.	100 % completed.	100 % completed.	100 % completed.	100 % completed.
		Number of workshops conducted on PT instruction on immovable assets.	Not applicable.	Not applicable.	2 workshops conducted on PT instructions on immovable assets.	Not applicable.	Not applicable.	Not applicable.	2 workshops conducted on PT instructions on immovable assets.
2. Provide strategic leadership and guidance in immovable assets.	2.1 Effective and efficient management of infrastructure delivery.	The percentage of project plans reviewed of R1 million and greater.	Not applicable.	Not applicable.	100% project plans reviewed.	25% project plans reviewed.	50% project plans reviewed.	75% project plans reviewed.	100% project plans reviewed.
		Number of infrastructure reports compiled and compliant to IDIP/ NT Guidelines.	Not applicable.	Not applicable.	10 infrastructure reports for the year.	2 infrastructure reports for the year.	5 infrastructure reports for the year.	7 infrastructure reports for the year.	10 infrastructure reports for the year.

Sub-programme 3.2: Asset Management		Strategic Goal 9: To facilitate the effective and efficient management of physical and financial assets and to elicit sustainable PPP projects.							
Strategic Objective	Measurable Objective	Performance Measure Indicator	Actual 2003/04	2004/05 Estimate	2005/06 Budget	Quarter 1	Quarter 2	Quarter 3	Quarter 4
Physical Asset Management									
Immovable Assets									
3. To strengthen and render effective, technical and strategic support to departments, public entities, municipalities and municipal entities.	3.1 Credible immovable Asset Registers.	Percentage of relevant information pertaining to acquisitions, disposals, transfers, donations verified and accounted for on asset register.	Not applicable.	Not applicable.	100% information verified with relevant documentation.	25% information verified with relevant documentation.	50% information verified with relevant documentation.	75% information verified with relevant documentation.	100% information verified with relevant documentation.
	3.2 Cost effective leasing of immovable property.	Percentage of non market-related rentals identified and addressed with Public Works.	Not applicable.	Not applicable.	100% non-market related rentals identified and addressed.	25% non-market related rentals identified and addressed.	50% non-market related rentals identified and addressed.	75% non-market related rentals identified and addressed.	100% non-market related rentals identified and addressed.
		Address outstanding debtors of 90 days and over with Public Works.	Not applicable.	Not applicable.	100% of outstanding debtors identified and corrective actions taken.	25% of outstanding debtors identified and corrective actions taken.	50% of outstanding debtors identified and corrective actions taken.	75% of outstanding debtors identified and corrective actions taken.	100% of outstanding debtors identified and corrective actions taken.
4. To address capacitation and training needs.	4.1 Fully capacitated and functional immovable asset management unit.	Percentage of vacancies filled.	Not applicable.	Not applicable.	50% vacancies filled.	12% vacancies filled.	25% vacancies filled.	38% vacancies filled.	50% vacancies filled.
		Percentage of specialists trained.	Not applicable.	Not applicable.	50% staff adequately trained.	12% staff adequately trained.	25% staff adequately trained.	38% staff adequately trained.	50% staff adequately trained.

Sub-programme 3.2: Asset Management		Strategic Goal 9: To facilitate the effective and efficient management of physical and financial assets and to elicit sustainable PPP projects.							
Strategic Objective	Measurable Objective	Performance Measure Indicator	Actual 2003/04	2004/05 Estimate	2005/06 Budget	Quarter 1	Quarter 2	Quarter 3	Quarter 4
Physical Asset Management									
Immovable Assets									
5. Monitor compliance with legislative framework.	5.1 To manage an efficient and effective unutilised Provincial Property Portfolio.	Updated database of unutilised immovable assets.	Not applicable.	Not applicable.	100% achieved.	25% achieved.	50% achieved.	75% achieved.	100% achieved.
		Promotion of property developmental options identified in conjunction with Public Works and private sector.	Not applicable.	Not applicable.	Identification of one property for potential development.	Not applicable.	Not applicable.	Not applicable.	Identification of one property for potential development.
		Monitoring of Public Works' disposal plan of obsolete/ redundant immovable assets.	Not applicable.	Not applicable.	50% initiate/ action according to Public Works disposal list.	12% initiate/ action according to Public Works disposal list.	25% initiate/ action according to Public Works disposal list.	38% initiate/ action according to Public Works disposal list.	50% initiate/ action according to Public Works disposal list.
6. Establish Infrastructure Programme Units.	6.1 Successful implementation of the Infrastructure Delivery Improvement Plan (IDIP).	% IDIP implemented in participating departments.	Not applicable.	Not applicable.	50% implemented in Education department.	12% implemented in Education department.	25% implemented in Education department.	38% implemented in Education department.	50% implemented in Education department.
		Number of reports from technical assistants timeously reviewed and endorsed by Provincial Treasury:	Not applicable.	Not applicable.	100% of deliverables for Education endorsed by PT.	25% of deliverables for Education endorsed by PT.	50% of deliverables for Education endorsed by PT.	75% of deliverables for Education endorsed by PT.	100% of deliverables for Education endorsed by PT.
		Inception report.	Not applicable.	Not applicable.	Completed by: 31/10/05.	Not applicable.	Not applicable.	Completed by: 31/10/05.	Not applicable.

Sub-programme 3.2: Asset Management		Strategic Goal 9: To facilitate the effective and efficient management of physical and financial assets and to elicit sustainable PPP projects.							
Strategic Objective	Measurable Objective	Performance Measure Indicator	Actual 2003/04	2004/05 Estimate	2005/06 Budget	Quarter 1	Quarter 2	Quarter 3	Quarter 4
Physical Asset Management									
Immovable Assets									
6. Establish Infrastructure Programme Units. <i>(continued)</i>		Capacitation plan.	Not applicable.	Not applicable.	31/01/05	Not applicable.	31/10/05	Not applicable.	Not applicable.
		Delivery management system report.	Not applicable.	Not applicable.	30/04/05	30/04/05	Not applicable.	Not applicable.	Not applicable.
		Infrastructure Plan.	Not applicable.	Not applicable.	31/05/05	31/05/05	Not applicable.	Not applicable.	Not applicable.
		Implementation Plan.	Not applicable.	Not applicable.	30/06/05	30/06/05	Not applicable.	Not applicable.	Not applicable.
		Contracting Arrangement Plan (SLA).	Not applicable.	Not applicable.	By 31/07/05	Not applicable.	31/07/05	Not applicable.	Not applicable.
		Number of meetings held for the year.	Not applicable.	Not applicable.	10 meetings held for the year.	2 meetings held for the year	5 meetings held for the year.	8 meetings held for the year.	10 meetings held for the year.

Sub-programme 3.2: Asset Management		Strategic Goal 9: To facilitate the effective and efficient management of physical and financial assets and to elicit sustainable PPP projects.							
Strategic Objective	Measurable Objective	Performance Measure Indicator	Actual 2003/04	2004/05 Estimate	2005/06 Budget	Quarter 1	Quarter 2	Quarter 3	Quarter 4
Public Private Partnerships (PPPs)									
1. Build the necessary capacity in the Provincial Treasury to take over all PPP assessment related responsibilities from the National Treasury.	1.1 Capacitated PT structures to catalyse the PPP drive.	Percentage of vacancies filled.	33% capacitated.	33% capacitated.	100% functional.	25% functional.	50% functional.	75% functional.	100% functional.
		Percentage of specialists trained.	33% training achieved.	33% training achieved.	60% training achieved.	15% training achieved.	30% training achieved.	45% training achieved.	60% training achieved.

Sub-programme 3.2: Asset Management		Strategic Goal 9: To facilitate the effective and efficient management of physical and financial assets and to elicit sustainable PPP projects.							
Strategic Objective	Measurable Objective	Performance Measure Indicator	Actual 2003/04	2004/05 Estimate	2005/06 Budget	Quarter 1	Quarter 2	Quarter 3	Quarter 4
Public Private Partnerships (PPPs)									
2. Assess PPP projects in progress; monitor and enforce compliance with legislation.	2.1 Facilitate, promote and support and in liaison with accounting officers implement PPP projects.	Monitor the application of the PPP processes.	Advise and provide input on revised feasibility study of Hermanus and Swellendam Hospitals Co location projects, Eerste River Hospital Facility Management project, Conradie Hospital Replacement project.	Advise and provide input on feasibility study and/or RFQ/RFP stages of Hermanus and Swellendam Hospitals Co location projects and Conradie Hospital Replacement project.	100% response to all PPP project requests pertaining to the PPP process, received.	25% response to all PPP project requests pertaining to the PPP process, received.	50% response to all PPP project requests pertaining to the PPP process, received.	75% response to all PPP project requests pertaining to the PPP process, received.	100% response to all PPP project requests pertaining to the PPP process, received.
		Financially and contractually viable PPP projects.	Not applicable.	Support approval for transaction advisor on Swellendam PPP projects and Conradie Hospital Replacement project.	Support or reject approval of feasibility proposals for affordability, value for money and risk transfer perspectives for Eerste River Hospital.	Not applicable.	Not applicable.	Not applicable.	Support or reject approval of feasibility proposals for affordability, value for money and risk transfer perspectives for Eerste River Hospital.

Sub-programme 3.2: Asset Management		Strategic Goal 9: To facilitate the effective and efficient management of physical and financial assets and to elicit sustainable PPP projects.							
Strategic Objective	Measurable Objective	Performance Measure Indicator	Actual 2003/04	2004/05 Estimate	2005/06 Budget	Quarter 1	Quarter 2	Quarter 3	Quarter 4
Public Private Partnerships (PPPs)									
2. Assess PPP projects in progress; monitor and enforce compliance with legislation. (continued)					Support/-reject procurement process for proposals on Lentegeur, Swellendam and Hermanus Hospital PPP projects. Support/ reject TAIII application for PPP agreement on Lentegeur Hospital PPP and Western Cape Nature Conservation Board PPP projects.	Not applicable.	Not applicable.	Not applicable.	Support/-reject procurement process for proposals on Lentegeur, Swellendam and Hermanus Hospital PPP projects. Support/ reject TAIII application for PPP agreement on Lentegeur Hospital PPP and Western Cape Nature Conservation Board PPP projects.
3. Facilitate and provide developmental technical assistance and support to departments on all PPP projects in progress.	3.1 Facilitate PPP school project.	Develop pre-feasibility guideline on school PPP project.	Not applicable.	Project identified and advised on pre feasibility study.	100% completion by 30 June 2005.	100% completion by 30 June 2005.	Not applicable.	Not applicable.	Not applicable.
		Project registration.	Not applicable.	Not applicable.	Registered by 31 July 2005.	Not applicable.	Registered by 31 July 2005.	Not applicable.	Not applicable.
		Completion of feasibility study.	Not applicable.	Not applicable.	Not applicable.	Not applicable.	Not applicable.	Not applicable.	Not applicable.

Sub-programme 3.2: Asset Management		Strategic Goal 9: To facilitate the effective and efficient management of physical and financial assets and to elicit sustainable PPP projects.							
Strategic Objective	Measurable Objective	Performance Measure Indicator	Actual 2003/04	2004/05 Estimate	2005/06 Budget	Quarter 1	Quarter 2	Quarter 3	Quarter 4
Public Private Partnerships (PPPs)									
4. Identify new PPP opportunities.	4.1 New PPP projects identified.	Identification of new PPP project from unutilised Provincial Property Portfolio.	Not applicable.	Not applicable.	1 New project identified.	Not applicable.	Not applicable.	Not applicable.	1 New project identified.
Sub-programme 3.3: Liabilities Management		Strategic Goal 10: To facilitate the effective and efficient management of liabilities.							
Strategic Objective	Measurable Objective	Performance Measure Indicator	Actual 2003/04	2004/05 Estimate	2005/06 Budget	Quarter 1	Quarter 2	Quarter 3	Quarter 4
1. Establish and ensure implementation of policies for effective management of assets and liabilities.	1.1 Effective managed Provincial Revenue Fund (loan book).	Percentage achieved w.r.t provision for necessary funds to service loan agreements and / or guarantees.	Not applicable.	Not applicable.	Not applicable.	Not applicable.	Not applicable.	Not applicable.	Not applicable.
		Percentage achieved w.r.t. meeting of all due dates for repayment of loans and / or guarantees.	Not applicable.	Not applicable.	Not applicable.	Not applicable.	Not applicable.	Not applicable.	Not applicable.
		Percentage achieved w.r.t. refinement of cash flow to include such loan and/or guarantee repayments.	Not applicable.	Not applicable.	Not applicable.	Not applicable.	Not applicable.	Not applicable.	Not applicable.

Sub-programme 3.3: Liabilities Management		Strategic Goal 10: To facilitate the effective and efficient management of liabilities.							
Strategic Objective	Measurable Objective	Performance Measure Indicator	Actual 2003/04	2004/05 Estimate	2005/06 Budget	Quarter 1	Quarter 2	Quarter 3	Quarter 4
2. To strengthen and provide technical and strategic support for the institutional capacity of Provincial and Local Government.	2.1 To strengthen and provide technical and strategic support for the institutional capacity of provincial and local government to ensure capacity with regard to liabilities management.	Percentage achieved w.r.t. appointment of suitably qualified personnel and build capacity amongst existing staff.	Not applicable.	Not applicable.	Not applicable.	Not applicable.	Not applicable.	Not applicable.	Not applicable.
		Percentage achieved regarding assistance and/or establishment of suitable monitoring mechanisms for loans and for guarantees.	Not applicable.	Not applicable.	Not applicable.	Not applicable.	Not applicable.	Not applicable.	Not applicable.
3. Monitor compliance with the PFMA, MFMA and regulations.	3.1 Compliance to prescripts.	Percentage achieved i.t.o. all loans and/or guarantees that are administered and repaid strictly in terms of relevant legislation.	Not applicable.	Not applicable.	Not applicable.	Not applicable.	Not applicable.	Not applicable.	Not applicable.
		Percentage accuracy of reporting in terms of annual financial statements of all loans and/or guarantees.	Not applicable.	Not applicable.	Not applicable.	Not applicable.	Not applicable.	Not applicable.	Not applicable.

Sub-programme 3.3: Liabilities Management		Strategic Goal 10: To facilitate the effective and efficient management of liabilities.							
Strategic Objective	Measurable Objective	Performance Measure Indicator	Actual 2003/04	2004/05 Estimate	2005/06 Budget	Quarter 1	Quarter 2	Quarter 3	Quarter 4
4. Establishment of the necessary structures to service loans and guarantees.	4.1 Establish the necessary structures to ensure accurate reporting and servicing capabilities in respect of liabilities.	Percentage achieved i.t.o. creation and implementation of suitable mechanisms to facilitate accurate reporting, monitoring, administering and repayment of loans and/or guarantees.	Not applicable.	Not applicable.	Not applicable.	Not applicable.	Not applicable.	Not applicable.	Not applicable.

Sub-programme 3.4: Supporting and Inter-linked Financial Systems		Strategic Goal 11: To provide for 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.							
Strategic Objective	Measurable Objective	Performance Measure Indicator	Actual 2003/04	2004/05 Estimate	2005/06 Budget	Quarter 1	Quarter 2	Quarter 3	Quarter 4
1. To provide for the management and implementation of existing financial systems and the transition to the IFMS enhancing compliance with PFMA and other relevant legislation.	1.1 Effectively, efficiently and economically implemented and managed financial systems.	The daily monitoring of the existing systems to ensure that all exceptions, rejections and audit reports are cleared within 7 days.	As part of the TCF workgroup on a new Integrated Financial Management System, a position paper was completed by 31 December 2003.	Obtain approval from the TCF and Budget Council for phase 2 of the project.	100% compliance.	25% compliance.	50% compliance.	75% compliance.	100% compliance.
		The proper interfaces between sub-systems and BAS achieved.	Not applicable.	90% achieved.	100% achieved.	95% achieved.	100% achieved.	100% achieved.	100% achieved.
		Logistical information system (LOGIS) fully rolled out to the remaining 9 Institutions (5 Departments and 4 Health Institutions) and integrated into the supply chain management system with fully capacitated personnel.	21 sites successfully implemented.	7 sites successfully implemented.	9 institutions fully implemented.	2 institutions fully implemented.	4 institutions fully implemented.	6 institutions fully implemented.	9 institutions fully implemented.

Sub-programme 3.4: Supporting and Inter-linked Financial Systems		Strategic Goal 11: To provide for 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.							
Strategic Objective	Measurable Objective	Performance Measure Indicator	Actual 2003/04	2004/05 Estimate	2005/06 Budget	Quarter 1	Quarter 2	Quarter 3	Quarter 4
1. To provide for the management and implementation of existing financial systems and the transition to the IFMS enhancing compliance with PFMA and other relevant legislation. <i>(continued)</i>		The roll-out of Vulindlela (WEB application) to all departments, regions and institutions to ensure the availability of updated management information.	Not applicable.	Not applicable.	100 % completion of the application to all 14 head office components of departments as well as 40 regional/district offices.	25 % completion of the application to all 14 head office components of departments as well as 40 regional/district offices.	50 % completion of the application to all 14 head office components of departments as well as 40 regional/district offices.	75 % completion of the application to all 14 head office components of departments as well as 40 regional/district offices.	100 % completion of the application to all 14 head office components of departments as well as 40 regional/district offices.
	1.2	The smooth and cost-effective transition to the Integrated Financial Management Systems (IFMS).	Provincial Treasury to play an integral role in planning, development, testing and implementation phases.	The compilation of user requirements for the IFMS.	Attendance of quarterly national workgroup on the IFMS.	On completion of phase 2 of the project, proceed with the planning, development and testing phases of the project.	On completion of phase 2 of the project, proceed with the planning, development and testing phases of the project.	On completion of phase 2 of the project, proceed with the planning, development and testing phases of the project.	On completion of phase 2 of the project, proceed with the planning, development and testing phases of the project.
			Data preparation and implementation of the various IFMS modules.	Not applicable.	Not applicable.	Not applicable.	Not applicable.	Not applicable.	Not applicable.
2. Monitor and report on financial management system's performance.	2.1	Availability stability and accessibility of existing financial systems.	Availability and stability of existing financial systems to ensure an up-time of at least 95%.	97% up-time	96% up-time	95% up-time	95% up-time	95% up-time	95% up-time

Sub-programme 3.4: Supporting and Inter-linked Financial Systems		Strategic Goal 11: To provide for 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.							
Strategic Objective	Measurable Objective	Performance Measure Indicator	Actual 2003/04	2004/05 Estimate	2005/06 Budget	Quarter 1	Quarter 2	Quarter 3	Quarter 4
2. Monitor and report on financial management system's performance. <i>(continued)</i>	2.2 System functionalities comply with norms and standards.	Needs assessment conducted and enhancements effected.	User requirements timeously addressed and implemented.	User requirements timeously addressed and implemented.	All user requirements submitted to National Treasury and rolled out within 2 weeks after release.	All user requirements submitted to National Treasury and rolled out within 2 weeks after release.	All user requirements submitted to National Treasury and rolled out within 2 weeks after release.	All user requirements submitted to National Treasury and rolled out within 2 weeks after release.	All user requirements submitted to National Treasury and rolled out within 2 weeks after release.
3. Render effective technical, strategic support and training to departments.	3.1 Fully skilled and capacitated system users.	Fully operational helpdesk managed by skilled staff rendering service to 7000 users.	100% accessibility and availability of the helpdesk on a daily basis	100% accessibility and availability of the helpdesk on a daily basis	100% accessibility and availability of the helpdesk on a daily basis.	100% accessibility and availability of the helpdesk on a daily basis.	100% accessibility and availability of the helpdesk on a daily basis.	100% accessibility and availability of the helpdesk on a daily basis.	100% accessibility and availability of the helpdesk on a daily basis.
		Percentage officials appropriately trained on the various financial systems of a target market of 7000.	1346 LOGIS and 1600 BAS users trained.	50% of target market.	70% of target market.	55% of target market.	60% of target market.	65% of target market.	70% of target market.
4. Monitor and verify monthly SITA costs relating to transversal financial systems ensuring optimal management of cost drivers.	4.1 A cost effective system.	Percentage deviation between actual expenditure and approved budget pertaining to SITA accounts.	Not applicable.	Expenditure within approved budget.	No more than 2% deviation between actual expenditure and approved budget.	No more than 2% deviation between actual expenditure and approved budget.	No more than 2% deviation between actual expenditure and approved budget.	No more than 2% deviation between actual expenditure and approved budget.	No more than 2% deviation between actual expenditure and approved budget.

Programme 4: Financial Governance

Sub-programme 4.1: Programme Support		Generic Strategic Goal : To facilitate the efficient and co-ordinated administration and management of the programme.							
Strategic Objective	Measurable Objective	Performance Measure Indicator	Actual 2003/04	2004/05 Estimate	2005/06 Budget	Quarter 1	Quarter 2	Quarter 3	Quarter 4
1. Rendering administrative support services to ensure the effective operational management of the unit.	1.1 Smooth and effective functioning of the component.	Percentage compliance with rules and regulations.	Not applicable.	Not applicable.	100% compliance.	25% compliance.	50% compliance.	75% compliance.	100% compliance.
		Percentage compliance to acceptable norms/ standards of service delivery.	Not applicable.	Not applicable.	70% achieved	17% achieved.	35% achieved.	53% achieved.	70% achieved.
		Hours turn around time for management of operational finances, human resources and logistical issues.	Not applicable.	48 hours	48 hours.	48 hours.	48 hours.	48 hours.	48 hours.
2. Capacitate and train administrative support and line function staff.	2.1 Trained and capacitated administrative support and line function staff.	Percentage of vacant posts filled.	Not applicable.	Not applicable.	50% achieved.	12% achieved.	25% achieved.	38% achieved.	50% achieved.
		Percentage of staff complement trained according to IDPs.	Not applicable.	Not applicable.	50% achieved.	12% achieved.	25% achieved.	38% achieved.	50% achieved.
3. Support and promote BBBEE initiatives through administrative functions.	3.1 Achievement of iKapa Elihlumayo goals.	Percentage support and promotion of goals in work environment.	Not applicable.	Not applicable.	100% support achieved.	25% support achieved.	50% support achieved.	75% support achieved.	100% support achieved.
		Percentage procurement in terms of BBBEE.	Not applicable.	Not applicable.	40%	10%	20%	30%	40%

Sub-programme 4.2: Accounting Services		Strategic Goal 12: To ensure that financial reporting is a full and true reflection of the financial position of the Province.							
Strategic Objective	Measurable Objective	Performance Measure Indicator	Actual 2003/04	2004/05 Estimate	2005/06 Budget	Quarter 1	Quarter 2	Quarter 3	Quarter 4
1. Ensure the development of accounting practices that will promote effective and efficient capturing of REAL movements/accountability.	1.1 All transactions recorded and Financial Statements in line with formats and guidelines.	Compliance with statutory due dates and timely corrective measures.	100% compliance.	100% compliance.	100% compliance.	100% compliance.	100% compliance.	100% compliance.	100% compliance.
		Percentage qualified Auditor-General reports.	<10% qualified.	<10% qualified.	Analyse reports of Auditor-General and take corrective steps.	Analyse reports of Auditor-General and take corrective steps.	Analyse reports of Auditor-General and take corrective steps.	Analyse reports of Auditor-General and take corrective steps.	Analyse reports of Auditor-General and take corrective steps.
		Percentage compliance with Generally Recognised Accounting Practice requirements.	100% compliance.	100% compliance.	100% compliance.	100% compliance.	100% compliance.	100% compliance.	100% compliance.
		Accounting procedures to be established to close down the Western Cape Housing Development Fund and Provincial Capital Fund Ordinance, 1962 (Ordinance 3 of 1962).	Accounting procedures to be established.	Accounting procedures to be established.	Accounting procedures to be established.	Accounting procedures to be established.	Accounting procedures to be established.	Accounting procedures to be established.	Accounting procedures to be established.
		Roll-out Standard Chart of Accounts to public entities.	National Treasury advised of requirement of Province.	Roll-out.	Monitor.	Monitor.	Monitor.	Monitor.	Monitor.

Sub-programme 4.2: Accounting Services		Strategic Goal 12: To ensure that financial reporting is a full and true reflection of the financial position of the Province.							
Strategic Objective	Measurable Objective	Performance Measure Indicator	Actual 2003/04	2004/05 Estimate	2005/06 Budget	Quarter 1	Quarter 2	Quarter 3	Quarter 4
1. Ensure the development of accounting practices that will promote effective and efficient capturing of REAL movements/ accountability. (continued)		Clear old balances inherited from previous government dispensations.	Balances transferred to Provincial Treasury (Department U7).	Accounts on Provincial Treasury (Department U7) followed up.	Accounts on Provincial Treasury (Department U7) followed up.	Accounts on Provincial Treasury (Department U7) followed up.	Accounts on Provincial Treasury (Department U7) followed up.	Accounts on Provincial Treasury (Department U7) followed up.	Accounts on Provincial Treasury (Department U7) followed up.
2. Ensure integrity of financial data.	2.1 Financial data analysed and interpreted.	Percentage compliance with and a 18-day turn around time for Provincial Treasury's interpretive narrative responses on departmental IYM reports.	Target achieved.	Target achieved.	Target achieved.	Target achieved.	Target achieved.	Target achieved.	Target achieved.
		Produce an Accounting Review within deadline.	Publish November.	Publish November.	Publish November.	Not applicable.	Not applicable.	Publish November.	Not applicable.
		Provide training on the interpretation of annual financial statements to CFOs.	Target achieved.	Target achieved.	Target achieved.	Target achieved.	Target achieved.	Target achieved.	Target achieved.
		Improve the disclosure of the values of PPP BEE and infrastructure transactions in terms of REAL.	Not applicable.	Not applicable.	Disclosure notes developed.	Disclosure notes developed.	Disclosure notes developed.	Disclosure notes developed.	Disclosure notes developed.
		Percentage compliance with statutory due dates and timely corrective measures.	100%	100%	100%	100%	100%	100%	100%

Sub-programme 4.3: Norms and Standards		Strategic Goal 15: To develop and implement financial norms and standards and to ensure effective communication and information management.							
Strategic Objective	Measurable Objective	Performance Measure Indicator	Actual 2003/04	2004/05 Estimate	2005/06 Budget	Quarter 1	Quarter 2	Quarter 3	Quarter 4
1. Identify, develop and implement financial norms and standards and monitor and assist with nominal and substantive compliance.	1.1 Determination and implementation of financial management norms and standards to facilitate excellence in service delivery.	The assessment of both nominal and substantive compliance in departments, public entities and municipalities.	95% nominal compliance.	98% nominal compliance and 30% substantive compliance with set benchmarks.	100% nominal compliance and 45% substantive compliance with set benchmarks.	99% nominal compliance and 34% substantive compliance with set benchmarks.	99% nominal compliance and 38% substantive compliance with set benchmarks.	100% nominal compliance and 42% substantive compliance with set benchmarks.	100% nominal compliance and 45% substantive compliance with set benchmarks.
		Percentage compliance with National Treasury guidelines on annual reports.	100% compliance.	100% compliance.	100% compliance.	100% compliance.	100% compliance.	100% compliance.	100% compliance.
		Compilation and issuing of generic norms and standards to address deficiencies identified in internal audit reports.	Not applicable.	15%	25%	17%	20%	23%	25%
2. Ensure the existence of an appropriate and dynamic financial legislative framework.	2.1 Ensuring the existence of an appropriate and dynamic financial legislative framework.	The assessment and proposal of amendments to financial legislation to ensure continued relevance.	100% w.r.t. proposed financial legislation.	100% w.r.t. proposed financial legislation.	100% w.r.t. proposed financial legislation and 15% w.r.t. existing financial legislation.	100% w.r.t. proposed financial legislation and 5% w.r.t. existing financial legislation.	100% w.r.t. proposed financial legislation and 10% w.r.t. existing financial legislation.	100% w.r.t. proposed financial legislation and 13% w.r.t. existing financial legislation.	100% w.r.t. proposed financial legislation and 15% w.r.t. existing financial legislation.
		Compilation and maintenance of a database of all financial legislation and associated instructions and directives.	Not applicable.	60% completion.	100% completion.	70% completion.	80% completion.	90% completion.	100% completion.

Sub-programme 4.3: Norms and Standards		Strategic Goal 15: To develop and implement financial norms and standards and to ensure effective communication and information management.							
Strategic Objective	Measurable Objective	Performance Measure Indicator	Actual 2003/04	2004/05 Estimate	2005/06 Budget	Quarter 1	Quarter 2	Quarter 3	Quarter 4
	2.2 Phasing in the Provincial Treasury's normative responsibilities of the MFMA.	Percentage nominal and substantive compliance by municipalities.	Not applicable.	Not applicable.	40% nominal compliance.	10% nominal compliance.	20% nominal compliance.	30% nominal compliance.	40% nominal compliance.
		Percentage nominal and substantive compliance by provincial departments.	Not applicable.	Not applicable.	40% nominal compliance.	10% nominal compliance.	20% nominal compliance.	30% nominal compliance.	40% nominal compliance.
		Percentage development of municipal capacity.	Not applicable.	Not applicable.	50% functional.	12% functional.	25% functional.	38% functional.	50% functional.
3. To develop, consolidate and maintain effective internal and external communication and information management.	3.1 Effective internal and external communication systems and strategies.	Number of informed citizens.	Not applicable.	580 000 households.	700 000 households.	610 000 households.	640 000 households.	670 000 households.	700 000 households.
		Level of informed Provincial Government personnel.	SMS staff.	All middle management.	All staff.	All staff.	All staff.	All staff.	All staff.
	3.2 Effective information management.	Establish Provincial Treasury database.	Not applicable.	Start preparation.	Implement with norms.	Implement with norms.	Implement with norms.	Implement with norms.	Implement with norms.

Sub-programme 4.4: Risk Management		Strategic Goal 14: To facilitate the establishment of risk management capacity and financial governance systems in the Provincial Government.							
Strategic Objective	Measurable Objective	Performance Measure Indicator	Actual 2003/04	2004/05 Estimate	2005/06 Budget	Quarter 1	Quarter 2	Quarter 3	Quarter 4
1. Develop and facilitate the implementation of effective risk management and governance capacity within the provincial government.	1.1 Developed and implemented risk management and governance capacity within the provincial government.	Departments have approved risk management structures.	Not applicable.	Not applicable.	All departments with approved structures.	All departments with approved structures.	All departments with approved structures.	All departments with approved structures.	All departments with approved structures.
		Percentage departmental risk management staff trained in RM framework and all existing tools.	Not applicable.	Not applicable.	70% trained in all aspects.	17% trained in all aspects.	35% trained in all aspects.	53% trained in all aspects.	70% trained in all aspects.
		Percentage nominal compliance by all departments with the risk management framework.	Not applicable.	Not applicable.	50% nominal compliance.	12% nominal compliance.	25% nominal compliance.	38% nominal compliance.	50% nominal compliance.
		Percentage nominal compliance by all departments with the government governance framework.	Not applicable.	Not applicable.	70% nominal compliance.	17% nominal compliance.	35% nominal compliance.	53% nominal compliance.	70% nominal compliance.
2. Facilitation of residual risk assessments and the availability of a risk profile per department.	2.1 Facilitation of residual risk assessments and the availability of a risk profile per department.	Percentage risk assessments reviewed within departments.	Not applicable.	Not applicable.	100%	25%	50%	75%	100%
		Percentage process and control maps completed per department.	Not applicable.	20% of processes mapped.	80% of processes mapped.	35% of processes mapped.	50% of processes mapped.	65% of processes mapped.	80% of processes mapped.
		Percentage accounting Officers are supplied with updated risk profiles.	Not applicable.	100% of departments.	100% of departments.	100% of departments.	100% of departments.	100% of departments.	100% of departments.

Sub-programme 4.4: Risk Management		Strategic Goal 14: To facilitate the establishment of risk management capacity and financial governance systems in the Provincial Government.							
Strategic Objective	Measurable Objective	Performance Measure Indicator	Actual 2003/04	2004/05 Estimate	2005/06 Budget	Quarter 1	Quarter 2	Quarter 3	Quarter 4
3. Consolidate inherent risk assessments, build a risk profile for the Provincial Government as a whole and ensure the development of response strategies to mitigate transversal risk.	3.1 The provision of a consolidated risk profile for the provincial government as a whole and the ensuring of risk response strategies to mitigate transversal risks.	Existence of a consolidated risk profile for PGWC.	Not applicable.	Not applicable.	100% of departments included in consolidation.	25% of departments included in consolidation.	50% of departments included in consolidation.	75% of departments included in consolidation.	100% of departments included in consolidation.
		Transversal risks identified and allocated to transversal risk owners.	Not applicable.	Not applicable.	50% transversal risks allocated.	12% transversal risks allocated.	25% transversal risks allocated.	38% transversal risks allocated.	50% transversal risks allocated.
Sub-programme 4.5: Provincial Internal Audit		Strategic Goal 15: To perform internal audit services on a risk-analysis basis.							
Strategic Objective	Measurable Objective	Performance Measure Indicator	Actual 2003/04	2004/05 Estimate	2005/06 Budget	Quarter 1	Quarter 2	Quarter 3	Quarter 4
1. To render an effective risk based internal audit (IA) service.	1.1 Risk-based internal audit services.	Performance of internal audit work as approved by the relevant Audit Committee.	100% of audit work performed as approved by Audit Committee, however limited audit coverage achieved due to function shift and allocation of IA tender.	100% of audit work performed as approved by Audit Committee.	100% of audit work performed as approved by Audit Committee.	100% of audit work performed as approved by Audit Committee.	100% of audit work performed as approved by Audit Committee.	100% of audit work performed as approved by Audit Committee.	100% of audit work performed as approved by Audit Committee.
		Percentage of audit findings accepted by management.	75% of audit findings accepted by management.	80% of audit findings accepted by management.	90% of audit findings accepted by management.	90% of audit findings accepted by management.	90% of audit findings accepted by management.	90% of audit findings accepted by management.	90% of audit findings accepted by management.

Sub-programme 4.5 : Provincial Internal Audit		Strategic Goal 15: To perform internal audit services on a risk-analysis basis.							
Strategic Objective	Measurable Objective	Performance Measure Indicator	Actual 2003/04	2004/05 Estimate	2005/06 Budget	Quarter 1	Quarter 2	Quarter 3	Quarter 4
1. To render an effective risk based internal audit service. <i>(continued)</i>		Fully compliant external Quality Assurance Review report of the Provincial Internal Audit Function by the IIA (SA).	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	1.2 Building internal capacity to take over activities of the Internal Audit work from the current service provider and re-engineering the internal audit organisational fit.	Percentage of posts filled.	38% of posts filled (Based on 2004/05 structure).	38% of posts filled (Based on 2004/05 structure).	50% of posts filled (Based on new organisational fit).	41% of posts filled (Based on new organisational fit).	44% of posts filled (Based on new organisational fit).	47% of posts filled (Based on new organisational fit).	50% of posts filled (Based on new organisational fit).
2. Ensure effective audit committees.	2.1 Fully functional, competent and independent Audit Committees under whose guidance and control Internal Audit resorts.	Number of audit plans approved and audit committee reports issued.	9 departments.	5 departments	All departments.	All departments.	All departments.	All departments.	All departments.
			All departments.	All departments.	All departments.	All departments.			
3. Promote close co-operation and co-ordination between assurance providers to prevent duplication of effort.	3.1 Close cooperation and co-ordination between all assurance providers to prevent duplication of effort.	Number of meetings and quarterly progress reports to audit committees.	3 liaison and co-ordination meetings per year.	4 liaison and co-ordination meetings per year.	10 liaison and co-ordination meetings per year.	2 liaison and co-ordination meetings	3 liaison and co-ordination meetings	2 liaison and co-ordination meetings.	3 liaison and co-ordination meetings.