

Provincial Treasury

ANNUAL PERFORMANCE PLAN

2007/08 to 2009/10



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Foreword

The Provincial Treasury operates in a complex and dynamic environment and the different components have many diverse qualitative functions that are not always readily measurable. This year many of the performance indicators were either reformulated or new ones created in our continued quest to improve our Annual Performance Plan. This is a challenging and important duty, not only for transparency's sake, but also for our stakeholders to be able to assess whether we are adding value and to what extent we are delivering on the mandate given to us by the national and provincial legislatures. If we do our job well so that money is well spent in the Province, it also acts as a source of assurance for the broader public that their contributions and expectations are well looked after.

The main services for 2007/08 of the Provincial Treasury can be summarised as follows:

- ❑ As a facilitating or change agent towards achieving those socio-economic objectives that would contribute to the greater well being of the general public.
- ❑ The sharpening and introduction of new financial management, contributing to better governance at both a provincial and municipal level.
- ❑ Fostering the attainment of greater efficiency and value for money spending.
- ❑ Promoting the effective utilisation and safeguarding of provincial assets.
- ❑ Facilitating the full disclosure of provincial objectives and attainments.

As the Head of the Provincial Treasury I therefore fully endorse the service delivery targets as set out in the Annual Performance Plan for 2007/08 to 2009/10 and will to the best of my ability support my Head of Department and his staff in their efforts to reach our goals.



Lynne Brown
Minister of Finance and Tourism

Date: 30 March 2007

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Abbreviations

Abet:	Adult Basic Education and Training
AC:	Audit Committee
ACFS:	Annual Consolidated Financial Statements
ADP:	Accelerated Development Programme
AFR:	Asset Financing Reserve
AG:	Auditor-General
AO:	Accounting Officer
ASGISA	Accelerate and Shared Growth Initiative of SA
ASB:	Accounting Standards Board
BAS:	Basic Accounting System
BBBEE:	Broad Based Black Economic Empowerment
BEE:	Black Economic Empowerment
BER:	Bureau for Economic Research
BIF:	Business Insight Folder
BPO:	Business Process Outsourcing
BS	Budget Statement
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
DBC:	Departmental Bid Committee
DBSA:	Development Bank of Southern Africa
DLGH	Department of Local Government and Housing
DORA:	Division of Revenue Act
DPWT:	Department of Public Works and Transport
EA	Economic Analysis
EDU:	Economic Development Unit
EOC:	Employer of Choice
EPS:	Electronic Purchasing System
EPWP:	Expanded Public Works Programme
FET:	Further Education Training
FETC:	Further Education and Training Certificate
FMS:	Financial Management System
GAMAP:	Generally Accepted Municipal Accounting Practice
GDPR:	Cross Domestic Product per Region
GEPF:	Government Employees Pension Fund
GIAMA:	Government-wide Immovable Asset Management
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
IA:	Internal Audit
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
IE:	iKapa Elihlumayo
IFMS:	Integrated Financial Management System
IGCC:	Intergovernmental Cash Co-ordination
IIA:	Institute for Internal Auditors
IMFO:	Institute of Municipal Finance Offices
IMLC:	Institutional Management and Labour Committee
IPMU:	Infrastructure Programme Management Unit
IT:	Information Technology
IYM:	In-Year Monitoring
LED	Local Economic Development
LG	Local Government
LG MTEC	Local Government – Medium Term Expenditure Committee
LOGIS:	Logistical Information System
MEC:	Member of Executive Council
MEDS:	Micro Economic Development Strategy
MEDSAS:	Medical Stores Administration System
MFMA:	Municipal Finance Management Act, 2003 (Act 56 of 2003)
MPSA:	Minister of Public Service and Administration
MSP:	Master Systems Plan
MTBPS:	Medium Term Budget Policy Statement
MTEC	Medium Term Expenditure Committee
MTEF:	Medium Term Expenditure Framework
MTFF:	Medium Term Fiscal Framework
MTREF	Medium Term Revenue Expenditure Framework
NMIR:	National Minimum Information Requirements
NT:	National Treasury
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 Strategy
PGWC:	Provincial Government Western Cape
PMDS:	Performance Management Development System
PMU:	Programme Management Unit
PPP:	Public Private Partnership
PPPFA	Preferential Procurement Policy Framework Act

PPSC:	Provincial Portfolio Steering Committee
PSCBC:	Public Service Commission Bargaining Council
PSDF:	Provincial Spatial Development Framework
PT:	Provincial Treasury
PTM:	Provincial Treasury Management
PTF	Provincial Treasury Forum
QPR	Quarterly Performance Report
REAL:	Revenue, Expenditure, Assets, and Liabilities
RFP:	Request for Proposal
RFQ:	Request for price Quotations
SARS:	South African Revenue Services
SCM:	Supply Chain Management
SCoA:	Standard Chart of Accounts
SCOF:	Standing Committee on Finance
SDBIP	Service Delivery Budget Implementation Plan
SDR:	Service Delivery Review
SEP	Socio-Economic Profile
SER:	Socio-economic Review
SETA:	Sector Education and Training Authority
SIP	Strategic Infrastructure Plan
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
TMM:	Treasury Management Meeting
TQM:	Total Quality Management
URS:	User Requirement Statement
WCED:	Western Cape Education Department
WCGRB:	Western Cape Gambling and Racing Board
WC-MTBPS:	Western Cape Medium Term Budget Policy Statement
WCSD:	Western Cape Supplier Database
WSP:	Workplace Skills Plan

Overview and Strategic Plan Updates

1. Overview

The key deliverables for 2007/08 that were compiled for the Provincial Treasury are:

- A credible medium term fiscal framework supported by robust socio-economic analyses, leading to responsive and sustainable budgets to promote shared growth and development.
- Proper recording of all financial transactions, promoting substantive compliance with financial management norms and standards, effective provincial risk management and high value internal audit services.
- Fostering prudent management of the Provincial Government's built environment, physical and financial assets, financial systems and liabilities.
- Improved in-year expenditure management practices, analysis and improvement of intergovernmental financial management systems, municipal oversight and capacity building.

As in previous years the Provincial Treasury must continue to ask whether our monetary investments in the different programmes and projects run by government are resulting in accelerated and shared growth within the Province. In pursuing our development role, we also need to maintain and improve on the basics in such a way that we engender greater nimbleness, measured risk taking and evidence-based targeting of resources. In short, we aim to get the Provincial Government to a level 4 auditable organisation, as judged by the financial capability model.

2. Strategic plan update analysis

The 2005/06 annual reporting period saw the Office of the Auditor-General starting with performance audits based on information contained in provincial departments' Annual Performance Plans. The Auditor-General has adopted a phased approach for this compliance measure in terms of section 13 of the Public Audit Act, 2004 (Act 25 of 2004). This was necessary to allow time for appropriate standards to be developed and to promote an environment conducive for such audits to be conducted.

Against this background, the Provincial Treasury (PT) started during 2006 to update all its measurable objectives and performance measure indicators in an effort to improve the relevance and measurability of our Annual Performance Plan. To assist in this regard and to introduce the necessary element of an external dispassionate review, the services of a company linked to the University of Cape Town were contracted.

Although the product is a substantial improvement on last year's version, it would require further refinement over the next two years to result in a much higher quality 2009 - 2014 Strategic Plan to cover the next election cycle. It is our aim to make the document more interesting and to provide greater clarity on the Provincial Treasury, as well as to allow for much better quarterly assessment of progress.

From a compliance perspective, it is also necessary to achieve a better quality product as it is expected that the Office of the Auditor General may qualify their findings as from the 2009/10 reporting periods onwards, if there are shortfalls. However, more importantly, as the entire performance management system and what is projected externally are based on the Annual Performance Plan, its essential to get the content and balance right so that it indeed becomes a both a guiding and assessment tool in this respect.

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 within 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 Minister

To render secretarial, administrative and office support services to enable the Minister to realise her Treasury and Tourism priorities.

Management Services

To render strategic support and conduct overall planning.

Corporate Services (Human Resource Management)

To provide an internal enabling function and support service to the other programmes and sub-programmes with regard to human resource management and development.

Financial Management (Office of the CFO)

To deliver financial management (inclusive of risk management and internal control), supply chain management 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 synergy and consolidation within the four sub-programmes of Programme 1 should ensure higher-level administrative performance of the Provincial Treasury over the coming financial year, now that it has reached the end stages of its extensive transformation process that formally started three years ago. Special human resource management interventions were initiated in order to train managers and staff to cope

with a changing environment and make the workplace more appealing, without using monetary incentives.

c. Analysis of constraints and measures planned to overcome them

Concerted efforts will be taken further to optimise service delivery to all components and to 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 and reporting within Treasury. Several circulars to improve budget control, In-Year Monitoring (IYM), non-financial performance reporting, 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 Minister

1.1.1 Specified policies, priorities and strategic objectives

The optimisation of the services rendered by the office to assist the Minister in enhancing her mandate on tourism, broadening the economic base of the Province through its fiscal policies, reducing economic and social inequalities and redirecting resources and opportunities to that part of the population that needs it most.

Strategic goal 1: To render secretarial, administrative and office support services to enable the Minister to realise her Treasury and Tourism priorities.

Strategic objectives:

1. Ensure the rendering of secretarial, administrative and office support services.
2. Assist with tourism functions vested under the Minister.
3. Ensure an efficient public profile for the Minister.
4. Enable the Minister to realise her executive responsibilities.

1.1.2 Progress analysis

Greater co-ordination and integration of the Minister's office with the other three sub-programmes of Programme 1 should ensure higher-level support and functional results. The appointed media liaison officer (MLO) should assist in improving the minister's public image.

1.1.3 Analysis of constraints and measures planned to overcome them

The day-to-day running of the office has been strengthened to achieve proper functional and co-ordinated arrangements. The appointment of the MLO should further improve communication from the office.

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 and document management services and reducing the turnaround time of documents submitted to the Minister.

1.1.5 Specification of measurable objectives and performance indicators

Please see Table 1.1, sub programme 1.1.

1.2 Sub-programme 1.2: Management Services

1.2.1 Specified policies, priorities and strategic objectives

The development, consolidation, evaluation and maintenance of general effective internal and external communication strategies and information management that will be evolved over time in pursuit of Treasury's overall priorities and strategic goals.

Strategic goal 2: To render strategic support and conduct overall planning.

Strategic objective:

1. A well functioning and coordinated institution that delivers on its responsibilities.

1.2.2 Progress analysis

The communication and information management function was established during the 2007/08 financial year. The unit took over the publishing of Provincial Treasury's quarterly bulletin and all internal communication.

1.2.3 Analysis of constraints and measures planned to overcome them

In view of the fact that this is a newly created sub-programme that needs to evolve, the biggest constraint facing Management Services is finding suitably qualified staff to fill the language officer post.

1.2.4 Description of planned quality improvement measures

This sub-programme is still under development.

1.2.5 Specification of measurable objectives and performance indicators

Please see Table 1.1, sub-programme 1.2.

1.3 Sub-programme 1.3: Corporate Services

1.3.1 Specified policies, priorities and strategic objectives

The following priorities have been identified:

- To build high-level skills and competencies to deal with the changing environment and function.
- To implement quality and process improvement measures.
- To develop, implement and maintain clear human resource performance measures and standards.
- To facilitate structured reviews and implement decisions thereof.
- To implement measures to enhance and optimise recruitment processes.
- To develop and implement measures to attract and retain scarce skills.
- To implement measures to address and manage audit and risk reviews.
- To develop strategies to enhance cohesion and a shared corporate culture.

Strategic goal 3: To partner with the business in developing a Human Capital Strategy aimed at attracting, developing and retaining Provincial Treasury employees, aligned with the business objectives.

Strategic objective:

1. To attract and acquire the desired employee profile in alignment with PT business objectives.
2. To develop and maintain a learning organisation in order to produce a competent workforce.
3. To develop appropriate interventions to transform the culture of Provincial Treasury to create an environment of optimum employee performance in relation to Treasury's strategic objectives.
4. Refining work systems for the optimal delivery of all Transactional Human resource management contributing to Treasury attaining a level 4 auditable organisation.

1.3.2 Progress analysis

The traditional role of Human Resources has always been determined by way of legislative mandates. Thus far the role has been focused more on transactional matters. The directorate is being repositioned in the Provincial Treasury towards building and strengthening internal capacity. The continuous turnover of senior manager incumbents and the consequent instability in the operational environment also hampered the effective achievement of strategic objectives. The key challenges for the next two years will be to ensure stability within the team.

In order to transform the organisational culture, the Provincial Treasury has adopted strategies that, amongst others, address the development of leaders, retention of employees as well as performance management. Interventions that would adequately address these development areas will receive high priority during the next three years.

1.3.3 Analysis of constraints and measures planned to overcome them

The major constraints that Human Resources experienced are:

- Targeted training of functionaries has not yet been measured and was only centralised late in 2006/07. The development of training opportunities will receive urgent attention in 2007/08 and later years
- Misalignment of the staff establishment with the organisational structure and capacity hampers effective delivery. The realignment of structure and capacity to facilitate streamlined organisational service processes is currently being explored.
- Human Resources' changing role in the broader organisation will be explored in Provincial Treasury and improved.

1.3.4 Description of planned quality improvement measures

The directorate will employ best-practice models will also be embarked upon to create an environment conducive to transforming the current culture pervading the organisation, thus maintaining and retaining competencies associated with a dynamic team. All activities to meet this end will be underpinned by a human rights approach.

1.3.5 Specification of measurable objectives and performance indicators

Please see Table 1.1, Sub-programme 1.3.

1.4 Sub-programme 1.4: Financial Management

1.4.1 Specified policies, priorities and strategic objectives

The following priorities have been set for Financial Management:

- Maintaining proper management of ledgers and clearing inherited ledgers of previous structures and old systems.
- Improved accounts control.
- Provide and develop supply chain management (SCM) databases for stock, IT equipment, stores, assets and Broad-Based Black Economic Empowerment (BBBEE) purposes.
- Manage risk management strategies and improve internal control management.
- Accommodation planning for offices and working areas conducive to productive service delivery.

Strategic goal 4: To deliver financial management, supply chain management and specialised auxiliary services for the Treasury.

Strategic objectives:

1. Good budget management to remain within prescribe budget limits contributing to attaining level 4 auditable status for Treasury as a whole..
2. Timely and accurate reflection of the status of Provincial Treasury's ledger accounts and inherited accounts of previous structures.
3. Good supply chain management services allowing Provincial Treasury to attain level 3 auditable status in this respect..
4. Proper internal control measures and risk management in the Provincial Treasury.
5. Determine and maintain good administrative standards and reporting.

1.4.2 Progress analysis

This sub-programme made key appointments in 2006/07 but also lost two Deputy Directors. None the less, Financial Management maintained a high level of performance and service delivery. The Internal Control component's structure was changed to include Risk Management as per Treasury's guidance, which required the doubling of posts from two to four (only two of the posts were filled at the end of 2006/07). This resulted in an increased scope of work for internal risk management.

SCM also improved with better asset management in place. The Information Resource Centre is functioning, with improved awareness in Provincial Treasury.

Document Control also received attention with the completion of the file plan, which still needs to be implemented. Better fleet management tools and controls were also successfully instituted.

Financial Accounting has improved the management of debtors and ledger accounts, with suspense accounts now being cleared monthly – a goal which was previously not attainable. A new bank was appointed with effect from 1 April 2007. The department also submitted the Annual Report, including Annual Financial Statements, on time and received a clean audit report. Rigorous monthly monitoring of expenditure took place to ensure that Provincial Treasury's spending stays within budget. Quarterly Performance Reports were also submitted to the Budget Management unit of the Provincial Treasury. The unit appointed external specialised services to help improve the quality of Annual Performance Plans and Quarterly Performance Reports. The sub-programme has identified critical success factors towards attaining a level 4 audit rating.

1.4.3 Analysis of constraints and measures planned to overcome them

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

A tighter fiscal framework in the new MTEF will require more sophisticated financial management measures.

The following corrective measures will be put in place:

- Capacity will be built in the Management Accounting and SCM units.
- Internal Control should revise and improve compliance procedures and risk management.
- The CFO will assist with training and focused guidance in all his sections.
- Budget control measures will be sharpened in Provincial Treasury components to keep within legislature expenditure targets.

1.4.4 Description of planned quality improvement measures

Continued focus will be placed on skills development in Financial Management to ensure a higher level of professional support and to attain set objectives.

Improved communication and interaction within the team and with all clients is key to a better functioning Financial Management component. Greater information sharing will be encouraged.

The sub-programme also intends to establish a central helpdesk to improve service delivery and shorten response time. The development of a Financial Management procedural manual and database for use by all staff. This should free up more time to focus on key deliverables, as guidelines/prescripts will be provided to Provincial Treasury staff.

A performance measurement framework (PMF) will be developed with the help of external expertise. The tool will assist with reporting and creating an audit trail for future Annual Performance Plans.

The file plan will be implemented. The directorate will also promote the Information Resource Centre within Provincial Treasury to enhance awareness of services offered.

Financial Management will streamline processes to ensure the effective and efficient use of scarce resources and continued compliance to prescripts.

1.4.5 Specification of measurable objectives and performance indicators

Please see Table 1.1, Sub-programme 1.4.

Table 1.1: Programme 1: Administration

Sub-programme 1.1: Office of the Minister		Strategic Goal 1: To render secretarial, administrative and office support services to the Minister to enable the Minister to realise her treasury and tourism priorities.						
Strategic Objective	Measurable Objective	Performance Measure Indicator	Actual 2004/05	Actual 2005/06	2006/07 Estimate	2007/08 Budget	2008/09 Target	2009/10 Target
1. Ensure the rendering of secretarial, administrative and office support services.	1.1 Smooth and effective functioning of office, good integration with departments in Treasury and Tourism.	Minimum number of formal interactions held between the Minister and Treasury	Not applicable	12	13	20	20	20
		Minimum number of formal interactions held between the Minister and Tourism	Not applicable	9	7	20	20	20
		Maximum turnaround time on documents submitted or correspondence addressed to the Minister	Not applicable	Not applicable	Not applicable	7 working days	7 working days	7 working days
2. Assist with Treasury and Tourism departments	1.2 Improve image of professional staff and the spheres of their jobs through capacity building	Number of people attending courses.	Not applicable	Not applicable	Not applicable	2 officials	Not applicable	Not applicable
		2.1 Co-ordinate events and dates for Minister to achieve her obligations with her two portfolios (Treasury and Tourism) to enhance accountability to the Public.	Not applicable	Not applicable	Not applicable	3	3	3

Sub-programme 1.1: Office of the Minister		Strategic Goal 1: To render secretarial, administrative and office support services to the Minister to enable the Minister to realise her treasury and tourism priorities.							
Strategic Objective	Measurable Objective	Performance Measure Indicator	Actual 2004/05	Actual 2005/06	2006/07 Estimate	2007/08 Budget	2008/09 Target	2009/10 Target	
2. Assist with Treasury and Tourism departments. <i>(continued)</i>	2.1 Co-ordinate events and dates for Minister to achieve her obligations with her two portfolios (Treasury and Tourism) to enhance accountability to the Public. <i>(continued)</i>	Number of preparatory engagements for Medium-Term Budget Policy Statement (MTBPS).	Not applicable	Not applicable	Not applicable	3	3	3	
		Number of preparatory engagements for Provincial, National and Local Medium-Term Expenditure Committee (MTEC) processes.	Not applicable	Not applicable	Not applicable	7	7	7	
		Number of preparatory engagements for Tourism launch.	Not applicable	Not applicable	Not applicable	3	3	3	
3. Ensure an efficient public profile for the Minister.	3.1 Improve exposure of Minister in public domain through media.	Number of preparatory engagements for Tourism Indaba.	Not applicable	Not applicable	Not applicable	3	3	3	
		Number of preparatory engagements for the International Tourism Guides.	Not applicable	Not applicable	Not applicable	3	3	3	
		Minimum number of calendar days to inform media in advance of event.	Not applicable	Not applicable	Not applicable	14	14	14	
		Minimum number of days at which the speech is ready before the event.	Not applicable	Not applicable	Not applicable	1	1	1	
		Number of media contacted per event namely:							
		Newspapers	Not applicable	Not applicable	Not applicable	7	7	7	

Sub-programme 1.1: Office of the Minister		Strategic Goal 1: To render secretarial, administrative and office support services to the Minister to enable the Minister to realise her treasury and tourism priorities.						
Strategic Objective	Measurable Objective	Performance Measure Indicator	Actual 2004/05	Actual 2005/06	2006/07 Estimate	2007/08 Budget	2008/09 Target	2009/10 Target
4. Enable the Minister to realise her executive responsibilities.	4.1 Interface between legislation; government and public. Be briefed on regular (daily) basis on political and constituency issues.	Television Radio Frequency with which responses are prepared for parliamentary questions for Minister to answer in parliament (weekly). Frequency with which Minister meets with her constituency (bi-monthly). Frequency with which briefing documents are prepared for Minister to attend cabinet meetings (weekly).	Not applicable Not applicable Not applicable	Not applicable Not applicable Not applicable	Not applicable Not applicable Not applicable	2 6 48	2 6 48	2 6 48

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 2004/05	Actual 2005/06	2006/07 Estimate	2007/08 Budget	2008/09 Target	2009/10 Target			
1. A well-functioning and co-ordinated institution that delivers on its responsibilities.	1.1 Contribute to improved coordination of management processes to deliver effective and quality services.	Number of bi-monthly TMMs arranged.	Not applicable	Not applicable	Not applicable	20	20	20			
		Number of quarterly extended TMMs arranged.	Not applicable	Not applicable.	3	4	4	4			
		Frequency at which monthly expenditure, revenue and projections are assessed.	Not applicable	Not applicable.	Not applicable.	12	12	12			
		Number of PT Newsletters published.	Not applicable	3	4	4	4	4			
		Date on which PT's calendar of events is compiled.	Not applicable	End of March	End of March	End of March 2008.	End of March 2009	End of March 2010			
		Turnaround time on documents submitted and electronic correspondence for HOD.	Not applicable	1 working day	1 working day	1 working day	1 working day	1 working day			
		Development of departmental language policy.	Not applicable	Not applicable.	Not applicable.	March 2008	March 2009	March 2010			
		Annual update of Provincial Acts and laws.	Not applicable	October 2005	October 2006.	October 2007.	October 2008	October 2009			

Sub-programme 1.3: Corporate Services		Strategic Goal 3: To partner with the business in developing a Human Capital Strategy aimed at attracting, developing and retaining Provincial Treasury employees aligned with the business objectives							
Strategic Objective	Measurable Objective	Performance Measure Indicator	Actual 2004/05	Actual 2005/06	2006/07 Estimate	2007/08 Budget	2008/09 Target	2009/10 Target	
1. To attract and acquire the desired employee profile in alignment with PT business objectives.	1.1 Vacancies to be filled to enhance service delivery.	Minimum number of vacancies relative to frozen posts.	Not applicable	42	28	98	50	10	
	1.2 Develop appropriate strategies and mechanisms for attracting and acquiring the desired employees	Effective external Recruitment providers.	Not applicable	Contract with service provider concluded on 12 March 2005.	Contract with service provider expires on 31 March 2007.	Utilising of approved service provider with effect from 1 April 2007.	Review service provider and renew or appoint new one effective 1 April 2008	Review service provider and renew or appoint new one effective 1 April 2009	
		Date at which recruitment policy reviewed for effectiveness	Not applicable	Recruitment policy in place.	Policy to be reviewed.	Reviewing of policy continues, with revised policy implemented 1 August 2007.	Update policy by 1 August 2008	Update policy by 1 August 2009	
		Implementation of external graduate program.	Not applicable	Development of external graduate program.	Advertisement and further groundwork.	1 April 2007.	1 April 2008	1 April 2009	
		Awareness campaigns to be held at 4 academic institutions.	Not applicable	Not applicable	Not applicable	15 August 2007.	15 August 2008	15 August 2009	
		Date by which we would Participate at Career Expo.	Not applicable	July 2005	July 2006	31 July 2007	31 July 2008	31 July 2009	
		Number of articles to be published in quarterly corporate magazine.	Not applicable	Not applicable	Not applicable	4 articles	4 articles	4 articles	

Sub-programme 1.3: Corporate Services		Strategic Goal 3: To partner with the business in developing a Human Capital Strategy aimed at attracting, developing and retaining Provincial Treasury employees aligned with the business objectives							
Strategic Objective	Measurable Objective	Performance Measure Indicator	Actual 2004/05	Actual 2005/06	2006/07 Estimate	2007/08 Budget	2008/09 Target	2009/10 Target	
1. To attract and acquire the desired employee profile in alignment with PT business objectives. <i>(continued)</i>	1.2 Develop appropriate strategies and mechanisms for attracting and acquiring the desired employees. <i>(continued)</i>	Date for the implementation of a retention strategy for PT.	Not applicable	Not applicable	Not applicable	30 June 2007	30 June 2008	30 June 2009	
2. To develop and maintain a learning organisation in order to produce a competent workforce	2.1 To design and develop a comprehensive training and development strategy (inclusive of a performance management system to develop and empower employee's capacity).	Date at which new competency framework will be implemented. Date at which accredited training service providers are approved/appointed.	Not applicable	Not applicable.	Not applicable.	30 November 2007	30 November 2008	30 November 2009	
		Date at which annual Workplace Skills Plan (WSP) will be developed	Not applicable	30 September 2005	30 September 2006	30 June 2007	Implement by 30 June 2008	Review and update by 30 June 2009.	
		Number of employees to be trained and developed in priority generic areas as identified in WSP.	Not applicable	Numbers	Numbers	122	150	200	
		Date at which PMS reviewed and integrated into transformation strategy.	Not applicable	Not applicable.	Not applicable.	30 November 2007.	30 November 2008	30 November 2009	
		Date at which Quality Management System (QMS) for training will be refined	Not applicable	Approved by SAQA	Continuing	1 November 2007	1 November 2008	1 November 2009	

Sub-programme 1.3: Corporate Services		Strategic Goal 3: To partner with the business in developing a Human Capital Strategy aimed at attracting, developing and retaining Provincial Treasury employees aligned with the business objectives						
Strategic Objective	Measurable Objective	Performance Measure Indicator	Actual 2004/05	Actual 2005/06	2006/07 Estimate	2007/08 Budget	2008/09 Target	2009/10 Target
2. To develop and maintain a learning organisation in order to produce a competent workforce. <i>(continued)</i>	2.1 To design and develop a comprehensive training and development strategy (inclusive of a performance management system to develop and empower employee's capacity). <i>(continued)</i>	Total number of employees attending learning interventions: ABET Learner ships Job Rotation ADP Number of bursaries to PT employees awarded and reviewed.	Not applicable Not applicable Not applicable Not applicable Not applicable	3 11 Not applicable. Not applicable. Numbers	2 11 Not applicable. 4 71	2 2 4 4 90	Not applicable Not applicable 4 4 110	Not applicable Not applicable 4 4 130
3. To develop appropriate interventions to transform the culture of PT to create an environment of optimum employee performance in relation to Treasury's strategic objectives	3.1 Establish diverse and integrated workforce.	Implementation of cultural assessment findings (inclusive of cultural imbizo).	Not applicable	Cultural assessment conducted for PT November 2005.	Deductions from cultural assessment and imbizo by the department of the Premier.	Implementation of findings.	Not applicable	Not applicable
4. Refining work systems for the optimal delivery of all Transactional Human resource management contributing to Treasury attaining level 4 auditable organisation	4.1 Deliver effective and efficient human resource administration	Adherence to prescribed policies and procedures together with work and performance plans Date at which employee job descriptions will be refined.	Not applicable	Not applicable	Not applicable	Clean audit report.	Clean audit report	Clean audit report
			Not applicable	Not applicable	External service provider contracted.	31 October 2007.	Not applicable	Not applicable

Sub-programme 1.4: Financial Management	Strategic Goal 4: To deliver financial management, supply chain management and specialised auxiliary services for the Treasury.									
Strategic Objective	Measurable Objective	Performance Measure Indicator	Actual 2004/05	Actual 2005/06	2006/07 Estimate	2007/08 Budget	2008/09 Target	2009/10 Target		
1. Good budget management to remain within prescribed budget limits, contributing to attaining level 4 auditable status for Treasury as a whole.	1.1 Maintain and monitor an efficient and effective planning and budget management.	Percentage variance between actual expenditure and approved budget.	6.1%	1%	1%	1%	1%	1%		
		Expenditure in line with detailed budget per sub-programme and economic classification.	100%	99%	100%	100%	100%	100%		
		Budget for the department submitted timeously:								
		Main budget	February	February	February	February	February	February		
		Adjustments budget	November	November	November	November	November	November		
		Number of Quarterly Performance Reports submitted.	Not applicable.	4	4	4	4	4		
		Monthly IYM report submitted and assessed by the due date.	15 th of every month	15 th of every month	15 th of every month	15 th of every month	15 th of every month	15 th of every month		
		Annual Performance Plan tabled before the financial year begins.	March 2005	March 2006	March 2007	March 2008	March 2009	March 2010		
		Audited Annual Report submitted by due date.	August 2004	August 2005	August 2006	August 2007	August 2008	August 2009		
		Frequency at which the Management Accounting database is updated.	Monthly	Monthly	Monthly	Monthly	Monthly	Monthly		

Sub-programme 1.4: Financial Management		Strategic Goal 4: To deliver financial management, supply chain management and specialised auxiliary services for the Treasury.								
Strategic Objective	Measurable Objective	Performance Measure Indicator	Actual 2004/05	Actual 2005/06	2006/07 Estimate	2007/08 Budget	2008/09 Target	2009/10 Target		
2. Timely and accurate reflection of status of Provincial Treasury's ledger accounts, allowing it to maintain level 3 auditable status in this respect.	2.1 Ledger accounts that accurately reflect the financial position of the Provincial Treasury	Number of days for clearing of ledger control accounts.	70 days	35 days.	35days.	30 days.	30 days	30 days		
		Number of days to complete reconciliation after month close.	60 days	30 days.	20days.	12 days.	12 days	12 days		
		Number of management information tools to reflect the Provincial Treasury's records.	0	5	14	14	14	14		
3. Good supply chain management services allowing Provincial Treasury to attain level 3 auditable status in this respect.	2.2 Fully functional payment system to improve financial management.	Number of days to process accounts received.	30 days	30 days	30 days.	30 days	30 days	30 days		
		Accuracy of account management system in terms of auditors' rating.	Not applicable	Not applicable	Not applicable	2% error margin	2% error margin	2% error margin		
		Percentage of service delivery complaints addressed.	Not applicable	Not applicable	Not applicable	95%	95%	95%		
3.1 To implement SCM requirements in line with legislation that will enhance service delivery.	3.1 To implement SCM requirements in line with legislation that will enhance service delivery.	Days' turnaround time to address complaints.	Not applicable.	Not applicable.	5 days	5 days	5 days	5 days		
		Frequency of Departmental Bid Committee meetings.	Monthly	Monthly	Monthly	Monthly	Monthly	Monthly		
		Frequency of Departmental Information Technology Meetings	Monthly	Monthly	Monthly	Monthly	Monthly	Monthly		
		Communication with clients on procedures concerning SCM through Admin Instructions.	Quarterly	Quarterly	Quarterly	Quarterly	Quarterly	Quarterly		

Sub-programme 1.4: Financial Management		Strategic Goal 4: To deliver financial management, supply chain management and specialised auxiliary services for the Treasury.							
Strategic Objective	Measurable Objective	Performance Measure Indicator	Actual 2004/05	Actual 2005/06	2006/07 Estimate	2007/08 Budget	2008/09 Target	2009/10 Target	
3. Good supply chain management services allowing Provincial Treasury to attain level 3 auditable status in this respect. <i>(continued)</i>	3.1 To implement SCM requirements in line with legislation that will enhance service delivery. <i>(continued)</i>	Number of incorrect purchases.	Not applicable.	Not applicable.	2	0	0	0	
	3.2 To accurately manage the assets of Provincial Treasury	Number of internal orders returned due to non-compliance with procedures. Percentage of external orders returned due to non-compliance with procedures. Stock take of assets and maintain asset register. Stock take of store inventory Reconciliation between LOGIS and BAS Disposal reports on obsolete and redundant assets.	Not applicable. Not applicable. Not applicable. Not applicable. Not applicable. Not applicable.	Not applicable. Not applicable. Not applicable. Not applicable. Not applicable. Not applicable.	48 0% Annually Bi-annually Monthly Bi-annually	24 0% Annually Bi-annually Monthly Quarterly	12 0% Annually Bi-annually Monthly Quarterly	0 0% Annually Bi-annually Monthly Quarterly	

Sub-programme 1.4: Financial Management		Strategic Goal 4: To deliver financial management, supply chain management and specialised auxiliary services for the Treasury.									
Strategic Objective	Measurable Objective	Performance Measure Indicator	Actual 2004/05	Actual 2005/06	2006/07 Estimate	2007/08 Budget	2008/09 Target	2009/10 Target			
4. Proper internal control measures and risk management in the Provincial Treasury.	4.1 Maintain effective risk management systems to reduce risks within Provincial Treasury.	Facilitation of risk identification process.	Annually	Risks Identified	Risks Identified	Annually	Annually	Annually			
		Maintenance of risk management database and reporting mechanisms.	Not applicable.	Not applicable.	Not applicable.	Monthly	Monthly	Monthly			
		Number of reports on consolidated risk profile.	Not applicable.	Not applicable.	Not applicable.	4 Reports	4 Reports	4 Reports			
5. Determine and maintain good administrative standards.	4.2 Adequate internal control measures are in place to enhance financial management standards.	Effective and efficient performance of financial inspections.	Not applicable.	Monthly	Monthly	Monthly	Monthly	Monthly			
	4.3 Drafting and revision of policies, procedures and prescripts to ensure improved compliance	Frequency of reviewing policies and prescripts.	Not applicable	Not applicable	Quarterly	Quarterly	Quarterly	Quarterly			
	5.1 Efficient control over debtors and creditors to enhance service delivery.	Days to follow up debtors Days to pay creditors	60 Days 35 days	20-day cycles 35 days	30-day cycles <70 days	30-day cycles <30 days	30-day cycles <30 days	30-day cycles <30 days			
	5.2 Efficient system management (Syscon)	Frequency of maintenance checks on BAS Frequency of maintenance checks on LOGIS	45 Days Annually	Monthly Quarterly	Monthly Quarterly	Monthly Monthly	Monthly Monthly	Monthly Monthly			
	5.3 Availability of vehicle fleet that is compliant to prescripts to meet the changing needs of PT	Frequency of vehicle needs analysis and review of prescripts.	Quarterly	Quarterly	Monthly	Monthly	Monthly	Monthly			

Sub-programme 1.4: Financial Management		Strategic Goal 4: To deliver financial management, supply chain management and specialised auxiliary services for the Treasury.						
Strategic Objective	Measurable Objective	Performance Measure Indicator	Actual 2004/05	Actual 2005/06	2006/07 Estimate	2007/08 Budget	2008/09 Target	2009/10 Target
5. Determine and maintain good administrative standards (continued)	5.4 Ensure adequate accommodation for Provincial Treasury	Facilitate consultation between PT and Department of Public Works and Transport (DPWT) to assess the accommodation needs of PT.	Quarterly	Quarterly	Quarterly	Monthly	Monthly	Monthly
	5.5 Compilation and maintenance of database of all general administration enquiries and associated instructions.	Maintenance of database and Regular follow-ups on enquiries.	Not applicable.	Not applicable.	Not applicable.	Weekly	Weekly	Weekly
	5.6 Fully functional Information Resource Centre	Number of staff with access to resource centre services.	0	60	80	150	250	300
			0%	50%	60%	80%	90%	100%
	5.7 Implementation of suitable mechanisms to facilitate accurate administration, monitoring and reporting of landline and cell phone accounts in respect of accountability.	Frequency of submitting debit lists and cell phone accounts to Financial Accounting.	Monthly	Monthly	Monthly	Monthly	Monthly	Monthly

Sub-programme 1.4: Financial Management		Strategic Goal 4: To deliver financial management, supply chain management and specialised auxiliary services for the Treasury.							
Strategic Objective	Measurable Objective	Performance Measure Indicator	Actual 2004/05	Actual 2005/06	2006/07 Estimate	2007/08 Budget	2008/09 Target	2009/10 Target	
5. Determine and maintain good administrative standards. <i>(continued)</i>	5.8 Fully functional approved filing system for document flow and document control.	Number of submissions of the File Plan to Provincial Archives for approval	Not applicable.	Consultant appointed to draft the new file plan.	4 Submissions	4 submissions	4 submissions	4 submissions	
		Percentage of inadequacies addressed as recommended by internal control inspections.	100%	100%	100%	100%	100%	100%	
		Number of new policies and file plan implemented.	Not applicable.	3	4	4	4	4	
		Percentage of a system of physical and electronic document control developed.	Not applicable.	Not applicable.	50%	80%	90%	100%	
	5.9 Good communication and co-ordination within the sections of Financial Management and other components within Provincial Treasury to improve transparency.	Number of directorate meetings	9	9	9	9	12	12	
		Percentage of fora relevant to Financial management attended	50%	50%	50%	65%	65%	65%	

Sub-programme 1.4: Financial Management		Strategic Goal 4: To deliver financial management, supply chain management and specialised auxiliary services for the Treasury.						
Strategic Objective	Measurable Objective	Performance Measure Indicator	Actual 2004/05	Actual 2005/06	2006/07 Estimate	2007/08 Budget	2008/09 Target	2009/10 Target
5. Determine and maintain good administrative standards. <i>(continued)</i>	5.9 Good communication and co-ordination within the sections of Financial Management and other components within Provincial Treasury to improve transparency. <i>(continued)</i>	Date on which the Financial management database is developed and maintained.	Not applicable.	Not applicable.	In process	September 2007	Quarterly	Quarterly
		Number of management information tools determined for Directorate's meeting.	Not applicable	Not applicable	Not applicable	4	4	4
		Number of control mechanisms in place and updated monthly.	Not applicable	Not applicable	Not applicable	9	9	9

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 2004/05 (actual)	Year - 1 2005/06 (actual)	Base year 2006/07 (estimate)	Average annual change (%)	Year 1 2007/08 (budget)	Year 2 2008/09 (MTEF projection)	Year 3 2009/10 (MTEF projection)	Average annual change (%)
Office of the Minister	2,919	3,559	3,409	8.86	3,759	4,050	4,278	6.69
Management Services		1,747	2,338	33.83	2,122	2,319	2,455	7.57
Corporate Services	5,474	6,999	8,740	26.36	9,804	10,405	10,972	5.79
Financial Management	12,925	10,915	14,018	6.44	14,643	14,555	15,289	2.22
Total	21,318	23,220	28,505	15.84	30,328	31,329	32,994	4.31

The average increase of 16% in spending trends for the financial years 2004/05 to 2006/07 in this programme is mainly attributed to the increase in expenditure under the sub-programme: Corporate Services and sub-programme: Management Services. This is related to increased expenditure on recruitment, staff events and the centralisation of the training budget. Furthermore, inflation adjustments over the MTEF are the main causes for the average increase. The exception is sub-programme: Management Services, for which provision of a communication unit was only made in the Office of the Accounting Officer as from 2006/07. The 12% increase on the 2006/07 estimate in the sub-programme: Corporate Services is due to a provision made for the Provincial Treasury's internship programme.

2. Programme 2: Sustainable Resource Management

Sustainable Resource Management comprises of eight sub-programmes. Two of these are programme support sub-programmes, i.e. Programme Support: Resource Management and Programme Support: Public Finance. The other sub-programmes are: Economic Analysis, Fiscal Policy: Provincial Government, Fiscal Policy: Local Government, Budget Management, Provincial Government Finance and Local Government Finance.

Economic Analysis

The Economic Analysis sub-programme comprises one director and six economists who determine and evaluate economic parameters and socio-economic imperatives within a provincial and national macroeconomic context.

Fiscal Policy: Provincial Government

The Fiscal Policy: Provincial Government sub-programme comprises one director, six economists and one administrative assistant. The unit is responsible for the optimisation of existing revenue sources (which include national transfers and own sourced revenue) and also the consideration of new revenue sources available to the Province.

Fiscal Policy: Local Government

This component comprises one director, four local government revenue coordinators, thirteen local government revenue analysts and an administrative assistant. The unit aims to provide professional advice and support on local government revenue collection and fiscal policy (that informs the annual budget process, thereby contributing to the achievement of iKapa Elihlumayo).

Budget Management

The Budget Management sub-programme comprises one director, one administrative assistant, 6 provincial economists and 5 local government economists. In addition there is a team of four data collators and a three-person budget support team. The office drives the annual provincial budget process, including the Medium-Term Budget Policy Statement, the preliminary and final budget allocations and the Budget Overview. On the local government side, the Budget Office is responsible for guidance and oversight for local government budgets. It also manages the Local Government Medium-Term Expenditure Committee (LGMTEC), in co-operation with the Department of Local Government and Housing (DLGH), ensuring alignment between the municipal budgets and Integrated Development Plans (IDPs), and assessing budget implementation against the Service Delivery Budget Implementation Plans (SDBIPs).

Provincial Government Finance

The Provincial Government Finance sub-programme takes care of public finance related to provincial government matters and comprises one director, one office assistant and twelve staff members.

Local Government Finance

This sub-programme comprises of one director and eighteen staff members, who deal with the fiscal and financial affairs of municipalities including the implementation of the Local Government: Municipal Finance Management Act, 2003 (Act 56 of 2004).

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

The objective of this unit 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: Provincial Government

The Fiscal Policy unit is tasked with the objective of enabling the provincial government to finance its service delivery obligations over the medium term. These tasks include optimising the current revenue base and exploiting the revenue potential of sources that have as yet not been included in the Provincial Revenue base.

Fiscal Policy: Local Government

This Fiscal Policy: Local Government unit is tasked with the responsibility of providing advice and guidance to ensure sound and sustainable budgets for local government.

Budget Management

The 2006 Western Cape Medium Term Budget Policy Statement (WC-MTBPS) set out fiscal policy direction for 2007 MTEF in line with strategic objectives contained in the Provincial Growth and Development Strategy (PGDS) and the national drive towards accelerated shared growth. The 2007/08 budget centred on four themes: skills development; infrastructure; quality and access to social services; and governance.

Provincial Government Finance

This sub-programme is tasked with the objective of ensuring efficient budget management in provincial departments. This includes the development of efficiency measures in the in-year expenditure monitoring systems towards the monitoring of financial and non-financial performance indicators.

Local Government Finance

This sub-programme is tasked with ensuring efficient budget management in municipalities. This includes the development of efficiency measures in the in-year expenditure monitoring systems towards the monitoring of financial and non-financial performance indicators. It furthermore deals with the strengthening of institutional capacity, inclusive of professionalism, skills, knowledge, motivation, attitudes, integration, and values needed for the successful implementation of the Municipal Finance Management Act (MFMA).

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 Gross Domestic Product per Region (GDPR) and employment.
- Analysing the constraints to provincial economic growth and employment in respect of crosscutting concerns such as the state of the global economy and SMME development.
- Providing a socio-economic scan on local government.

Fiscal Policy: Provincial Government

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.
- Investigating the introduction of a revenue estimation and forecasting model.
- Ensuring effectiveness and efficiency of the own revenue retention models.
- Reporting on the effectiveness of provincial debt management practices.
- Investigating the feasibility, efficiency and effectiveness of motor vehicle licence fees in the Western Cape.
- Implementation of a fuel tax.
- Investigating tourism and tourism-related taxes.

Fiscal Policy: Local Government

The unit has started to fill critical positions. It is required to stay at the forefront of developments in the intergovernmental fiscal governance system. The following strategic objectives have been identified:

- Improve input-output sequencing of information and the quality thereof within budget processes.
- Develop effectiveness of in-year revenue monitoring systems towards monitoring financial and non-financial performance indicators.
- Provide policy advice, effective technical and strategic support and a change agent service to municipalities
- Strengthen institutional capacity, including professionalism, skills, knowledge, motivation, attitudes, integration, and values.

Provincial Government Finance

This sub-programme made substantive progress to improve the quality of financial management, which includes:

- The implementation of the Public Finance Management Act, 1999 (Act 1 of 1999).
- The institutionalisation of in-year expenditure monitoring systems, focusing on substantive matters such as the efficiency of budget programmes of provincial departments.
- An assessment of the draft annual Budget 2007 contributed towards ensuring that the distributions of budget allocations within votes are aligned with policy priorities and that the budget is technically sound.
- A credible Budget 2007 by linking national and provincial priorities with budget allocations.
- Nationally prescribed In-Year Monitoring (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.

Local Government Finance

The MFMA became effective on 1 July 2004 with phased implementation and compliance based on the capacity of municipalities, i.e. high, medium and low capacity. The Provincial Treasury's roles and responsibilities became effective on 1 July 2005. In this regard, National Treasury has in total delegated 28 municipalities to the Province while retaining two of the 30 municipalities. This sub-programme is actively involved with the implementation of the MFMA, both in the Provincial Treasury and municipalities by creating a conducive environment for smooth implementation. The sub-program made considerable progress in respect of its roles and responsibilities as required by the MFMA, which includes:

Provincial MTEF process

- The management, co-ordination and gazetting of Provincial allocations to municipalities, including the allocations for BS2, Provincial Adjustment Budget Estimate and adhoc in-year allocations as requested by Provincial departments.
- The submission of allocation letters to municipalities, which included a schedule reflecting provincial and national allocations per municipality.

In Year Monitoring (IYM)

- Full nominal compliance in respect of the submission of municipal IYMs.
- In the absence of a prescribed National Treasury consolidated statement format for the IYM and to ensure Provincial Treasury compliance to the MFMA, this sub-program developed an IYM database to ensure Provincial Treasury compliance to submit monthly consolidated reports to National Treasury and quarterly gazetting, publication and tabling in the Provincial Legislature on the state of the municipalities' budgets.
- The commencement of monthly individual and consolidated municipal budget expenditure analyses and reports.
- The initialising of quarterly IYM site monitoring visits to municipalities.
- Successful managing, planning, co-ordinating and implementation of the LG MTEC processes, which includes:
 - LG MTEC1, which were aimed at the alignment of planning priorities between the local and provincial spheres of government.
 - LG MTEC2, an interaction between PT, Provincial Departments and municipalities on provincial allocations to municipalities.
 - LG MTEC3, high profile individual discussion meetings between Mayors , municipal officials and provincial Ministers and officials, which were based on assessment reports produced on municipal tabled budgets and IDPs.

Intra and inter departmental and governmental co-ordinating structures

- Functional and operational Municipal CFO Fora that provide a platform for municipal CFOs to engage with PT and other role players to successfully implement all the requirements of the MFMA.
- MFMA sub-committee meetings - a forum that gives effect to the requirements of the MFMA within PT and DLGH, by facilitating and co-ordinating MFMA related matters between PT and DLGH and internal PT components.
- Active participation in the Provincial Treasury Forum and ongoing sharing of Western Cape MFMA initiatives at monthly MFMA NT meetings.

c. Analysis of constraints and measures planned to overcome them

Capacity constraints are experienced throughout the Sustainable Resource Management component, 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: Provincial Government

This sub-programme has taken a number of steps to improve the quality of services provided by the component. These services include the introduction of a provincial tariff register, timely approval of tariff adjustments and the retention of revenue collected above the Adjusted Budget. Further of importance to the functioning of the unit is the creation of partnerships, both internal and external. These partnerships aim to improve services through leveraging of technical expertise and capacity; streamlined departmental revenue expenditure analysis and advice; and the building of dialogue and debate amongst and between the various spheres of government.

Fiscal Policy: Local Government

This sub-programme has taken a number of steps to improve the quality of services provided. These services include the introduction of a municipal tariff register, grants database and debtors' database and also the assessment of loans against a borrowing framework. The unit further aims to:

- 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 revenue analysis.
- Interact regularly and robustly with municipalities on their IYM revenue reports.
- Build relationships between Provincial Treasury and municipalities through intergovernmental structures.
- Build analytical capacity in the sub-programme
- Undertake municipal site visits to monitor revenue

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 through one-on-one engagements and intergovernmental structures.
- Build the analytical capacity in the Provincial Treasury and extend that to the offices of chief financial officers in provincial departments.
- Conduct field trips to enable site monitoring.
- Institutionalise the principles/objectives of iKapa Elihlumayo.

2.1 Sub-programme 2.1: Programme Support: Resource Management

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.

2.1.2 Progress analysis

Not applicable as posts are still to be filled.

2.1.3 Analysis of constraints and measures planned to overcome them

This sub-programme will only be established and capacitated during the 2007/08 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: Resource Management.

2.2 Sub-programme 2.2: Economic Analysis (EA)

2.2.1 Specified policies, priorities and strategic objectives

Strategic goal 5: To conduct macro and socio-economic analysis and render policy advice, i.e. to determine and analyse key economic variables, their interrelation and relevance to the provincial and municipal budgets.

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.

2.2.2 Progress analysis

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

The last financial year was spent consolidating the economists within Provincial Treasury and also exposing them to various aspects of the unit's outputs and external linkages. The unit has succeeded in securing strategic relationships with key stakeholders such as external researchers, provincial departments and municipalities.

The publication of the Socio-Economic Profiles: Local Government also presented the unit with the opportunity to forge meaningful relationships across the province. The publication had an immediate impact on the provincial and municipal budget processes and will continue to exert some influence in the allocation and distribution of resources.

The unit's recruitment strategy has been innovative, targeting people with potential, especially from the private sector. Two of the economists within the unit have a private sector background. One economist has been offered an experiential learning opportunity within the unit, and has since been hired on a six month contract.

The key challenges over the next two years will be to increase the capacity of the unit and ensure stability within the team. As the team is consolidating the unit seeks to capitalise on the team's strengths while undertaking appropriate analytical and economic policy research, building on the baseline research.

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 paucity of data that limits the number of variables used for socio-economic relevance and alignment of budget.

- The structure of the unit, given the increasing demand for local government-related research. The unit analyses all 30 municipalities, in addition to sector departments.
- Team stability. The fact that the unit is in direct competition with the private sector is a major threat to the team's stability.

Measures planned to overcome constraints include:

- Separating provincial activities from local government activities.
- Targeting and building a pool of economists at different levels with clear goals of career pathing. This includes experiential learning opportunities for university students, assignment-based contracts and internships.
- Consolidating and expanding the network of academic and private sector researchers as well as a capacity-building programme for permanent staff will address the lack of capacity.
- Develop a structured web-based database to deepen internal analytical capacity.

2.2.4 Description of planned quality improvement measures

Quality improvement and stakeholder satisfaction are ongoing objectives for all EA products. The key improvement that EA will constantly pursue is the alignment of departmental activities to the socio-economic goals of iKapa Elihlumayo. It also advises on the alignment of resource allocation and the underlying processes of the annual budget process. Related operational improvements may include:

- Improved co-ordination of internal processes and sequencing of research.
- Strategic utilisation of researchers through peer review and more intensive oversight.
- Acquire and obtain reliable sources of data and relevant software to enhance research capabilities.
- Improve relationships with external and internal stakeholders to work towards a common goal (improved service delivery and economic growth).

2.3 Sub-programme 2.3: Fiscal Policy: Provincial Government

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. Contribute to improving system of provincial government finance to enhance revenue adequacy and service delivery towards attaining a level 4 auditable organisation.

2.3.2 Progress analysis

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.
- 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.
- Investigating improved synergy and co-ordination of Donor Funding within the Province.
- Analysing the socio-economic incidence/impact of recent (2001 – 2003) escalations in motor vehicle licence fees in the Western Cape.
- Investigating the feasibility, efficiency and effectiveness of alternative collection mechanisms and rate structures for motor vehicle licence fees in the Western Cape.
- Investigating the feasibility, efficiency and effectiveness of alternative rate structures for gambling taxes and tariffs in the Western Cape

In respect of new sources of provincial own revenue:

- Investigating the feasibility of a tourism 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.

Partake in discussion on the development of a provincial borrowing framework.

Deliverables

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.

The unit drafts reports and makes policy recommendations to the Minister of Finance and Tourism 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.
- 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 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.
- Parliamentary approval for the implementation of the fuel levy and the furtherance of the process going forward.
- The feasibility of a tourism-related 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 (Provincial Budget Overview).

2.3.3 Analysis of constraints and measures planned to overcome them

The establishment of various intergovernmental forums to improve interaction between provincial and national government is a good starting point for improved intergovernmental relations and service delivery.

A number of constraints are being addressed:

- Recruiting adequately trained and skilled staff.
- Up-skilling current staff capacity within the component.
- Improving communication within and across the various components of the Provincial Treasury is aimed at improving communication within the Province.
- Fostering a paradigm shift in respect of financing for development and the need to generate innovative financing solutions, contributing towards growth and development in the Province.
- Parliamentary approval for the imposition of a provincial fuel levy. Thoroughly researched and consulted proposals to assist with the approval process.
- Mandating process for approval of tourism related levy
- 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:

- Innovative ways of advertising vacancies.
- Strategies to attract appropriate skill.
- Build in-house capacity by mentoring.
- 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 relationships 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 and the goals set in the Provincial Growth and Development Strategy (PGDS).
- Develop internal revenue and taxation analytical capacity and contribute towards a larger pool of provincial revenue and taxation analysts.
- Raise awareness by 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 of 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.
- Strengthen and deepen the iKapa Elihlumayo revenue partnership, centering on:
 - Improved linkages between the Fiscal Policy unit, Budget Management, Economic Analysis, Asset Management and the Public Finance expenditure analysts, thereby streamlining departmental revenue and expenditure analysis and advice.
 - 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.

2.4 Sub-programme 2.4: Fiscal Policy: Local Government

2.4.1 Specified policies, priorities and strategic objectives

Strategic goal 7: To facilitate local government with financing its service delivery obligations.

Strategic objectives:

1. Improve input-output sequencing of information and the quality thereof within the budget processes.
2. Develop effectiveness of in-year revenue monitoring systems towards attaining level 3 auditable organisations.
3. Provide policy advice, effective technical and strategic support and a change agent service to municipalities

2.4.2 Progress analysis

The unit aims to amongst others: research and analyse municipal budgets; compile reports on revenue streams; establish partnerships; and foster capacity building.

Research and Analyses

Presently, there are three main research areas – national & provincial revenue transfers (Local Government Equitable Share and Conditional Grants), local government own revenue and borrowing.

National and Provincial Revenue Transfers

- Analysing the Local Government Equitable Share Formula and Transfers Local Government Fiscal Framework Review.
- Analysing the Conditional Grant Framework and Transfers from the Western Cape's perspective as a key input into the Fiscal Framework Review

Local Government Own Revenue

In respect of current sources of local government own revenue:

- Analysing Local Government Revenue Management, Sources and Trends in respect of the present revenue base.
- Analysing Debtor Management, Sources and Trends in respect of the present revenue base.

Local Government Borrowing

Assessing the effective and efficient management of local government borrowing to finance capital (infrastructure) commitments, including capacity to service loan commitments, and its capacity to access the various borrowing and financing instruments in the capital market in line with national legislation, policies and procedures.

Reports and Services

At present, there are three main Reports and Services that the Resource Acquisition 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 Local Government Equitable Share Transfers and Conditional Grant Transfers.
- Compiling a monthly/ quarterly In-Year Monitoring (IYM) Revenue Report that assesses local government Equitable Share Transfers and Conditional Grant Transfers and own revenue trends.
- Compiling a monthly/quarterly Debtor Management Report.

In respect of Revenue Planning Services/Reports, these are:

Determining the Medium Term Fiscal Framework for local government

Partnerships

Presently, the following key partnership foci have been identified:

- Leveraging technical expertise and capacity through a broader research and technical expertise network, extending and deepening the Local Government Revenue Acquisition Unit's output reach and transferring knowledge base and skills into the public sector.
- Strengthening and deepening the iKapa Elihlumayo local government partnership, centring on:
- Improved linkages between the Local Government Revenue Acquisition Unit, the Economic Analysis team, the Fiscal Policy Unit the Budget Office and the Municipal Finance expenditure analysts, thereby streamlining local government budget, revenue and expenditure analysis and advice.
- Enhancing engagement within the inter-governmental system, building dialogue and debate at all levels.

Capacity Building

Presently, there are two key capacity building foci:

- Ensuring that the Local Government Revenue Acquisition 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 local government revenue concerns within the provincial and across local government.

2.4.3 Analysis of constraints and measures planned to overcome them

Big challenges relate to the filling of critical posts to implement the MFMA, recruiting adequately skilled capacity, building good interpersonal relations and positively influencing the decisions of both municipal officials and politicians.

2.4.4 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.

Building of internal analytical (numerical and written) skills base and teamwork ethos.

2.5 Sub-programme 2.5: Budget Management

2.5.1 Specified policies, priorities and strategic objectives

The Budget Office plays a key role in promoting efficient, effective and economical use of financial resources. The policy role of the Budget Office is focused on determining and promoting effective policies to further the priorities of the provincial government, as captured in Ikapa Elihlumayo PGDS.

Through its two main provincial outputs, the Budget Overview and Medium Term Budget Policy Statement, the Budget Office recommends financial resource allocation (within departments and between departments) which activates/enables implementation of national, provincial and departmental policy priorities and the achievement of desired socio-economic outcomes.

On the local government side, the Budget Office is chiefly concerned with the alignment of municipal IDPs with their budgets and with provincial policy priorities. The Budget Office also plays a monitoring and evaluation role in following the performance of departments and municipalities as they implement their budgets.

Strategic goal 8: To promote effective financial resource allocation.

Strategic objectives:

1. To coordinate and guide the process to determine provincial priorities and recommend financial resource allocation, which effectively contributes to, accelerated and shared economic growth in the province.
2. Promote overall strategic goal of PT to understand local government and line departments' core business, functions, and progress.
3. Improve alignment between provincial priorities and local government IDP's and improve quality and transparency of local government budgets.
4. Enhance the implementation and impact of local government budgets and IDPs to improve service delivery and address the socio economic needs of the community.

2.5.2 Progress analysis

In the last financial year, Budget Management has consolidated and deepened its analysis and support to provincial departments and also facilitated and co-ordinated various improvements in the budget process. For example, the Cluster Cabinet Committees undergo a process to decide upon joint policy priorities as a cluster. Also, the process for assessing quarterly performance of departments has been enhanced. With regard to local government, the team has expanded and is making plans to deepen the LGMTEC engagements and to undertake assessments of municipal Service Delivery Budget Implementation Plans (SDBIP). In 2006/07 the Service Delivery Review was also published internally in a new format.

In 2006/07, Budget Management appointed three new provincial economists and five local government economists, as well as expanding the team responsible for budget support.

2.5.3 Analysis of constraints and measures planned to overcome them

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

- To acquire skilled resources to complete the staff complement in the Local Government Team.
- The quality of IDPs and their linkages with municipal budgets, as well as the linkages between municipal budgets and the provincial budget.
- Development of a framework to assess Quality Performance Reports (QPRs) and SDBIPs and the improvement of the content and information provided by municipalities and departments.
- Access to service delivery data.

Considerable attention will be given to developing systems, support and capacity-building strategies to enable Budget Management to fully perform its functions with regard to the MFMA. Staff will work to develop relationships with municipalities and provincial departments to improve communication, alignment, quality of budget information and access to data.

2.5.4 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.

2.5.5 Specification of measurable objectives and performance indicators

Please see Table 2.1, Sub-programme 2.5

2.6 Sub-programme 2.6: Programme Support: Public Finance

2.6.1 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.

2.6.2 Progress analysis

Not applicable as post has to be filled.

2.6.3 Analysis of constraints and measures planned to overcome them

Not applicable at this stage.

2.6.4 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.

2.6.5 Specification of measurable objectives and performance indicators

Please see Table 2.1, Sub-programme 2.6

2.7 Sub-programme 2.7: Provincial Government Finance

2.7.1 Specified policies, priorities and strategic objectives

Strategic goal 9: To ensure efficient budget management in provincial departments.

Strategic objectives:

1. Provide policy advice, effective technical and strategic support and a change agent service to provincial departments.
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 attaining a level 4 auditable organisation.

2.7.2 Progress analysis

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 has been above expectations. Subsequently, the focus has been on substantive matters such as the efficiency of budget programmes of provincial departments. In this regard, tighter controls were instituted with regard to Compensation of Employees in 2006/07 to limit mid-year, ad hoc shifts which fuel the March Spike phenomenon and undermine good budgeting and planning practices.

An assessment of the draft annual Budget 2007 contributed towards ensuring that the distributions of budget allocations within votes are aligned with policy priorities and that the budget is technically sound.

Nationally prescribed IYM reporting information has been augmented with the integration of quarterly performance reports with the current financial reporting to allow for deepened analytical and explanatory reporting to encourage the development of interpretive skills in Treasury and provincial departments and to promote and enforce effective management of expenditure.

Key challenges are: -

- 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.
- In an economic classification context:
 - 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.
 - Goods and services – Undertaking efficiency parameter testing (least cost analysis) of major spending items.
- Maintenance of a credible database, including the rollout and institutionalisation of the Business Insight Folders (BIFs), which will assist the Treasury in understanding the core business of departments, ultimately to implement financial management reforms to improve efficiency of spending.

2.7.3 Analysis of constraints and measures planned to overcome them

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.

A deeper understanding of efficiency parameters (least cost analysis) within the government sector and how it can be used to achieve value for money spending. Tertiary institutions will be contracted to assist in compiling least cost analyses, including efficiency ratios.

Limited skills and knowledge levels in financial matters are constraining factors in acquiring appropriately experienced and skilled persons for vacant positions. The appointment of interns will be introduced as another way of attracting the required skills, over and above the normal route of filling vacancies through advertising.

2.7.4 Description of planned quality improvement measures

The following quality improvement measures are planned:

- Service delivery visits / field trips to bring greater evidence and understanding to our analyses.
- Intimate networks with programme managers and key drivers of important activities as well as CFOs within votes in order to form part of departmental proceedings and play an advocacy role.
- Strong networks, interaction with, and analysis of, relevant work performed by other Treasury components.
- Building of internal analytical (numerical and written) skills base and teamwork ethos.
- Interact regularly and robustly with departments on their IYM expenditure reports.
- Smoothing of expenditure and as a consequence reduce the "March Spike" phenomenon.
- Improved expenditure management resulting in no over-expenditure and limiting under-expenditure to 1% overall.

2.7.5 Specification of measurable objectives and performance indicators

- Please see Table 2.1, Sub-programme 2.7.

2.8 Sub-programme 2.8: Local Government Finance

2.8.1 Specified policies, priorities and strategic objectives

Strategic goal 10: To ensure efficient budget management in municipalities.

Strategic objectives:

1. Provide policy advice, effective technical and strategic support and a change agent service to municipalities.
2. Improve input-output sequencing of information and the quality thereof within the budget processes.
3. Develop effectiveness of in-year expenditure monitoring systems towards attaining level 3 auditable organisations.
4. Develop intra Department, intra provincial; inter provincial and government co-ordinating structures and systems.

2.8.2 Progress analysis

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. The Provincial Treasury's roles and

responsibilities became effective 1 July 2005. In this regard, National Treasury delegated 28 municipalities to the Province while retaining two out of the 30 municipalities. This sub-programme is actively involved with the implementation of the MFMA by facilitating implementation initiatives and creating a conducive environment for smooth implementation.

In relation to the municipal/provincial interface the sub-programme has undertaken pioneering research on functions rendered by municipalities on behalf of the province and or visa versa to ultimately resolve the vesting of the affected functions and the most appropriate mechanisms to do so. The Position Papers, Report and Cabinet submission have been submitted to the Provincial Cabinet. On instruction of Cabinet the said documents are being circulated to all relevant stakeholders for final comments.

The Provincial Cabinet resolved at a recent Cabinet Lekgotla that a similar Medium Term Expenditure Committee (MTEC) process be facilitated between provincial departments and municipalities. This resolution, in addition to compliance with the legislative provisions, was informed by findings of the municipal budget assessments and subsequent visits to municipalities during May and June 2005. These visits revealed, amongst other things, that there is a need for greater consultation and interaction between provincial departments and municipalities in aligning planning priorities, development strategies and resources, particularly in a spatial context.

Based on the Cabinet resolution the Provincial Treasury, together with the Department of Local Government and Housing has, as part of the annual financial calendar, scheduled a series of engagements between provincial departments and municipalities. In brief, the following provisional cycle of Local Government Medium Term Expenditure Committee (LG MTEC) engagements has been identified and scheduled:

- LG MTEC 1: High level and overarching discussion on the alignment of provincial and local government planning priorities (District level)
One-on-one engagements between provincial departments and municipalities.
- LG MTEC 2: Specific discussions on budget allocations by departments to municipalities, and frameworks over the 2006/07 MTEF
- LG MTEC 3: 2006/07 municipal budget assessments and visits: Assessment of IDPs, Local Economic Development (LED) and plans, financial health and budgets to determine whether the planning and budgets reflect the priorities and resource alignment desired.

Key challenges in collaborations with others are: -

- Developing a competent Provincial Treasury with the ability to fulfil 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 and across Provincial Treasury components.

2.8.3 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) (MFMA) and the additional responsibilities to be assigned in terms thereof as well as the development of associated functions in other units within Treasury. The required capacity will be needed throughout Treasury to fully execute the assigned roles and responsibilities. Synergy and strong internal relations will be key in obtaining the desired results.

Limited skills and knowledge levels of existing staff in municipal financial matters are constraining factors in relation to the implementation of the MFMA. Staff across the different disciplines will be participating in training programmes offered by the national and provincial treasuries.

2.8.4 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, Provincial Treasury specific training 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 municipalities on their In-Year-Monitoring reports and financial management issues.
- Strengthen relationships between the Provincial Treasury and municipalities through intergovernmental relation structures.
- Increased visits to municipalities to improve the understanding of the business processes of municipalities.
- Institutionalise the principles/objectives of iKapa Elihlumayo and the "Home for All" vision.
- Co-ordination role in respect of the MFMA matters across Treasury disciplines.
- Maintain and improve database on municipal information and the implementation of the Business Insight Folders (BIFs).
- A Provincial Treasury specific training programme on the MFMA will be developed and rolled out to Treasury, departmental and municipal officials.

2.8.5 Specification of measurable objectives and performance indicators

- Please see Table 2.1, Sub-programme 2.8.

Table 2.1: Programme 2: Sustainable Resource Management

Sub-programme 2.1: Programme Support: Resource Management		Generic Strategic Goal: To facilitate the efficient and co-ordinated administration and management of the sub-programme: Programme Support: Resource Management.						
Strategic Objective	Measurable Objective	Performance Measure Indicator	Actual 2004/05	Actual 2005/06	2006/07 Estimate	2007/08 Budget	2008/09 Target	2009/10 Target
1. Rendering administrative support services to ensure the effective operational management of the unit.	1.1 Smooth and effective functioning of the component.	Hours turn around time for managerial finances, human resources and logistical issues.	Not applicable.	48 hours.	48 hours	24 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.	Number of training interventions per staff member.	Not applicable.	Not applicable.	Not applicable.	2	2	2

Sub-programme 2.2: Economic Analysis		Strategic Goal 5: To conduct macro and socio-economic analysis and render policy advice, i.e. to determine and analyse key economic variables, their interrelation and relevance to the provincial and municipal budgets.							
Strategic Objective	Measurable Objective	Performance Measure Indicator	Actual 2004/05	Actual 2005/06	2006/07 Estimate	2007/08 Budget	2008/09 Target	2009/10 Target	
1. Describe the Western Cape economy by determining and analysing key provincial and, where possible, district economic variables and their interrelation.	1.1 Analyse and monitor macro and socio-economic trends to render policy advice.	Date at which Provincial Economic Review and Outlook (PER&O) is published.	Not applicable	PER&O published March 2005	PER&O published April 2006.	PER&O 2007 to be published on 30 May 2007 plus preparatory work done for PER&O 2008.	PER&O 2008 to be published on 30 May 2008 plus preparatory work done for PER&O 2009	PER&O 2009 to be published on 30 May 2009 plus preparatory work done for PER&O 2010	
		Date at which the Socio-Economic Profile-Local Government (SEP-LG) is published.	Not applicable	Not applicable.	Published November 2006.	November 2007	November 2008	November 2009	
		Percentage satisfaction by clients and appropriate to their needs to be determined by sample survey.	Not applicable	Not applicable.	Not applicable.	80% of sample based on 2007 PER&O and 2006 SEP-LG .	80% of sample based on 2008 PER&O and 2007 SEP-LG	80% of sample based on 2009 PER&O and 2008 SEP-LG	
		Quarterly economic reviews.	Not applicable	Not applicable.	Not applicable.	2 reviews	2 reviews	2 reviews	
2. Determine the sources, potential and constraints for enhanced growth and development in the Western Cape, as framed within iKapa Elihlumayo	2.1 Provide advice on socio-economic issues to contribute to improving alignment of policies and the spatial distribution of resources.	Number of assessment reports on provincial departments.	Not applicable	Not applicable.	3 Assessment reports	7 reports on key departments for each MTEC.	7 reports on key departments for each MTEC.	7 reports on key departments for each MTEC.	
		Modelling of levers impacting on variables.	Not applicable	Not applicable.	Not applicable.	Advice to departments and municipalities on reprioritisation.	Advice to departments and municipalities on reprioritisation	Advice to departments and municipalities on reprioritisation	
		Number of municipal assessment reports that feed into the IDPs and municipal budgets.	Not applicable	Not applicable.	30 Reports	30 reports	30 Reports	30 Reports	

Sub-programme 2.2: Economic Analysis		Strategic Goal 5: To conduct macro and socio-economic analysis and render policy advice, i.e. to determine and analyse key economic variables, their interrelation and relevance to the provincial and municipal budgets.						
Strategic Objective	Measurable Objective	Performance Measure Indicator	Actual 2004/05	Actual 2005/06	2006/07 Estimate	2007/08 Budget	2008/09 Target	2009/10 Target
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 Provide technical assistance and training to improve stakeholder understanding and practical application of socio-economic data.	Number of IDP assessments.	Not applicable	Not applicable	Not applicable.	30 assessments	30 assessments	30 assessments
		Effective stakeholder engagements held with municipalities.	Not applicable	Not applicable	Part of the second round of one-on-one engagements in Feb 2007.	Focus on 5 district municipalities for technical assistance and training.	Focus on 5 district municipalities for technical assistance and training.	Focus on 5 district municipalities for technical assistance and training.
		Provincial departments	Not applicable	Not applicable	Not applicable	Focus on 7 Provincial Departments for technical assistance and training.	Focus on 7 Provincial Departments for technical assistance and training.	Focus on 7 Provincial Departments for technical assistance and training.
3.2 Disseminating information to other stakeholders in the province		The degree to which the municipalities change their expenditure patterns	Not applicable	Not applicable	Shared responsibilities with Public Finance, Budget Office, Local Government and Housing and Economic Development and Tourism.	Consideration, commitments to recommendations and discussion of Provincial input by Councils	Consideration, commitments to recommendations and discussion of Provincial input by Councils	Consideration, commitments to recommendations and discussion of Provincial input by Councils
		The degree to which the departments change their expenditure patterns	Not applicable	Not applicable	Not applicable	Consideration, commitments to recommendations and discussion of EA's findings by Departments	Consideration, commitments to recommendations and discussion of EA's findings by Departments	Consideration, commitments to recommendations and discussion of EA's findings by Departments

Sub-programme 2.3: Fiscal Policy: Provincial Government		Strategic Goal 6: To enable the provincial government to finance its service delivery obligations.							
Strategic Objective	Measurable Objective	Performance Measure Indicator	Actual 2004/05	Actual 2005/06	2006/07 Estimate	2007/08 Budget	2008/09 Target	2009/10 Target	
1. Contribute to improving system of provincial government financing to enhance revenue adequacy and service delivery towards attaining a level 4 auditable organisation.	1.1 Improve participation in the intergovernmental medium term revenue planning processes to optimise revenue from current source.	Position paper to state the Western Cape's proposals on the Provincial Fiscal Architecture Compliance framework for Division of Revenue Act (DORA) produced.	Not applicable	Not applicable.	Not applicable.	Finalised position paper by end of June 2007.	Finalised position paper by end of June 2008.	Finalised position paper by end of June 2009	
	1.2 Adequate mechanisms in place for improved In-year revenue management.	Inputs into Medium-Term Budget Policy Statement (MTBPS), Adjustments budget, budget overview and Estimates of Expenditure Number of assessment reports per main revenue source. Time at which IYM reports are produced	Not applicable	100%	100%	Meeting of due dates as per Budget calendar.	Meeting of due dates as per Budget calendar.	Meeting of due dates as per Budget calendar.	
		Number of IYM reports.	Not applicable	Monthly (section 40) and quarterly (section 32) IYM reports.	Monthly (section 40) and quarterly (section 32) IYM reports.	29 assessment reports	29 assessment reports	29 assessment reports	
		13 Departmental and 1 consolidated report each month and per quarter.	13 Departmental and 1 consolidated report each month and per quarter.	13 Departmental and 1 consolidated report each month and per quarter.	22 nd of each month and 30 days after end of each quarter.	22 nd of each month and 30 days after end of each quarter.	22 nd of each month and 30 days after end of each quarter.	22 nd of each month and 30 days after end of each quarter.	
		13 Departmental and 1 consolidated report each month and per quarter.	13 Departmental and 1 consolidated report each month and per quarter.	13 Departmental and 1 consolidated report each month and per quarter.	22 nd of each month and 30 days after end of each quarter.	22 nd of each month and 30 days after end of each quarter.	22 nd of each month and 30 days after end of each quarter.	22 nd of each month and 30 days after end of each quarter.	

Sub-programme 2.3:		Strategic Goal 6: To enable the provincial government to finance its service delivery obligations.							
Fiscal Policy: Provincial Government		Measurable Objective	Performance Measure Indicator	Actual 2004/05	Actual 2005/06	2006/07 Estimate	2007/08 Budget	2008/09 Target	2009/10 Target
1. Contribute to improving system of provincial government financing to enhance revenue adequacy and service delivery towards attaining a level 4 auditable organisation. <i>(continued)</i>	1.3	Adequate measures and mechanisms in place for identification of new revenue sources to increase provincial own revenue	Tabling of fuel levy legislation in Provincial Parliament.	Not applicable	Feasibility study completed and Provincial Cabinet approval obtained.	National Minister of Finance approval obtained.	Fuel levy legislation to be tabled in March 2008 in Provincial Parliament.	Implementation of Fuel levy	Not applicable
	1.4	Adequate mechanisms in place to optimise own revenue.	Cabinet approval of tourism-related and other taxes.	Not applicable	Not applicable.	Preliminary economic work.	Cabinet approval of Tourism related and other taxes by 30 September 2007.	Implementation	Not applicable
			Number of progress reports to MEC on new taxes.	Not applicable	Not applicable	Not applicable	Quarterly progress reports on new taxes reports.	Quarterly progress reports on new taxes reports.	Quarterly progress reports on new taxes reports.
			Adoption and piloting of a revenue estimation and forecasting model.	Not applicable	Training staff and departments.	1 Proposal on the development of a revenue forecasting model.	Further refinement and implementation of NT model.	Further refinement and implementation of NT model.	Further refinement and implementation of NT model.
			Completion of Motor vehicle License Fees incidence study and associated proposals.	Not applicable	Not applicable.	Study initiated.	Study finalised.	Not applicable	Not applicable
			Completion of review into GMT.	Not applicable	Not applicable.	Not applicable.	Completed review.	Not applicable	Not applicable

Sub-programme 2.3:		Strategic Goal 6: To enable the provincial government to finance its service delivery obligations.									
Fiscal Policy: Provincial Government		Measurable Objective	Performance Measure Indicator	Actual 2004/05	Actual 2005/06	2006/07 Estimate	2007/08 Budget	2008/09 Target	2009/10 Target		
1. Contribute to improving system of provincial government financing to enhance revenue adequacy and service delivery towards attaining a level 4 auditable organisation. <i>(continued)</i>	1.5 Adequate mechanisms in place to improve debtor management	Quarterly debtors reports produced.	Not applicable	4 Quarterly reports on debtors.	4 Quarterly Debt management reports.	4 Quarterly Debt management reports.	4 Quarterly Debt management reports.	4 Quarterly Debt management reports.	4 Quarterly Debt management reports.		
	1.6 Monitoring and oversight over the Western Cape Gambling and Racing Board (WCGRB) to promote good governance and optimise revenue.	Review of the tax regime. Splitting of gambling legislation into a tax and functional component.	Not applicable Not applicable	Not applicable. Not applicable.	Not applicable. Not applicable.	Updated tax regime. Splitting of WCGRB.	Updated tax regime. Not applicable	Updated tax regime. Not applicable	Updated tax regime. Not applicable		

Sub-programme 2.4: Fiscal Policy: Local Government		Strategic Goal 7: To facilitate local government with financing its service delivery obligations.							
Strategic Objective	Measurable Objective	Performance Measure Indicator	Actual 2004/05	Actual 2005/06	2006/07 Estimate	2007/08 Budget	2008/09 Target	2009/10 Target	
1. Improve input-output sequencing of information and the quality thereof within the budget processes.	1.1 Credible Medium-Term Revenue Expenditure Framework (MTREF) and Provincial/Local Interface to improve the alignment of the planning and revenue priorities of provincial and local government.	Inputs into Medium term budget policy statement, Adjustments budget, budget overview and Estimates of Expenditure	Not applicable	100%	100%	Meeting of due dates as per LG- Budget calendar.	Meeting of due dates as per LG- Budget calendar.	Meeting of due dates as per LG- Budget calendar.	
		Number of assessment reports per municipality.	Not applicable	30 assessment reports	30 assessment reports	30 assessment reports	30 assessment reports	30 assessment reports	
2. Develop effectiveness of in-year revenue monitoring systems towards attaining level 3 auditable organisations.	2.1 Adequate mechanisms in place for improved in-year revenue management.	Time at which IYM reports are produced.	Not applicable	Preliminary reports compiled.	4 reports.	22nd working day of each Month.	22nd working day of each Month.	22nd working day of each Month.	
		Number of IYM reports produced.	Not applicable	Not applicable.	60 revenue assessment reports	Consolidated report 30 days after end of quarter.	Consolidated report 30 days after end of quarter.	Consolidated report 30 days after end of quarter.	
		Number of gazetted revenue reports consolidated with the expenditure side produced by Public Finance (Local Government) and tabled in Provincial Parliament.	Not applicable	Not applicable.	2 gazetted reports.	4 gazetted reports.	4 gazetted reports.	4 gazetted reports.	
		Number of service delivery visits to enhance knowledge of Municipalities.	Not applicable	Not applicable.	Ad-hoc visits.	120 Municipal service delivery visits.	120 Municipal service delivery visits.	120 Municipal service delivery visits.	

Sub-programme 2.4: Fiscal Policy: Local Government		Strategic Goal 7: To facilitate local government with financing its service delivery obligations.						
Strategic Objective	Measurable Objective	Performance Measure Indicator	Actual 2004/05	Actual 2005/06	2006/07 Estimate	2007/08 Budget	2008/09 Target	2009/10 Target
3. Provide policy advice, effective technical and strategic support and a change agent service to municipalities.	3.1 Relevant and effective advisory service to improve compliance within the local government financial legislation framework.	Number of written responses to requests for advice.	Not applicable	Preliminary reports compiled.	12 reports.	5 reports	5 reports	5 reports

Sub-programme 2.5: Budget management		Strategic Goal 8: To promote effective financial resource allocation.						
Strategic Objective	Measurable Objective	Performance Measure Indicator	Actual 2004/05	Actual 2005/06	2006/07 Estimate	2007/08 Budget	2008/09 Target	2009/10 Target
1. To co-ordinate and guide the process to determine provincial priorities and recommend financial resource allocation, which effectively contributes to accelerated and shared economic growth in the province.	1.1 Drive strategy and publication of medium term fiscal policy which activates/enables implementation of national, provincial and departmental policy priorities and achievement of desired socio-economic outcomes.	Date of tabling of the MTBPS. Quality of MTBPS. Quality of discussion at bilateral MTEC 1 engagements with provincial departments and extent to which they impact on quality of policy and budget planning for upcoming MTEF.	WC-MTBPS 2005 – 2008 tabled during November 2004.	WC-MTBPS 2006 – 2009 tabled in Nov 2005.	WC-MTBPS 2007 – 2010 tabled in Nov 2006.	WC-MTBPS 2008 – 2011 tabled in Nov 2007.	WC-MTBPS 2009 – 2012 tabled in Nov 2008.	WC-MTBPS 2009 – 2012 tabled in Nov 2009.
			Executive approval of MTBPS.	Executive approval of MTBPS.	Executive approval of MTBPS.	Executive approval of MTBPS.	Executive approval of MTBPS.	Executive approval of MTBPS.
			MTEC reports completed.	MTEC reports completed.	MTEC reports completed.	MTEC reports completed and recommendations considered by departments.	MTEC reports and their recommendations considered by departments.	MTEC reports and their recommendations considered by departments.

Sub-programme 2.5: Budget management		Strategic Goal 8: To promote effective financial resource allocation.						
Strategic Objective	Measurable Objective	Performance Measure Indicator	Actual 2004/05	Actual 2005/06	2006/07 Estimate	2007/08 Budget	2008/09 Target	2009/10 Target
1. To co-ordinate and guide the process to determine provincial priorities and recommend financial resource allocation which effectively contributes to accelerated and shared economic growth in the province. <i>(continued)</i>	1.2 Recommend financial resource allocation (within and between departments) which activates/enables implementation of national, provincial and departmental policy priorities and achievement of desired socio-economic outcomes	Quality of discussion at bilateral MTEC 2 engagements with provincial departments and extent to which they impact on quality of policy and budget planning for upcoming MTEF. Date of tabling of Main Budget (Feb). Cabinet submission for final allocations Quality of Budget Overview Baseline Analysis distributed internally.	Not applicable	MTEC reports completed.	MTEC reports completed.	MTEC reports completed and recommendations considered by departments.	Within two weeks of National Budget day	2009/10 Budget tabled within 2 weeks of national budget day.
2. Promote overall strategic goal of PT to understand local government and line departments' core business, functions, and progress.	2.1 Assess efficacy and efficiency of departmental spending and performance.		2005/06 Budget tabled within 2 weeks of national budget day. MTEC reports completed.	2006/07 Budget tabled within 2 weeks of national budget day. Executive approval of 2005/06 final allocations.	2007/08 Budget tabled within 2 weeks of national budget day. Executive approval of 2006/07 final allocations.	2008/09 Budget tabled within 2 weeks of national budget day. Executive approval of 2007/08 final allocations. Favourable consideration by the Budget Committee Baseline analysis distributed internally prior to MTEC 1 and considered by departments	Executive approval of 2008/09 final allocations. Executive approval of 2009/10 final allocations. Document distributed internally prior to MTEC 1 and considered by departments.	Executive approval of 2009/10 final allocations. Document distributed internally prior to MTEC 1 and considered by departments.

Sub-programme 2.5: Budget management		Strategic Goal 8: To promote effective financial resource allocation.						
Strategic Objective	Measurable Objective	Performance Measure Indicator	Actual 2004/05	Actual 2005/06	2006/07 Estimate	2007/08 Budget	2008/09 Target	2009/10 Target
2. Promote overall strategic goal of PT to understand local government and line departments' core business, functions, and progress. (continued)	2.1 Assess efficacy and efficiency of departmental spending and performance (continued)	Submission of non-financial quarterly IYM reports to NT and Budget Committee on deadlines (May, August, November, February).	Not applicable.	100% compliance.	100% compliance.	All QPRS received, assessed and forwarded to NT and Budget Committee on deadline.	All QPRS received, assessed and forwarded to NT on deadline.	All QPRS received, assessed and forwarded to NT on deadline.
	2.2 Promote co-operation across units within Provincial Treasury to better understand situation and challenges of local government	Business Insight Folder (BIF) system utilised for provincial MTEC processes.	Not applicable.	Not applicable.	Not applicable.	Contribution/involvement from multiple components of PT in MTEC assessments.	Contribution involvement from multiple components of PT in MTEC assessments.	Contribution involvement from multiple components of PT in MTEC assessments.
	2.3 Ensure proper electronic filing system managed efficiently.	BIF system utilised for local government MTEC processes.	Not applicable.	Initial planning and consultation.	50% implementation.	Contribution involvement from multiple components of PT in MTEC assessments.	Contribution involvement from multiple components of PT in MTEC assessments.	Contribution involvement from multiple components of PT in MTEC assessments.
		Electronic documents accessible on PT database.	Initiated.	Under development.	Under development.	Further development.	Further development.	Further development.

Sub-programme 2.5: Budget management		Strategic Goal 8: To promote effective financial resource allocation.							
Strategic Objective	Measurable Objective	Performance Measure Indicator	Actual 2004/05	Actual 2005/06	2006/07 Estimate	2007/08 Budget	2008/09 Target	2009/10 Target	
3. Improve alignment between provincial priorities and local government IDPs and improve quality and transparency of local government budgets	3.1 Provide analysis and support to municipalities in the drafting of their budgets in order to improve quality and alignment between municipal and provincial budgets.	Quality of engagements and assessments.	Not applicable.	Shared responsibilities with Public Finance, with function gradually shifted to Budget Office.	Consideration, commitments to recommendations and discussion of Provincial input by Councils	Consideration, commitments to recommendations and discussion of Provincial input by Councils	Consideration, commitments to recommendations and discussion of Provincial input by Local Government executive.	Consideration, commitments to recommendations and discussion of Provincial input by Local Government executive.	
		Number of draft budget assessments	Not applicable.	Not applicable.	Not applicable.	30	30	30	30
		Due date of assessments	Not applicable.	Not applicable.	Not applicable.	30 April	30 April	30 April	30 April
4. Enhance the implementation and impact of local government budgets and IDPs to improve service delivery and address the socio economic needs of the community.	3.2 Provide oversight of municipal budget process to improve alignment.	Timely receipt of tabled and adopted budgets and on-line publication of adopted budget.	Not applicable.	Shared responsibilities with Public Finance, with function gradually shifted to Budget Office.	25% implementation.	90% implementation.	As per municipal budget schedule.	As per municipal budget schedule.	
		Number of assessments of 2007/08 SDBIPs	Not applicable.	Not applicable.	Not applicable.	30	30	30	
		Due date of assessments of 2007/08 SDBIPs	Not applicable.	Not applicable.	Not applicable.	31 August	31 August	31 August	31 August
4.1 Track and assess local government budget implementation against SDBIP for efficiency and effectiveness of service delivery.	4.1 Track and assess local government budget implementation against SDBIP for efficiency and effectiveness of service delivery.	Number of assessments of 2007/08 mid year performance reports against SDBIPs	Not applicable.	Not applicable.	Not applicable.	30	30	30	
		Due date of assessments of 2007/08 mid year performance reports against SDBIPs	Not applicable.	Not applicable.	Not applicable.	28 February	28 February	28 February	28 February

Sub-programme 2.6: Programme Support: Public Finance		Generic Strategic Goal: To facilitate the efficient and co-ordinated administration and management of the sub-programme: Programme Support: Public Finance.						
Strategic Objective	Measurable Objective	Performance Measure Indicator	Actual 2004/05	Actual 2005/06	2006/07 Estimate	2007/08 Budget	2008/09 Target	2009/10 Target
1. Rendering administrative support services to ensure the effective operational management of the unit.	1.1 Smooth and effective functioning of the component.	Hours turnaround time for management of operational finances, human resources and logistical issues.	48 hours	48 hours.	48 hours	24 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.	Number of training interventions per staff member.	Not applicable.	Not applicable.	Not applicable.	2	2	2

Sub-programme 2.7: Provincial Government Finance		Strategic Goal 9: To ensure efficient budget management in provincial departments.						
Strategic Objective	Measurable Objective	Performance Measure Indicator	Actual 2004/05	Actual 2005/06	2006/07 Estimate	2007/08 Budget	2008/09 Target	2009/10 Target
1. Provide policy advice, effective technical and strategic support and a change agent service to provincial departments.	1.1 Relevant and effective advisory service.	Maximum turnaround time to provide quality advice relating to efficient in-year budgets management.	Relevant and effective advice.	Relevant and effective advice.	Relevant and effective advice.	10 working days.	10 working days.	10 working days.
2. Improve input-output sequencing of information and the quality of the latter within the budget processes.	2.1 Credible MTEF and Adjustments Budget to improve transparency and alignment.	Inputs into Medium term budget policy statement, budget overview and Estimates of Expenditure. Compile and collate the Adjustments Estimates.	100%. Bilateral MTEC hearings.	100%. Bilateral MTEC hearings.	100%. Bilateral MTEC hearings.	Meeting of due dates as per Budget calendar. Bilateral MTEC hearings in September/October and January.	Meeting of due dates as per Budget calendar. Bilateral MTEC hearings in September/October and January.	Meeting of due dates as per Budget calendar. Bilateral MTEC hearings in September/October and January.
			2 Assessments per department.	2 Assessments per department.	3 Assessments per department.	3 Assessed-budget documents per department.	3 Assessed-budget documents per department.	3 Assessed-budget documents per department.
			Adjustment budget tabled in November.	Adjustment budget tabled in November.	Adjustment budget, bill and schedules tabled within one month of national adjustments.	Adjustment budget, bill and schedules tabled within one month of national adjustments.	Adjustment budget, bill and schedules tabled within one month of national adjustments.	Adjustment budget, bill and schedules tabled within one month of national adjustments.

Sub-programme 2.7: Provincial Government Finance		Strategic Goal 9: To ensure efficient budget management in provincial departments.							
Strategic Objective	Measurable Objective	Performance Measure Indicator	Actual 2004/05	Actual 2005/06	2006/07 Estimate	2007/08 Budget	2008/09 Target	2009/10 Target	
3. Develop effectiveness of in-year expenditure monitoring systems towards attaining a level 4 auditable organisation.	3.1 Adequate mechanisms in place for improved in-year expenditure management.	Time at which IYM reports are produced. Number of IYM reports.	Monthly (section 40) and quarterly (section 32) IYM reports.	Monthly (section 40) and quarterly (section 32) IYM reports.	Monthly (section 40) and quarterly (section 32) IYM reports.	22 nd of each Month. 30 days after end of quarter 13 Departmental and 1 consolidated report each month and per quarter	22 nd of each Month. 30 days after end of quarter 13 Departmental and 1 consolidated report each month and per quarter	22 nd of each Month. 30 days after end of quarter 13 Departmental and 1 consolidated report each month and per quarter	
		Maximum levels of under spending. Time of trend analysis report.	Quarterly and annual trend analysis reports.	Quarterly and annual trend analysis reports.	Quarterly and annual performance analysis reports to prevent over-spending, smoothing of expenditure and limit under spending to 1% overall.	Quarterly and annual performance analysis reports to prevent over-spending, smoothing of expenditure and limit under-spending to 1% overall.	Quarterly and annual performance analysis reports to prevent over-spending, smoothing of expenditure and limit under-spending to 1% overall.	Quarterly and annual performance analysis reports to prevent over-spending, smoothing of expenditure and limit under-spending to 1% overall.	
		Number of reports to Cabinet and Budget Committee.	Quarterly expenditure reports to Cabinet.	Quarterly expenditure reports to Cabinet.	7 Quarterly expenditure and performance reports to Cabinet and Budget Committee.	8 Quarterly expenditure and performance reports to Cabinet and Budget Committee.	8 Quarterly expenditure and performance reports to Cabinet and Budget Committee.	8 Quarterly expenditure and performance reports to Cabinet and Budget Committee.	

Sub-programme 2.7: Provincial Government Finance		Strategic Goal 9: To ensure efficient budget management in provincial departments.							
Strategic Objective	Measurable Objective	Performance Measure Indicator	Actual 2004/05	Actual 2005/06	2006/07 Estimate	2007/08 Budget	2008/09 Target	2009/10 Target	
3. Develop effectiveness of in-year expenditure monitoring systems towards attaining a level 4 auditable organisation. (continued)	3.1 Adequate mechanisms in place for improved in-year expenditure management. (continued)	Number of efficiency reports on a quarterly basis focusing on conditional grants, compensation of employees, transfer payments, earmarked allocations and goods and services.	Not applicable.	Not applicable.	Commence efficiency initiatives (least cost analysis), focusing on research, and compensation of employees, consultants and transfers.	5 Reports.	5 Reports.	5 Reports.	
		Number of service delivery visits to enhance knowledge of Departments.	Not applicable.	Not applicable.	Ad-hoc visits.	48 departmental service delivery visits	48 departmental service delivery visits	48 departmental service delivery visits	
		Date at which IYM tool for public entities is in place.	Not applicable.	Not applicable.	Not applicable.	Co-ordinated development of public entity in-year monitoring reporting tool by September 2007.	Co-ordinated development of public entity in-year monitoring reporting tool by September 2007.	Co-ordinated development of public entity in-year monitoring reporting tool by September 2007.	

Sub-programme 2.8: Local Government Finance		Strategic Goal 10: To ensure efficient budget management in municipalities.						
Strategic Objective	Measurable Objective	Performance Measure Indicator	Actual 2004/05	Actual 2005/06	2006/07 Estimate	2007/08 Budget	2008/09 Target	2009/10 Target
1. Provide policy advice, effective technical and strategic support and a change agent service to municipalities	1.1 Relevant and effective advisory service to improve compliance with the local government financial legislation framework.	Maximum turnaround time to provide quality advice relating to efficient in-year budgets management.	Relevant and effective advice.	Relevant and effective advice.	Relevant and effective advice.	10 working days.	10 working days.	10 working days.
2. Improve input-output sequencing of information and the quality thereof within the budget processes.	2.1 Credible MTREF and Provincial/ Local Interface to improve the alignment of the planning and expenditure priorities of provincial and local government.	Inputs into Medium term budget policy statement, Adjustments budget, budget overview and Estimates of Expenditure	100%	100%	100%	Meeting of due dates as per LG- Budget calendar.	Meeting of due dates as per LG- Budget calendar.	Meeting of due dates as per LG- Budget calendar.
		Number of assessment reports per municipality.	30 assessment reports	30 assessment reports	30 assessment reports	30 assessment reports	30 assessment reports	30 assessment reports
		Date of publication of allocations to municipalities during the main and adjusted budget process in line with the prescribed formats and timelines.	March 2005	March 2006	March 2007	March 2008	March 2009	March 2010
3. Develop effectiveness of in-year expenditure monitoring systems towards attaining level 3 auditable organisations.	3.1 Adequate mechanisms in place for improved in-year expenditure management.	Time at which IYM reports are produced.	Preliminary reports compiled.	Preliminary reports compiled.	4 reports.	22nd working day of each month.	22nd working day of each month.	22nd working day of each month.
		Number of IYM reports produced.	Not applicable.	Not applicable.	60 revenue assessment reports	1 Consolidated report 30 days after end of quarter.	1 Consolidated report 30 days after end of quarter.	1 Consolidated report 30 days after end of quarter.

Sub-programme 2.8: Local Government Finance		Strategic Goal 10: To ensure efficient budget management in municipalities.						
Strategic Objective	Measurable Objective	Performance Measure Indicator	Actual 2004/05	Actual 2005/06	2006/07 Estimate	2007/08 Budget	2008/09 Target	2009/10 Target
3. Develop effectiveness of in-year expenditure monitoring systems towards attaining level 3 auditable organisations. <i>(continued)</i>	3.1 Adequate mechanisms in place for improved in-year expenditure management. <i>(continued)</i>	Number of gazetted expenditure reports consolidated with the revenue side produced by Fiscal Policy (Local Government) submitted to Cabinet and tabled in Provincial Parliament.	Not applicable.	Not applicable.	2 gazetted reports.	4 gazetted reports.	4 gazetted reports.	4 gazetted reports.
4. Develop intra Department, intra provincial, inter provincial and government co-ordinating structures and systems.	4.1 Functional intra and inter governmental co-ordinating structures and institutions (forums) that relate to planning and financial matters.	Number of service delivery visits to enhance knowledge of Municipalities. Relevant and effective co-ordination.	Not applicable.	Not applicable.	Ad-hoc visits.	120 Municipal service delivery visits	120 Municipal service delivery visits	120 Municipal service delivery visits
			Designated as MFMA co-coordinator and main driver of MFMA implementation.	Designated as MFMA co-coordinator and main driver of MFMA implementation.	MFMA coordinating role continued and selected MFMA responsibilities decentralised to other units.	Full implementation of operational plan.		
		Number of CFO Forums.	Terms of reference for CFO forum finalised.	Terms of reference for CFO forum finalised.	2 Meetings.	4 quarterly CFO Forum meetings	4 quarterly CFO Forum meetings	4 quarterly CFO Forum meetings
		Timely submission of return forms.	Not applicable.	Not applicable.	Full compliance.	Submission of quarterly return forms within 30 days of end of quarter.	Submission of quarterly return forms within 30 days of end of quarter.	Submission of quarterly return forms within 30 days of end of quarter.

2.9 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 2004/05 (actual)	Year - 1 2005/06 (actual)	Base year 2006/07 (estimate)	Average annual change (%)	Year 1 2007/08 (budget)	Year 2 2008/09 (MTEF projection)	Year 3 2009/10 (MTEF projection)	Average annual change (%)
Programme Support: Resource Management		841	687	(18.31)	728	786	832	6.91
Economic Analysis	1,127	2,437	3,260	75.01	3,625	3,788	3,996	5.00
Fiscal Policy: Provincial Government	2,701	2,337	2,683	0.66	3,039	3,367	3,556	8.20
Fiscal Policy: Local Government		193	1,641	750.26	3,460	3,880	4,099	8.89
Budget Management	2,177	6,151	6,754	96.17	8,542	9,283	9,783	7.03
Programme Support: Public Finance		301	1,034	243.52	865	944	999	7.48
Provincial Government Finance	3,072	2,487	2,749	(4.26)	3,255	3,456	3,650	5.89
Local Government Finance	1,990	1,766	2,867	25.54	4,719	5,191	5,492	7.90
Total	11,067	16,513	21,675	40.24	28,233	30,695	32,407	7.15

The average spending trend indicates an increase of over 40% for the financial years 2004/05 to 2006/07. This is the result of mainly two factors, namely an increase in the staff complement to cater for the implementation of the MFMA and the shift in the budget marketing function from Norms and Standard to Budget Management, which realised a substantial average spending trend of over 96% over this period. The establishment of the two Programme Support sub-programmes also contributed to the average spending growth. All posts are fully funded, resulting in a 30% increase on the 2006/07 revised estimates.

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.

Financial Asset Management

To facilitate the effective and efficient management of financial assets

Moveable Asset Management

To facilitate the effective and efficient management of moveable assets.

Immovable Asset Management

To facilitate the effective and efficient management of immovable 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, 2005. 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 the main the programme's strategic objectives involve facilitating the optimisation 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 and support and development of guidelines to ensure effective supply chain management (SCM) of goods and services and immovable assets. The aspired centre of excellence in SCM will be the change agent in this regard.

- Building the necessary capacity in the Provincial Treasury for PPP assessments and to facilitate and provide developmental technical assistance and support to departments on all PPP projects in progress.
- Establishing the necessary structures to service loans and guarantees and implementing policies for effective management of assets and liabilities. Also providing technical and strategic support to provincial departments and municipalities.
- Providing for the effective and efficient management and implementation of existing financial systems, management of State Information and Technology Agency (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 2007/08 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. National Treasury implemented the intergovernmental cash co-ordination (IGCC) on 1 April 2005, whereby equitable share and conditional grants are 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 2006/07 financial year, was responsible for performing SCM assessments in provincial departments, engaging municipalities on the implementation of SCM, developing Provincial Treasury Instructions, facilitating the arrangements of transversal contracts, and the implementation of asset management requirements within the Province.

The Immovable Assets unit provided support during the 2006/07 financial year 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.

Further, this unit coordinated discussions with the respective MECs and heads of departments for Education, Public Works and Provincial Treasury on infrastructure and related issues. These meetings are scheduled on a quarterly basis.

During the 2006/07 financial year the PPP unit facilitated, provided assistance, advice, guidance and support to departments (particularly the Department of Health) during the various stages of the PPP processes. This unit held numerous meetings with the Department of Education on the possibility of the construction of schools via PPP initiatives.

During 2006/07, the Financial Systems unit was responsible for the implementation of LOGIS at 7 institutions, and rendered user support and training to more than 7000 core and non-core 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 ensures on a continuous basis 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 appropriately skilled persons is a constraint currently faced by the Movable Assets unit. Ongoing support, guidance and facilitation of accredited adhoc courses to address inefficiencies will be a part of the provincial drive to combat this problem.

With the implementation of the MFMA, this unit will continue to provide assistance, guidance and advice to municipalities for the 2007/08 financial year. Capacitation in this regard is dependent on possessing the required skills and expertise.

The time consuming awarding of contracts together with the inadequacy of feasibility studies are major concerns for the Immovable Assets unit. Existing procedures will need to be assessed to identify systemic problems. Alignment to the Infrastructure Development Improvement Programme (IDIP) is also necessary.

The PPP unit faces an ongoing challenge to acquire appropriate skills. To address the skills gap, the unit has compiled a training programme to be implemented during 2007/08. This programme will be shared with the National Treasury PPP unit to obtain approval for the required PPP delegations.

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 high volumes 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 Centre for e-Innovation and SITA. Pre-implementation assessments and management meetings of further LOGIS sites will also 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.

Quality improvement measures will include:

Ongoing refinement of best procurement practices, use of service level agreements to elevate contract management to 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.

The rollout of the Infrastructure Delivery Improvement Programme (IDIP) – Phase II and monitoring thereof - . will be the main contributing factor for quality improvement measures.

The continuous fostering and exchange of ideas on PPPs with key role players, visits to other provinces involved with PPPs of a similar nature, and the proposed training programme to be embarked upon by this unit, will contribute to alleviating existing constraints.

Bridging finance, if required through the sub-programme: Liabilities Management, could be obtained with relative ease from the Corporation for Public Deposits (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 to address problems where necessary.

3.1 Sub-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 operational management of the unit.
2. Capacitate and train administrative support and line function staff.

3.1.2 Progress analysis

Not applicable.

3.1.3 Analysis of constraints and measures planned to overcome them

This sub-programme will possibly only be established and capacitated during the latter part of 2007/08 financial year and will mainly be 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 Liabilities Management.

3.1.5 Specification of measurable objectives and performance indicators

Please see Table 3.1, Sub programme 3.1.

3.2 Sub-programme 3.2: Financial Asset Management

3.2.1 Specified policies, priorities and strategic objectives

Strategic goal 11: To facilitate the effective and efficient management of financial assets.

Strategic objectives:

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.

3.2.2 Progress analysis

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.

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.

Theoretically the existing bank contract expires on 31 March 2007, and the challenge facing this sub-programme is the implementation process involved.

The bank tender was awarded to Nedbank on 15 December 2006 with effect 1 April 2007. This implies the timeous migration from the current to the new banker.

In terms of the MFMA, a database of primary banking account details, contact names and details of each municipality was established and it is envisaged that this sub-programme will play an integral role in cash flow management in the future.

With effect from 1 April 2005, National Treasury implemented the Intergovernmental Cash Co-ordination (IGCC) initiative, whereby the equitable share and conditional grants earmarked for Provinces are credited directly to an account held at the Corporation for Public Deposits (CPD). This transition was smoothly implemented in the Province.

3.2.3 Analysis of constraints and measures planned to overcome them

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 utilise previous expenditure trends, outstanding commitments and new projects when compiling and submitting their annual cash flow projections to the Provincial Treasury.

Another challenge is to ensure that bank accounts within the provincial departments remain minimally cash positive on a daily basis, which ensures that no overdrawn situation occurs at any time.

Remedial measures will include the daily monitoring of projections versus actual drawings.

Further, a request will be made to departments to make prior arrangements with the Provincial Treasury in the event of expected variances.

Another measure which was effectively implemented, is the manual releasing of funds according to an approved payment schedule. This enables the sub-directorate to have more effective control on cash withdrawals in the Province.

Further, a system was implemented to assist PT with regards to fiscal dumping of cash during the last quarter of the financial year. This system means that the departments must request authority for payments exceeding R500 000 prior to the actual payment being made.

3.2.4 Description of planned quality improvement measures

The following quality improvement measures are envisaged:

- 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 two 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 smooth implementation of the newly awarded bank tender.

3.2.5 Specification of measurable objectives and performance indicators

Please see Table 3.1, Sub-programme 3.2.

3.3 Sub-programme 3.3: Movable Asset Management

3.3.1 Specified policies, priorities and strategic objectives

Strategic goal 12: To facilitate the effective and efficient management of movable assets.

Strategic objectives:

1. To ensure that departments / municipalities embrace SCM as a strategic directive that delivers continual cost and value improvements resulting in effective future planning, mitigation of risk in SCM, leveraged buying power and a smoother acquisition process. (That implies departments achieving a level 4 auditable rating and municipalities achieving a level 3 auditable rating in the 2007/08 financial year).

3.3.2 Progress analysis

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

During the 2006/07 financial year the sub-programme was responsible to:

- Maintain the Western Cape Supplier Database in conjunction with the Unicity.
- Maintain the Electronic Purchasing Systems for RFQ's.
- Develop Provincial Treasury Instructions; delegations and a procedural manual for transversal contracts.
- Facilitate the Asset Management Forum (which also incorporates SCM issues).
- Perform SCM assessments (including compliance and value for money assessments) on 22 provincial departmental sites/ institutions.
- Facilitate SCM training for provincial departmental and local government officials.
- Engage municipalities with regards to the implementation of SCM.
- Perform As-is assessments on 22 delegated and 2 non-delegated municipalities to ascertain their state of readiness for the implementation of SCM. A sample group of 12 municipalities were visited.
- Undertake interventions to address critical / deficient areas as emanating from the as-is assessments, requiring 5 2- day workshops for the five districts.
- Establish and implement Supply Chain Management Forum for municipalities to facilitate and promote the sharing of information in a common forum to assist in the implementation of SCM.
- Monitor and assessed the implementation of 24 municipal SCM policies.
- Address strategic implementation issues and provided assistance to 4 municipal councils.

Main challenges facing the sub-programme include the following:

- Minimise procurement related costs.
- Develop skilful SCM practitioners at provincial and local spheres of government.
- Monitor departments, public entities and municipalities' adherence to SCM norms and standards.
- Develop and implement a complaints mechanism for the Province.
- Implement/introduce the regulatory framework on SCM in municipalities.
- Implement, upgrade or develop an interim e-procurement solution for the Province.
- Facilitate and arrange transversal contracts.
- Develop and implement a strategic sourcing business model.
- Create a centre for excellence for SCM training.
- Facilitate and implement a provincial BEE strategy.
- Compliance assessments at municipalities.
- Bench-marking of "best practices"
- Establish an advice desk / "hotline" for SCM issues in the province.

3.3.3 Analysis of constraints and measures planned to overcome them

The current staff complement in the directorate will not be sufficient to achieve both the provincial and local government objectives. The office will endeavour to timeously fill all existing vacancies within this unit.

However, the increasing responsibilities of the directorate, coupled with the expansion of its focus for both provincial departments and municipalities, have further raised the need for an increase in resource capacity.

The previous financial year addressed training needs for provincial departments and municipalities, which focused on developing levels of expertise in SCM. To this end, the Provincial Treasury assisted with capacity building endeavours. Ad-hoc courses for SCM practitioners at departments have already been arranged as an interim measure. Accredited service providers will provide the formal courses.

In addition, the Provincial Treasury will provide support to departments and municipalities on enhancing and/or establishing SCM units.

For the new financial year the unit aims to take this initiative further. This will include addressing policy implementation issues; aligning the current Accounting Officers' system to the regulatory and policy frameworks; rolling out of the asset management reform strategy; facilitating and arranging transversal contracts to enhance the purchasing power of provincial departments; establishing a 'helpdesk' to provide assistance and advice to governmental institutions and the public in respect of SCM, compliance and value for money assessments on both provincial departmental institutions and municipalities and the establishment of a centre of excellence to provide training on specific facets of SCM.

A further constraint is the lack of an integrated SCM system, and the "delay" in the development of the new Integrated Financial Management System (IFMS) by National Treasury which aggravates the problem of prioritising creditable supply chain management spend provincial departments.

The delay in the development of the codes of good practice of BEE and the realignment of the Preferential Procurement Policy Framework Act (PPPFA) Regulations thereto, stifles the promotion and development of BEE within the Province. To this end, the Provincial Treasury will assist in the development of a Provincial BEE Policy Programme and Supplier Development Programme.

3.3.4 Description of planned quality improvement measures

The following quality improvement measures are envisaged:

- The establishment of a centre for excellence to render strategic support and training, and drive best practices in the SCM units.
- Implementation of monitoring/compliance procedures to address any non-compliance with minimum norms and standards.
- Introduction of a mechanism to adequately address concerns from the public with regard to the awarding of bids.
- Restructuring of the SCM component to address the additional responsibilities of local and provincial governments.
- Uniformity of norms and standards within provincial government, public entities and municipalities.
- Timely filling of vacancies with appropriate competent personnel.
- Assistance in the development of a provincial BEE policy.
- The promotion of a supplier development programme.
- The development or implementation of an efficient E-procurement system / tools.
- The facilitation of training of officials from provincial departments and municipalities in SCM principles, guidelines and prescripts.
- Establishment of a complaints unit within Provincial Treasury.
- Establishment of a contract management unit within the Provincial Treasury
- Promotion and facilitation of the Asset Management Reform Strategy in conjunction with National Treasury.
- Facilitate the arrangement of transversal contracts.

3.3.5 Specification of measurable objectives and performance indicators

Please see Table 3.1, Sub-programme 3.3.

3.4 Sub-programme 3.4: Immovable Asset Management

3.4.1 Specified policies, priorities and strategic objectives

Strategic goal 13: To facilitate the effective and efficient management of immovable assets (including the built environment and housing) and to facilitate and enhance quality public service delivery by being a catalyst for effective, efficient and value for money best practice solutions.

Strategic objectives:

Immovable Assets

1. Coordinate the implementation of the Infrastructure Delivery Improvement Programme (IDIP) for cost effective execution of infrastructure projects. (That implies departments achieving a level 4 auditable rating and municipalities achieving a level 3 auditable rating in the 2007/08 financial year).
2. To strengthen oversight and strategic roles by rendering advice and direction to departments, public entities, municipalities and municipal entities to enhance service delivery. (That implies departments achieving a level 4 auditable rating and municipalities achieving a level 3 auditable rating in the 2007/08 financial year).

Public Private Partnerships (PPPs)

1. Coordinate and promote the implementation of PPP projects through assessments compliance and enforcement of legislation.
2. Facilitate and provide developmental technical assistance and support to departments and municipalities on all PPP projects in progress

3.4.2 Progress analysis

The Infrastructure Delivery Improvement Programme (IDIP), an initiative of National Treasury to improve infrastructure spending and delivery, was introduced and is under implementation in the departments of Education and Transport and Public Works.

The extensive and diversified immovable asset portfolio has potentially significant impact on the overall macro-economic, socio-political and physical landscape of the Province. It:

- Facilitates refinement processes on infrastructure reporting.
- Engages with Public Works on specific areas indicated in the White Paper on Property Management, Government Immovable Asset Management Bill and Asset Management Guidelines.
- Evaluates submissions for property disposal and acquisitions.

Main challenges facing the sub-programme include:

- The alignment of infrastructure plans with Provincial Growth and Development Strategy (PGDS), Micro Economic Development Strategy (MEDS), Strategic Infrastructure Plan (SIP) and with the other spheres of government.

- Expanding the Infrastructure Unit to cater for the further roll-out of IDIP to other departments and municipalities.
- Strategic principles for infrastructure investment and development spending.
- Timely and accurate infrastructure expenditure reports to National Treasury.
- Effective monitoring mechanisms to ensure efficient infrastructure delivery.
- Attainment of socio-economic objectives.
- Lack of appropriate capacity .

Public Private Partnerships (PPPs)

The gradual increase in the formation of PPP's suggest that the public and private sectors are now working more closely in the provision of services and infrastructure. The pursuance of PPP is an initiative necessary to address the socio-economic imperatives and infrastructure backlogs, contributing to enhanced service delivery in the Province.

During the 2006/07 financial year this unit was responsible for:

- Providing a means by which effective PPP flow can be co-ordinated within the Province.
- Facilitating knowledge and information exchange across the Western Cape provincial departments and public entities through the maintenance of close working relationships with the procuring department across the full range of PPP procurement activity.
- Building 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.
- Facilitating a municipal PPP training workshop in the Province.

Key challenges facing the unit are:

- Retaining the capacity and skills required for PPP monitoring and evaluation.
- Facilitating training for provincial departments and municipalities.
- Facilitating and promoting the developmental issues in conjunction with relevant role-players, for new PPP opportunities.
- Expanding the PPP unit to cater for the additional responsibilities of the municipalities.

3.4.3 Analysis of constraints and measures planned to overcome them

Immovable Assets

The constraints faced by the component include:

- Skills gap identified for immovable asset practitioners. Developing staff with the full range of functional and technical skills necessary, aligned to a focused training programme.
- The alignment of infrastructure planning to the budget cycle. It is envisaged that the further rollout of the IDIP will contribute to improved infrastructure planning and alignment to the budgeting cycle.

Public Private Partnerships (PPPs)

- One of the major constraints facing the unit is the capacity and skills required for municipal PPP implementation. This will be addressed by focused training initiatives, providing guidance on specific skills requirements to municipalities and the expansion of the existing PPP unit.

3.4.4 Description of planned quality improvement measures

The following quality improvement measures are envisaged:

Immovable Assets

- The further rollout of IDIP in the departments of Education and Transport and Public Works as well as introducing it to Health, to improve infrastructure spending and delivery.
- Improved reporting mechanisms to the Provincial Programme Steering Committee (PPSC) to monitor performance in the processes and outputs envisaged by IDIP. The PPSC will also review and endorse reports compiled by the provincial technical assistance team appointed by the National Treasury.
- Assist and support in the implementation of the envisaged Government Immovable Asset Management Act.

Public Private Partnerships (PPPs)

- To engage in all current provincial PPP projects, broaden the knowledge of the PPP concept and build capacity through practical exposure.
- Foster the exchange of ideas and the growth of PPP knowledge through conferences, workshop, seminars and meetings across international, national and provincial networks.
- Actively link with National Treasury PPP unit, Provincial Treasury PPP units, provincial departments, municipalities and private sector specialists for purposes of skills transfer and development of best practices.
- Market PPP's externally to promote the involvement of the private sector.
- Engage in discussions with core departments and municipalities on problem areas around PPP projects to dispel fears and reluctance and to share experiences.
- Monitor completed PPP projects on actual performance against budget to determine value-for-money and affordability aspects.

3.4.5 Specification of measurable objectives and performance indicators

Please see Table 3.1, sub programme 3.4.

3.5 Sub-programme 3.5: Liabilities Management

3.5.1 Specified policies, priorities and strategic objectives

Strategic goal 14: 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.

3.5.2 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.

3.5.3 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.

3.5.4 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.

3.5.5 Specification of measurable objectives and performance indicators

Please see Table 3.1, sub programme 3.5.

3.6 Sub-programme 3.6: Supporting and Interlinked Financial Systems

3.6.1 Specified policies, priorities and strategic objectives

Strategic goal 15: To provide for the oversight, enhancement 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.

Strategic objectives:

1. To provide for the management, improvement and implementation of existing financial systems and eventual transition to the IFMS, ensuring 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.

3.6.2 Progress analysis

Basic Accounting System (BAS)

The Basic Accounting System (BAS) is an on-line Windows based accounting system that encompasses government's basic accounting requirements on a cash basis. This system is in stark contrast to its predecessor, the Financial Management System (FMS) that had to be phased out due to non-compliance to current accounting prescripts.

The financial year closure of March/April 2005 on BAS was characterised by extremely slow response times due to an increased number of users (nationally and provincially) utilising the system and the resulting increase in the volume of data created a backlog in the processing and extraction of reports.

In an attempt to prevent a re-occurrence of such unacceptably slow response times, particularly at financial year-end, the Provincial Treasury held a number of meetings with senior management of the National Treasury and SITA to address the problems.

In this regard, the Provincial Treasury applied relentless pressure on all the role players that finally resulted in a mainframe upgrade on 16 January 2006.

Since the mainframe upgrade, a significant improvement in response times has been noted. However, year-end closure will be the real test of whether the upgrade was sufficient or not. The added advantage of the new mainframe is that it can be further upgraded should any further problems be encountered with slow response times.

As can be expected from the implementation of any new system, certain enhancements are required to cater for an increased level of accountability. In view of this, the National Treasury arranged for the following system enhancements:

- The cash receipts functionality was adjusted not to show the batch status as fully confirmed when the total day-end amount is not the same as the deposit amount.
- The allocations window that is used by the sundry payments, creditor payments and recurring payments was changed to validate no more than 10 sub line

numbers per item and that no more than 10 activities per sub line are captured for the payment process.

- A validation was added to ensure that the entity details remain in sync when users modified or removed existing entities.
- The single year budget report has been changed so that the budget totals are calculated using the full budget allocation, rolled up budget amounts will no longer be used.
- The debt age analysis report was changed for it to be requested on a specific date.
- The online deposit information functionality was rectified to update the status of a batch to “full confirm” when adjustment journals have been made through the receipt functionality to confirm a batch.
- The user activity report was developed to provide information in respect of how many times a user logged onto BAS for a particular period.
- The user profile report was amended to provide security management information for a specific user.
- The debt age analysis report was changed not to fail on debts with matching field balances that do not have corresponding debt registry details.
- The credit transfer payments parameter 114 was changed from a departmental parameter to a system parameter.
- The number of transactions that can be requested by a simply audit trail report was changed to process information quicker.
- The budget report was standardised so that the additional budget and additional budget types were amalgamated under the budget type, additional budget.
- The page down button of the Persal exception report window was changed to ensure that it functions as intended.
- The description of the receipt detail window was changed from sequence number to functional area number.

Technical Support and Training

Training

During 2006/07 834 officials were nominated for the seven training modules presented by the Provincial Treasury. Due to their user profiles some users attended more than one BAS training module.

Helpdesk (user support)

The Provincial Treasury provides a comprehensive BAS helpdesk function. Calls relating to BAS queries are received via the departmental system controllers and are either solved locally or are referred to National Treasury for resolution and advice.

For the period April to September 2006, 1 420 calls were logged with the Provincial Treasury of which 403 calls were logged at National Treasury.

Currently Centre for e-Innovation (CeI) personnel support the Provincial Treasury with technical aspects regarding maintenance and support by:

- Collecting of technical data (name of user, IP address, location, etc.)
- Registering of users on the terminal server
- Access to BAS (icon on desk top)

- Set-up of printers
- Creation of a web page giving access to the terminal server
- Updating of internet explorer
- Replacing of hardware and software where required
- Updating of codes tables (new releases) on the 3 terminal servers.

Establishment of a National and Provincial BAS User Forum

The BAS User Forum is well established in the Western Cape with the following main objectives in mind:

- To implement the provisions of the Public Finance Management Act, Act 1 of 1999 (as amended by Act 29 of 1999), the Public Service Act, 1994 & Public Service Amendment Act, 1996, Employment of Educators Act, 1998 and other statutory enactments, in so far as they relate to BAS.
- To promote the effective, efficient and economic utilisation of BAS.
- To promote effective and efficient coordination between BAS Controllers.
- To share and discuss BAS related issues and new enhancement of the System to be advised to National Treasury.
- To promote uniformity and consistency amongst BAS users in the interpretation of policy and prescripts.
- To undertake such tasks, activities and projects which will benefit BAS in general.

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 12 departments and the Provincial Parliament are utilising the system.

Enhancements:

- Major enhancements were made to the system to accommodate the new method for taxation on medical aid employers' contribution.
- DPSA Resolution 1 of 2006 was implemented ensuring that new appointees from 1 July 2006 or officials not belonging to a medical aid before July 2006 and chooses to belong to a medical aid in July 2006 have to belong to GEMS to qualify for employers contribution.
- New functions were implemented to have better control over electronic payments that is returned by the bank in identifying who the beneficiaries is.
- Functions 5.10.1 was also created to assist users in the reconciliation of BAS/PERSAL.
- A new format of reporting on Employment Equity Act statistics was implemented by the Department of Labour.
- Grade progressions for educators were successfully implemented.

Training

Continuous training is being done within this Province, accommodating structured training as well as any adhoc requests.

Currently three (3) fully equipped training venues situated in Cape Town, George and Worcester are utilised for the presentation of Persal training.

Due to new appointees during the previous two financial years, training could only be presented on selected courses.

User Support

Although most of the technical development and maintenance of the Persal System is conducted in the Persal component at National Treasury, certain functions pertaining to the Western Cape have been decentralised to the Persal component of the PT.

Due to the dynamic nature of the public service and the continuous need for innovative statistical and audit reporting, numerous adjustments have been made over the reporting period.

A total number of 520 system change requests to e.g. change the termination reasons, merge Persal records, rectify appointment dates and service records etc. were received and rectified by the Persal component.

Although user support also includes visits by Treasury officials to organisations, most support is done telephonically. During the reporting period 4 137 calls were received by the Persal user support component.

Persal User Forum

The Persal User forum is well established in the Western Cape. Meetings are held on a quarterly basis.

The Logistical Information System (LOGIS)

The Logistical Management System (LOGIS) is a computerised system that facilitates two of the core functions of Supply Chain Management, Logistical and Disposal Management. The system further assists Accounting Officers in their responsibilities with regard to the management, including safeguarding and maintenance of assets.

Current Status

LOGIS is currently implemented at 67 institutions (50 Health Institutions) and utilised by 2 646 users in the Western Cape. A total of R1,825 billion worth of assets are managed.

LOGIS is constantly enhanced to accommodate the requirements of standards set by the Accountant-General on assets reported in the Annual Financial Statements (depreciation, asset categories, increase in capacity and replacements).

These enhancements required training and re-training of 850 core users and a further 500 Asset Managers, which included various presentations and workshops as well as person to person training sessions throughout the Province in supporting these institutions in the transformation process.

Training material was also updated with the latest enhancements and new courses were developed by the Provincial Treasury to assist managers to interpret and analyse the various financial reports available on LOGIS.

Additional Enhancements:

Even though not originally developed as an Asset Management System, new standards and requirements necessitated the following further enhancements of LOGIS, to comply with current national requirements for asset management:

- Information on serial number (individual item number), location receipt documentation, order and payment detail.
- Transaction history on:
 - Performance condition
 - Performance useful life
 - Disposal - remaining useful life
 - Accounting - Accumulated depreciation

Procurement Integration availability and response times:

The new web-based application was implemented on 5 April 2004, after thorough testing of the functionalities by National Treasury and the Provincial Treasury of the Western Cape.

Due to extremely slow response time in 2005, National Treasury invested in a new server.

Technical support and training**Growth in training needs**

The number of institutions to whom LOGIS has been rolled out has increased during 2006/07 from 61 to 67 resulting in a greater need for more decentralised training.

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.

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

User support:

Support is rendered to 2 646 users utilising LOGIS throughout the Provincial Government Western Cape. The following services have been rendered:

- Identify various problems with LOGIS/BAS integration and make proposals to NT for rectification.
- Monitor the response time of the system on a daily basis.
- Upgrade insufficient networks and equipment in an effort to increase the processing time of transactions.
- Research conducted in conjunction with Centre for e-Innovation (CeI) to bypass local servers on internet access and monitor the implementation thereof at all 2 646 users.
- Assist all 850 core users in the new functionalities on the LOGIS/BAS integration system access and network problems.

- A total of 5280 calls were logged and various calls were logged at LOGIK (call centre at National Treasury) on behalf of users.
- Site visits were done to assist with critical functional problems (response time, printers, access to LOGIS/BAS integration and software).
- Fax, telephone, electronic mail and all other possible communication instruments were utilised to their full potential to communicate with National Treasury, SITA, 10 project team members and 2646 users.
- Performed monitoring at all of the 67 sites with regard to the sites' performance on LOGIS.
- Developed and distributed a management tool to evaluate each site's Balanced Score Card performance and provided guidance for rectification of problem areas.

Establishment of a LOGIS User Form

LOGIS User Forums were established on a decentralised basis situated at the Metropole Region, Worcester, Citrusdal and Oudtshoorn. Three user forum workshops were held per venue during 2006.

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. During 2005/06 special attention was given to reducing the requesting of unnecessary reports, which is one of the main drivers of SITA costs. The maintenance (SITA costs) of transversal systems have been decentralised to the various departments from 1 April 2007.

3.6.3 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 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 rollout LOGIS to the remaining 5 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 associated costs. This will be addressed on a continuous basis with National Treasury to assist in minimising the latter to an absolute minimum.

3.6.4 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.
- Rollout 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 economic utilisation of the system.
- The further rollout of LOGIS to the remaining 5 institutions by 31 March 2007.
- 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 Technical Committee on Finance (TCF) work group, a sub-committee of the Budget Council, to assist in finalising the development, testing and implementation of the integrated financial management solution.

VULINDLELA (Web based)

- The promotion, rollout 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.

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 98% of all financial administration and management information systems.
- 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.
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3.6.5 Specification of measurable objectives and performance indicators

Please see Table 3.1, sub programme 3.6.

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 2004/05	Actual 2005/06	2006/07 Estimate	2007/08 Budget	2008/09 Target	2009/10 Target
1. Rendering administrative support services to ensure the effective operational management of the unit.	1.1 Smooth and effective functioning of the component.	Hours turnaround time for management of operational finances, human resources and logistical issues.	48 hours	48 hours.	48 hours	24 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.	Number of training interventions per staff member.	Not applicable	Not applicable.	Not applicable.	2	2	2

Sub-programme 3.2: Financial Asset Management		Strategic Goal 11: To facilitate the effective and efficient management of financial assets.							
Strategic Objective	Measurable Objective	Performance Measure Indicator	Actual 2004/05	Actual 2005/06	2006/07 Estimate	2007/08 Budget	2008/09 Target	2009/10 Target	
1. Ensure effective control and management of the Provincial Revenue Fund.	1.1. Improve the performance of the Provincial Revenue Fund (PRF) to minimise borrowing costs and maximise returns from investments.	The daily deviation between transfers and actual expenditure.	100% achieved.	Target exceeded (deviation <1.3%)	100% of target.	2%	2%	2%	
		The weekly manual releasing of payments on BAS as per the prescribed payment schedule.	40% of target.	Target exceeded	100% of target.	Pre-determined weekly dates.	Pre-determined weekly dates.	Pre-determined weekly dates.	
		Facilitate and monitor the PRF to ensure that all moneys due are received in accordance with the mutually agreed upon national payment schedule.	100% achieved.	100% achieved	100% achieved	Pre-determined weekly/ monthly date	Pre-determined weekly/ monthly dates.	Pre-determined weekly/ monthly dates.	
		Submission of Annual Financial Statements to satisfaction of the office of the Auditor-General.	100% achieved	100% achieved	100% achieved	End of August	31 August	31 August	
		Annual submission of the consolidated Provincial cash flow projections in terms of the PFMA on a predetermined date by NT.	100% compliance.	100% compliance.	100% compliance.	March	March	March	

Sub-programme 3.2: Financial Asset Management		Strategic Goal 11: To facilitate the effective and efficient management of financial assets.							
Strategic Objective	Measurable Objective	Performance Measure Indicator	Actual 2004/05	Actual 2005/06	2006/07 Estimate	2007/08 Budget	2008/09 Target	2009/10 Target	
1. Ensure effective control and management of the Provincial Revenue Fund. (<i>continued</i>)	1.1 Improve the performance of Provincial Revenue Fund to minimise borrowing costs and maximise returns from investments. (<i>continued</i>)	Daily investment of surplus funds at reputable financial institutions and Corporation of Public Deposits (CPD) in accordance with an approved investment policy.	100% achieved.	Target exceeded.	100% achieved.	Budgeted figure, subject to economic variables, eg. Inflation.	Budgeted figure, subject to economic variables, eg. Inflation.	Budgeted figure, subject to economic variables, eg. Inflation.	
2. Render effective technical, strategic support and training to Provincial Departments and Local Government where applicable.	2.1 Build provincial capacity to contribute to improvement of management of financial assets.	Accessibility to a fully operational helpdesk managed by skilled staff rendering service to all users.	100% accessibility and availability of the helpdesk on a daily basis.	100% accessibility	100% accessibility	9 hours per day	9 hours per day.	9 hours per day.	
3. Compliance with the PFMA, MFMA accounting policies, regulations and guidelines.	3.1 Facilitate the implementation of the MFMA to improve cash management and reporting.	Number of municipalities monitored and advised according to the MFMA.	Not applicable.	100% compliance.	100% compliance.	30 municipalities	30 municipalities.	30 municipalities.	
		Assessments of the IYM submitted by municipalities in respect of cash flow management and provide feedback and guidance.	Not applicable	100% compliance.	100% compliance.	30 municipalities	30 municipalities	30 municipalities	

Sub-programme 3.3: Moveable Asset Management		Strategic Goal 12: To facilitate the effective and efficient management of movable assets.						
Strategic Objective	Measurable Objective	Performance Measure Indicator	Actual 2004/05	Actual 2005/06	2006/07 Estimate	2007/08 Budget	2008/09 Target	2009/10 Target
1. To ensure that departments/municipalities embrace SCM as a strategic directive that delivers continual cost and value improvements resulting in effective future planning, mitigation of risk in SCM leveraged buying power and a smoother acquisition process. (That implies departments achieving a level 4 auditable rating and municipalities achieving a level 3 auditable rating in the 2007/08 financial year.)	1.1 Assist provincial departments and municipalities in improving the efficiency of their SCM activities.	Number of training interventions arranged on SCM for provincial departments.	Not applicable	90 officials trained.	60 officials trained.	3 training interventions.	4 training interventions.	4 training interventions.
		Number of training interventions arranged on SCM for municipalities.	Not applicable	Not applicable.	40 officials trained.	2 training interventions.	2 training interventions.	2 training interventions.
		Develop Practice Notes and Guidelines for municipalities on SCM.	Not applicable	Not applicable.	Not applicable.	Determined by National Treasury and own assessments.	Pre-determined by National Treasury and Assessments.	Pre-determined by National Treasury and Assessments.
		Issue of PTI's, Practice Notes and Guidelines to provincial departments on SCM and Asset Management.	Not applicable	Not applicable.	Not applicable.	Determined by National Treasury and own assessments.	Pre-determined by National Treasury and Assessments.	Pre-determined by National Treasury and Assessments.
	1.2 To provide strategic leadership and guidance to provincial departments and municipalities for a cost effective and value for money SCM process.	Number of provincial transversal contracts arranged.	Not applicable	2 contracts	3 contracts facilitated	3 transversal contracts	2 transversal contracts.	2 transversal contracts.

Sub-programme 3.3: Moveable Asset Management		Strategic Goal 12: To facilitate the effective and efficient management of movable assets.						
Strategic Objective	Measurable Objective	Performance Measure Indicator	Actual 2004/05	Actual 2005/06	2006/07 Estimate	2007/08 Budget	2008/09 Target	2009/10 Target
1. To ensure that departments/municipalities embrace SCM as a strategic directive that delivers continual cost and value improvements resulting in effective future planning, mitigation of risk in SCM leveraged buying power and a smoother acquisition process. (That implies departments achieving a level 4 auditable rating and municipalities achieving a level 3 auditable rating in the 2007/08 financial year.) <i>(continued)</i>	1.2 To provide strategic leadership and guidance to provincial departments and municipalities for a cost effective and value for money SCM process. <i>(continued)</i>	Number of municipal transversal contracts arranged.	Not applicable	Not applicable.	Not applicable.	1 transversal contract.	1 transversal contract.	1 transversal contract.
		Number of provincial procurement reports on bids awarded per vote.	Not applicable	Assessment of existing technology	12 reports.	12 reports	12 reports.	12 reports.
		Develop and promote a BBEEE/SMME supplier development programme for provincial Departments in liaison with Economic Development and Tourism..	Not applicable	Not applicable.	Not applicable.	An acceptable model or policy in place.	Implementation of Supplier Development Programme.	Monitoring of policy.
	1.3 To monitor provincial departments and municipalities to improve good governance and value creation in SCM.	Number of SCM value for money and asset management assessments of provincial departmental sites.	Not applicable	Not applicable.	12 assessments.	12 assessments.	15 assessments and 5 re-visits.	15 assessments and 5 re-visits.
		Number of value for money SCM assessments of municipalities.	Not applicable	Not applicable.	5 assessments.	5 assessments.	15 assessments and 2 re-visits.	5 assessments and 6 re-visits.

Sub-programme 3.4: Immovable Asset Management		Strategic Goal 13: To facilitate the effective and efficient management of immovable assets (including the built environment and housing) and to facilitate and enhance quality public service delivery by being a catalyst for effective, efficient and value for money best practice solutions.						
Strategic Objective	Measurable Objective	Performance Measure Indicator	Actual 2004/05	Actual 2005/06	2006/07 Estimate	2007/08 Budget	2008/09 Target	2009/10 Target
1. Co-ordinate the implementation of the Infrastructure Delivery Improvement Programme (IDIP) for cost effective execution of infrastructure projects. (That implies departments achieving a level 4 auditable rating and municipalities achieving a level 3 auditable rating in the 2007/08 financial year.)	1.1 Successful implementation of the Infrastructure Delivery Improvement Plan (IDIP).	Number of departments and municipalities participating in IDIP.	Not applicable	Implemented in Education department.	Implemented in Education and Transport and Public Works.	Education, Transport and Public Works, and Health participating in IDIP.	Education, Transport and Public Works, and Health participating in IDIP.	Education, Transport and Public Works, and Health participating in IDIP.
		Number of business cases (as is assessment and recommendation arising) implemented.	Not applicable	Pilot Phase in Education	Started with the implementation of two business cases	Start with the implementation of business case in Health and continue with business cases in Education and Transport and Public Works.	Continue with business cases.	Continue with business cases.
		Number of annual assessment and submission of departmental Infrastructure Plans, Infrastructure Programme Management (IPMP) and Infrastructure Implementation Plan (IPIP) to National Treasury.	Not applicable	Infrastructure Plans of Health, Transport and Public Works, Agriculture and Education submitted to National Treasury.	Infrastructure Plans of Health, Transport and Public Works, Agriculture and Education submitted to National Treasury.	Infrastructure Plans of Health, Transport and Public Works, Agriculture and Education submitted to National Treasury.	Infrastructure Plans of Health, Transport and Public Works, Agriculture and Education submitted to National Treasury.	Infrastructure Plans of Health, Transport and Public Works, Agriculture and Education submitted to National Treasury.

Sub-programme 3.4: Immovable Asset Management		Strategic Goal 13: To facilitate the effective and efficient management of immovable assets (including the built environment and housing) and to facilitate and enhance quality public service delivery by being a catalyst for effective, efficient and value for money best practice solutions.						
Strategic Objective	Measurable Objective	Performance Measure Indicator	Actual 2004/05	Actual 2005/06	2006/07 Estimate	2007/08 Budget	2008/09 Target	2009/10 Target
2. To strengthen oversight and strategic roles by rendering advice and direction to departments, public entities, municipalities and municipal entities to enhance service delivery. (That implies departments achieving a level 4 auditable rating and municipalities achieving a level 3 auditable rating in the 2007/08 financial year.)	2.1 Facilitate the development of provincial asset management guidelines to improve immovable asset management.	Compile and update provincial asset management guidelines according to GIAMA.	Not applicable	Not applicable.	Not applicable.	Initial research, subsequent to guidelines that will be promulgated in 2007/08.	Implement guidelines.	Implement guidelines.
	2.2 Effective and efficient monitoring of infrastructure delivery.	Number of site visits conducted and performance reports (including housing, roads and transport projects) submitted.	Not applicable	Not applicable.	Not applicable.	4 site visits and performance reports.	4 site visits and performance reports.	4 site visits and performance reports.
	2.3 Monitor the utilisation of provincial properties to enhance maximum use.	Number of infrastructure reports compiled and compliant to IDIP/ NT Guidelines. Number of utilisation reports from departments (Education and Public Works) assessed. Number of days responsive to disposal assessments.	4	4	4	4	4	4
			Not applicable	Not applicable.	Not applicable.	2 (one each)	2	2
			5 days	5 days	5 days	5 days	5 days	5 days

Sub-programme 3.4: Immovable Asset Management	Strategic Goal 13: To facilitate the effective and efficient management of immovable assets (including the built environment and housing) and to facilitate and enhance quality public service delivery by being a catalyst for effective, efficient and value for money best practice solutions.							
Strategic Objective	Measurable Objective	Performance Measure Indicator	Actual 2004/05	Actual 2005/06	2006/07 Estimate	2007/08 Budget	2008/09 Target	2009/10 Target
Public Private Partnerships (PPPs)								
1. Co-ordinate and promote the implementation of PPP projects through assessments compliance and enforcement of legislation.	1.1 Facilitate and support in liaison with accounting officers the implementation of PPP projects to improve quality of service delivery.	Amount of time taken to respond to PPP project requests.	Not applicable	70%	Respond to all departmental and municipal requests.	Respond to requests within 20 working days.	Respond to requests within 20 working days.	Respond to requests within 20 working days.
	1.2 Promote PPP projects in departments and municipalities to obtain value for money.	Number of PPP projects facilitated and co-ordinated.	Not applicable	100%	Facilitated 6 provincial projects. Facilitated 3 municipal projects.	Minimum of 12 inter-actions.	Minimum of 12 inter-actions.	Minimum of 12 inter-actions.
	1.3 Provide assistance with identification and initiation of PPP projects to maximise value for money from each project.	Number of departments and municipalities engaged in promotion activities.	Not applicable	100%	Promotion to 28 of 30 municipalities. Promotion to 4 of 13 Provincial departments.	3 Additional municipalities. 1 Additional Provincial department.	3 Additional municipalities. 1 Additional Provincial department.	3 Additional municipalities. 1 Additional Provincial department.

Sub-programme 3.4: Immovable Asset Management	Strategic Goal 13: To facilitate the effective and efficient management of immovable assets (including the built environment and housing) and to facilitate and enhance quality public service delivery by being a catalyst for effective, efficient and value for money best practice solutions.									
Strategic Objective	Measurable Objective	Performance Measure Indicator	Actual 2004/05	Actual 2005/06	2006/07 Estimate	2007/08 Budget	2008/09 Target	2009/10 Target		
2. Facilitate and provide developmental technical assistance and support to departments and municipalities on all PPP projects in progress.	2.1 Monitor and enforce compliance with Treasury Regulations. 2.2 Capacitate departments and municipalities about PPPs.	Number of projects monitored post registration.	Not applicable	100% completion by 30 June 2005.	3 municipal projects. 4 provincial projects.	3 municipal projects. 9 provincial projects.	3 municipal projects. 9 provincial projects.	3 municipal projects. 9 provincial projects.		
		Number of projects monitored post-financial closure.	Not applicable	Not applicable.	2 provincial closed deals monitored.	2 provincial closed deals monitored.	2 provincial closed deals monitored.	2 provincial closed deals monitored.		
		Number of training sessions/workshops.	Not applicable	Not applicable.	2 training sessions.	4 training sessions.	4 training sessions.	4 training sessions.		

Sub-programme 3.5: Liabilities Management		Strategic Goal 14: To facilitate the effective and efficient management of liabilities.						
Strategic Objective	Measurable Objective	Performance Measure Indicator	Actual 2004/05	Actual 2005/06	2006/07 Estimate	2007/08 Budget	2008/09 Target	2009/10 Target
1. Establish and ensure implementation of policies for effective management of assets and liabilities.	1.1 Effective managed Provincial Revenue Fund (loan book). Only from 2009/10.	Percentage achieved w.r.t provision for necessary funds to service loan agreements and/or guarantees.	Not applicable.	Not applicable.	Not applicable.	Not applicable as current own revenue streams do not allow borrowing.	Not applicable as current own revenue streams do not allow borrowing.	Initiating process.
		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 as current own revenue streams do not allow borrowing.	Not applicable as current own revenue streams do not allow borrowing.	Initiating process.
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. refinement of cash flow to include such loan and/or guarantee repayments.	Not applicable.	Not applicable.	Not applicable.	Not applicable as current own revenue streams do not allow borrowing.	Not applicable as current own revenue streams do not allow borrowing.	Initiating process.
		Percentage achieved w.r.t. appointment of suitably qualified personnel and build capacity amongst existing staff.	Not applicable.	Not applicable.	Not applicable.	Not applicable as current own revenue streams do not allow borrowing.	Not applicable as current own revenue streams do not allow borrowing.	Initiating process.
		Percentage achieved regarding assistance and/or establishment of suitable monitoring mechanisms for loans and for guarantees.	Not applicable.	Not applicable.	Not applicable.	Not applicable as current own revenue streams do not allow borrowing.	Not applicable as current own revenue streams do not allow borrowing.	Initiating process.

Sub-programme 3.5: Liabilities Management		Strategic Goal 14: To facilitate the effective and efficient management of liabilities.							
Strategic Objective	Measurable Objective	Performance Measure Indicator	Actual 2004/05	Actual 2005/06	2006/07 Estimate	2007/08 Budget	2008/09 Target	2009/10 Target	
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 as current own revenue streams do not allow borrowing.	Not applicable as current own revenue streams do not allow borrowing.	Initiating process.	
		Percentage accuracy of reporting in terms of annual financial statements of all loans and/or guarantees.	Not applicable.	Not applicable.	Not applicable.	Not applicable as current own revenue streams do not allow borrowing.	Not applicable as current own revenue streams do not allow borrowing.	Initiating process.	
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 as current own revenue streams do not allow borrowing.	Not applicable as current own revenue streams do not allow borrowing.	Initiating process.	

Sub-programme 3.6: Supporting and Interlinked Financial Systems	Strategic Goal 15: To provide for the oversight, enhancement 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.							
Strategic Objective	Measurable Objective	Performance Measure Indicator	Actual 2004/05	Actual 2005/06	2006/07 Estimate	2007/08 Budget	2008/09 Target	2009/10 Target
1. To provide for the management, improvement and implementation of existing financial systems and eventual transition to the IFMS, ensuring compliance with the PFMA and other relevant legislation.	1.1 Effectively, efficiently and economically implemented and managed financial systems to ensure the availability of timely and updated management information.	Time taken to clear all exceptions, rejections and audit reports. The roll out of Vulindlela (WEB application) to all departments, regions and institutions on request.	100% achieved.	100% achieved.	100% achieved.	7 days	7 days	7 days
1.2 The smooth and cost effective transition to National Treasury Integrated Financial Management System (IFMS) contributing to sound financial management.		Provincial Treasury to play an integral role in planning, development, testing and implementation phases in accordance with an approved project plan.	Attendance of quarterly national workgroup on the IFMS.	Not applicable	Not applicable.	Dependent on completion of phase 2 (provincial set-up gearing for actual implementation for SCM module) by National Treasury	Testing and preparation for implementation	Implementation.

Sub-programme 3.6: Supporting and Interlinked Financial Systems	Strategic Goal 15: To provide for the oversight, enhancement 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.									
Strategic Objective	Measurable Objective	Performance Measure Indicator	Actual 2004/05	Actual 2005/06	2006/07 Estimate	2007/08 Budget	2008/09 Target	2009/10 Target		
2. Monitor and report on financial management system's performance.	2.1 Availability, stability and accessibility of existing financial systems to ensure timely availability of information for management decisions.	Availability and stability of existing financial systems to ensure an up-time of at least 95%.	96% up time.	Target exceeded (98.6%).	100% achieved.	95% uptime.	95% uptime.	95% uptime.		
2.2 System functionalities to comply with norms and standards and the relevant statutory requirements	All user requirements submitted to National Treasury and rolled out within 2 weeks after release.	User requirements timely addressed and implemented.	100% achieved.	100% achieved.	100% achieved.	Within 2 weeks after release.	Within 2 weeks after release.	Within 2 weeks after release.		
3. Render effective technical, strategic support and training to departments.	3.1 Build provincial capacity to contribute to the improvement of existing financial management.	Accessibility to a fully operational helpdesk managed by skilled staff rendering service to all users.	100% achieved.	100% achieved.	100% achieved.	9 hours per day.	9 hours per day.	9 hours per day.		
		Number of officials appropriately trained on the various financial systems.	50% of target market.	Target exceeded (73%)	90% of target market.	1400 officials with a 70% pass rate. .	1 400 officials.	1 400 officials.		

3.7 Reconciliation of budget with plan

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

Programme 3: Assets and Liabilities Management								
Sub-programme	Year - 2 2004/05 (actual)	Year - 1 2005/06 (actual)	Base year 2006/07 (estimate)	Average annual change (%)	Year 1 2007/08 (budget)	Year 2 2008/09 (MTEF projection)	Year 3 2009/10 (MTEF projection)	Average annual change (%)
Programme Support		699	882	26.18	858	923	975	6.61
Financial Asset Management	1,071	920	1,121	7.75	1,613	1,736	1,834	6.64
Movable Asset Management	4,071	4,458	4,738	7.89	5,246	5,563	5,867	5.75
Immovable Asset Management	285	1,626	2,631	266.17	2,854	3,036	3,209	6.04
Liabilities Management			1		1	1	1	
Supporting and Interlinked Financial Systems	37,681	38,996	38,870	1.58	10,166	10,829	11,415	5.97
Total	43,108	46,699	48,243	5.82	20,738	22,088	23,301	6.00

The average increase of 5% in the spending trends of this programme over the financial years 2004/05 to 2006/07 can mainly be attributed to the functioning of Immovable Asset Management at full capacity. 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. The drastic decrease of 57% on the 2006/07 revised estimates is due to the decentralisation of SITA costs to departments.

4. Programme 4: Financial Governance

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

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 and efficient utilisation and development of financial governance resources to meet IE objectives.
2. To ensure the development and enhancement of norms and standards and where necessary enforce compliance.
3. To identify and disseminate transversal Financial Governance issues to external and internal role players in order to ensure effective oversight.
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.

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 and efficient operational management of the programme.

Accounting Services

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

Norms and Standards

Ensuring that, given the legislative framework, norms and standards are developed, monitored and complied with, by provincial departments, public entities and municipalities.

Risk Management

Developing and facilitating the implementation of effective risk management and 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.

a. Progress analysis

Accounting Services

Financial management issues raised by the Auditor – General in the 2005/06 financial year have necessitated the implementation of a financial management improvement plan for departments and public entities. The improvement plan includes remedial steps to be instituted, address weaknesses identified in the Auditor-General's reports, the Executive Authority's oversight role in terms of financial management improvement and the Provincial Treasury's role in addressing transversal matters relating to financial management improvement. In this regard, Accounting Services has been actively involved in identifying and monitoring remedial steps instituted by departments and public entities to address financial management improvements.

Since the implementation of the MFMA, effective from 1 July 2005, high capacity municipalities have compiled financial statements in terms of Generally Recognised Accounting Practice/Generally Accepted Municipal Accounting Practice (GRAP/GAMAP) standards. In preparing medium capacity municipalities to compile 2006/07 financial statements in terms of GRAP/GAMAP standards, training has been afforded to these municipalities on the conversion from IMFO to GRAP/GAMAP financial statements.

Norms and Standards

The responsibility of Norms and Standards has now been broadened to include the coordinating of the oversight support function for public entities within the Provincial Treasury. To date all vacant posts have been filled, excluding the Senior Manager post. A Provincial Treasury Action Plan was compiled based on the analysis of all the Auditor-General reports, management letters and overarching issues raised in the respective Internal Audit reports. The purpose of the action plan was to identify transversal issues that require remedial steps, either by issuing additional Provincial Treasury Instructions, and further Practice Notes addressing transversal accounting systems shortcomings and identifying skills assessments and training. The plan highlights the findings, the responsible departments, the interventions required by Provincial Treasury and departments, and actions to be taken.

Risk Management

The departmental Risk Management units were approved followed by a recruitment drive, after a consolidated advertisement was developed by Provincial Treasury. All departmental risk management units were trained in basic risk management tools and techniques to enable them to proceed. A policy decision was taken to standardise Internal Audit and Risk Management software to a product named ERA (Enterprise Risk Assessor). A new contract for the ERA Client Server solution was finalized and migration from file based solution to client server commenced. A governance receptiveness survey was conducted and results utilised to do gap analysis and to develop response strategies to areas identified. This also led to the development of a draft governance implementation plan. All posts during this financial year were filled.

Provincial Internal Audit

A co-sourced internal audit service was provided to all provincial departments (including Provincial Parliament) during the 2006/07 financial year. The organisational structure for the Internal Audit unit was completed and approved by the Cabinet in the fourth quarter of the 2006/07 financial year. The approval of the organisational structure will result in an increase of the staff establishment from 24 to 92 staff members. This will enable the provincial government to recruit and capacitate the staff required to take over the service from the external service provider.

The Internal Audit function underwent an external quality assurance review by the Institute of Internal Auditors during the 2006/07 financial year.

Cabinet approval was obtained to restructure the current 4 audit committees in the Province to improve their effectiveness and clarify the reporting relationships between the Audit Committees, Accounting Officers, Executive Authorities and Standing Committees.

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 are able to ensure a stable environment within which identified objectives can be achieved. The most significant constraints identified per sub-programme are:

Accounting Services

The major risks facing departments in the transition from the current modified cash basis of accounting to the accrual basis of accounting, in terms of the GRAP implementation timelines, are the inadequacies of the current accounting systems and appropriate capacity to enable this transition. The National Treasury is in the process of gradually introducing accrual accounting principles in the reporting requirements of departments. The ongoing training and building of capacity in the Provincial Treasury as well as departments and public entities is a prerequisite.

Furthermore, the evolving accounting standards applied by municipalities in terms of the MFMA poses constraints from a practical and capacity point of view, which was evident from the audit outcomes of the high capacity municipalities that converted to GRAP/GAMAP financial statements. Training interventions are planned in consultation with National Treasury for high and medium capacity municipalities in order to improve reporting outcomes.

Norms and Standards

The sub-programme has assumed the responsibility of co-ordinating the oversight support function for public entities within the Provincial Treasury without additional personnel being allocated to the component. A position paper regarding the roles and responsibilities of the various units within Provincial Treasury has been compiled and, upon approval by the Top Management, a monitoring tool will be developed.

Three new staff members were recruited during September 2006 to ensure the existence of an appropriate legislative framework. The new staff members will have to undergo training on the PFMA to familiarise themselves with the responsibilities assigned to the unit.

Risk Management

This sub-programme encompasses both Enterprise Risk Management and Governance Systems. Currently the filling of vacant posts in departments with suitably qualified risk management practitioners requires more attention and remains a concern. The scarcity of personnel is fuelled by unattractive remuneration packages and competition with the private sector for the same type of skills set. Implementation of risk management can be driven more rigorously in the new financial year as basic tools and techniques are in place and capacity building in the form of intensive training took a toll towards the end of the financial year. The roll out of the governance implementation plan and its effectiveness is dependent on the support from departments and their Accounting Officers. The approval of the Government Governance Framework still remains a challenge. The structure of governance systems will also pose constraints to its efficiency and effectiveness.

Provincial Internal Audit

The Internal Audit service for the Province is currently provided on a co-sourced basis. The contract with the external service provider concluded on 15 December 2006 and was extended for a further 2 year period until 15 December 2008. The challenges facing Internal Audit include limited financial resources, which restrict the extent of the audit coverage and a lack of skilled human resources. A number of interventions are currently underway, which include the filling of all vacant positions on the current Internal Audit staff establishment. The new organisational structure for Internal Audit, which increases the staff complement from 24 to 92 staff members, was approved by Cabinet. This will allow for the recruitment of the appropriate number of staff members at the correct levels of expertise to provide an effective Internal Audit service to the Province. The successful capacitation of this structure will ensure that provincial government is able to replace the existing co-sourced arrangement with own resources and thus increase the audit coverage. Focused training programs and on-the-job training are provided to the current provincial government internal audit staff. A structured Internship program is also being developed to boost the human resource capacity of the Internal Audit unit.

d. Description of planned quality improvement measures

Accounting Services

Refer to paragraph 4.2.4.

Norms and Standards

Refer to paragraph 4.3.4.

Risk Management

Refer to paragraph 4.4.4.

Provincial Internal Audit

Refer to paragraph 4.5.4.

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

Although the sub-programme was established and capacitated during the 2005/6 financial year, the current structure does not adequately support the programme's needs. An investigation into the restructuring of Financial Governance has been initiated.

4.1.4 Description of planned quality improvement measures

Continuous training of staff to ensure proper procedure and process mapping of all activities within the Financial Governance programme. To conduct a customer service survey to monitor and evaluate the effectiveness of the sub-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 16: To ensure that financial reporting is a full and true reflection of the financial position of the Province, including municipalities.

Strategic objectives:

1. Ensure the development of accounting practices that will promote effective and efficient capturing of REAL movements/accountability and contribute towards attaining level 3 auditable organisations.
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, municipalities as well as entities 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.

Key services entail the IYM of the state of book of accounts; roll-out of the GRAP and GAMAP; consolidation of annual financial statements of departments and public entities;; further implementation and maintenance of the Standard Chart of Accounts (SCoA) the monitoring, analysis and interpretation of annual financial statements.

An appraisal of the existing services and performance covering the 2006/07 financial year highlighted the following key areas:

- Consolidation and timeous tabling of the annual financial statements.
- Assessment of reports of departments, municipalities and entities (IYM, Auditor-General, Annual Financial Statements).
- Roll-out of the prescribed annual financial statement formats for departments, public entities, trading entities, the Provincial Revenue Fund and municipalities.
- Produced a Provincial Accounting Review of departments and public entities.
- Published the Financial Governance Review and Outlook 2005
- Operationalisation of the implementation of the MFMA.
- Produced a Financial Health Assessment Review of Municipalities
- Facilitation of relevant training interventions and various fora.

4.2.3 Analysis of constraints and measures planned to overcome them

The major risks facing departments in the transition from the current modified cash basis of accounting to the accrual basis of accounting, in terms of the GRAP implementation timelines, are the existing inadequacies of the current accounting systems and appropriate capacity to enable this transition. The National Treasury is in the process of gradually introducing accrual accounting principles in the reporting requirements of departments. The ongoing training and building of capacity in the Provincial Treasury as well as departments and public entities is a prerequisite.

Furthermore, the evolving accounting standards applied by municipalities in terms of the MFMA. poses constraints from a practical and capacity point of view, which was evident from the audit outcomes of the high capacity municipalities that converted to GRAP/GAMAP financial statements. Training interventions are planned in consultation with National Treasury for high and medium capacity municipalities in order to improve reporting outcomes.

4.2.4 Description of planned quality improvement measures

The implementation of accounting practices and policies with regard to:

- Improving the financial management capability of departments, municipalities and entities (levels 3 and 4 auditable organisation).
- The introduction of an IYM reporting model for public and trading entities.
- GRAP/GAMAP standards for departments and municipalities

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 17: To identify, develop and monitor compliance of financial norms and standards.

Strategic objectives:

1. To identify and develop financial norms and standards and monitor compliance by municipalities, departments and public entities respectively in terms of the MFMA and PFMA to contribute to the attainment of level 3 auditable organisations..
2. Appropriate and dynamic financial legislative framework.

4.3.2 Progress analysis

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

An appraisal of the existing services and performance covering the 2006/07 financial year highlighted the following key areas:

- Assessment of all departments and public entities' quarterly normative measures for financial management through a questionnaire and public entity checklist, AG reports and management letters
- Identified transversal issues for 05/06 in departments and public entities
- Identified trends in respect of transversal issues over 3 financial years

- Conducted an assessment of the Financial Management Capability level of departments and public entities
- Compiled Provincial Treasury action plan for all departments and public entities (audit findings) to move to a Level 4 auditable organisation. Workshopped plan with all departments and responsible PT units
- Facilitated 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.
- Conducted SCOPA and Standing Committee Information Sessions
- Formulated a checklist to analyse the Annual Report of municipalities in terms of compliance with content, format and prescripts as well as National Treasury's Guidelines. Reviewed all Annual Reports received in line with this checklist.
- Developed an Annual Reporting Programme for municipalities.
- Finalised draft Monitoring Tool for municipalities.
- With regard to existing financial legislation, compiled PFMA Guidelines for Executive Authorities in respect of their responsibilities and functions in terms of PFMA.
- Issued Provincial Treasury Instructions regarding SCM Transversal Contracts in line with the National Treasury guidelines and policies.
- Compiled SCM Transversal Contracts Procedure Manual and SCM Transversal Contracts Delegations
- Compiled the Capital Fund Ordinance Amendment Bill.
- Compiled Public Entity Position Paper (PT Responsibilities regarding Oversight Support Function)
- Developed a Public Entity In Year Monitoring framework.
- 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.
- Served on the National Treasury Committee responsible for amending the Public Finance Management Act.

4.3.3 Analysis of constraints and measures planned to overcome them

The sub-programme has assumed the responsibility of co-ordinating the oversight support function for public entities within the Provincial Treasury without additional personnel being allocated to the unit. A position paper regarding the roles and responsibilities of the various units within Provincial Treasury has been compiled and upon approval by the Top Management, a monitoring tool will be developed.

Three new staff members were recruited during September 2006 to ensure the existence of an appropriate legislative framework. The new staff members will have to undergo training on the PFMA to familiarise themselves with the responsibilities assigned to the unit.

4.3.4 Description of planned quality improvement measures

The following quality improvement measures are planned:

Revising the current monitoring tool for public entities to include high-level governance processes and co-ordinating the oversight support function for public entities within Provincial Treasury.

To develop a process to ensure a co-ordinated approach by Treasury to assist departments to reach a level 4 auditable organisation.

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 18: 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 governance capacity within the Provincial Government.
2. Provide consolidated PGWC risk profile to develop response strategies to mitigate transversal risk.

4.4.2 Progress analysis

The mandate for this sub-programme is to facilitate the establishment of risk management capacity and promote good governance principles in the provincial government. In achieving such, the unit has to create streamlined processes within departments that generate executive decision-making information on an integrated basis and ensure that consequent internal controls are aligned to key risks. An appraisal of the existing services and performance covering the 2006/07 financial year highlighted the following key areas:

- A recruitment drive commenced to fill vacant posts in departments after a consolidated advertisement was developed and circulated in the media.
- Cabinet submission for the approval of departmental risk management structures was obtained.
- Operationalisation of the risk implementation plan
- A Risk Management Framework was made available to departments and all departmental risk management personnel were trained.
- Rigorous training on departmental risk personnel on Event Identification; Risk Assessment; and ERA (Enterprise Risk Assessor)
- Provided process and control mapping training to internal control staff of departments and departmental risk personnel.

- A quality assurance review programme on all process maps was established, targeted at identifying individual training and providing needs based training
- A governance receptiveness survey was conducted to identify gaps and develop response strategies
- A draft governance implementation plan has been developed.
- A continuous governance awareness programme was introduced to new employees via induction training.
- Strategic risk assessments were started and 9 departments have already had their results reported
- Cape Medical Depot risk assessment was conducted and results reported to management
- Consolidated risk reports per department and the province were issued.
- Fully participating in strategic direction of the national risk management forum.
- Established a monthly provincial chief risk officer forum
- All vacant posts filled.
- Developed a risk management data platform for provincial departments and availed departmental data to chief risk officers and other risk personnel.
- Taken over the responsibility for risk management and governance methodologies from the service provider and provided ongoing support to departments.

4.4.3 Analysis of constraints and measures planned to overcome them

The effectiveness of risk management systems to provide value to Accounting Officers is entirely dependent on appointment of competent risk management practitioners. Currently, Risk Management units have been progressively filling posts; however more attention and focus could improve the situation in the coming financial year. The operationalisation of the risk management plan can already be rigorously implemented in many departments. Finding appropriately qualified and experienced risk management practitioners remains a big challenge, considering that Internal Audit and Risk Practitioners are drawn from the same pool and the attractive packages offered in the private sector exacerbates the situation. It may be necessary to approach individual Accounting Officers to relax some of the job requirements to enable the appointment of officials who have displayed potential and to provide them with the necessary training and support.

The roll out of the governance implementation plan and its effectiveness is dependent on support from departments and their Accounting Officers. Currently, Financial Governance is in discussions with Accounting Officers and Chief Financial Officers from various departments, regarding the results of the receptive survey and gaps identified. This is also a measure to gain their support and buy-in to future governance initiatives planned. The approval of the Government Governance Framework still remains a challenge.

Responsibility for risks

Although the risk assessments in the departments were completed, departments have not yet allocated these risks to the relevant risk owners. The risk tolerance levels for the provincial government have to be determined and agreed to by management. A more pro-active approach to improve controls requires a concerted management intervention.

The responsibility for risk management should be included in management performance plans. This matter will be driven by promoting risk management awareness in the audit committees, leading to a more rigorous monitoring of management responsibilities in respect of risk management. The implementation of the governance framework was delayed for the

2006/07 financial year to instead promote governance awareness within departments. The implementation of the framework will be effected in the 2007/08 financial year.

4.4.4 Description of planned quality improvement measures

This newly established unit aims to ensure 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 following are planned quality improvement measures:

- To drive the implementation of both the risk management and governance roll out plans more rigorously.
- To build working relations with Accounting Officers and identify Governance champions in each department
- Close cooperation and co-ordination between all Provincial Government assurance providers to capitalize on synergies
- Continue with the training of junior, middle and senior management on the concepts of both risk management and principles of good governance.
- Providing on-going training and support to chief risk officers to enable them to operate more effectively and to add value to the departments they serve
- To ensure that the developed monitoring tool assesses the risk management implementation progress in departments to take remedial action, which will ensure a good quality improvement process is consistently applied and apparent discrepancies followed up with Accounting Officers.

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

The sub-programme: Provincial Internal Audit endeavours to add value to the Provincial Government through assisting departments in achieving their strategic goals and objectives by bringing a systematic, disciplined approach to evaluating and improving the effectiveness of risk management, internal controls and governance processes.

Strategic goal 19: To perform internal audit services on a risk-analysis basis.

Strategic objectives:

1. To render an effective risk-based internal audit (IA) service that will contribute towards a level 4 auditable organisation.
2. Ensure fully functional audit committees.

4.5.2 Progress analysis

An evaluation of existing services and performance covering the 2006/07 financial year highlighted the following key areas:

During the 2006/07 financial year, a co-sourced internal audit service was provided to all provincial departments (including Provincial Parliament). The audit plans for 13 votes were approved by the various audit committees. These plans are based on the prioritisation of risks identified in the departments. The audit plans also included a schedule of follow-up audits, which focussed on the evaluation of the implementation of corrective action for audit findings raised in the 2005/06 audit cycle. Quarterly progress reports were submitted to the Audit Committee.

On the job training and customised technical training courses were provided to build PGWC staff capacity. The organisational structure for the Internal Audit was completed and approved by the Cabinet. The approval of the structure will enable the provincial government to recruit and capacitate the staff required to take over the service from the external service provider.

The recruitment and preparation for the implementation of an internship program is in progress. provincial government will embark on an internship program in collaboration with the Institute of Internal Auditors (IIA). The IIA program is a structured 2 year program and will provide graduates with on the job training as well as a structured technical training program.

The Internal Audit function also underwent an external Quality Assurance review by the Institute of Internal Auditors during the 2006/07 financial year. The Quality Assurance review focused on the Internal Audit activity's conformity with the Standards for the Professional Practice of Internal Audit, its efficiency and effectiveness in carrying out its mission and to offer advice and recommendations to enhance the internal work processes.

Audit Committees

Four audit committees have been operational in the Province with three separate committees being established for the departments of Health, Education and Social Development and a shared committee for the remaining 10 departments.

The audit committees have received quarterly reports from Internal Audit and the Forensic Investigative Unit as well as the Auditor-General's annual report, which have enabled them to report in terms of the responsibilities conferred on them by the PFMA and the Audit Committee Charter.

Cabinet approval was obtained to restructure the current 4 audit committees in the Province to improve their effectiveness and clarify the reporting relationships between the Audit committees, Accounting Officers, Executive Authorities and Standing Committees. The re-structuring will be implemented in the 2007/08 financial year and will result in the creation of 2 additional audit committees.

4.5.3 Analysis of constraints and measures planned to overcome them

The challenges facing Internal Audit include limited financial resources, which restricts the extent of the audit coverage and a lack of skilled human resources. A number of interventions are currently underway, which include the filling of all vacant positions on the current Internal Audit staff establishment and the approval of the new organisational structure for the Internal Audit unit.

The successful capacitating of this structure will ensure that provincial government is able to replace the existing co-sourced arrangement with own resources over the next 3 years and thus increase the audit coverage. Focused training programs and on-the-job training is provided to the current PGWC internal audit staff. A structured internship program will commence in the 2007/08 financial year and it is expected that it will provide skilled resources on an ongoing basis to maintain optimal capacity levels to deliver an effective Internal Audit service to provincial departments.

4.5.4 Description of planned quality improvement measures

The following quality improvement measures are envisaged:

- Recruiting adequate resources to take over the function from the service provider.
- Building capacity and the skilling of the existing Internal Audit unit by providing focused training interventions and on-the-job training.
- Implementing an internship program to ensure an adequate pool of skilled resources.
- Providing on-going training and support to audit committees to enable them to operate more effectively and to add value to the departments they serve.
- Clarifying the reporting relationships between the audit committees, Accounting Officers, Executive Authorities and Standing committees
- Increasing the number of audit committees in the Province to enable them to deal more effectively with the departments they serve.
- Close co-operation and co-ordination between all Provincial Government assurance providers to prevent duplication of effort.
- Internal Audit to be recognised as a value adding change agent, thus forming "business partnerships" with line management, fostering a process of improvement and facilitating audit efficiency.

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 2004/05	Actual 2005/06	2006/07 Estimate	2007/08 Budget	2008/09 Target	2009/10 Target	
1. Rendering administrative support services to ensure the effective operational management of the unit.	1.1 Smooth and effective functioning of the component.	Hours turnaround time for managerial finances, human resources and logistical issues..	48 hours.	48 hours.	48 hours	24 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.	Number of training interventions per staff member.	Not applicable.	Not applicable	Not applicable	2	2	2	
3. Support and promote BBBEE initiatives through administrative functions.	3.1 Achievement of iKapa Eihlumayo goals.	Number of service providers complying with BBBEE.	Not applicable.	Not applicable.	Not applicable.	3	5	7	

Sub-programme 4.2: Accounting Services		Strategic Goal 16: To ensure that financial reporting is a full and true reflection of the financial position of the Province, including municipalities.							
Strategic Objective	Measurable Objective	Performance Measure Indicator	Actual 2004/05	Actual 2005/06	2006/07 Estimate	2007/08 Budget	2008/09 Target	2009/10 Target	
1. Ensure the development of accounting practices that will promote effective and efficient capturing of REAL movements/ accountability and contribute towards attaining level 3 auditable organisations.	1.1 Accounting policy framework rolled out for implementation by departments, municipalities and all entities to improve financial reporting.	The number of departments, municipalities and entities comply with the approved Accounting Policy Framework (APS)	Not applicable	Not applicable	Not applicable	All 13 votes, 20/24 Municipalities, 12/14 Public and trading entities	11/13 Departments, 20/24 Municipalities, 12/14 Entities.	11/13 Departments, 20/24 Municipalities, 12/14 Entities.	
	1.2 Compile the ACFS of departments and entities to reflect the consolidated financial performance and position of the Provincial Government	Date to be tabled in Provincial Parliament	February 2006	31 October 2005	31 October 2006	31 October 2007	31 October 2008	31 October 2009	
2. Ensure integrity of financial data.	2.1 Monitor and assess institutions for compliance with Financial Reporting Requirements to improve financial management capability	Periodic timeframes within which assessment reports are compiled	Monthly 20th Quarterly: July October January April	Monthly (20th) Quarterly: April July October January	Monthly (20th) Quarterly: April July October January	Monthly (20th) Quarterly: April July October January	Monthly 20th Quarterly: July October January April	Monthly 20th Quarterly: July October January April	
	Produce an Accounting Review on the financial statements of departments and entities to provide an assessment of financial management	Date by which to complete the Review	Working paper compiled in August 2004	Finalised in October 2005 and included in Financial Management Review 2004 Working Paper	Finalised in October 2006 for inclusion in the Financial Governance Review and Outlook 2005	31 April 2007	31 April 2008	31 April 2009	

Sub-programme 4.2: Accounting Services		Strategic Goal 16: To ensure that financial reporting is a full and true reflection of the financial position of the Province, including municipalities.						
Strategic Objective	Measurable Objective	Performance Measure Indicator	Actual 2004/05	Actual 2005/06	2006/07 Estimate	2007/08 Budget	2008/09 Target	2009/10 Target
2. Ensure integrity of financial data (continue)	2.3 Co-ordinate, compile, edit and publish the Financial Governance Review & Outlook to provide an assessment of financial management	Date by which published and tabled in Provincial Parliament	Not applicable	Not applicable	1 November 2006	31 August 2007	31 May 2008	31 May 2009
	Compile a REAL Assessment report of municipalities to feed into the LG MTEC 3 process	Date by which assessment to be completed	Not applicable	Not applicable	Mid April 2006	Mid April 2007	31 May 2008	31 May 2009
	Compile an Accounting Review working paper for municipalities to assess financial management capabilities.	Date by which working paper to be completed	Not applicable	Not applicable	31 August 2006	31 August 2007	31 August 2008	31 August 2009

Sub-programme 4.3: Norms and Standards		Strategic Goal 17: To identify, develop and monitor financial norms and standards.						
Strategic Objective	Measurable Objective	Performance Measure Indicator	Actual 2004/05	Actual 2005/06	2006/07 Estimate	2007/08 Budget	2008/09 Target	2009/10 Target
1. To identify and develop financial norms and standards and monitor compliance by municipalities, departments and public entities respectively in terms of the MFMA and PFMA to contribute to the attainment of level 3 auditable organisations.	1.1 Monitor existing financial management norms and standards in departments and public entities to assess compliance thereof.	Number of departments and entities assessed quarterly.	N/A	N/A	N/A	12 departments 13 entities	12 departments 13 entities	12 departments 13 entities
	1.2 Annual Reports that are both compliant and relevant to foster transparency and accountability.	Updating the existing monitoring tool for public entities.	N/A	N/A	N/A	31 March 2008	31 March 2009	31 March 2010
	1.3 Determination of financial management norms and standards to address deficiencies identified in internal and external audit reports	Number of departments and entities assessed for compliance with NT guidelines for Annual reporting.	N/A	N/A	N/A	12 departments 13 entities	12 departments 13 entities	12 departments 13 entities
	1.4 Monitor existing financial management norms and standards in municipalities to assess compliance thereof	Number of reports assessed for generic norms and standards to address deficiencies identified	N/A.	N/A	N/A	25 reports highlighting the corrective steps required.	26 reports	26 reports
		Number of municipalities assessed quarterly.	N/A.	N/A	N/A	20/24 municipalities	24/30 municipalities	30/30 municipalities

Sub-programme 4.3: Norms and Standards		Strategic Goal 17: To identify, develop and monitor financial norms and standards.						
Strategic Objective	Measurable Objective	Performance Measure Indicator	Actual 2004/05	Actual 2005/06	2006/07 Estimate	2007/08 Budget	2008/09 Target	2009/10 Target
1 To identify and develop financial norms and standards and monitor compliance by municipalities, departments and public entities respectively in terms of the MFMA and PFMA to contribute to the attainment of level 3 auditable organisations (continue)		Number of municipalities assessed for compliance with NT guidelines for annual reporting.	N/A	N/A	20/24 municipalities	20/24 municipalities	30/30 municipalities	30/30 municipalities
		Number of Auditor-General's reports assessed and corrective steps recommended.	N/A	N/A	24/24 municipalities	24/24 municipalities	24/24 municipalities	30/30 municipalities
2. Appropriate and dynamic financial legislative framework.	2.1 Annual review of existing provincial financial legislation to keep it relevant and appropriate and co-ordination of inputs into proposed amendments of National Financial Legislation	Number of legislation reviewed and/or commented on.	100% w.r.t. proposed financial legislation.	Transversal supply chain PTI's issued	Transversal supply chain PTI's reviewed and inputs given into proposed PFMA and National Treasury Regulations amendments.	Review of 3 existing provincial financial laws and further input into PFMA amendments.	100% w.r.t. proposed provincial financial legislation and assess 3 existing legislation for relevance and inconsistency.	100% w.r.t. proposed provincial financial legislation and assess 3 existing legislation for relevance and inconsistency.
		Maintenance of a database of all financial legislation and associated instructions	60% completion.	100% completion.	Database updated.	Database updated.	Database updated.	Database updated.

Sub-programme 4.4: Risk Management		Strategic Goal 18: To facilitate the establishment of risk management capacity and financial governance systems in the Provincial Government.							
Strategic Objective	Measurable Objective	Performance Measure Indicator	Actual 2004/05	Actual 2005/06	2006/07 Estimate	2007/08 Budget	2008/09 Target	2009/10 Target	
1. Develop and facilitate the implementation of effective risk management and governance capacity within the Provincial Government.	1.1 Develop and facilitate the implementation of an effective risk management framework to enhance internal control and encourage risk management culture in provincial government.	Number of practice notes issued to departments to implement risk management.	Not applicable.	Not applicable	Not applicable	4 practice notes workshopped and issued.	5	17	
		Number of departmental risk management staff trained in risk management framework and tools	Not applicable	Not applicable	20/45	30/45	45/45	45/45	
		Number of departments assessed for compliance with risk management framework and tools.	Not applicable	12	12	12	12	12	12
		Finalise update of governance framework and obtain Cabinet approval for rollout.	Not applicable	Not applicable	Not applicable	31 August 2007	31 May 2008	31 May 2009	
		Number of risk awareness workshops conducted	Not applicable	Not applicable	Not applicable	4	6	8	
		Develop and update pocket guidance document	Not applicable	Not applicable	Not applicable	31 December 2007	31 December 2008	31 December 2009	

Sub-programme 4.4: Risk Management		Strategic Goal 18: To facilitate the establishment of risk management capacity and financial governance systems in the Provincial Government.							
Strategic Objective	Measurable Objective	Performance Measure Indicator	Actual 2004/05	Actual 2005/06	2006/07 Estimate	2007/08 Budget	2008/09 Target	2009/10 Target	
2. Provide consolidated PGWC risk profile to develop response strategies to mitigate transversal risk.	2.1 Provide consolidated PGWC risk profile to develop response strategies	Existence of an inherent consolidated risk profile for PGWC	Not applicable	100% of departments included in consolidation.	Bi-annually	Bi-annually	Bi-annually.	Bi-annually	
		Transversal risks identified and allocated to transversal risk owners.	Not applicable	Nil risks identified	Bi-annually	Bi-annually	Bi-annually	Bi-annually	
		Monitor the implementation of transversal response strategies.	Not applicable	Not applicable	Not applicable	Quarterly	Quarterly	Quarterly	

Sub-programme 4.5: Provincial Internal Audit		Strategic Goal 19: To perform internal audit services on a risk-analysis basis.						
Strategic Objective	Measurable Objective	Performance Measure Indicator	Actual 2004/05	Actual 2005/06	2006/07 Estimate	2007/08 Budget	2008/09 Target	2009/10 Target
1. To render an effective risk based internal audit (IA) service that will contribute towards a level 4 auditable organisation.	1.1 Risk-based internal audit services to improve the effectiveness of risk management, control and governance processes	Number of votes' internal audit plans executed by the end of the financial year as approved by the relevant Audit Committee.	100% of audit work performed as approved by Audit Committee.	All votes covered.	All votes covered.	13 votes	13 votes	13 votes
		Number of critical and significant findings reported in the previous audit cycle followed-up	Not applicable	Not applicable	Not applicable	All critical and significant audit findings followed-up	All critical and significant audit findings	All critical and significant audit findings
		Number of progress reports issued per audit committee	Quarterly reports to the audit committee.	Quarterly reports to the audit committee.	Quarterly reports to the audit committee.	4 reports	4 reports	4 reports
		Generally compliant external Quality Assurance Review report of the Provincial Internal Audit Function by the IIA (SA).	None	Nil.	Generally compliant opinion expressed by IIA (SA) Report due by 31 March 2007.	Nil	None	None
	1.2 Building internal capacity to take over the full internal audit function from the current service	Number of posts filled	38% of posts filled (Based on 2004/05 structure).	Not applicable	New structure approved by Cabinet, awaiting acquiescence by MPSA.	27 additional posts filled	65 posts on new structure	70 posts on new structure

Sub-programme 4.5: Provincial Internal Audit		Strategic Goal 19: To perform internal audit services on a risk-analysis basis.						
Strategic Objective	Measurable Objective	Performance Measure Indicator	Actual 2004/05	Actual 2005/06	2006/07 Estimate	2007/08 Budget	2008/09 Target	2009/10 Target
1. To render an effective risk based internal audit (IA) service that will contribute towards a level 4 auditable organisation (continued)		Number of training interventions.	Not applicable	2 formal training interventions per staff member.	2 formal training interventions per staff member.	2 formal training interventions per staff member.	2 training interventions per staff member	2 training interventions per staff member
		Number of Interns recruited	Not applicable	Not applicable	Not applicable	10	10 candidates recruited and trained	10 candidates recruited and trained
2. Ensure fully functional audit committees.	2.1 Fully functional, competent and independent audit committees to promote good governance and accountability.	Number of audit plans submitted for approval.	5 departments	All votes.	All votes	13 audit plans approved	13 audit plans approved	13 audit plans approved
		Number of training interventions per committee	Not applicable	Not applicable	Not applicable	2	2	2
		Updating of standard operating procedures and audit committee charter	Not applicable	Not applicable	Not applicable	Annually	Annually	Annually

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 2004/05 (actual)	Year - 1 2005/06 (actual)	Base year 2006/07 (estimate)	Average annual change (%)	Year 1 2007/08 (budget)	Year 2 2008/09 (MTEF projection)	Year 3 2009/10 (MTEF projection)	Average annual change (%)
Programme Support		1,039	1,193	14.82	1,333	1,431	1,513	6.54
Accounting Services	2,005	2,721	3,794	37.57	4,200	4,413	4,660	5.34
Norms and Standards	5,717	2,375	3,226	(11.32)	3,893	4,220	4,459	7.03
Risk Management		1,704	3,484	104.46	2,750	2,890	3,045	5.23
Provincial Internal Audit	19,118	20,004	22,382	8.26	27,526	28,987	36,197	15.09
Total	26,840	27,843	34,079	13.07	39,702	41,941	49,874	12.28

The average increase in the spending trends over the financial years 2004/05 to 2006/07 for this programme is mainly due to a substantial increase (104%) in the sub-programme: Risk Management. This can be ascribed to the risk management function being rolled out. While most of the sub-programmes indicate an inflation adjustment in the average increase in the spending trends over the MTEF, Provincial Internal Audit is expected to grow at an average annual rate of 15%. This is due to an Earmarked allocation of R4,600 million in 2007/08, R5,260 million in 2008/09, and R5,400 million in 2009/10 for the upgrade of the Internal Audit capacity.

5. Capital investment, maintenance and asset management plan

This section is not applicable to this Provincial Treasury, as its functional responsibilities 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 2004/05	Audited 2005/06	Revised estimate 2006/07	Medium-term estimate		
				2007/08	2008/09	2009/10
Treasury funding						
Equitable share	(282 979)	(353 103)	(5 831)	664	8 486	22 220
Own receipts (Provincial Treasury)			(149 923)	(218 280)	(242 852)	(263 692)
Total Treasury funding	(282 979)	(353 103)	(198 867)	119 001	126 053	138 576

6.2 Departmental receipts collection

Table 6.2: Departmental receipts collection: Provincial Treasury

Receipts R'000	Audited 2004/05	Audited 2005/06	Revised estimate 2006/07	Medium-term estimate		
				2007/08	2008/09	2009/10
Departmental receipts						
Tax receipts	172 745	221 972	265 599	288 418	306 401	324 997
Sales of goods and services other than capital assets	896	7 233	1 197	1 022	1 022	1 022
Transfers received	4	0	1	1	1	1
Fines, penalties and forfeits	231	290	215			
Interest, dividends and rent on land	211 333	233 361	54 588	47 128	52 947	53 980
Sales of capital assets						
Financial transactions in assets and liabilities	103	4 522	9769	48	48	48
Total departmental receipts	385 312	467 378	331 369	336 617	360 419	380 048

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 with local authorities 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		
		2007/08 MTEF R'000	2008/09 MTEF R'000	2009/10 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 since 2004/05 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 PPP's. 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 Internal control section 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 is 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 2005/06 have become formal queries and that no audit queries are outstanding for the said period.

8.2 Implementation of PFMA and MFMA

Financial staff previously underwent training on the content of the PFMA, the National Treasury Regulations and the Provincial Treasury Instructions. Further training has been given to selected officials on the various requirements of the MFMA.

Apart from a variety of monthly reports the Treasury is moving away from a nominal approach to a normative approach in order to capture the spirit of the PFMA. It has embarked on a process of restructuring that started in 2002/03. It aims to complete this in 2006/07, to realign the Department to the demands of good fiscal governance and those imposed by the PFMA and MFMA collectively.

The latter has also required the adoption of different and more sophisticated analytical capacity and associated work streams, better internal communication and stronger team work. Normative progress reports are submitted to the Provincial Treasury on a quarterly basis.

Annual Performance Plan of Year- One

Programme 1: Administration

Sub-programme 1.1: Office of the Minister		Strategic Goal 1: To render secretarial, administrative and office support services to the Minister to enable the Minister to realise her treasury and tourism priorities.							
Strategic Objective	Measurable Objective	Performance Measure Indicator	Actual 2005/06	2006/07 Estimate	2007/08 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 office, good integration with departments in Treasury and Tourism.	Minimum number of formal inter-actions held between the Minister and Treasury.	12	13	20	5	5	5	5
		Minimum number of formal inter-actions held between the Minister and Tourism.	9	7	20	5	5.	5	5
		Maximum turnaround time on documents submitted or correspondence addressed to the Minister.	Not applicable	Not applicable	7 working days	7 working days	7 working days	7 working days	7 working days
	1.2 Improve image of professional staff in all the spheres of their jobs through capacity building.	Number of people attending courses.	Not applicable.	Not applicable.	2 persons in total	2 on course	1 on course	1 on course	0

Sub-programme 1.1: Office of the Minister		Strategic Goal 1: To render secretarial, administrative and office support services to the Minister to enable the Minister to realise her treasury and tourism priorities.								
Strategic Objective	Measurable Objective	Performance Measure Indicator	Actual 2005/06	2006/07 Estimate	2007/08 Budget	Quarter 1	Quarter 2	Quarter 3	Quarter 4	
2. Assist with Treasury and Tourism departments	2.1 Co-ordinate events and dates for Minister to achieve her obligations with her two portfolios (Treasury and Tourism) to enhance accountability to the Public.	Number of preparatory engagements for Budget Day.	Not applicable	Not applicable	3	Not applicable.	Not applicable.	Not applicable.	3	
		Number of preparatory engagements for MTBPS.	Not applicable	Not applicable	3	Not applicable.	Not applicable.	3	Not applicable.	
		Number of preparatory engagements for Provincial, National and Local MTEC processes.	Not applicable	Not applicable	7	2 (Local Government)	3 (Provincial and National)	Not applicable.	2 (Provincial and Local Government)	
		Number of preparatory engagements for Tourism launch.	Not applicable	Not applicable	3	Not applicable.	Not applicable.	3	Not applicable.	
3. Ensure an efficient public profile for the Minister.	3.1 Improve exposure of Minister in public domain through media.	Number of preparatory engagements for Tourism Indaba.	Not applicable	Not applicable	3	Not applicable.	3	Not applicable.	Not applicable.	
		Number of preparatory engagements for the International Tourism Guides.	Not applicable	Not applicable	3	Not applicable.	3	Not applicable.	Not applicable.	
		Minimum number of calendar days to inform media in advance of event.	Not applicable	Not applicable	14	14	14	14	14	
		Minimum number of days at which the speech is ready before the event.	Not applicable	Not applicable	1	1	1	1	1	

Sub-programme 1.1: Office of the Minister	Strategic Goal 1: To render secretarial, administrative and office support services to the Minister to enable the Minister to realise her treasury and tourism priorities.									
Strategic Objective	Measurable Objective	Performance Measure Indicator	Actual 2005/06	2006/07 Estimate	2007/08 Budget	Quarter 1	Quarter 2	Quarter 3	Quarter 4	
3. Ensure an efficient public profile for the Minister. <i>(continued)</i>	3.1 Improve exposure of Minister in public domain through media. <i>(continued)</i>	Number of media contacted per event namely: Newspapers Television Radio	Not applicable Not applicable Not applicable	Not applicable Not applicable Not applicable	7 2 6	7 2 6	7 2 6	7 2 6	7 2 6	
4. Enable the Minister to realise her executive responsibilities.	4.1 Interface between legislation; government and public. Be briefed on regular (daily) basis on political and constituency issues.	Frequency with which responses are prepared for parliamentary questions for Minister to answer in parliament (weekly). Frequency with which Minister meets with her constituent (bi-monthly). Frequency with which briefing documents are prepared for Minister to attend cabinet meetings (weekly).	Not applicable Not applicable Not applicable	Not applicable Not applicable Not applicable	48 8 48	12 2 12	12 2 12	12 2 12	12 2 12	

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 2005/06	2006/07 Estimate	2007/08 Budget	Quarter 1	Quarter 2	Quarter 3	Quarter 4		
1. A well functioning and co-ordinated institution that delivers on its responsibilities.	1.1 Contribute to improved coordination of management processes to deliver effective and quality services.	Number of bi-monthly TMMs arranged.	Not applicable	Not applicable	20	5	5	5	5		
		Number of quarterly extended TMMs arranged.	Not applicable.	3	4	1	1	1	1		
		Frequency at which monthly expenditure, revenue and projections are assessed.	Not applicable.	Not applicable.	12	3	3	3	3		
		Number of PT newsletters published.	3	4	4	1	1	1	1		
		Date on which PT's calendar of events is compiled.	End of March	End of March	End of March 2008.	Not applicable	Not applicable	Not applicable	End of March 2008.		
		Turnaround time on documents submitted and electronic correspondence for HOD.	1 working day	1 working day	1 working day	1 working day	1 working day	1 working day	1 working day		
		Development of departmental language policy.	Not applicable.	Not applicable.	March 2008	Work in progress	Work in progress	Work in progress	Complete		
		Annual update of provincial Acts and laws.	October 2005	October 2006.	October 2007.	Not applicable.	Not applicable.	October 2007.	Not applicable.		

Sub-programme 1.3: Corporate Services		Strategic Goal 3: To partner with the business in developing a Human Capital Strategy aimed at attracting, developing and retaining Provincial Treasury employees aligned with the business objectives							
Strategic Objective	Measurable Objective	Performance Measure Indicator	Actual 2005/06	2006/07 Estimate	2007/08 Budget	Quarter 1	Quarter 2	Quarter 3	Quarter 4
1. To attract and acquire the desired employee profile in alignment with PT business objectives.	1.1 Vacancies to be filled to enhance service delivery.	Minimum number of vacancies relative to frozen posts.	42	28	98	23	25	25	25
	1.2 Develop appropriate strategies and mechanisms for attracting and acquiring the desired employees.	Effective external recruitment providers.	Contract with service provider concluded on 12 March 2005.	Contract with service provider expires on 31 March 2007.	Utilising of approved service provider with effect from 1 April 2007.	Implementation	Utilising of service provider continued.	Utilising of service provider continued.	Utilising of service provider continued.
		Date at which recruitment policy reviewed for effectiveness.	Recruitment policy in place.	Policy to be reviewed.	Reviewing of policy continue with revised policy implemented 1 August 2007.	Work in progress.	Implementation	Executing of policy	Executing of policy continue.
		Implementation of external graduate program.	Development of external graduate program.	Advertisement and further groundwork.	1 April 2007	Implement and review.	Implement and review.	Implement and review.	Implement and review.
		Awareness campaigns to be held at 4 academic institutions.	Not applicable.	Not applicable	15 August 2007.	Work in progress	15 August	Evaluate success.	Evaluate success continue.
		Date by which we would participate at Career Expo.	July 2005	July 2006	31 July 2007	Work in progress.	31 July 2007	Evaluate success.	Evaluate success continue.

Sub-programme 1.3: Corporate Services		Strategic Goal 3: To partner with the business in developing a Human Capital Strategy aimed at attracting, developing and retaining Provincial Treasury employees aligned with the business objectives							
Strategic Objective	Measurable Objective	Performance Measure Indicator	Actual 2005/06	2006/07 Estimate	2007/08 Budget	Quarter 1	Quarter 2	Quarter 3	Quarter 4
1. To attract and acquire the desired employee profile in alignment with PT business objectives. <i>(continued)</i>	1.2 Develop appropriate strategies and mechanisms for attracting and acquiring the desired employees. <i>(continued)</i>	Number of articles to be published in quarterly corporate magazine.	Not applicable	Not applicable	4 articles	1 article	1 article	1 article	1 article
		Date for the implementation of a retention strategy for PT.	Not applicable	Not applicable	30 June 2007	Managing of strategy.	Managing of Strategy continue.	Managing of strategy continue.	Managing of strategy continue.
2. To develop and maintain a learning organisation in order to produce a competent workforce.	2.1 To design and develop a comprehensive training and development strategy inclusive of a performance management system to develop and empower employee's capacity.	Date at which new competency framework will be implemented.	Not applicable.	Not applicable.	30 November 2007	Work in progress.	Work in progress.	Implement-ation.	Implement-ation.
		Date at which the revised accredited training service providers be approved/appointed.	Original accreditation of service providers commenced on 30 September 2007.	Extension of accredited service providers.	1 November 2007.	Work in progress	Work in progress	Finalisation on 30 November 2007	Implement-ation.
		Date at which annual Workplace Skills Plan (WSP) will be developed.	30 September 2005	30 September 2006	30 June 2007	Work in progress.	Implement-ation.	Implement-ation.	Implement-ation.
		Number of employees to be trained and developed in priority generic areas as identified in WSP.	Not applicable	Not applicable	122	Work in progress subject to finalisation of WSP.	20	51	51
		Date at which Performance Management System (PMS) reviewed and integrated into transformation strategy.	Not applicable.	Not applicable.	30 November 2007.	Work in progress	Work in progress	Finalisation by 30 November 2007	Preparation for implementation on 1 April 2008.

Sub-programme 1.3: Corporate Services		Strategic Goal 3: To partner with the business in developing a Human Capital Strategy aimed at attracting, developing and retaining Provincial Treasury employees aligned with the business objectives							
Strategic Objective	Measurable Objective	Performance Measure Indicator	Actual 2005/06	2006/07 Estimate	2007/08 Budget	Quarter 1	Quarter 2	Quarter 3	Quarter 4
2. To develop and maintain a learning organisation in order to produce a competent workforce. <i>(continued)</i>	2.1 To design and develop a comprehensive training and development strategy inclusive of a performance management system to develop and empower employee's capacity. <i>(continued)</i>	Date at which Quality Management System (QMS) for training will be refined.	Approved by SAQA.	Continuing.	1 November 2007	Work in progress.	Work in progress.	Finalisation date 1 November 2007.	Implementation.
		Total number of employees attending learning interventions:							
		Adult Basic Education and Training (ABET)	3	2	2	2	2	2	2
		Learner ships	11	11	2	2	2		
		Job Rotation	Not applicable.	Not applicable.	4	4	4	4	4
		ADP	Not applicable	4	4	4	4	4	4
		Number of bursaries to PT employees awarded and reviewed.	Not applicable	71	90	Managing of current bursaries.	Managing current bursaries.	Invite and award new applications.	Managing bursaries continue.
3. To develop appropriate interventions to transform the culture of PT to create an environment of optimum employee performance in relation to Treasury's strategic objectives.	3.1 Establish diverse and integrated workforce.	Implementation of cultural assessment findings (inclusive of cultural imbizo).	Cultural assessment conducted for PT November 2005	Deductions from cultural assessment and imbizo by the department of the Premier.	Implementation of findings.	Development of staggered project plan.	Phased implementation and evaluation.	Phased implementation and evaluation.	Phased implementation and evaluation.

Sub-programme 1.3: Corporate Services		Strategic Goal 3: To partner with the business in developing a Human Capital Strategy aimed at attracting, developing and retaining Provincial Treasury employees aligned with the business objectives							
Strategic Objective	Measurable Objective	Performance Measure Indicator	Actual 2005/06	2006/07 Estimate	2007/08 Budget	Quarter 1	Quarter 2	Quarter 3	Quarter 4
4. Refining work systems for the optimal delivery of all transactional human resource management contributing to PT attaining level 4 auditable organisation.	4.1 Deliver effective and efficient human resource administration.	Adherence to prescribed policies and procedures together with work and performance plans. Date at which employee job descriptions will be refined.	Not applicable	Not applicable	Clean audit report.	Work in progress.	Work in progress	Work in progress	Work in progress
			Not applicable.	External service provider contracted.	31 October 2007.	Work in progress.	Work in progress.	Finalisation date 31 October 2007.	Implementation.

Sub-programme 1.4: Financial Management		Strategic Goal 4: To deliver financial management, supply chain management and specialised auxiliary services for the Treasury.								
Strategic Objective	Measurable Objective	Performance Measure Indicator	Actual 2005/06	2006/07 Estimate	2007/08 Budget	Quarter 1	Quarter 2	Quarter 3	Quarter 4	
1. Good budget management to remain within prescribed budget limits contributing to attaining level 4 auditable status for Treasury as a whole.	1.1 Maintain and monitor an efficient and effective planning and budget management.	Percentage variance between actual expenditure and approved budget.	1%	1%	1%	1%.	1%	1%.	1%	
		Expenditure in line with detailed budget per sub-programme and economic classification.	99%	100%	100%	100%	100%	100%	100%	100%
		Budget for the department submitted timely:								
		Main budget.	February	February	February	Not applicable.	MTEC inputs.	Provisional estimates.	Final budget inputs.	
		Adjustments budget.	November	November	November	Not applicable.	Not applicable.	Adjustment estimates.	Not applicable.	
		Number of Quarterly Performance Reports submitted.	4	4	4	1	1	1	1	
		Monthly IYM report submitted and assessed by the due date.	15 th of every month.	15 th of every month.	15 th of every month.	3 reports submitted by the 15 th of every month	3 reports submitted by the 15 th of every month	3 reports submitted by the 15 th of every month	3 reports submitted by the 15 th of every month	
		Annual Performance Plan tabled before the financial year begins.	March 2006	March 2007	March 2008	Preparation.	Preparation.	Preparation	1 report tabled by 31 March 2008	
		Audited Annual Report submitted by due date.	August 2005	August 2006	August 2007	Preparation.	1 report submitted by end of August 2007	Not applicable.	Not applicable.	
		Frequency at which the Management Accounting database is updated.	Monthly	Monthly	Monthly	3 monthly updates	3 monthly updates	3 monthly updates	3 monthly updates	

Sub-programme 1.4: Financial Management		Strategic Goal 4: To deliver financial management, supply chain management and specialised auxiliary services for the Treasury.								
Strategic Objective	Measurable Objective	Performance Measure Indicator	Actual 2005/06	2006/07 Estimate	2007/08 Budget	Quarter 1	Quarter 2	Quarter 3	Quarter 4	
2. Timely and accurate reflection of status of Provincial Treasury's ledger accounts allowing it to maintain level 3 auditable status in this respect.	2.1 Ledger accounts that accurately reflect the financial position of the Provincial Treasury	Number of days for clearing of ledger control accounts.	35 days.	35days.	30 days.	30-days	30-days	30- days	30-days	
		Number of days to complete reconciliation after month close.	30 days.	20days.	12 days.	12 -days	12-days	12-days	12-days	
		Number of management information tools to reflect the Provincial Treasury's records.	5	14	14	14	14	14	14	14
3. Good supply chain management services allowing Provincial Treasury to attain level 3 auditable status in this respect.	2.2 Fully functional payment system to improve financial management.	Number of days to process accounts received.	30 days	30 days.	30 days	30-days	30-days	30-days	30-days	
		Accuracy of account management system in terms of auditors' rating.	Not applicable	Not applicable	2% error margin	2%	2%	2%	2%	2%
		Percentage of service delivery complaints addressed.	Not applicable	Not applicable	95%	95%	95%	95%	95%	95%
3.1 To implement SCM requirements in line with legislation tat will enhance service delivery.	3.1 To implement SCM requirements in line with legislation tat will enhance service delivery.	Days' turnaround time to address complaints.	NA	5 days	5 days	5 days	5 days	5 days	5 days	
		Frequency of Departmental Bid Committee meetings.	Monthly	Monthly	Monthly	3 monthly meetings	3 monthly meetings	3 monthly meetings	3 monthly meetings	
		Frequency of Departmental Information Technology Meetings.	Monthly	Monthly	Monthly	3 monthly meetings	3 monthly meetings	3 monthly meetings	3 monthly meetings	

Sub-programme 1.4: Financial Management		Strategic Goal 4: To deliver financial management, supply chain management and specialised auxiliary services for the Treasury.							
Strategic Objective	Measurable Objective	Performance Measure Indicator	Actual 2005/06	2006/07 Estimate	2007/08 Budget	Quarter 1	Quarter 2	Quarter 3	Quarter 4
3. Good supply chain management services allowing Provincial Treasury to attain level 3 auditable status in this respect. <i>(continued)</i>	3.1 To implement SCM requirements in line with legislation that will enhance service delivery. <i>(continued)</i>	Communication with clients on procedures concerning SCM through Admin Instructions.	Quarterly	Quarterly	Quarterly	1 Admin Instruction issued	1 Admin Instruction issued	1 Admin Instruction issued	1 Admin Instruction issued
		Number of incorrect purchases.	Not applicable.	2	0	0	0	0	0
		Number of internal orders returned due to non-compliance to procedures.	Not applicable.	48	24	6	6	6	6
		Percentage of external orders returned due to non-compliance to procedures.	Not applicable.	0%	0%	0%	0%	0%	0%
4. Proper internal control measures and risk management in the Provincial Treasury.	3.2 To accurately manage the assets of Provincial Treasury	Stock-take of assets and maintain asset register.	Annually	Annually	Annually	Reparation	Reparation	Reparation	1
		Stocktaking of store inventory.	Bi-annually	Bi-annually	Bi-annually	Reparation	1	Reparation	1
		Reconciliation between LOGIS and BAS.	Monthly	Monthly	Monthly	3 monthly recons	3 monthly recons	3 monthly recons	3 monthly recons
		Disposal reports on obsolete and redundant assets.	Not applicable	Bi-annually	Quarterly	1 report	1 report	1 report	1 report
4.1 Maintain effective risk management systems to reduce risks within Provincial Treasury.	4.1 Maintain effective risk management systems to reduce risks within Provincial Treasury.	Facilitation of risk identification process.	Risks Identified	Risks Identified	Annually	Reparation	Reparation	Reparation	1
		Maintenance of risk management database and reporting mechanisms.	Not applicable.	Not applicable.	Monthly	3 maintenance reports	3 maintenance reports	3 maintenance reports	3 maintenance reports
		Number of reports on consolidated risk profile.	Not applicable.	Not applicable.	4 Reports	1 report	1 report	1 report	1 report

Sub-programme 1.4: Financial Management		Strategic Goal 4: To deliver financial management, supply chain management and specialised auxiliary services for the Treasury.							
Strategic Objective	Measurable Objective	Performance Measure Indicator	Actual 2005/06	2006/07 Estimate	2007/08 Budget	Quarter 1	Quarter 2	Quarter 3	Quarter 4
4. Proper internal control measures and risk management in the Provincial Treasury. <i>(continued)</i>	4.2 Adequate internal control measures are in place to enhance financial management standards.	Effective and efficient performance of financial inspections.	Monthly	Monthly	Monthly	3 inspections	3 inspections	3 inspections	3 inspections
	4.3 Drafting and revision of policies, procedures and prescripts to ensure improved compliance	Frequency of reviewing policies and prescripts.	Not applicable	Quarterly	Quarterly	1 review	1 review	1 review	1 review
5. Determine and maintain good administrative standards.	5.1 Efficient control over debtors and creditors to enhance service delivery.	Days to follow - up debtors.	20-day cycles	30-day cycles	30-day cycles	30 days	30 days	30 days	30 days
	5.2 Efficient system management (Syscon)	Days to pay creditors.	35 days	<70 days	<30 days	30 -days	30-days	30-days	30-days
		Frequency of maintenance checks on BAS.	Monthly	Monthly	Monthly	3 monthly checks	3 monthly checks	3 monthly checks	3 monthly checks
	5.3 Availability of vehicle fleet that is compliant to prescripts to meet the changing needs of PT	Frequency of maintenance checks on LOGIS.	Quarterly	Quarterly	Quarterly	3 monthly checks	3 monthly checks	3 monthly checks	3 monthly checks
Frequency of vehicle needs analysis and review of prescripts.		Not applicable	Not applicable	Monthly	3 reviews	3 reviews	3 reviews	3 reviews	
5.4 Ensure adequate accommodation for Provincial Treasury	Facilitate consultation between PT and DPWD to assess the accommodation needs of PT.	Quarterly	Quarterly	Monthly	3 consultations	3 consultations	3 consultations	3 consultations	

Sub-programme 1.4: Financial Management		Strategic Goal 4: To deliver financial management, supply chain management and specialised auxiliary services for the Treasury.							
Strategic Objective	Measurable Objective	Performance Measure Indicator	Actual 2005/06	2006/07 Estimate	2007/08 Budget	Quarter 1	Quarter 2	Quarter 3	Quarter 4
5. Determine and maintain good administrative standards. <i>(continued)</i>	5.5 Compilation and maintenance of database of all General Admin Enquiries and associated instructions.	Maintenance of database and regular follow-ups on enquiries.	Not applicable	Not applicable	Weekly	13	13	13	13
	5.6 Fully functional Information Resource Centre	Number of staff with access to resource centre services.	60	80	150	95	110	130	150
	5.7 Implementation of suitable mechanisms to facilitate accurate administration, monitoring and reporting of landline and cell phone accounts in respect of accountability..	Percentage of customers' queries resolved satisfactorily	50%	60%	80%	65%	70%	75%	80%
	5.8 Fully functional approved filling system for document flow and document control.	Frequency of submitting debit lists and cell phone accounts to Financial Accounting.	Not applicable	Monthly	Monthly	3	3	3	3
		Number of submissions of the File Plan to Provincial Archives for approval	Consultant appointed to draft the new file plan.	4 Submissions	4 submissions	1	1	1	1
		Percentage of inadequacies addressed as recommended by internal control inspections.	100%	100%	100%	Not applicable	Not applicable	Not applicable	100%

Sub-programme 1.4: Financial Management		Strategic Goal 4: To deliver financial management, supply chain management and specialised auxiliary services for the Treasury.							
Strategic Objective	Measurable Objective	Performance Measure Indicator	Actual 2005/06	2006/07 Estimate	2007/08 Budget	Quarter 1	Quarter 2	Quarter 3	Quarter 4
5. Determine and maintain good administrative standards. (continued)	5.8 Fully functional approved filing system for document flow and document control.. (continued)	Number of new policies and file plan implemented.	3	4	4	1	1	1	1
		Percentage of a system of physical and electronic document control developed.	Not applicable.	50%	80%	55%	60%	70%	80%
	5.9 Good communication and co-ordination within the sections of Financial Management and other components within Provincial Treasury to improve transparency.	Number of directorate meetings	9	9	9	2	2	2	3
		Percentage of fora relevant to financial management attended	50%	50%	65%	50%	55%	60%	65%
		Date on which the financial management database is developed and maintained.	Not applicable.	In process	September 2007	Not applicable.	1	Not applicable.	Not applicable.
		Number of management information tools determined for Directorate's meeting.	Not applicable	Not applicable	4	1	1	1	1
		Number of control mechanisms in place and updated monthly	Not applicable	Not applicable	9	2	2	2	3

Programme 2: Sustainable Resource Management

Sub-programme 2.1: Programme Support: Resource Management		Generic Strategic Goal: To facilitate the efficient and co-ordinated administration and management of the sub-programme: Programme Support: Resource Management.							
Strategic Objective	Measurable Objective	Performance Measure Indicator	Actual 2005/06	2006/07 Estimate	2007/08 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.	Hours turnaround time for management of operational finances, human resources and logistical issues.	48 hours.	48 hours	24 hours.	24 hours.	24 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.	Number of training interventions per staff member.	Not applicable.	Not applicable.	2	2	2	2	2

Sub-programme 2.2: Economic Analysis		Strategic Goal 5: To conduct macro and socio-economic analysis and render policy advice, i.e. to determine and analyse key economic variables, their interrelation and relevance to the provincial and municipal budgets.							
Strategic Objective	Measurable Objective	Performance Measure Indicator	Actual 2005/06	2006/07 Estimate	2007/08 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 Analyse and monitor macro and socio-economic trends to render policy advice.	Date at which PER&O is published.	PER&O published March 2005	PER&O published April 2006.	PER&O 2007 to be published on 30 May 2007 plus preparatory work done for PER&O 2008.	PER&O published	Not applicable.	20% complete (PER&O 2008): chapter one as input into the MITBPS.	40% complete (PER&O 2008): chapter one and three as input into the main budget.
		Date at which the SEP-LG is published.	Not applicable.	Published November 2006.	November 2007.	20% complete.	60% complete	100% complete.	Not applicable.
		Percentage satisfaction by clients and appropriate to their needs to be determined by sample survey.	Not applicable.	Not applicable.	80% of sample based on 2007 PER&O and 2006 SEP-LG	Not applicable.	Completion of SEP-LG satisfaction survey	Completion of PER&O	Not applicable.
		Quarterly economic reviews.	Not applicable.	Not applicable.	2 reviews.	Work in progress.	Work in progress.	1	1
2. Determine the sources, potential and constraints for enhanced growth and development in the Western Cape, as framed within iKapa Eiluhlumayo.	2.1 Provide advice on socio-economic issues to contribute to improving alignment of policies and the spatial distribution of resources.	Number of assessment reports on provincial departments.	Not applicable.	3 Assessment reports	7 reports on key departments for each MTEC.	Work in progress.	7 reports.	Work in progress.	7 reports.

Sub-programme 2.2: Economic Analysis		Strategic Goal 5: To conduct macro and socio-economic analysis and render policy advice, i.e. to determine and analyse key economic variables, their interrelation and relevance to the provincial and municipal budgets.							
Strategic Objective	Measurable Objective	Performance Measure Indicator	Actual 2005/06	2006/07 Estimate	2007/08 Budget	Quarter 1	Quarter 2	Quarter 3	Quarter 4
2. Determine the sources, potential and constraints for enhanced growth and development in the Western Cape, as framed within iKapa Elihlumayo (continue).	2.1 Provide advice on socio-economic issues to contribute to improving alignment of policies and the spatial distribution of resources.	Modelling of levers impacting on variables.	Not applicable.	Not applicable.	Advice to departments and municipalities on reprioritization	Work in progress.	Work in progress.	Work in progress.	Work in progress.
		Number of municipal assessment reports that feed into the IDP's and Municipal Budgets.	Not applicable.	30 Reports	30 reports	Data update	Data update	Snapshot per municipality	Feed into IDP's and Budgets.
		Number of IDP assessments.	Not applicable.	Not applicable.	30 assessments	Not applicable.	Not applicable.	Work in progress.	30 assessments
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 Provide technical assistance and training to improve stakeholder understanding and practical application of socio-economic data.	Effective stakeholder engagements held with municipalities.	Not applicable.	Part of the second round of one-on-ones in Feb 2007.	Focus on 5 district municipalities for technical assistance and training.	Work in progress.	Work in progress.	Work in progress.	All 5 districts covered.
		Provincial departments	Not applicable.	Not applicable.	Focus on 7 Provincial Departments for technical assistance and training.	Focus on 2 Departments (Health and Education)	Work in progress	Work in progress	All 7 Departments covered.

Sub-programme 2.2: Economic Analysis		Strategic Goal 5: To conduct macro and socio-economic analysis and render policy advice, i.e. to determine and analyse key economic variables, their interrelation and relevance to the provincial and municipal budgets.							
Strategic Objective	Measurable Objective	Performance Measure Indicator	Actual 2005/06	2006/07 Estimate	2007/08 Budget	Quarter 1	Quarter 2	Quarter 3	Quarter 4
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 (continue)	3.2 Disseminating information to other stakeholders in the province.	The degree to which the municipalities change their expenditure patterns	Not applicable.	Shared responsibilities with Public Finance, Budget Office, Local Government and Housing and Economic Development and Tourism.	Consideration, commitments to recommendations and discussion of Provincial input by Councils	SEP-LG, municipal assessments and visits and consideration of recommendations by municipal councils.	Not applicable.	Not applicable.	Not applicable.
		The degree to which the departments change their expenditure patterns	Not applicable.	Not applicable.	Consideration, commitments to recommendations and discussion of EA's findings by Departments.	Work in progress.	Work in progress.	Check during MTEC 1 process for 7 key departments.	Check at MTEC 2 process for 7 key departments.

Sub-programme 2.3: Fiscal Policy: Provincial Government		Strategic Goal 6: To enable the provincial government to finance its service delivery obligations.							
Strategic Objective	Measurable Objective	Performance Measure Indicator	Actual 2005/06	2006/07 Estimate	2007/08 Budget	Quarter 1	Quarter 2	Quarter 3	Quarter 4
1. Contribute to improving system of provincial government financing to enhance revenue adequacy and service delivery towards attaining a level 4 auditable organisation.	1.1 Improve participation in the intergovernmental medium term revenue planning processes to optimise revenue from current source.	Position paper to state the Western Cape's proposals on the Provincial Fiscal Architecture	Not applicable.	Not applicable.	Finalised position paper by end of June 2007.	Work in progress.	Finalised and submitted to NT for consideration.	Refinement after engagement with NT.	Refinement after engagement with NT.
	1.2 Adequate mechanisms in place for improved in-year revenue management.	Compliance framework for Division of Revenue Act (DORA) produced.	Not applicable.	Not applicable.	Finalise framework by end of April 2007.	Finalisation.	Application and review.	Application and review.	Application and review and draft DORA implementation framework for 2008/09.
		Inputs into MTBPS, Adjustments budget, budget overview and Estimates of Expenditure	100%	100%	Meeting of due dates as per Budget calendar.	Work in progress	Work in progress	Input into MTBPS and Adjustments estimate	Inputs into estimates of expenditure and budget overview.
		Number of assessment reports per main revenue source.	26 assessment reports.	26 assessment reports.	29 assessment reports.	Work in progress.	Input into MTEC1 process.	Work in progress.	Input into MTEC 2 process.
		Time at which IYM reports are produced	Monthly (section 40) and quarterly (section 32) IYM reports.	Monthly (section 40) and quarterly (section 32) IYM reports.	22 nd of each month and 30 days after end of each quarter.	13 x 3 IYM reports.	13 x 3 IYM reports.	13 x 3 IYM reports.	13 x 3 IYM reports.

Sub-programme 2.3: Fiscal Policy: Provincial Government		Strategic Goal 6: To enable the provincial government to finance its service delivery obligations.							
Strategic Objective	Measurable Objective	Performance Measure Indicator	Actual 2005/06	2006/07 Estimate	2007/08 Budget	Quarter 1	Quarter 2	Quarter 3	Quarter 4
1. Contribute to improving system of provincial government financing to enhance revenue adequacy and service delivery towards attaining a level 4 auditable organisation. <i>(continued)</i>	1.2 Adequate mechanisms in place for improved in-year revenue management. <i>(continued)</i>	Number of IYM reports.	Not applicable	Not applicable	13 Departmental and 1 consolidated report each month and per quarter.	3 consolidated reports. 1 quarterly report.	3 consolidated reports. 1 quarterly report.	3 consolidated reports. 1 quarterly report.	3 consolidated reports. 1 quarterly report.
	1.3 Adequate measures and mechanisms in place for identification of new revenue sources to increase provincial own revenue	Tabling of fuel levy legislation in Provincial Parliament.	Feasibility study completed and Provincial Cabinet approval obtained.	National Minister of Finance approval obtained.	Fuel levy legislation to be tabled in March 2008 in Provincial Parliament	Finalisation of the economic modelling and drafting of provincial legislation.	Work in progress	Cabinet approval for draft bill.	Tabling of legislation.
		Cabinet approval of Tourism related and other taxes	Not applicable.	Preliminary economic work.	Cabinet approval of Tourism related and other taxes by 30 September 2007.	Finalise draft report.	MEC approval.	Work in progress.	Cabinet approval.
		Number of progress reports to MEC on new taxes.	Not applicable.	Not applicable.	Quarterly progress reports on new taxes reports.	1	1	1	1

Sub-programme 2.3: Fiscal Policy: Provincial Government		Strategic Goal 6: To enable the provincial government to finance its service delivery obligations.								
Strategic Objective	Measurable Objective	Performance Measure Indicator	Actual 2005/06	2006/07 Estimate	2007/08 Budget	Quarter 1	Quarter 2	Quarter 3	Quarter 4	
1. Contribute to improving system of provincial government financing to enhance revenue adequacy and service delivery towards attaining a level 4 auditable organisation. <i>(continued)</i>	1.4 Adequate mechanisms in place to optimise own revenue.	Adaptation and piloting of a revenue estimation and forecasting model.	Training staff and departments.	1 Proposal on the development of a Revenue forecasting model.	Further refinement and implementation of NT model.	Work in Progress.	Piloting of a Revenue forecasting model in three departments (Transport and Public Works, Health and PT).	Work in progress.	Work in progress.	
		Completion of Motor vehicle License Fees incidence study and associated proposals.	Not applicable.	Study initiated.	Study finalised.	Work in progress	Study finalized	Proposal finalized and fed into MTBPS.	Cabinet approved proposal fed into Main Estimates.	
		Completion of review into GMT.	Not applicable.	Not applicable.	Completed review.	Work in progress.	Finalised report.	Proposal finalised and fed into MTBPS.	Treasury approval and proposal fed into Main Estimates.	
	1.5 Adequate mechanisms in place to improve debtor management	Quarterly debtors report produced.	4 Quarterly reports on debtors.	4 Quarterly Debt management reports.	4 Quarterly Debt management reports.	1 Quarterly debt management report.	1 Quarterly debt management report.	1 Quarterly debt management report.	1 Quarterly debt management report.	1 Quarterly debt management report.
		Review of the tax regime.	Not applicable.	Not applicable.	Updated tax regime.	Work in progress.	Work in progress.	Proposals made to Cabinet.	Approved tax regime tabled.	
	1.6 Monitoring and oversight over the WCGRB to promote good governance and optimise revenue.	Splitting of gambling legislation into a tax and functional component.	Not applicable.	Not applicable.	Splitting of WCGRB.	Work in progress.	Work in progress.	Proposals made to Cabinet.	Proposals made to Cabinet.	Tabling of legislation.

Sub-programme 2.4: Fiscal Policy: Local Government		Strategic Goal 7: To facilitate local government with financing its service delivery obligations.							
Strategic Objective	Measurable Objective	Performance Measure Indicator	Actual 2005/06	2006/07 Estimate	2007/08 Budget	Quarter 1	Quarter 2	Quarter 3	Quarter 4
1. Improve input-output sequencing of information and the quality thereof within the budget processes.	1.1 Credible MTREF and Provincial/Local Interface to improve the alignment of the planning and revenue priorities of provincial and local government.	Inputs into medium term budget policy statement, Adjustments budget, budget overview and Estimates of Expenditure	100%	100%	Meeting of due dates as per LG-Budget calendar.	Inputs into LG MTEC 3	Work in progress	Input into MTBPS and Adjustments estimate and LG MTEC 1	Inputs into estimates of expenditure, budget overview and LG MTEC 2.
2. Develop effectiveness of in-year revenue monitoring systems towards attaining level 3 auditable organisations.	2.1 Adequate mechanisms in place for improved In-year revenue management.	Number of assessment reports per municipality. Time at which IYM reports are produced. Number of IYM reports produced.	30 assessment reports Preliminary reports compiled.	30 assessment reports 4 reports.	30 assessment reports 22nd working day of each Month.	LG MTEC 3 30 reports	Not applicable	Not applicable	Not applicable
		Number of gazetted revenue reports consolidated with the expenditure side produced by Public Finance (Local Government) and tabled in Provincial Parliament.	Not applicable.	60 revenue assessment reports	Consolidated report 30 days after end of quarter.	90 revenue assessment reports.	90 revenue assessment reports.	90 revenue assessment reports.	90 revenue assessment reports.
			Not applicable.	2 gazetted reports.	4 gazetted reports.	1 gazetted report for last quarter 2006/07 and tabling.	1 gazetted report for first quarter 2007/08 and tabling.	1 gazetted report for second quarter 2007/08 and tabling.	1 gazetted report for third quarter 2007/08 and tabling.

Sub-programme 2.4: Fiscal Policy: Local Government		Strategic Goal 7: To facilitate local government with financing its service delivery obligations.							
Strategic Objective	Measurable Objective	Performance Measure Indicator	Actual 2005/06	2006/07 Estimate	2007/08 Budget	Quarter 1	Quarter 2	Quarter 3	Quarter 4
2. Develop effectiveness of in-year revenue monitoring systems towards attaining level 3 auditable organisations. <i>(continued)</i>	2.1 Adequate mechanisms in place for improved in-year revenue management. <i>(continued)</i>	Number of service delivery visits to enhance knowledge of municipalities.	Not applicable.	Ad-hoc visits.	120 municipal service delivery visits.	1 visit per municipality x 30	1 visit per municipality x 30.	1 visit per municipality x 30.	1 visit per municipality x 30.
3. Provide policy advice, effective technical and strategic support and a change agent service to municipalities.	3.1 Relevant and effective advisory service to improve compliance within the Local government financial legislation framework.	Number of written responses to requests for advice.	Preliminary reports compiled.	12 reports.	5 reports.	1 reports.	2 reports.	1 reports.	1 reports.

Sub-programme 2.5: Budget management		Strategic Goal 8: To promote effective financial resource allocation.							
Strategic Objective	Measurable Objective	Performance Measure Indicator	Actual 2005/06	2006/07 Estimate	2007/08 Budget	Quarter 1	Quarter 2	Quarter 3	Quarter 4
1. To co-ordinate and guide the process to determine provincial priorities and recommend financial resource allocation, which effectively contributes to, accelerated and shared economic growth in the province.	1.1 Drive strategy and publication of medium term fiscal policy which activates/enables implementation of national, provincial and departmental policy priorities and achievement of desired socio-economic outcomes.	Date of tabling of the MTBPS.	WC-MTBPS 2006 – 2009 tabled in Nov 2005.	WC-MTBPS 2007 – 2010 tabled in Nov 2006.	WC-MTBPS 2008 – 2011 tabled in Nov 2007.	Preparation.	MTEC process.	WC-MTBPS 2008-2011 tabled.	Completed.
		Quality of MTBPS.	Executive approval of MTBPS.	Executive approval of MTBPS.	Executive approval of MTBPS.	Preparation.	MTEC process.	WC-MTBPS 2008-2011 approved by Cabinet.	Completed.
		Quality of discussion at bilateral MTEC 1 engagements with provincial departments and extent to which they impact on quality of policy and budget planning for upcoming MTEF.	MTEC reports completed.	MTEC reports completed.	MTEC reports completed and recommendations considered by departments.	Preparation for MTEC 1 engagements.	MTEC reports completed and recommendations considered by departments.	Not applicable.	Not applicable.

Sub-programme 2.5: Budget management		Strategic Goal 8: To promote effective financial resource allocation.							
Strategic Objective	Measurable Objective	Performance Measure Indicator	Actual 2005/06	2006/07 Estimate	2007/08 Budget	Quarter 1	Quarter 2	Quarter 3	Quarter 4
1. To co-ordinate and guide the process to determine provincial priorities and recommend financial resource allocation which effectively contributes to accelerated and shared economic growth in the province. (continued)	1.2 Recommend financial resource allocation (within departments and between departments) which activates/enables implementation of national, provincial and departmental policy priorities and achievement of desired socio-economic outcomes.	Quality of discussion at bilateral MTEC 2 engagements with provincial departments and extent to which they impact on quality of policy and budget planning for upcoming MTEF.	MTEC reports completed.	MTEC reports completed.	MTEC reports completed and recommendations considered by departments.	Not applicable.	Not applicable.	Preparation for MTEC process.	MTEC reports completed and recommendations considered by departments.
		Date of tabling of Main Budget (Feb).	2006/07 Budget tabled within 2 weeks of national budget day.	2007/08 Budget tabled within 2 weeks of national budget day.	2008/09 Budget tabled within 2 weeks of national budget day.	Preparation.	Preparation.	Preliminary allocation letters.	Final allocation letters. Main Budget tabled within two weeks of national budget day.
		Cabinet submission for final allocations.	Executive approval of 2005/06 final allocations.	Executive approval of 2006/07 final allocations.	Executive approval of 2007/08 final allocations.	Not applicable.	Not applicable.	Preparation.	Executive approval of 2007/08 final allocations.
		Quality of Budget Overview.	Favourable consideration by the Budget Committee	Favourable consideration by the Budget Committee	Favourable consideration by the Budget Committee	Not applicable.	Not applicable.	Not applicable.	Favourable consideration by the Budget Committee

Sub-programme 2.5: Budget management		Strategic Goal 8: To promote effective financial resource allocation.							
Strategic Objective	Measurable Objective	Performance Measure Indicator	Actual 2005/06	2006/07 Estimate	2007/08 Budget	Quarter 1	Quarter 2	Quarter 3	Quarter 4
2. Promote overall strategic goal of PT to understand local government and line departments' core business, functions, and progress.	2.1 Assess efficacy and efficiency of departmental spending and performance (including baseline) and increase.	Baseline Analysis distributed internally.	2004 Service Delivery Review.	2006 Service Delivery Review distributed internally.	Baseline analysis distributed internally prior to MTEC 1 and considered by departments.	Preparation.	Baseline analysis distributed internally prior to MTEC 1 and considered by departments.	Not applicable.	Not applicable.
		Submission of non-financial quarterly IYM reports to NT and Budget Committee on deadlines (May, August; November; February).	100% compliance.	100% compliance.	All Quarterly Performance Reports (QPRs) received, assessed and forwarded to NT and Budget Committee on deadline.	4 th qtr 2006 QPR received, assessed and forwarded to NT and Budget Committee on deadline.	1 st qtr 2007 QPR received, assessed and forwarded to NT and Budget Committee on deadline.	2 nd qtr 2007 QPR received, assessed and forwarded to NT and Budget Committee on deadline.	3 rd qtr 2007 QPR received, assessed and forwarded to NT and Budget Committee on deadline.
		Business Insight Folder (BIF) system utilised for provincial MTEC processes.	Not applicable.	Not applicable.	Contribution involvement from multiple components of PT in MTEC assessments.	Not applicable.	Contribution involvement from multiple components of PT in MTEC 1 assessments.	Contribution involvement from multiple components of PT in MTEC 2 assessments.	Not applicable.

Sub-programme 2.5: Budget management		Strategic Goal 8: To promote effective financial resource allocation.							
Strategic Objective	Measurable Objective	Performance Measure Indicator	Actual 2005/06	2006/07 Estimate	2007/08 Budget	Quarter 1	Quarter 2	Quarter 3	Quarter 4
2. Promote overall strategic goal of PT to understand local government and line departments' core business, functions, and progress. (continued)	2.2 Promote co-operation across units within Provincial Treasury to better understand situation and challenges of local government.	BIF system utilised for local government MTEC processes.	Initial planning and consultation.	50% implementation.	Contribution from multiple components of PT in MTEC assessments.	Contribution from multiple components of PT in MTEC assessments	Not applicable.	Not applicable.	Not applicable.
	2.3 Ensure proper electronic filing system managed efficiently.	Electronic documents accessible on PT database.	Under development	Under development	Further development	Further development	Further development	Further development	Further development
3. Improve alignment between provincial priorities and local government IDPs and improve quality and transparency of local government budgets.	3.1 Provide analysis and support to municipalities in the drafting of their budgets in order to improve quality and alignment between municipal and provincial budgets.	Quality of engagements and assessments.	Shared responsibilities with Public Finance, with function gradually shifted to Budget Office.	Consideration, commitments to recommendations and discussion of Provincial input by Councils.	Consideration, commitments to recommendations and discussion of Provincial input by Councils.	LGMTEC3 municipal assessments and visits and consideration of recommendations by municipal councils.	Not applicable.	Not applicable.	Not applicable.
		Number of draft budget assessments	Not applicable.	Not applicable.	30	30 Municipal assessments and visits.	Not applicable.	Not applicable.	Not applicable.
		Due date of assessments	Not applicable.	Not applicable.	30 April	Assessments completed by 30 April.	Not applicable.	Not applicable.	Not applicable.

Sub-programme 2.5: Budget management		Strategic Goal 8: To promote effective financial resource allocation.							
Strategic Objective	Measurable Objective	Performance Measure Indicator	Actual 2005/06	2006/07 Estimate	2007/08 Budget	Quarter 1	Quarter 2	Quarter 3	Quarter 4
3. Improve alignment between provincial priorities and local government IDPs and improve quality and transparency of local government budgets. <i>(continued)</i>	3.2 Provide oversight of municipal budget process to improve alignment.	Timely receipt of tabled and adopted budgets and on-line publication of adopted budget.	Shared responsibilities with Public Finance, with function gradually shifted to Budget Office.	25% implementation.	90% implementation.	90% implementation on tabled budgets.	90% implementation on approved budgets.	Not applicable.	Not applicable.
4. Enhance the implementation and impact of local government budgets and IDPs to improve service delivery and address the socio economic needs of the community.	4.1 Track and assess local government budget implementation against SDBIP for efficiency and effectiveness of service delivery.	Number of assessments of 2007/08 SDBIPs.	Not applicable.	Not applicable.	30	Not applicable.	30	Not applicable.	Not applicable.
		Due date of assessments of 2007/08 SDBIPs.	Not applicable.	Not applicable.	31 August	Not applicable.	Assessments completed by 31 August.	Not applicable.	Not applicable.
		Number of assessments of 2007/08 mid year performance reports against SDBIPs.	Not applicable.	Not applicable.	30	Not applicable.	Not applicable.	Not applicable.	Not applicable.
		Due date of assessments of 2007/08 mid year performance reports against SDBIPs.	Not applicable.	Not applicable.	28 February	Not applicable.	Not applicable.	Not applicable.	Assessments completed by 28 February.

Sub-programme 2.6:		Programme Support: Public Finance		Generic Strategic Goal: To facilitate the efficient and co-ordinated administration and management of the sub-programme: Programme Support: Public Finance.					
Strategic Objective	Measurable Objective	Performance Measure Indicator	Actual 2005/06	2006/07 Estimate	2007/08 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.	Hours turnaround time for management of operational finances, human resources and logistical issues.	48 hours.	48 hours	24 hours.	24 hours.	24 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.	Number of training interventions per staff member.	Not applicable.	Not applicable.	2	2	2	2	2

Sub-programme 2.7: Provincial Government Finance		Strategic Goal 9: To ensure efficient budget management in provincial departments.							
Strategic Objective	Measurable Objective	Performance Measure Indicator	Actual 2005/06	2006/07 Estimate	2007/08 Budget	Quarter 1	Quarter 2	Quarter 3	Quarter 4
1. Provide policy advice, effective technical and strategic support and a change agent service to provincial departments.	1.1 Relevant and effective advisory service.	Maximum turnaround time to provide quality advice relating to efficient in-year budgets management.	Relevant and effective advice.	Relevant and effective advice.	10 working days.	10 working days.	10 working days.	10 working days.	10 working days.
2. Improve input-output sequencing of information and the quality of the latter within the budget processes.	2.1 Credible MTEF and Adjustments Budget to improve transparency and alignment. .	Inputs into MTBPS,, budget overview and Estimates of Expenditure	100%	100%	Meeting of due dates as per Budget calendar.	Work in progress.	Work in progress.	Input into MTBPS.	Compile estimates of expenditure and input in budget overview.
			Bilateral MTEC hearings.	Bilateral MTEC hearings.	Bilateral MTEC hearings in September/October and January.	Work in progress.	MTEC 1 hearings.	Work in progress.	MTEC 2 hearings.
			2 Assessments per department.	3 Assessments per department.	3 Assessed-budget documents per department.	Work in progress.	13 assessed budget documents.	Work in progress.	13 assessed budget documents.
		Compile and collate the Adjustments Estimates.	Adjustment budget tabled in November.	Adjustment budget, bill and schedules tabled within one month of national adjustments.	Adjustment budget, bill and schedules tabled within one month of national adjustments.	In principle approval of rollovers.	- Planning and format development. - Approve rollovers.	Tabling of Adjustments Estimates.	Not applicable.

Sub-programme 2.7: Provincial Government Finance	Strategic Goal 9: To ensure efficient budget management in provincial departments.								
Strategic Objective	Measurable Objective	Performance Measure Indicator	Actual 2005/06	2006/07 Estimate	2007/08 Budget	Quarter 1	Quarter 2	Quarter 3	Quarter 4
3. Develop effectiveness of in-year expenditure monitoring systems towards attaining a level 4 auditable organisation.	3.1 Adequate mechanisms in place for improved in-year expenditure management.	Time at which IYM reports are produced Number of IYM reports.	Monthly (section 40) and quarterly (section 32) IYM reports.	Monthly (section 40) and quarterly (section 32) IYM reports.	22 nd of each Month. 30 days after end of quarter 13 Departmental and 1 consolidated report each month and per quarter	13 x 3 IYM reports. 3 consolidated reports. 1 quarterly report.	13 x 3 IYM reports. 3 consolidated reports. 1 quarterly report.	13 x 3 IYM reports. 3 consolidated reports. 1 quarterly report.	13 x 3 IYM reports. 3 consolidated reports. 1 quarterly report.
		Maximum levels of under spending Time of trend analysis report	Quarterly and annual trend analysis reports.	Quarterly and annual performance analysis reports to prevent over-spending, smoothing of expenditure and limit under spending to 1% overall.	Quarterly and annual performance analysis reports to prevent over-spending, smoothing of expenditure and limit under spending to 1% overall.	13 Quarterly performance analysis report.	13 Quarterly performance analysis report.	13 Quarterly performance analysis report.	13 Quarterly and annual performance analysis report.
	Number of reports to Cabinet and Budget Committee		Quarterly expenditure reports to Cabinet	7 Quarterly expenditure and performance reports to Cabinet and Budget Committee.	8 Quarterly expenditure and performance reports to Cabinet and Budget Committee.	2 Reports.	2 Reports.	2 Reports.	2 Reports.

Sub-programme 2.7: Provincial Government Finance		Strategic Goal 9: To ensure efficient budget management in provincial departments.							
Strategic Objective	Measurable Objective	Performance Measure Indicator	Actual 2005/06	2006/07 Estimate	2007/08 Budget	Quarter 1	Quarter 2	Quarter 3	Quarter 4
3. Develop effectiveness of in-year expenditure monitoring systems towards attaining a level 4 auditable organisation. <i>(continued)</i>	3.1 Adequate mechanisms in place for improved in-year expenditure management <i>(continued)</i>	Number of efficiency reports on a quarterly basis focusing on conditional grants, compensation of employees, transfer payments, earmarked allocations and goods and services.	Not applicable.	Commence efficiency initiatives (least cost analysis), focusing on research, and compensation of employees, consultants and transfers.	5 Reports.	2 Reports	1 Report	1 Report	1 Report
		Number of service delivery visits to enhance knowledge of Departments.	Not applicable.	Ad-hoc visits.	48 departmental service delivery visits.	1 visit per department x 12.	1 visit per department x 12.	1 visit per department x 12.	1 visit per department x 12.
		Date at which IYM tool for public entities is in place.	Not applicable.	Not applicable	Co-ordinated development of public entity in-year monitoring reporting tool by September 2007.	Work in progress	Prototype rollout to WC Gambling Board & Cape Nature.	Testing	Testing and fine-tuning for rollout into all public entities by 1 April 2008.

Sub-programme 2.8: Local Government Finance		Strategic Goal 10: To ensure efficient budget management in municipalities.							
Strategic Objective	Measurable Objective	Performance Measure Indicator	Actual 2005/06	2006/07 Estimate	2007/08 Budget	Quarter 1	Quarter 2	Quarter 3	Quarter 4
1. Provide policy advice, effective technical and strategic support and a change agent service to municipalities	1.1 Relevant and effective advisory service to improve compliance with the local government financial legislation framework.	Maximum turnaround time to provide quality advice relating to efficient in-year budgets management.	Relevant and effective advice.	Relevant and effective advice.	10 working days.	10 working days.	10 working days.	10 working days.	10 working days.
2. Improve input-output sequencing of information and the quality thereof within the budget processes.	2.1 Credible MITREF and Provincial/Local Interface to improve the alignment of the planning and expenditure priorities of provincial and local government.	Inputs into MTBPS, Adjustments budget, budget overview and Estimates of Expenditure	100%	100%	Meeting of due dates as per LG-Budget calendar.	Inputs into LG MTEC 3	Work in progress	Input into MTBPS and Adjustments estimate and LG MTEC 1	Inputs into estimates of expenditure, budget overview and LG MTEC 2.
		Number of assessment reports per municipality.	30 assessment reports	30 assessment reports	30 assessment reports	LG MTEC 3 with 30 reports	Not applicable.	Not applicable.	Not applicable.
		Date of Publication of allocations to municipalities during the main and adjusted budget process in line with the prescribed formats and timelines.	March 2006	March 2007	March 2008	Not applicable.	Not applicable.	1 gazette reflecting the provincial allocations to municipalities.	1 gazette reflecting the provincial allocations to municipalities over the MTEF

Sub-programme 2.8: Local Government Finance		Strategic Goal 10: To ensure efficient budget management in municipalities.							
Strategic Objective	Measurable Objective	Performance Measure Indicator	Actual 2005/06	2006/07 Estimate	2007/08 Budget	Quarter 1	Quarter 2	Quarter 3	Quarter 4
3. Develop effectiveness of in-year expenditure monitoring systems towards attaining level 3 auditable organisations.	3.1 Adequate mechanisms in place for improved In-year expenditure management.	Time at which IYM reports are produced.	Preliminary reports compiled.	4 reports.	22nd working day of each Month.	3 monthly-consolidated reports for municipalities by due date.	3 monthly-consolidated reports for municipalities by due date.	3 monthly-consolidated reports for municipalities by due date.	3 monthly-consolidated reports for municipalities by due date.
		Number of IYM reports produced.	Not applicable.	60 revenue assessment reports	Consolidated report 30 days after end of quarter.	90 expenditure assessment reports.	90 expenditure assessment reports.	90 expenditure assessment reports.	90 expenditure assessment reports.
		Number of gazetted expenditure reports consolidated with the revenue side produced by Fiscal Policy (Local Government) submitted to Cabinet and tabled in Provincial Parliament.	Not applicable.	2 gazetted reports.	4 gazetted reports.	1 gazetted report for last quarter 2006/07, submission to Cabinet and tabling.	1 gazetted report for first quarter 2007/08, submission to Cabinet and tabling.	1 gazetted report for second quarter 2007/08, submission to Cabinet and tabling.	1 gazetted report for third quarter 2007/08, submission to Cabinet and tabling.
	Number of service delivery visits to enhance knowledge of Municipalities.	Not applicable.	Ad-hoc visits.	120 municipal service delivery visits.	1 visit per municipality x 30	1 visit per municipality x 30	1 visit per municipality x 30	1 visit per municipality x 30	

Sub-programme 2.8: Local Government Finance		Strategic Goal 10: To ensure efficient budget management in municipalities.							
Strategic Objective	Measurable Objective	Performance Measure Indicator	Actual 2005/06	2006/07 Estimate	2007/08 Budget	Quarter 1	Quarter 2	Quarter 3	Quarter 4
4. Develop intra Department, intra provincial, inter provincial and government co-ordinating structures and systems.	4.1 Functional intra and inter governmental co-ordinating structures and institutions (forums) that relate to planning and financial matters.	Relevant and effective coordination.	Designated as MFMA coordinator and main driver of MFMA implementation.	MFMA coordinating role continued and selected MFMA responsibilities decentralised to other units.	Full implementation of operational plan.	Monitoring and evaluation.	Monitoring and evaluation.	Monitoring and evaluation.	Monitoring and evaluation.
		Number of CFO Forums.	Terms of reference for CFO forum finalised.	2 Meetings.	4 quarterly CFO Forum meetings.	1 CFO Forum meeting.	1 CFO Forum meeting.	1 CFO Forum meeting.	1 CFO Forum meeting.
		Timely submission of return forms.	Not applicable.	Full compliance.	Submission of quarterly return forms within 30 days of end of quarter.	30 Quarterly return forms.	30 Quarterly return forms.	30 Quarterly return forms.	30 Quarterly return forms.

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 2005/06	2006/07 Estimate	2007/08 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.	Hours turn around time for management of operational finances, human resources and logistical issues.	48 hours.	48 hours	24 hours.	24 hours.	24 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.	Number of training interventions per staff member.	Not applicable.	Not applicable.	2	2	2	2	2

Sub-programme 3.2: Financial Asset Management		Strategic Goal 11: To facilitate the effective and efficient management of financial assets.							
Strategic Objective	Measurable Objective	Performance Measure Indicator	Actual 2005/06	2006/07 Estimate	2007/08 Budget	Quarter 1	Quarter 2	Quarter 3	Quarter 4
1. Ensure effective control and management of the Provincial Revenue Fund.	1.1 Improve the performance of Provincial Revenue Fund to minimise borrowing costs and maximise returns from investments.	The daily deviation between transfers and actual expenditure. The weekly manual releasing of payments on BAS as per the prescribed payment schedule. Facilitate and monitor the PRF to ensure that all moneys due are received in accordance with the mutually agreed upon National payment schedule. Submission of Annual Financial Statements to satisfaction of the office of the AG. Annual submission of the consolidated Provincial cash flow projections in terms of the PFMA on a predetermined date by NT. Daily investment of surplus funds at reputable financial institutions and Corporation of Public Deposits (CPD) in accordance with an approved investment policy.	Target exceeded (deviation <1.3%) Target exceeded 100% achieved. 100% achieved. 100% compliance. Target exceeded.	100% of target. 100% of target. 100% achieved. 100% achieved. 100% compliance. 100% achieved.	2% Predetermined weekly dates. Predetermined weekly/monthly date. End of August. March Budgeted figure, subject to economic variables, eg. Inflation.	2% Predetermined weekly dates. Predetermined weekly/monthly dates Not applicable. Not applicable. 8 million	2% Predetermined weekly dates. Predetermined weekly/monthly dates August 2007 Not applicable. Not applicable. 13 million	2% Predetermined weekly dates. Predetermined weekly/monthly dates Clean report by AG. Not applicable. Not applicable. 13,128 million	2% Predetermined weekly dates. Pre-determined weekly/monthly dates Not applicable. March 2008 13 million

Sub-programme 3.2: Financial Asset Management		Strategic Goal 11: To facilitate the effective and efficient management of financial assets.							
Strategic Objective	Measurable Objective	Performance Measure Indicator	Actual 2005/06	2006/07 Estimate	2007/08 Budget	Quarter 1	Quarter 2	Quarter 3	Quarter 4
2. Render effective technical, strategic support and training to Provincial Departments and Local Government where applicable.	2.1 Build provincial capacity to contribute to improvement of management of financial assets.	Accessibility to a fully operational helpdesk managed by skilled staff rendering service to all users.	100% accessibility.	100% accessibility.	9 hours per day.	9 hours per day.	9 hours per day	9 hours per day	9 hours per day
3. Compliance with the PFMA, MFMA accounting policies, regulations and guidelines.	3.1 Facilitate the implementation of the Municipal Finance Management Act to improve cash management and reporting.	Number of municipalities monitored and advised according to the MFMA. Assessments of the IYM submitted by municipalities in respect of cash flow management and provide feedback and guidance.	100% compliance.	100% compliance.	30 municipalities	8 municipalities	8 municipalities	6 municipalities	8 municipalities
			100% compliance.	100% compliance.	30 municipalities	30 municipalities	30 municipalities	30 municipalities	30 municipalities

Sub-programme 3.3: Moveable Asset Management		Strategic Goal 12: To facilitate the effective and efficient management of movable assets.							
Strategic Objective	Measurable Objective	Performance Measure Indicator	Actual 2005/06	2006/07 Estimate	2007/08 Budget	Quarter 1	Quarter 2	Quarter 3	Quarter 4
1. To ensure that departments/municipalities embrace SCM as a strategic directive that delivers continual cost and value improvements resulting in effective future planning, mitigation of risk in SCM leveraged buying power and a smoother acquisition process. (That implies departments achieving a level 4 auditable rating and municipalities achieving a level 3 auditable rating in the 2007/08 financial year.)	1.1 Assist provincial departments and municipalities in improving the efficiency of their SCM activities.	Number of training interventions arranged on SCM for provincial departments.	90 officials trained.	60 officials trained.	3 training interventions.	Not Applicable	1 training intervention.	1 training interventions.	1 training interventions.
		Number of training interventions arranged on SCM for municipalities.	Not applicable.	40 officials trained.	2 training interventions.	Not applicable.	1 training interventions.	Not Applicable.	1 training intervention.
		Develop Practice Notes and Guidelines for municipalities on SCM.	Not Applicable	Not Applicable	Determined by National Treasury and own assessments.	Determined by National Treasury and own assessments.	Determined by National Treasury and own assessments.	Determined by National Treasury and own assessments.	Determined by National Treasury and own assessments.
		Issue of PTI's, Practice Notes and Guidelines to provincial departments on SCM and Asset Management.	Not applicable	Not Applicable.	Determined by National Treasury and own assessments.	Determined by National Treasury and own assessments.	Determined by National Treasury and own assessments.	Determined by National Treasury and own assessments.	Determined by National Treasury and own assessments..
	1.2 To provide strategic leaderships and guidance to provincial departments and municipalities for a cost effective and value for money SCM process.	Number of provincial transversal contracts arranged.	2 contracts	3 contracts facilitated	3 transversal contracts	Work in progress	1 transversal contract finalised.	Work in progress	Remaining 2 transversal contracts finalised.
		Number of municipal transversal contracts arranged.	Not applicable.	Not applicable.	1 transversal contract.	Work in progress.	Work in progress.	Work in progress.	1 transversal contract.

Sub-programme 3.3: Moveable Asset Management		Strategic Goal 12: To facilitate the effective and efficient management of movable assets.							
Strategic Objective	Measurable Objective	Performance Measure Indicator	Actual 2005/06	2006/07 Estimate	2007/08 Budget	Quarter 1	Quarter 2	Quarter 3	Quarter 4
1. To ensure that departments/municipalities embrace SCM as a strategic directive that delivers continual cost and value improvements resulting in effective future planning, mitigation of risk in SCM leveraged buying power and a smoother acquisition process. (That implies departments achieving a level 4 auditable rating and municipalities achieving a level 3 auditable rating in the 2007/08 financial year.) <i>(continued)</i>	1.2 To provide strategic leadership and guidance to provincial departments and municipalities for a cost effective and value for money SCM process. <i>(continued)</i>	Number of provincial procurement reports on bids awarded per vote. Develop and promote a BBEE/SMME supplier development programme for provincial Departments in liaison with Economic Development and Tourism..	Assessment of existing technology. Not applicable.	12 reports. Not applicable.	12 reports An acceptable model or policy in place.	3 reports. Not applicable.	3 reports. Not applicable.	3 reports. Not applicable.	3 reports. An acceptable model or policy issued to provincial departments.
	1.3 To monitor provincial departments and municipalities to improve good governance and value creation in Supply Chain Management.	Number of SCM value for money and asset management assessments of provincial departmental sites. Number of value for money SCM assessments of municipalities.	Not applicable. Not applicable.	12 assessments. 5 assessments.	12 assessments. 5 assessments.	3 assessments. 3 assessments.	3 assessments. 3 assessments.	3 assessments. 1 assessment.	3 assessments. 2 assessments.

Sub-programme 3.4: Immovable Asset Management		Strategic Goal 13: To facilitate the effective and efficient management of immovable assets (including the built environment and housing) and to facilitate and enhance quality public service delivery by being a catalyst for effective, efficient and value for money best practice solutions.							
Strategic Objective	Measurable Objective	Performance Measure Indicator	Actual 2005/06	2006/07 Estimate	2007/08 Budget	Quarter 1	Quarter 2	Quarter 3	Quarter 4
Immovable Assets									
1. Co-ordinate the implementation of the Infrastructure Delivery Improvement Programme (IDIP) for cost effective execution of infrastructure projects. (That implies departments achieving a level 4 auditable rating and municipalities achieving a level 3 auditable rating in the 2007/08 financial year.)	1.1 Successful implementation of the Infrastructure Delivery Improvement Plan (IDIP).	Number of departments and municipalities participating in IDIP.	Implemented in Education department.	Implemented in Education and Transport and Public Works.	Education, Transport and Public Works, Health and participating in IDIP.	Education, Transport and Public Works Health and participating in IDIP.	Not applicable.	IDIP promoted in municipalities.	IDIP methodology implemented in 3 municipalities.
		Number of business cases (as is assessment and recommendation arising) implemented.	Pilot Phase in Education.	Started with the implementation of two business cases	Start with the implementation of business case in Health and continue with business cases in Education and Transport and Public Works.	Start with the implementation of business case in Health and continue with business cases in Education and Transport and Public Works.	Continue with implementation of business cases.	Continue with implementation of business case.	Completed implementation of 2007/08 business cases. (In the three departments).

Sub-programme 3.4: Immovable Asset Management	Strategic Goal 13: To facilitate the effective and efficient management of immovable assets (including the built environment and housing) and to facilitate and enhance quality public service delivery by being a catalyst for effective, efficient and value for money best practice solutions.								
Strategic Objective	Measurable Objective	Performance Measure Indicator	Actual 2005/06	2006/07 Estimate	2007/08 Budget	Quarter 1	Quarter 2	Quarter 3	Quarter 4
1. Co-ordinate the implementation of the Infrastructure Delivery Improvement Programme (IDIP) for cost effective execution of infrastructure projects. (That implies departments achieving a level 4 auditable rating and municipalities achieving a level 3 auditable rating in the 2007/08 financial year.) <i>(continued)</i>		Number of annual assessment and submission of departmental Infrastructure Plans, Infrastructure Programme Management (IPMP) and Infrastructure Implementation Plan (IPIP) to National Treasury.	Infrastructure Plans of Health, Transport and Public Works, Agriculture and Education submitted to National Treasury.	Infrastructure Plans of Health, Transport and Public Works, Agriculture and Education submitted to National Treasury.	Infrastructure Plans of Health, Transport and Public Works, Agriculture and Education submitted to National Treasury.	Not applicable.	Received four Infrastructure Plans from departments by 31 July 2007 to Provincial Treasury and submit by 31 August 2007 to National Treasury.	Not applicable.	Assessment and Submission of IPIP and IPMP to National Treasury.
2. To strengthen oversight and strategic roles by rendering advice and direction to departments, public entities, municipalities and municipal entities to enhance service delivery. (That implies departments achieving a level 4 auditable rating and municipalities achieving a level 3 auditable rating in the 2007/08 financial year.)	2.1 Facilitate the development of provincial asset management guidelines to improve immovable asset management.	Compile and update provincial asset management guidelines according to GIAMA.	Not applicable.	Not applicable.	Initial research, subsequent to be promulgated in 2007/08.	Not applicable.	Work in progress.	Work in progress.	Work in progress.

Sub-programme 3.4: Immovable Asset Management	Strategic Goal 13: To facilitate the effective and efficient management of immovable assets (including the built environment and housing) and to facilitate and enhance quality public service delivery by being a catalyst for effective, efficient and value for money best practice solutions.									
Strategic Objective	Measurable Objective	Performance Measure Indicator	Actual 2005/06	2006/07 Estimate	2007/08 Budget	Quarter 1	Quarter 2	Quarter 3	Quarter 4	
2. To strengthen oversight and strategic roles by rendering advice and direction to departments, public entities, municipalities and municipal entities to enhance service delivery. (That implies departments achieving a level 4 auditable rating and municipalities achieving a level 3 auditable rating in the 2007/08 financial year.) <i>(continued)</i>	2.2 Effective and efficient monitoring of infrastructure delivery.	Number of site visits conducted and performance reports (including housing, roads and transport projects) submitted.	Not applicable.	Not applicable.	4 site visits and performance reports.	1	1	1	1	
	2.3 Monitor the utilisation of provincial properties to enhance maximum use.	Number of infrastructure reports compiled and compliant to IDIP/ NT Guidelines.	4	4	4	1 report.	1 report.	1 report.	1 report.	
		Number of utilisation reports from departments (Education and Public Works) assessed.	Not applicable.	Not applicable.	2 (one each)	Work in progress.	Work in progress.	Work in progress.	2 (one each)	
		Number of days responsive to disposal assessments.	5 days	5 days	5 days	5 days	5 days	5 days	5 days	

Sub-programme 3.4	Immovable Asset Management	Strategic Goal 13: To facilitate the effective and efficient management of immovable assets (including the built environment and housing) and to facilitate and enhance quality public service delivery by being a catalyst for effective, efficient and value for money best practice solutions.						Quarter 1	Quarter 2	Quarter 3	Quarter 4
Strategic Objective	Measurable Objective	Performance Measure Indicator	Actual 2005/06	2006/07 Estimate	2007/08 Budget	Quarter 1	Quarter 2	Quarter 3	Quarter 4		
Public Private Partnerships (PPPs)											
1. Co-ordinate and promote the implementation of PPP projects through assessments compliance and enforcement of legislation.	1.1 Facilitate and support in liaison with accounting officers the implementation of PPP projects to improve quality of service delivery.	Amount of time taken to respond to PPP project requests.	70%	Respond to all departmental and municipal requests.	Respond to requests within 20 working days.	Respond to requests within 20 working days.	Respond to requests within 20 working days.	Respond to requests within 20 working days.	Respond to requests within 20 working days.		
	1.2 Promote PPP projects in departments and municipalities to obtain value for money.	Number of PPP projects facilitated and coordinated.	100%	Facilitated 6 provincial projects. Facilitated 3 municipal projects.	Minimum of 12 inter-actions.	Minimum of 3 inter-actions.	Minimum of 3 inter-actions.	Minimum of 3 inter-actions.	Minimum of 3 inter-actions.		
	1.3 Provide assistance with identification and initiation of PPP projects to maximise value for money from each project.	Number of departments and municipalities engaged in promotion activities.	100%	Promotion to 28 of 30 municipalities. Promoting to 4 of 13 provincial departments.	3 Additional municipalities. 1 Additional Provincial department.	1	1	1	1		

Sub-programme 3.4	Immovable Asset Management	Strategic Goal 13: To facilitate the effective and efficient management of immovable assets (including the built environment and housing) and to facilitate and enhance quality public service delivery by being a catalyst for effective, efficient and value for money best practice solutions.							
Strategic Objective	Measurable Objective	Performance Measure Indicator	Actual 2005/06	2006/07 Estimate	2007/08 Budget	Quarter 1	Quarter 2	Quarter 3	Quarter 4
2. Facilitate and provide developmental technical assistance and support to departments and municipalities on all PPP projects in progress.	2.1 Monitor and enforce compliance with Treasury Regulations.	Number of projects monitored post registration.	100% completion by 30 June 2005.	3 municipal projects 4 provincial projects.	3 municipal projects. 9 provincial projects.	3 municipal projects. 9 provincial projects.	3 municipal projects. 9 provincial projects.	3 municipal projects. 9 provincial projects.	3 municipal projects. 9 provincial projects.
	2.2 Capacitate departments and municipalities about PPP's.	Number of projects monitored post financial closure.	Not applicable	2 provincial closed deals monitored.	2 provincial closed deals monitored.	2	2	2	2
		Number of training sessions/workshops.	Not applicable	2 training sessions.	4 training sessions.	1	1	1	1

Sub-programme 3.5: Liabilities Management		Strategic Goal 14: To facilitate the effective and efficient management of liabilities.							
Strategic Objective	Measurable Objective	Performance Measure Indicator	Actual 2005/06	2006/07 Estimate	2007/08 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). Only from 2009/10.	Percentage achieved w.r.t provision for necessary funds to service loan agreements and/or guarantees.	Not applicable.	Not applicable.	Not applicable as current revenue streams do not allow borrowing.	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 as current own revenue streams do not allow borrowing.	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 as current own revenue streams do not allow borrowing.	Not applicable.	Not applicable.	Not applicable.	Not applicable.

Sub-programme 3.5: Liabilities Management		Strategic Goal 14: To facilitate the effective and efficient management of liabilities.							
Strategic Objective	Measurable Objective	Performance Measure Indicator	Actual 2005/06	2006/07 Estimate	2007/08 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 as current revenue streams do not allow borrowing.	Not applicable.	Not applicable.	Not applicable.	Not applicable.
		Percentage achieved regarding assistance and/or establishment of suitable monitoring mechanisms for loans and for guaranteees.	Not applicable.	Not applicable.	Not applicable as current own revenue streams do not allow borrowing.	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 guaranteees that are administered and repaid strictly in terms of relevant legislation.	Not applicable.	Not applicable.	Not applicable as current own revenue streams do not allow borrowing.	Not applicable.	Not applicable.	Not applicable.	Not applicable.
		Percentage accuracy of reporting in terms of annual financial statements of all loans and/or guaranteees.	Not applicable.	Not applicable.	Not applicable as current own revenue streams do not allow borrowing.	Not applicable.	Not applicable.	Not applicable.	Not applicable.

Sub-programme 3.5: Liabilities Management		Strategic Goal 14: To facilitate the effective and efficient management of liabilities.							
Strategic Objective	Measurable Objective	Performance Measure Indicator	Actual 2005/06	2006/07 Estimate	2007/08 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 as current own revenue streams do not allow borrowing	Not applicable.	Not applicable.	Not applicable.	Not applicable.

Sub-programme 3.6:	Supporting and Interlinked Financial Systems		Strategic Goal 15: To provide for the oversight, enhancement 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.							
Strategic Objective	Measurable Objective	Performance Measure Indicator	Actual 2005/06	2006/07 Estimate	2007/08 Budget	Quarter 1	Quarter 2	Quarter 3	Quarter 4	
1. To provide for the management, improvement and implementation of existing financial systems and eventual transition to the IFMS, ensuring compliance with the PFMA and other relevant legislation.	1.1 Effectively, efficiently and economically implemented and managed financial systems to ensure the availability of timely and updated management information.	Time taken to clear all exceptions, rejections and audit reports. The roll out of Vulindlela (WEB application) to all departments, regions and institutions on request.	100% achieved.	100% achieved.	7 days	7 days	7 days	7 days	7 days	
1.2 The smooth and cost effective transition to National Treasury Integrated Financial Management System (IFMS) contributing to sound financial management.		Provincial Treasury to play an integral role in planning, development, testing and implementation phases in accordance with an approved project plan.	Not applicable	Not applicable.	Dependent on completion of phase 2 (provincial set-up gearing for actual implementation for SCM module) by National Treasury	Not applicable.	Not applicable	Not applicable	In accordance with an approved project plan.	
2. Monitor and report on financial management system's performance.	2.1 Availability, stability and accessibility of existing financial systems to ensure timely availability of information for management decisions.	Availability and stability of existing financial systems to ensure an up-time of at least 95%.	Target exceeded (98.6%).	100% achieved.	95% uptime.	95% uptime.	95% uptime.	95% uptime.	95% uptime.	

Sub-programme 3.6: Supporting and Interlinked Financial Systems	Strategic Goal 15: To provide for the oversight, enhancement 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.								
Strategic Objective	Measurable Objective	Performance Measure Indicator	Actual 2005/06	2006/07 Estimate	2007/08 Budget	Quarter 1	Quarter 2	Quarter 3	Quarter 4
2. Monitor and report on financial management system's performance. (continued)	2.2 System functionalities to comply with norms and standards and the relevant statutory requirements.	All user requirements submitted to National Treasury and rolled out within 2 weeks after release.	100% achieved.	100% achieved.	Within 2 weeks after release.	Within 2 weeks after release.	Within 2 weeks after release.	Within 2 weeks after release.	Within 2 weeks after release.
3. Render effective technical, strategic support and training to departments.	3.1 Build provincial capacity to contribute to the improvement of existing financial management.	Accessibility to a fully operational helpdesk managed by skilled staff rendering service to all users.	100% achieved.	100% achieved.	9 hours per day.	9 hours per day.	9 hours per day.	9 hours per day.	9 hours per day.
		Number of officials appropriately trained on the various financial systems.	Target exceeded (73%)	90% of target market.	1400 officials with a 70% pass rate.	400 officials with a 70% pass rate.	400 officials with a 70% pass rate.	200 officials with a 70% pass rate.	400 officials with a 70% pass rate.

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 2005/06	2006/07 Estimate	2007/08 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.	Hours turnaround time for management of operational finances, human resources and logistical issues..	48 hours.	48 hours	24 hours.	24 hours.	24 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.	Number of training interventions per staff member.	Not applicable.	Not applicable.	2	2	2	2	2
3. Support and promote BBBEE initiatives through administrative functions.	3.1 Achievement of iKapa Ehlumayo goals.	Number of service providers complying to BBBEE.	Not applicable.	Not applicable.	3		1	1	1

Sub-programme 4.2: Accounting Services		Strategic Goal 16: To ensure that financial reporting is a full and true reflection of the financial position of the Province, including municipalities.							
Strategic Objective	Measurable Objective	Performance Measure Indicator	Actual 2005/06	2006/07 Estimate	2007/08 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 and contribute towards attaining level 3 auditable organisations.	1.1 Accounting policy framework rolled out for implementation by departments, municipalities and all entities to improve financial reporting.	The number of departments, municipalities and entities comply with the approved AFS Accounting Policy Framework	Not applicable.	Not applicable.	All 13 votes, 20/24 Municipalities, 12/14 Public and trading entities.	Not applicable.	All 13 votes, 20/24 Municipalities, 12/14 Public and trading entities.	Not applicable.	Not applicable.
	1.2 Compile the ACFS of departments and entities to reflect the consolidated financial performance and position of the Provincial Government.	Date to be tabled in Provincial Parliament.	31 October 2005	31 October 2006	31 October 2007	Prepare consolidations	Prepare consolidations	Prepare consolidations	Tabled 31 October 2007
2. Ensure integrity of financial data.	2.1 Monitor and assess Institutions for compliance with Financial Reporting Requirements to improve financial management capability.	Periodic timeframes within which assessment reports are compiled	Monthly (20 th) Quarterly: April July October January	Monthly (20 th) Quarterly: April July October January	Monthly (20 th) Quarterly: April July October January	Monthly (20 th) Quarterly: End April	Monthly (20 th) Quarterly: End July	Monthly (20 th) Quarterly: End October	Monthly (20 th) Quarterly: End January

Sub-programme 4.2: Accounting Services		Strategic Goal 16: To ensure that financial reporting is a full and true reflection of the financial position of the Province, including municipalities.							
Strategic Objective	Measurable Objective	Performance Measure Indicator	Actual 2005/06	2006/07 Estimate	2007/08 Budget	Quarter 1	Quarter 2	Quarter 3	Quarter 4
2. Ensure integrity of financial data. <i>(continued)</i>	2.2 Produce an Accounting Review on the financial statements of departments and entities to provide an assessment of financial management.	Date by which to complete the Review	Finalised in October 2005 and included in Financial Management Review 2004 Working Paper.	Finalised in October 2006 for inclusion in the Financial Governance Review and Outlook 2005.	31 April 2007	Input finalised into the Financial Governance Review and Outlook.	Not applicable.	Not applicable.	Not applicable.
	2.3 Coordinate, compile, edit and publish the Financial Governance Review & Outlook to provide an assessment of financial management	Date by which published and tabled in Provincial Parliament	Not applicable.	1 November 2006	31 August 2007	End June 2007 submitted to G&A Cabinet Committee for consideration.	Submission to Cabinet for approval, publishing and tabling by end August 2007	Not applicable.	Not applicable.
	2.4 Compile a REAL Assessment report of municipalities to feed into the LG MTEC 3 process	Date by which assessment to be completed.	Not applicable.	Mid April 2006	Mid April 2007	Assessment finalised	Not applicable.	Not applicable.	Not applicable.
	2.5 Compile an Accounting Review working paper for municipalities to assess financial management capabilities.	Date by which working paper to be completed.	Not applicable.	31 August 2006	31 August 2007	Not applicable.	Working paper completed.	Not applicable.	Not applicable.

Sub-programme 4.3:	Norms and Standards	Strategic Goal 17: To identify, develop and monitor financial norms and standards.							
Strategic Objective	Measurable Objective	Performance Measure Indicator	Actual 2005/06	2006/07 Estimate	2007/08 Budget	Quarter 1	Quarter 2	Quarter 3	Quarter 4
1. To identify and develop financial norms and standards and monitor compliance by municipalities, departments and public entities respectively in terms of the MFMA and PFMA to contribute to the attainment of level 3 auditable organisations.	1.1 Monitor existing financial management norms and standards in departments and public entities to assess compliance thereof.	Number of Departments and Entities assessed quarterly.	Not applicable.	Not applicable.	12 Departments 13 Entities	12 Departments 13 Entities	12 Departments 13 Entities	12 Departments 13 Entities	12 Departments 13 Entities
	1.2 Annual Reports that are both compliant and relevant to foster transparency and accountability.	Updating the existing monitoring tool for public entities.	Not applicable.	Not applicable.	31 March 2008	Not applicable.	Not applicable.	Draft Monitoring tool developed	Revised Monitoring tool developed
	1.3 Determination of financial management norms and standards to address deficiencies identified in internal and external audit reports.	Number of Departments and Entities assessed for compliance with NT guidelines for Annual reporting.	Not applicable	Not applicable	12 Departments 13 Public Entities	12 Departments 13 Public Entities.	12 Departments 13 Public Entities	Not applicable	Not applicable.
	1.4 Monitor existing financial management norms and standards in municipalities to assess compliance thereof.	Number of reports assessed for generic norms and standards to address deficiencies identified.	Not applicable.	Not applicable.	25 reports highlighting the corrective steps required.	Nil Report	10 Reports.	10 Reports.	5 Reports.
		Number of municipalities assessed quarterly.	Not applicable.	Not applicable.	20/24 municipalities	20/24 municipalities	20/24 municipalities	20/24 municipalities	20/24 municipalities

Sub-programme 4.3: Norms and Standards		Strategic Goal 17: To identify, develop and monitor financial norms and standards.							
Strategic Objective	Measurable Objective	Performance Measure Indicator	Actual 2005/06	2006/07 Estimate	2007/08 Budget	Quarter 1	Quarter 2	Quarter 3	Quarter 4
1. To identify and develop financial norms and standards and monitor compliance by municipalities, departments and public entities respectively in terms of the MFMA and PFMA to contribute to the attainment of level 3 auditable organisations. <i>(continued)</i>	1.4 Monitor existing financial management norms and standards in municipalities to assess compliance thereof. <i>(continued)</i>	Number of municipalities assessed for compliance with NT guidelines for Annual reporting.	Not applicable.	20/24 municipalities	20/24 municipalities	10	10	Not applicable	Not applicable
		Number of auditor-Generals report assessed and corrective steps recommended.	Not applicable.	24/24 municipalities	24/24 municipalities	Not applicable.	Not applicable.	5	19
2. Appropriate and dynamic financial legislative framework.	2.1 Annual review of existing Provincial financial legislation to keep it relevant and appropriate and coordination of inputs into proposed amendments of National Financial Legislation.	Number of legislation reviewed and/or commented on.	Transversal supply chain PTI's issued	Transversal supply chain PTI's reviewed and inputs given into proposed PFMA and NTR amendments.	Review of 3 existing provincial financial laws and further input into PFMA amendments.	Work in progress.	Work in progress.	Work in progress.	Cabinet approval and tabling.
		Maintenance of a database of all financial legislation and associated instructions.	100% completion.	Database updated.	Database updated.	Database updated.	Database updated.	Database updated.	Database updated.

Sub-programme 4.4: Risk Management		Strategic Goal 18: To facilitate the establishment of risk management capacity and financial governance systems in the Provincial Government.							
Strategic Objective	Measurable Objective	Performance Measure Indicator	Actual 2005/06	2006/07 Estimate	2007/08 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 Develop and facilitate the implementation of effective risk management framework to enhance internal control and encourage risk management culture in provincial government.	Number of practice notes issued to departments to implement risk management.	Not applicable.	Not applicable.	4 practice notes work stopped and issued.	1	1	1	1
		Number of departmental risk management staff trained in risk management framework and tools	Not applicable.	20/45	30/45	30/45	30/45	30/45	30/45
		Number of departments assessed for compliance with risk management framework and tools.	12	12	12	12	12	12	12
		Finalise update of governance framework and obtain Cabinet approval for rollout.	Not applicable.	Not applicable.	31 August 2007	Updates finalised and submission to Provincial Treasury Management (PTM) for consideration and acceptance	Cabinet approval.	Rollout in departments.	Rollout in departments.
		Number of risk awareness workshops conducted	Not applicable.	Not applicable.	4	1	1	1	1
		Develop and update pocket guidance document	Not applicable.	Not applicable.	31 December 2007	Work in progress.	Work in progress.	Target date met.	Distribution

Sub-programme 4.4: Risk Management		Strategic Goal 18: To facilitate the establishment of risk management capacity and financial governance systems in the Provincial Government.							
Strategic Objective	Measurable Objective	Performance Measure Indicator	Actual 2005/06	2006/07 Estimate	2007/08 Budget	Quarter 1	Quarter 2	Quarter 3	Quarter 4
2. Provide consolidated PGWC risk profile to develop response strategies to mitigate transversal risk.	2.1 Provide consolidated PGWC risk profile to develop response strategies.	Existence of an inherent consolidated risk profile for PGWC	100% of departments included in consolidation.	Bi-annually	Bi-annually	Work in progress.	31 July 2007	Work in progress	29 February 2008
		Transversal risks identified and allocated to transversal risk owners.	Nil risks identified.	Bi-annually	Bi-annually	Work in progress.	31 July 2007	Work in progress	29 February 2008
		Monitor the implementation of transversal response strategies.	Not applicable.	Not applicable.	Quarterly	30 June 2007	30 September 2007	31 December 2007	31 March 2008

Sub-programme 4.5: Provincial Internal Audit		Strategic Goal 19: To perform internal audit services on a risk-analysis basis.							
Strategic Objective	Measurable Objective	Performance Measure Indicator	Actual 2005/06	2006/07 Estimate	2007/08 Budget	Quarter 1	Quarter 2	Quarter 3	Quarter 4
1. To render an effective risk based internal audit (IA) service that will contribute towards a level 4 auditable organisation.	1.1 Risk-based internal audit services to improve the effectiveness of risk management, control and governance processes	Number of votes' internal audit plans executed by the end of the financial year as approved by the relevant Audit Committee.	All votes covered.	All votes covered.	13 votes	Audits completed and reports issued according to the quarterly deliverables schedule supporting the internal audit plan	Audits completed and reports issued according to the quarterly deliverables schedule supporting the internal audit plan	Audits completed and reports issued according to the quarterly deliverables schedule supporting the internal audit plan	Audits completed and reports issued according to the quarterly deliverables schedule supporting the internal audit plan
		Number of critical and significant findings reported in the previous audit cycle followed-up	Not applicable.	Not applicable.	All critical and significant audit findings followed-up	Audits completed and reports issued according to the quarterly deliverable schedule supporting the internal audit plan	Audits completed and reports issued according to the quarterly deliverable schedule supporting the internal audit plan.	Audits completed and reports issued according to the quarterly deliverable schedule supporting the internal audit plan.	Audits completed and reports issued according to the quarterly deliverable schedule supporting the internal audit plan
		Number of progress reports issued per audit committee	Quarterly reports to the audit committee.	Quarterly reports to the audit committee.	4 reports	First quarterly report to the audit committees.	Second quarterly report to the audit committees.	Third quarterly report to the audit committees.	Fourth quarterly report to the audit committees.

Sub-programme 4.5: Provincial Internal Audit		Strategic Goal 19: To perform internal audit services on a risk-analysis basis.							
Strategic Objective	Measurable Objective	Performance Measure Indicator	Actual 2005/06	2006/07 Estimate	2007/08 Budget	Quarter 1	Quarter 2	Quarter 3	Quarter 4
1. To render an effective risk based internal audit (IA) service that will contribute towards a level 4 auditable organisation. <i>(continued)</i>	1.1 Risk-based internal audit services to improve the effectiveness of risk management, control and governance processes. <i>(continued)</i>	Generally compliant external Quality Assurance Review report of the Provincial Internal Audit Function by the IIA (SA).	Nil.	Generally compliant opinion expressed by IIA (SA) Report due by 31 March 2007.	Nil	Not applicable.	Not applicable.	Not applicable.	Not applicable.
	1.2 Building internal capacity to take over the full internal audit function from the current service provider before December 2008 and to allow for staggered decentralisation to Health, Education and Transport and Public Works over the next 3 years.	Number of posts filled.	Not applicable.	New structure approved by Cabinet, awaiting acquiescence by MPSA.	27 additional posts filled	6 posts	11 posts	10 posts	Preparation for next round of recruitment.
2. Ensure fully functional audit committees.	2.1 Fully functional, competent and independent Audit Committees to promote good governance and accountability.	Number of training interventions.	2 formal training interventions per staff member.	2 formal training interventions per staff member.	2 formal training interventions per staff member.	Finalise IDPs.	1 Formal training intervention.	1 Formal training intervention.	Review of training needs.
		Number of Interns recruited	Not applicable.	Not applicable.	10	10	Not applicable.	Not applicable.	Preparation for next round of recruitment
		Number of audit plans submitted for approval.	All votes.	All votes	13 audit plans approved.	13 audit plans approved.	Not applicable.	Not applicable.	Not applicable.

Sub-programme 4.5: Provincial Internal Audit		Strategic Goal 19: To perform internal audit services on a risk-analysis basis.							
Strategic Objective	Measurable Objective	Performance Measure Indicator	Actual 2005/06	2006/07 Estimate	2007/08 Budget	Quarter 1	Quarter 2	Quarter 3	Quarter 4
2. Ensure fully functional audit committees. <i>(continued)</i>	2.1 Fully functional, competent and independent Audit Committees to promote good governance and accountability. <i>(continued)</i>	Number of training interventions per committee.	Not applicable	Not applicable.	2	1	Not applicable.	Not applicable.	1
		Updating of standard operating procedures and audit committee charter.	Not applicable.	Not applicable.	Annually	Cabinet approval for updated charter by end of April 2007	Not applicable.	Standard Operating Procedures updated.	Not applicable.