

Provincial Treasury

ANNUAL PERFORMANCE PLAN

2008/09 to 2010/11



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Foreword

The 2006/07 Annual Report precluded that during the planning phase of the Annual Performance Plan for 2007/08 concerted efforts will be made to improve performance measure indicators and measurable objectives. In many cases revisions were made and the assistance of an external service provider was used. During the preparation phase of the 2008/09 Annual Performance Plan further refinements were made to this document, firstly, to align it with Provincial Treasury's Estimates of Provincial Expenditure 2008 and secondly, to ensure that the most important deliverables of each component are reflected and aligned between all the programmes of Provincial Treasury.

It is our intention to table a more practical and user friendly document with less technicalities for all and sundry who have access to it.

Being aware of the fact that the Office of the Auditor-General may qualify performance reporting as from 2010 onwards it became important that the same service provider that was used to assist in compiling previous Annual Performance Plans will be used to compile performance management frameworks for all the sub-programmes to ensure that more information than what is available in this document will be available for the audit of 2009/10.



Lynne Brown
Minister of Finance and Tourism

Date: 28 March 2008

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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 Act
GRAP:	Generally Recognised Accounting Practice
HDI:	Historically Disadvantaged Individual
HOT:	Head Official Treasury

HR:	Human Resource
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
PMF:	Performance Management Frameworks
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
PSPDF:	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
SAQA	South African Qualification Authority
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 2008/09 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, it is 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 conduct the strategic management and overall administration of the Provincial Treasury.

The programme structure is as follows:

Office of the Minister

To render secretarial, administrative and office support services.

Management Services

To render strategic support, coordination and communication services.

Corporate Services (Human Resource Management)

To provide human resource management and development.

Financial Management (Office of the CFO)

To deliver financial management and advisory services to make limited provision and maintenance of accommodation needs.

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

As was previously the case, good service delivery to all the programmes has been and will stay a priority for the support programme (Programme 1) within the Provincial Treasury. The greatest challenge remains to meet employment equity targets, reduce the high vacancy rate and improve service delivery. Furthermore, great strides were made to attain professional assistance to lower the attrition rate and appoint and retain staff.

d. Description of planned quality improvement measures

On the Financial Management side, improved control measures have been implemented within several areas to enhance service delivery and reporting within Provincial Treasury. Several circulars to improve budget control, IYM, non-financial performance reporting, payments control and risk management have already been compiled and distributed to the Provincial Treasury staff.

HRM is planning to improve relations between management and labour by providing training to all members of the Institutional Management and Labour Committee members.

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, 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.

Strategic objectives:

1. Ensure the rendering of secretarial, administrative and office support services.
2. Assist with tourism functions vested under the Minister.

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 appointment of the media liaison officer (MLO) assisted 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 and regularly reviewed to achieve proper functional and co-ordinated arrangements for the department.

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.

1.2 Sub-programme 1.2: Management Services

1.2.1 Specified policies, priorities and strategic objectives

The development, consolidation, coordination, 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, coordination and communication services.

Strategic objective:

1. A well functioning and coordinated institution that delivers on its responsibilities.
2. The coordination of processes and measures to support service delivery by the organisation.

1.2.2 Progress analysis

The communication and information management function has not yet been fully established during the 2007/08 financial year. A language practitioner has been appointed, but the services of the communication officer became vacant when the incumbent left office during May 2007.

1.2.3 Analysis of constraints and measures planned to overcome them

The biggest constraint still remains finding suitably qualified staff to fill posts within this sub-programme. However, the appointment of a new Chief Director: Corporate Services will greatly assist to drive and co-ordinate activities within the programme and the department.

1.2.4 Description of planned quality improvement measures

With the appointment of the Chief Director: Corporate Services during early 2008/09, there should be better synergy and co-ordination to provide higher level of support services to the Provincial Treasury.

1.3 Sub-programme 1.3: Corporate Services (HRM)

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.
- To develop a strategy to enhance employee health and wellness in the workplace.

Strategic goal 3: To provide human resource management and development.

Strategic objective:

1. To attract and acquire the desired employee profile in alignment with Provincial Treasury 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 Provincial 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 and to form a strategic partnership with business. The continuous turnover of senior manager incumbents and the consequent instability in the operational environment also hampered the effective achievement of strategic objectives.

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. One of these strategies is the development and implementation of

a Talent Management Framework. Interventions that would adequately address these development areas will receive high priority during the next three years.

To demonstrate that the Provincial Treasury is a caring employer the development and implementation of a Behavioural Risk Policy and Strategy is planned for the next three years. It will include amongst others the empowerment of managers to deal effectively with the management of troubled employees and HIV and Aids.

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 2008/09 and later years
- Misalignment of the staff establishment with the revised organisational structure and capacity hampers effective delivery. The realignment of structure and capacity to facilitate streamlined organisational service processes was explored. This gave fruit to the reconfiguration exercise that should end in the 2008/09 financial year.
- Concerns regarding leadership and management styles were identified by means of a cultural and leadership assessments. To address this issue a series of cultural interventions will be taking place during the latter part of 2007 and in 2008. In addition to this all the current middle and senior managers underwent competency assessments to identify their competency gaps followed by the development of structured learning programmes, which will focus on the individual and generic competencies.
- The challenge to master the skill of implementing policies successfully and to monitor and evaluate it.
- The key challenges for the next two years will be to ensure stability within the team and to improve the impact and efficacy of the human resources component in Provincial Treasury and also to achieve employment equity.

1.3.4 Description of planned quality improvement measures

The directorate will employ best-practice models 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 and the Batho Pele principles and several private service providers have been contracted with specialised fields of expertise that will improve change management and take the management of soft issues to a higher level.

1.4 Sub-programme 1.4: Financial Management

1.4.1 Specified policies, priorities and strategic objectives

The following priorities have been identified:

- Realistic budget within prescribed limits.

- Maintaining proper management of ledgers that reflect accurate information to be taken up in Annual Financial Statements.
- Improved accounts control and contractual administration.
- Provide and develop SCM databases for stock, IT equipment, stores, assets and for Broad-Based Black Economic Empowerment purposes.
- Identify 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 and advisory services to make limited provision and maintenance of accommodation needs.

Strategic objectives:

1. Good budget management to remain within prescribe budget.
2. Timely and accurate reflection of the status of Provincial Treasury's ledger accounts.
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 deputy director appointments in 2007/08 in the SCM unit and within Management Accounting. The Internal Control structure was enlarged with Risk Management, which required the doubling of posts from two to four. This resulted in an increased scope of work with internal control now being a support function of Risk Management.

SCM also improved with better asset management in place and all assets will be bar-coded as from 2008/09. The Information Resource Centre is functioning well.

Document control received attention with the completion of the file plan, which still needs to be implemented and aligned to an electronic system. 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. The department also submitted the Annual Report, including Annual Financial Statements, on time and received a clean audit report for a second round in succession. The monthly IYM monitoring now includes HRM checks to improve monitoring of staff expenditure and vacancy rates. An external service provider was appointed to assist with the development of the Performance Management Frameworks that will create an audit trail for Quarterly Performance Reports and Annual Performance Plans in future.

1.4.3 Analysis of constraints and measures planned to overcome them

Compliance procedures used when performing inspections by Internal Control assists with ensuring that the internal and external audits are followed up.

A tighter fiscal framework over the new MTEF will require more sophisticated financial management measures and senior managers will be compelled to participate more actively in the IYM process.

The biggest constraint within the Risk Management section remains to find suitably qualified staff to fill the three vacant posts.

The following corrective measures will be put in place:

- Risk management will have to plan more strategically with the involvements of all the senior managers.
- Budget planning control measures will be sharpened in Provincial Treasury to stay within the legislative expenditure targets.
- Procurement and acquisition procedures are to be reviewed to ensure expenditure is controlled within the legislative mandates and recorded correctly on the transversal systems.

1.4.4 Description of planned quality improvement measures

Continued focus will be placed on skills development 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 component. Greater information sharing will be encouraged.

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 new file plan will be implemented during 2008/09 and linked to an electronic system where document tracking and filing can be monitored.

The Information Resource Centre will be promoted within the 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.

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.						
Strategic Objective	Measurable Objective	Performance Measure Indicator	Actual 2005/06	Actual 2006/07	2007/08 Estimate	2008/09 Budget	2009/10 Target	2010/11 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.	Maximum turnaround time on documents submitted or correspondence addressed to the Minister.	2 working days	2 working days	2 working days	2 working days	2 working days	2 working days
2. Assist with tourism functions vested under the Minister.	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.	48	48	48	48	48	48

Sub-programme 1.2: Management Services		Strategic Goal 2: To render strategic support, coordination and communication service.						
Strategic Objective	Measurable Objective	Performance Measure Indicator	Actual 2005/06	Actual 2006/07	2007/08 Estimate	2008/09 Budget	2009/10 Target	2010/11 Target
1. A well-functioning and coordinated institution that delivers on its responsibilities.	1.1 Contribute to improved coordination of management processes to deliver effective and quality services.	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

Sub-programme 1.2: Management Services		Strategic Goal 2: To render strategic support, coordination and communication service.						
Strategic Objective	Measurable Objective	Performance Measure Indicator	Actual 2005/06	Actual 2006/07	2007/08 Estimate	2008/09 Budget	2009//10 Target	2010/11 Target
2. The coordination of processes and measures to support service delivery by the organisation.	2.1 Smooth and effective functioning of the programme.	Meeting of all outputs of all sub-programmes.	All outputs met	All outputs met	All outputs met	All outputs met	All outputs met	All outputs met
Sub-programme 1.3: Corporate Services		Strategic Goal 3: To provide human resource management and development.						
Strategic Objective	Measurable Objective	Performance Measure Indicator	Actual 2005/06	Actual 2006/07	2007/08 Estimate	2008/09 Budget	2009/10 Target	2010/11 Target
1. To attract and acquire the desired employee profile in alignment with Provincial Treasury business objectives.	1.1 Develop appropriate strategies and mechanisms for attracting and acquiring the desired employees.	Date at which new recruitment policy implemented.	Original implemented	Original implemented	Policy currently under review	Implementation and execution of policy as part of Talent Management Framework	Policy to be reviewed for relevancy	Policy to be reviewed for relevancy
		Date of the development and implementation of a retention policy and strategy.	Limited	Limited	Initial draft developed.	Composite policy as part of Talent Management Framework	Composite policy as part of Talent Management Framework	Composite policy as part of Talent Management Framework
2. To develop and maintain a learning organisation in order to produce a competent workforce.	2.1 To design and develop a comprehensive learning and development system.	Date at which new Learning and Development Policy and strategy will be implemented.	None	Limited	Competency assessment i.r.o. MMS and SMS to be concluded by February 2009	Learning and development policy as part of Talent Management Framework	Learning and development policy as part of Talent Management Framework	Learning and development policy as part of Talent Management Framework

Sub-programme 1.3: Corporate Services		Strategic Goal 3: To provide human resource management and development.						
Strategic Objective	Measurable Objective	Performance Measure Indicator	Actual 2005/06	Actual 2006/07	2007/08 Estimate	2008/09 Budget	2009/10 Target	2010/11 Target
2. To develop and maintain a learning organisation in order to produce a competent workforce. (Continued)	2.2 To design and develop a comprehensive training and development system	Date at which Quality Management System (QMS) for training will be refined.	Accredited by SAQA	Limited	In process of reviewing policies	Refined Quality Management System for training	Refined Quality Management System for training	Refined Quality Management System for training
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.	3.1 Establish diverse and integrated workforce.	Implementation of cultural assessment findings.	Cultural assessment conducted for PT November 2005	Focus group discussions, interventions identified and implemented	Executive Coaching 07/08, structured Cultural Intervention programme and behavioural survey	Further roll-out of cultural assessment findings	Further roll-out of cultural assessment findings	Further roll-out of cultural assessment findings
		Develop and implement a Behavioural Risk Policy and Strategy.	None	Limited	Limited	Behavioural Risk policy and strategy	Behavioural Risk policy and strategy	Behavioural Risk policy and strategy
4. Refining work systems for the optimal delivery of all transactional human resource management contributing to Provincial Treasury attaining a 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.	Unqualified Auditor-General report achieved	Unqualified Auditor-General report achieved	To receive an unqualified Auditor-General report.	To receive an unqualified Auditor-General report	To receive an unqualified Auditor-General report	To receive an unqualified Auditor-General report

Sub-programme 1.4: Financial Management		Strategic Goal 4: To deliver financial management and advisory services to make limited provision and maintenance of accommodation needs.						
Strategic Objective	Measurable Objective	Performance Measure Indicator	Actual 2005/06	Actual 2006/07	2007/08 Estimate	2008/09 Budget	2009/10 Target	2010/11 Target
1. Good budget management to remain within prescribed budget.	1.1 Maintain and monitor an efficient and effective planning and budget management.	Main and Adjustment Estimates submitted timeously.	Achieved	Achieved	Achieved	Achieved	Achieved	Achieved
2. Timely and accurate reflection of status of Provincial Treasury's ledger accounts.	2.1 Ledger accounts that accurately reflect the financial position.	Compile and submit quality AFS.	31 May 2006	31 May 2007	31 May 2008	31 May 2009	31 May 2010	31 May 2011
	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
3. Good supply chain management services allowing Provincial Treasury to attain level 3 auditable status in this respect.	3.1 To implement SCM that will enhance service delivery.	Percentage of service satisfaction.	70%	80%	85%	90%	100%	100%
4. Proper internal control measures and risk management in the Provincial Treasury.	4.1 Maintain effective risk management systems to reduce risks.	Facilitation of risk identification process in accordance with 8 steps identified in PMF.	None	Limited	Limited	50% implementation	70% implementation	100% implementation
5. Determine and maintain good administrative standards and reporting.	5.1 Fully functional approved filling system for document flow and document control.	Percentage of inadequacies addressed as recommended by internal control and internal audit inspections.	Limited	40%	50%	70%	85%	100%

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 2005/06 (actual)	Year - 1 2006/07 (actual)	Base year 2007/08 (estimate)	Average annual change (%)	Year 1 2008/09 (budget)	Year 2 2009/10 (MTEF projection)	Year 3 2010/11 (MTEF projection)	Average annual change (%)
Office of the Minister	3 559	2 774	3 592	0.46%	3 761	4 201	4 419	8.40%
Management Services	1 747	2 029	2 036	7.95%	3 037	3 325	3 503	7.40%
Corporate Services	6 999	8 928	13 121	36.92%	12 581	13 481	14 201	6.24%
Financial Management	10 915	14 993	14 851	16.64%	14 956	16 075	16 901	6.30%
Total	23 220	28 724	33 600	20.29%	34 355	37 082	39 024	6.61%

The average annual increase of 20.3 per cent for the financial years 2005/06 to 2007/08 is mainly attributable to the increase in expenditure under Corporate Services of 36.9 per cent. This is related to the increased expenditure on recruitment, staff events and the centralisation of the training as well as the budget provision made for the Provincial Treasury's internship programme (excluding Internal Audit) from 2007/08 onwards. Furthermore, inflation adjustments over the MTEF are the main causes for the average increase of 6.6 per cent. The exception is Management Services, for which the provision of a Chief Director: Corporate Services is made for from 2008/09 onwards.

2. Programme 2: Sustainable Resource Management

Sustainable Resource Management comprises of five sub-programmes namely Programme Support, Economic Analysis, Fiscal Policy, Budget Management and Public Finance. All the sub-programmes cater for both provincial and local government responsibilities.

Programme Support

To provide management and administrative support.

Economic Analysis

The sub-programme is responsible to research and determine the macro-economic and socio-economic environment within which the provincial and local government budget is formulated and implemented contributing towards the achievement of goals set out in the iKapa Elihlumayo growth and development strategies.

Budget Management

The sub-programme is responsible to drive the annual provincial budget process, inclusive of the Medium-Term Budget Policy Statement. On the local government side, is the provision of guidance and oversight on local government budgets. It also manages the Local Government Medium-Term Expenditure Committee (LGMTEC) processes in the quest to ensure budget alignment between the provincial and municipal spheres.

Fiscal Policy

The sub-programme is responsible to assess and ensure that the provincial and local governments are able to finance their service delivery obligations and contribute to improving the systems of provincial and local governments that *inter alia* enhances revenue adequacy and service delivery.

Public Finance

The sub-programme consists of three directorates i.e. 1 for Provincial Government Finance and 2 for Local Government Finance. Provincial Government Finance is responsible to compile the annual main and adjustments budgets of the provincial departments as well as to ensure the efficient implementation thereof. The unit further assesses and reports on provincial revenue and expenditure of departments including public entities. In addition it provides oversight over the Western Cape Gambling and Racing Board. Local Government Finance assesses and reports on municipal budgets, their revenue and expenditure management as well as to drive the implementation of the Municipal Finance Management Act. During 2008/09 Local Government Finance will be split into two Directorates that will more accurately reflect the spatial revenue and expenditure characteristics that require a more tailored approach to manage the implementation of municipal budgets.

a. Specified policies, priorities and strategic objectives

Programme 2 strives to foster professionalism, create synergy and integration within and between the sub-programmes.

Economic Analysis

The unit will conduct socio-economic analysis and render policy advice to all relevant stakeholders in the Western Cape. In addition, the unit will determine and analyse key economic variables, and their interrelation and relevance to the budget as well as the potential for growth and development.

Budget Management

The 2007 Western Cape Medium Term Budget Policy Statement (WC-MTBPS) sets out the fiscal policy direction for 2008 MTEF in line with strategic objectives contained in the iKapa Growth and Development Strategy (iKapa GDS) and the national drive towards accelerated shared growth. The 2008/09 budget centred on the further development of key objectives around the following themes: skills development; infrastructure; quality and access to social services; and governance. The component will focus on alignment of expenditure responsibilities as well as the monitoring and reporting on the delivery on the outputs specifically designed to improve the quality of life in the Province. The Local Government team will focus on strengthening existing local government processes especially around collaboration of line departments with municipalities and improving the overall quality of municipal budget implementation.

Fiscal Policy

This sub-programme will focus on the recruitment of suitably qualified staff that will be able to assess and provide advice on the improvement of revenue adequacy, mechanisms and systems that should assist provincial and local governments to finance its service delivery obligations.

Public Finance

The units within the Public Finance sub-programme will focus on ensuring efficient budget implementation in provincial and local governments. This will include getting to grips with what Departments are doing and how budgets are implemented by improving the analysis and assessments of spend and revenue collection on both SCOA and item levels. These assessments, over time, would include the development of efficiency and cost-containment measures in the in-year expenditure monitoring systems. On the Local Government side the focus will be on improving the assessment capacity to ensure sustainable local government revenue and credible expenditure budgets. This would include providing policy advice, effective technical and strategic support, a change agent service to municipalities and the increased effectiveness of the in-year financial monitoring systems.

b. Progress analysis

Economic Analysis

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

- The unit analysed the socio-economic environment at provincial level through its annual publication i.e. the Provincial Economic Review and Outlook (PER&O).
- The unit has managed to provide socio-economic scans on all local and district municipalities as well as the City of Cape Town (SEP-LG).
- The unit provided the socio-economic backdrop required for the budget processes such as the Medium-term Budget Policy Statement (MTBPS) and the Budget reviews.
- The unit has developed partnerships with the relevant stakeholders for better collaborative research.

Fiscal Policy

As from 2008/09, the non-research part of the fiscal policy unit forms part of Public Finance. Progress in respect of the pre-reconfigured unit is reported hereunder:

- The introduction of a provincial tariff register, timely approval of tariff adjustments and the retention of receipts collected above the budget targets.
- Improvement in internal and external collaboration and linkage between revenue and expenditure leading to improved services through leveraging of technical expertise and capacity; streamlined departmental revenue and expenditure analysis and advice and the building of dialogue and debate amongst and between the various spheres of government.
- Determining the Medium Term Fiscal Framework (MTFF) i.e. overall financing envelope for the Western Cape's MTEF.
- A quantitative analysis of provincial own revenue and commencement of reporting on provincial debt.

Public Finance

On the Provincial Government side, this sub-programme made substantive progress to improve the quality of financial management, which includes:

- An assessment of the annual Budget 2008 that contributed towards ensuring that the distribution of budget allocations within votes are aligned with policy priorities and that the budget is technically sound.
- Nationally prescribed In-Year Monitoring (IYM) reporting information has been augmented with analytical and explanatory narrative reports to encourage the development of interpretive skills in Provincial Treasury and provincial departments as well as to promote and enforce effective management of expenditure and revenue.

On the Local Government side, the following progress has been made:

- Monthly assessment and consolidated In-Year-Monitoring (IYM) reports and quarterly publishing to ensure that the performance of municipalities is in line with their budgeted revenue collection and expenditure projections by ensuring sustainability and credibility of revenue and expenditure budgets.
- Quarterly visits to municipalities, ensuring efficient budget implementation and to provide support and advise on MFMA related matters. These visits also facilitated the opportunity to identify training needs and the provision of skills and capacity where needed.
- A debt management forum for the City of Cape Town was created to resolve financial disputes and is in the process of being rolled out to all districts within the Province.
- Various coordination fora was created to support the implementation of the MFMA, such as CFO forum, PT forum (nationally), sub committee meetings and debt management.

c. Analysis of constraints and measures planned to overcome them

Capacity constraints are experienced throughout the Sustainable Resource Management programme, ranging from high vacancy rates to limited analytical and technical capacity and inter and intra departmental silos within the Provincial Treasury. Constraints per component are discussed in more detail below.

d. Description of planned quality improvement measures

Within the entire programme, generally the following priorities will be pursued to:

- Create synergy, integration and partnerships and networks that will strengthen the links between various components within the programme and across the Provincial Treasury, provincial departments, municipalities and national counterparts that will improve our impact.
- Foster professionalism in attitudes, values, ethics, management and supervision, coaching, mentoring and career development.
- Improve analytical capacity within the programme and extend it to the offices of chief financial officers in provincial departments and municipalities.
- Improve relationships between the Provincial Treasury, departments and municipalities through engagements and intergovernmental structures.

Per a sub-programme, the following priorities will be pursued:

Economic Analysis

- Useful socio-economic analysis, policy advice inclusive of determining and analyses of key economic variables, and their interrelation and relevance to the budget as well as the potential for growth and development.

Budget Management

- Monitoring and reporting of output information aligned to provincial and national priorities.
- Improved coordination and synergy across clusters to improve the impact and spread of the budget.
- Strengthening existing local government processes especially around collaboration of the line department with municipalities and improving the overall quality of municipal budget implementation.

Fiscal Policy

- Recruitment of suitably qualified staff that will be able to assess and provide advice on the improvement of revenue adequacy, mechanisms and systems, which would assist provincial and local governments to finance its service delivery obligations.

Public Finance

- Ensuring efficient budget implementation in provincial and local governments on both SCOA and item levels classification.

- Implementation of quarterly engagements and integrated visits to key departments and municipalities to ensure improved in-year budget management and implementation.
- Development of efficiency and cost-containment measures in the in-year expenditure monitoring systems.
- Improving the assessment capacity of budgets to ensure sustainable revenue and credible expenditure budgets in provincial and local governments.
- The development of human capital.

2.1 Sub-programme 2.1: Programme Support

2.1.1 Specified policies, priorities and strategic objectives

Generic Strategic goal: To provide management and administrative support to the programme.

Strategic objectives:

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

Programme Support

To provide management and administrative support.

2.2 Sub-programme 2.2: Economic Analysis (EA)

2.1.1 Specified policies, priorities and strategic objectives

Strategic goal 5: To provide for provincial and local government economic analysis and advice that informs fiscal policy and the budget allocative process.

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 unit was set 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 goals set out in the iKapa Elihlumayo strategies.

Research was provided on key sectors such as historical and projected growth performance and contribution to Regional Gross Domestic Product (GDPR). Detailed analysis has been done in terms of the labour-market situation, small medium and micro enterprises (SMMEs), poverty and demographic projections.

The unit has developed partnerships with the relevant stakeholders in terms of collaborative research. In addition, the unit has managed to reduce reliance on consultants to some extent in publishing its research work.

The unit has managed to provide socio-economic scans on all local and district municipalities as well as the City of Cape Town.

This unit has also provided key economic analysis required for budget processes in both provincial and local governments.

2.2.3 Analysis of constraints and measures planned to overcome them

- Adequacy of socio-economic data, which limits the extent of the research.
- Staff turnovers, which affects the continuity of research projects.

Measures planned to overcome constraints include:

- Staff retention strategies as well and job enrichment will be implemented to limit staff turnover.
- Stakeholder engagement is required to ensure that in addition to building relationships, the desired outcomes regarding collaborative research are achieved.

2.2.4 Description of planned quality improvement measures

- Improved stakeholder relations.
- Improved co-ordination of internal processes and sequencing of research.
- Strategic utilisation of consultants is required.
- Peer review and in-house production of research work.
- Improved project management of major assignments.

2.3 Sub-programme 2.3: Fiscal Policy

2.3.1 Specified policies, priorities and strategic objectives

Strategic goal 6: To provide for the effective and efficient development of revenue streams.

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 conditional grant transfers from the Western Cape's perspective as a key input into the fiscal framework review being conducted by the Technical Committee on Finance (TCF), supported by the FFC as well as input into the budget processes.

Provincial Own Revenue

In terms of the reconfigured structure, this function has now shifted to Public Finance. In respect of current sources of provincial own revenue, the following progress was made:

- Effectiveness and efficiency of own revenue retention policies.
- Input into the developing a revenue estimation model to provide more accurate and robust estimates of revenue to be collected from provincial own revenue.
- Initiated analyses into the socio-economic incidence/impact of escalations in motor vehicle licence fees in the Western Cape.
- Research into the feasibility of a tourism levy for the Western Cape Province in respect of constitutional, legal, economic, financial and collection feasibilities and capabilities.
- Concluded research into the feasibility of implementing a fuel levy.

2.3.3 Analysis of constraints and measures planned to overcome them

- The recruitment of suitably qualified and trained staff that will be able to assess and provide advice on the improvement of revenue adequacy, mechanisms and systems that would assist provincial and local governments to finance its service delivery obligations.
- Improving communication within and across the various components of the Provincial Treasury.
- The establishment of various intergovernmental forums to improve interaction between provincial, national and local government to foster improved intergovernmental relations and service delivery.
- 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.

2.3.4 Description of planned quality improvement measures

The unit endeavours to forge partnerships, which will:

- Broaden ownership of revenue collection and management across key partners, ensuring a deepening and expansion of the revenue base.
- 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 research network base, extending and deepening the unit's output reach and transferring knowledge base and skills into the public sector.
- Strengthen and deepen the internal and external partnership, centering on improved linkages within programme 2 and across the Provincial Treasury, provincial departments and municipalities.

2.4 Sub-programme 2.4: Budget Management

2.4.1 Specified policies, priorities and strategic objectives

The unit plays a key role in promoting effective and economical use of financial resources. The policy role of the unit is focused on determining and promoting effective policies to further the priorities of the provincial government, as captured in iKapa GDS. The two main outputs are the Budget Overview and Medium Term Budget Policy Statement.

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

Strategic goal 7: 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 Provincial Treasury to understand local government and line departments' core business, functions, and progress.
3. Improve alignment between provincial priorities and local government IDPs 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.

2.4.2 Progress analysis

In the last financial year, the unit has consolidated and deepened its analysis and support to provincial departments and also facilitated and co-ordinated various improvements in the budget process. With regard to the provincial departments, integration has been embarked on through the identification of certain integrated initiatives with in provincial clusters. On the municipal side, forums have been created between the Provincial Departments and Municipalities in order to create a platform to integrate the efforts of the two spheres of government in the different municipal districts.

2.4.3 Analysis of constraints and measures planned to overcome them

Challenges that the unit will be facing are the quality of IDPs and their linkages with municipal budgets, as well as the linkages between municipal budgets and the iKapa PGDS priorities. Another challenge will be to assist departments in the improvement of performance information in various budgetary documents and to link up with other role players in order to establish the linkages between provincial departmental outputs and planned outcomes for the Western Cape. It is recognised that collection of performance information is evolutionary and in this regard, the Provincial Treasury have embarked on processes that would ensure incremental improvement in the collection and reporting of performance information over the MTEF.

2.4.4 Description of planned quality improvement measures

The unit continuously strives towards improved allocative efficiency and better-informed processes through budget reforms.

2.5 Sub-programme: Public Finance

2.5.1 Element: Provincial Government Finance

2.5.1.1 Specified policies, priorities and strategic objectives

Strategic goal 8: 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 and revenue monitoring systems towards attaining a level 4 auditable organisation.

2.5.1.2 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 and revenue 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 and 2007/08 to limit mid-year ad hoc shifts, which fuelled the “March spike” phenomenon and undermine good budgeting and planning practices.

An assessment of the annual Budget 2008 (both expenditure and revenue) contributed towards ensuring that the distribution of budget allocations within votes are aligned with policy priorities and that the budget is technically sound.

2.5.1.3 Analysis of constraints and measures planned to overcome them

Provincial Treasury will initiate processes to ensure 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. For 2008/09 the focus will be limited to the expenditure items i.e. transfer payments and consultants.

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 has been introduced as another way of attracting the required skills.

2.5.1.4 Description of planned quality improvement measures

The following quality improvement measures are planned:

- Improved understanding of the budget implementation with regard to the SCOA expenditure items (e.g. transfer payments and consultants).
- Improved expenditure management through liaison with programme managers and key drivers within departments.
- Building of internal analytical (numerical and written) skills base and teamwork ethos.
- Smoothing of expenditure and as a consequence reducing the “March spike” phenomenon.

2.5.2 Element: Local Government Finance

2.5.2.1 Specified policies, priorities and strategic objectives

Strategic goal 9: To ensure efficient budget management in municipalities and to facilitate local government with financing its service delivery obligations.

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 financial monitoring system towards attaining level 3 auditable organisations.
4. Develop intra Department, intra provincial; inter provincial and government co-ordinating structures and systems.

2.5.2.2 Progress analysis

The unit aims to: amongst others, research and analyse municipal budgets; and compile reports on revenue streams and expenditure trends.

2.5.2.3 Analysis of constraints and measures planned to overcome them

The unit intends filling of critical posts to implement the MFMA, recruiting adequately skilled staff and building interpersonal relations and inter-governmental relations. 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 Provincial Treasury.

2.5.2.4 Description of planned quality improvement measures

Appoint and train suitably qualified candidates and ensure proper procedure and process mapping of all activities within the directorates.

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

The following quality improvement measures are planned to:

- Improve human capital capacity development within the directorates and municipalities.
- Strengthen stakeholder relationships and co-ordination through intergovernmental relations, structures, and site visits.
- Maintain and improve database on municipal information.

Table 2.1: Programme 2: Sustainable Resource Management

Sub-programme 2.1: Programme Support		Generic Strategic Goal: To provide management and administrative support to the programme.						
Strategic Objective	Measurable Objective	Performance Measure Indicator	Actual 2005/06	Actual 2006/07	2007/08 Estimate	2008/09 Budget	2009/10 Target	2010/11 Target
1. Rendering administrative support services to ensure the effective operational management of the programme.	1.1 Smooth and effective functioning of the programme.	Meeting of all outputs of all sub-programmes.	All outputs met	All outputs met.	All outputs met	All outputs met	All outputs met	All outputs met
Sub-programme 2.2: Economic Analysis		Strategic Goal 5: To provide for provincial and local government economic analysis and advice that informs fiscal policy and the budget allocative process.						
Strategic Objective	Measurable Objective	Performance Measure Indicator	Actual 2005/06	Actual 2006/07	2007/08 Estimate	2008/09 Budget	2009/10 Target	2010/11 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, inform and report on socio economic indicators at provincial and local government level.	Publication of the Annual Provincial Economic Review and Outlook (PER&O).	PER&O published March 2005	PER&O published March 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 August 2008 plus preparatory work for PER&O 2009	PER&O 2009 to be published on 30 May 2009 plus preparatory work done for PER&O 2010	PER&O 2010 to be published on 30 May 2010 plus preparatory work done for PER&O 2011
		Publication of the Socio Economic Profile of Local Government (SEP-LG).	None	November 2006	November 2007	November 2008	November 2009	November 2010
2. Determine the sources, potential and constraints for enhanced growth and development in the Western Cape, as framed within iKapa Elihlumayo.	2.1 Determine and report on the sources, potential and constraints of enhanced growth and development.	Periodic economic reviews.	None	None	None	1 review	1 review	1 review

Sub-programme 2.2: Economic Analysis		Strategic Goal 5: To provide for provincial and local government economic analysis and advice that informs fiscal policy and the budget allocative process.						
Strategic Objective	Measurable Objective	Performance Measure Indicator	Actual 2005/06	Actual 2006/07	2007/08 Estimate	2008/09 Budget	2009/10 Target	2010/11 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 effective stakeholder engagements.	None	Limited	6 municipalities and 5 departments	30 municipalities and 12 departments and 5 selected external stakeholders	30 municipalities and 12 departments and 5 selected external stakeholders	30 municipalities and 12 departments and 5 selected external stakeholders
Sub-programme 2.3: Fiscal Policy		Strategic Goal 6: To provide for the effective and efficient development of revenue streams.						
Strategic Objective	Measurable Objective	Performance Measure Indicator	Actual 2005/06	Actual 2006/07	2007/08 Estimate	2008/09 Budget	2009/10 Target	2010/11 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 Enhancement of revenue flows to provincial and local government.	Research into and improving the fiscal transfer mechanism to provincial and local governments.	None	None	Limited	Input into new provincial fiscal framework	Input into new provincial fiscal framework	Input into new provincial fiscal framework
		Research into additional revenue sources for provincial and local governments.	100%	Fuel levy researched and approved by NT	Tourism related taxes researched	Refinement of current research	Refinement of current research	Refinement of current research
		Improvement of the system and credibility of revenue collection, estimation and forecasting for provincial and local governments.	None	None	Limited	Models finalised and implemented	Models finalised and implemented	Models finalised and implemented

Sub-programme 2.4: Budget management		Strategic Goal 7: To promote effective financial resource allocation.						
Strategic Objective	Measurable Objective	Performance Measure Indicator	Actual 2005/06	Actual 2006/07	2007/08 Estimate	2008/09 Budget	2009/10 Target	2010/11 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 and MTEF allocation process, which enables implementation of national, provincial and departmental policy priorities and achievement of desired socio-economic outcomes.	Publishing of the Medium Term Budget Policy Statement.	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	WC-MTBPS 2009 – 2012 tabled in Nov 2010
		Finalisation of the Annual MTEF allocations.	Executive approval of MTBPS	February 2007	February 2008	February 2009	February 2010	February 2011
2. Promote overall strategic goal of Provincial Treasury to understand local government and line departments' core business, functions, and progress.	2.1 Review efficacy of departmental spending and performance	Number of quarterly budget performance reviews of departments.	4 Service Delivery Reviews	4 pilot reviews for each of the 13 Votes	4 reviews for each of the 13 Votes	4 reviews for each of the 13 Votes	4 reviews for each of the 13 Votes	4 reviews for each of the 13 Votes
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.	Number of draft municipal budget assessments focussing on responsiveness.	Shared responsibilities with Public Finance, with function gradually shifted to Budget Office	30 Recommendations made through the LGMTEC processes	30 Recommendations made through the LGMTEC processes	30 Recommendations made through the LGMTEC processes	30 Recommendations made through the LGMTEC processes	30 Recommendations made through the LGMTEC processes

Sub-programme 2.4: Budget management		Strategic Goal 7: To promote effective financial resource allocation.						
Strategic Objective	Measurable Objective	Performance Measure Indicator	Actual 2005/06	Actual 2006/07	2007/08 Estimate	2008/09 Budget	2009/10 Target	2010/11 Target
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 midyear assessment of municipal budget performance	None	None	30	30	30	30
Sub-programme 2.5: Public Finance 2.5.1: Provincial Government Finance		Strategic Goal 8: To ensure efficient budget management in provincial departments.						
Strategic Objective	Measurable Objective	Performance Measure Indicator	Actual 2005/06	Actual 2006/07	2007/08 Estimate	2008/09 Budget	2009/10 Target	2010/11 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 on the provision of 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 efficiency, transparency and alignment.	SCoA, sub-programme and programme allocations in line with actual requirements.	Limited	Limited	Limited	Health, Education, Social Development and Transport and Public Works	Health, Education, Social Development and Transport and Public Works	Health, Education, Social Development and Transport and Public Works

Sub-programme 2.5: Public Finance 2.5.1: Provincial Government Finance		Strategic Goal 8: To ensure efficient budget management in provincial departments.						
Strategic Objective	Measurable Objective	Performance Measure Indicator	Actual 2005/06	Actual 2006/07	2007/08 Estimate	2008/09 Budget	2009/10 Target	2010/11 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 and revenue management.	Efficiency analysis and intervention on selected expenditure items.	Limited	Limited	Limited	Transfer payments at Votes 4, 7, 12 and 13 Consultancy spent at Votes 1, 5 and 6	Transfer payments at Votes 4, 7, 12 and 13 Consultancy spent at Votes 1, 5 and 6	Transfer payments at Votes 4, 7, 12 and 13 Consultancy spent at Votes 1, 5 and 6
3. Develop effectiveness of in-year expenditure monitoring systems towards attaining a level 4 auditable organisation. <i>(continued)</i>	3.2 Monitoring and oversight over the WCGRB to promote good governance and optimise revenue.	Review of the tax regime.	None	None	None	Commence and finalise update of tax regime, inclusive of changes to license/bid/exclusivity fees.	Finalise update of tax regime, inclusive of changes to license/bid/exclusivity fees.	Finalise update of tax regime, inclusive of changes to license/bid/exclusivity fees.
Sub-programme 2.5: Public Finance 2.5.2: Local Government Finance		Strategic Goal 9: To ensure efficient budget management in municipalities and to facilitate local government with financing its service delivery obligations.						
Strategic Objective	Measurable Objective	Performance Measure Indicator	Actual 2005/06	Actual 2006/07	2007/08 Estimate	2008/09 Budget	2009/10 Target	2010/11 Target
1. Provide policy advice, effective technical and strategic support and a change agent service to municipalities	1.1 Relevant and effective advisory service.	Maximum turnaround time on the provision of advice.	10 working days	10 working days	10 working days	10 working days	10 working days	10 working days

Sub-programme 2.5: Public Finance 2.5.2: Local Government Finance		Strategic Goal 9: To ensure efficient budget management in municipalities and to facilitate local government with financing its service delivery obligations.						
Strategic Objective	Measurable Objective	Performance Measure Indicator	Actual 2005/06	Actual 2006/07	2007/08 Estimate	2008/09 Budget	2009/10 Target	2010/11 Target
2. Improve input-output sequencing of information and the quality thereof within the budget processes.	2.1 Provide analysis and support to municipalities in the drafting of their budgets in order to improve quality and alignment between municipal and provincial budgets.	Number of draft municipal budget assessments focussing on sustainability and credibility.	30 Recommendations made through the LGMTEC processes	30 Recommendations made through the LGMTEC processes	30 Recommendations made through the LGMTEC processes	30 Recommendations made through the LGMTEC processes	30 Recommendations made through the LGMTEC processes	30 Recommendations made through the LGMTEC processes
3. Develop effectiveness of in-year financial monitoring systems towards attaining level 3 auditable organisations.	3.1 Adequate mechanisms in place for improved in-year expenditure management.	Number of gazetted expenditure reports submitted to Cabinet and tabled in Provincial Parliament.	Preliminary reports compiled.	1 gazetted report for last quarter 2006/07	4 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 CFO Forums.	Designated as MFMA co-ordinator and main driver of MFMA implementation	None	4 quarterly CFO Forum meetings	4 quarterly CFO Forum meetings	4 quarterly CFO Forum meetings	4 quarterly CFO Forum meetings

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 2005/06 (actual)	Year - 1 2006/07 (actual)	Base year 2007/08 (estimate)	Average annual change (%)	Year 1 2008/09 (budget)	Year 2 2009/10 (MTEF projection)	Year 3 2010/11 (MTEF projection)	Average annual change (%)
Programme Support:	1 142	1 742	1 679	21.25%	1 901	2 639	2 779	20.91%
Economic Analysis	2 437	3 125	3 677	22.83%	3 361	3 518	4 235	12.25%
Fiscal Policy	66	1 163	286	108.17%	999	2 093	2 270	50.74%
Budget Management	6 151	6 621	6 845	5.49%	7 065	8 065	8 544	9.97%
Public Finance	6 717	8 681	9 722	20.31%	10 468	12 588	13 368	13.01%
Provincial Government Finance	4 758	4 553	3 444	(14.92%)	3 897	4 909	5 228	15.83%
Local Government Finance	1 959	4 128	6 278	79.02%	6 571	7 679	8 140	11.30%
Total	16 513	21 332	22 209	15.97%	23 794	28 903	31 196	9.45%

The average annual increase of 16 per cent for the financial years 2005/06 to 2007/08 is the result of the higher level of funding to ensure a greater focus on resource acquisition and disbursement of provincial funds in the interests of promoting better service delivery across the provincial and local government spheres. Also the increase in Local Government Finance is to cater for the staff complement to handle the implementation of the MFMA. Within Programme Support, provision has been made from 2008/09 onwards for a Deputy Director General and two Chief Directors. Fiscal Policy increases by an annual average of 50.7 per cent over the MTEF due to research work that will henceforth be done internally, which was previously undertaken by consultants.

3. Programme 3: Asset and Liabilities Management

This programme's aim is to provide policy direction, to facilitate the effective and efficient management of financial systems, physical and financial assets, public private partnerships and liabilities within the provincial and municipal spheres.

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

Programme Support

To provide management and administrative support.

Asset Management

Moveable Asset Management

To determine policy, to drive, assess and assist departments and municipalities in the attainment of effective and efficient management of moveable assets.

Immovable Asset Management

To determine policy, to drive, assess and assist departments and municipalities in the effective and efficient management of immovable assets and sustainable public private partnership projects.

Liabilities Management

Borrowing

To facilitate the effective and efficient management of liabilities.

Financial Asset Management

To determine policy, to drive, assess and assist departments and municipalities in the effective and efficient management of financial assets.

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.

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 programme evaluation of immovable assets, 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.
- Building the necessary capacity in the Provincial Treasury for PPP assessments and to facilitate and provide developmental technical assistance and support to departments and municipalities on all projects.

- 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

Asset Management encompasses both movable assets (goods and services), previously known as Supply Chain Management (SCM) and immovable assets. The Movable Assets unit was responsible for performing further 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 coordinated discussions with the respective MECs and heads of departments for Education, Public Works and Provincial Treasury on infrastructure and related issues. These meetings were scheduled on a quarterly basis during 2007/08.

During the 2007/08 financial year the PPP unit facilitated, provided assistance, advice, guidance and support to departments during the various stages of the PPP processes. The unit also held numerous meetings with the Department of Education on the possibility of the construction of schools via PPP initiatives.

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.

During 2007/08, the Financial Systems unit was responsible for the re-implementation of BAS at 13 votes due to the SCOA toning project, and rendered user support and training to 7 000 core and non-core users.

c. Analysis of constraints and measures planned to overcome them

The capacitating of provincial departments' SCM units with appropriately skilled persons remains a challenge facing the Movable Assets unit. Ongoing support, guidance and facilitation of accredited ad-hoc courses to address inefficiencies continue to be a part of the provincial drive to assist departments with the implementation of the MFMA. The unit will continue to provide assistance, guidance and advice to municipalities for the 2008/09 financial year.

The time consuming process of awarding 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 credibility of departmental cash projections is a major constraint faced by the Financial Asset Management unit. 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.

The Supporting and Interlinked Financial Systems unit stays 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 during 2008/09, 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

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 the reconfiguration of the Movable Asset unit to address the additional responsibilities of departments and municipalities.

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

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 interprovincial forum on PPP's, should, as in the past, contribute to push the PPP business model as a sustainable alternative to the current infrastructure delivery forward.

Bridging finance, if required through 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 lowering of the existing 2% deviation between the funding and the actual expenditure flowing through departmental bank accounts will further enhance cash flow management.

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 provide management and administrative support.

Strategic objectives:

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

3.1.2 Progress analysis

The sub-programme caters for a Deputy Director-General post and a Chief Director.

3.2 Sub-programme 3.2: Asset Management

3.2.1: Element: Movable Asset Management

3.2.1.1 Specified policies, priorities and strategic objectives

Strategic goal 10: To determine policy, to drive, assess and assist departments and municipalities in the attainment of effective and efficient management of moveable assets.

Strategic objectives:

1. To ensure that departments and 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.

3.2.1.2 Progress analysis

The unit is responsible for the monitoring and evaluation of the procurement of goods and services of provincial departments and municipalities as envisaged in terms of Section 217(1) of the Constitution, the requirements of the PFMA and its regulations and against best practice guidelines and policies as issued by the National and Provincial Treasury. Further, the unit is responsible for the monitoring of the efficient and effective management of moveable assets as well as its safekeeping within provincial departments.

During the 2007/08 financial year the sub-programme was responsible to:

- Assist provincial departments and municipalities in improving the efficiency of their SCM activities through facilitating and arranging SAMDI / National Treasury training, facilitating the Asset Management / SCM Forums, providing guidance through opinions, one-on-one engagements, planned interventions and policy development and implementation.

- Develop and promote BBBEE and supplier development, in liaison with the Department of Economic Development and Tourism through engaging in a consultative/work shopping process in developing a draft Preferential Procurement policy and providing a platform to engage with small businesses at the Small Business Week.
- Perform SCM assessments (including compliance and value for money assessments) on 12 sites/institutions of Department of Health and 4 provincial departments as well as SCM compliance assessments at 5 municipalities and undertake interventions to address critical/deficient areas as emanated from the compliance assessment process for both provincial departments and municipalities.

Main challenges facing the sub-programme include the following:

- Minimising procurement related costs and enabling departments and municipalities to procure in a cost efficient and effective manner.
- Developing skilful SCM practitioners at provincial and local spheres of government.
- Monitoring departments, and municipalities' adherence to changing SCM norms and standards.
- Developing and implementing a complaints mechanism for the Province.
- Facilitating and implementing a provincial BEE strategy and a strategic sourcing business model that will contribute to best value for money.
- Compliance assessments at municipalities and departmental institutions.
- Bench-marking of "best practices" within SCM.
- Establishing of an advice desk/"hotline" for SCM issues in the province.
- High attrition rate and the development of new staff.

3.2.1.3 Analysis of constraints and measures planned to overcome them

The current staff complement in the directorate will not suffice to satisfactorily achieve both the provincial and local government objectives. However the unit endeavours to timeously fill all existing vacancies within the 2008/09 financial year. The moving of 3 additional posts from Supporting Interlinked Financial Systems to Moveable Asset Management to enhance the current staff complement has been approved.

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

The previous financial year focused on training needs for provincial departments and municipalities, on developing levels of expertise in SCM. In the 2008/09 financial year the unit aims to take this initiative further by formalised interventions that have emanated from the SCM compliance assessment process. This will include addressing policy implementation issues; establishing a 'helpdesk' to provide assistance and advice to governmental institutions and the public in respect of SCM, extending the ambit of 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.

3.2.1.4 Description of planned quality improvement measures

The re-configuration of this unit, which was adopted in the latter part of 2007/08, focused on deepening monitoring compliance on SCM and AM, with posts reconfigured to support supplier help-desk and development. The proposed structure provides for a greater spread of responsibilities, targeting specialised skills pool and thereby maintaining efficiency and effectiveness within the unit. Also promoting integration between the different sections of the unit and improving linkages within the component and Provincial Treasury.

The following quality improvement measures are envisaged:

- The establishment of internal capacity to render strategic support and training, and drive best practices in the SCM units and the facilitation of training of officials from provincial departments and municipalities in SCM principles, guidelines and prescripts.
- Implementation of monitoring/compliance procedures to address 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 provincial departments and municipalities.
- Timeous filling of vacancies with appropriate skilled personnel.
- Assist in the development of a provincial PPPFA / BBBEE policy.
- The promotion of a supplier development programme.
- Establish a SCM complaints unit within Provincial Treasury.

3.2.2: Element: Immovable Asset Management

3.2.2.1 Specified policies, priorities and strategic objectives

Strategic goal 11: To determine policy, to drive assess and assist departments and municipalities in the effective and efficient management of immovable assets and sustainable public private partnership projects.

Strategic objectives:

Immovable Assets

1. Coordinate the implementation of the Infrastructure Delivery Improvement Programme (IDIP) for cost effective execution of infrastructure projects.
2. To strengthen oversight and strategic roles by rendering advice and direction to departments, public entities, municipalities and municipal entities to enhance service delivery.

Public Private Partnerships (PPP)

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

3.2.2.2 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, Transport and Public Works and Health.

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

- Facilitate refinement processes on infrastructure reporting.
- Engage with Public Works on specific areas indicated in the White Paper on Property Management, Government Immovable Asset Management Act and Asset Management Guidelines.
- Evaluate submissions for property disposal and acquisitions.

Main challenges facing the directorate include:

- The alignment of infrastructure plans with Provincial Growth and Development Strategy (PGDS) and 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.
- Timeous 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 (PPP)

The gradual increase in the formation of PPP 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 2007/08 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.

3.2.2.3 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 budget cycle.

Public Private Partnerships (PPP)

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

3.2.2.4 Description of planned quality improvement measures

Immovable Assets

- The further rollout of IDIP in the Departments of Education, Transport and Public Works and Health to improve infrastructure spending and delivery.
- Assist and support with the implementation of the Government Immovable Asset Management Act.

Public Private Partnerships (PPP)

- 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 engage with National Treasury PPP unit, provincial departments, municipalities and private sector specialists for purposes of skills transfer and development of best practices.
- Market PPP 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.

3.3 Sub-programme 3.3: Liabilities Management

3.3.1: Element: Borrowing

3.3.1.1 Specified policies, priorities and strategic objectives

Strategic goal 12: 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.

3.3.1.2 Progress analysis

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

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

3.3.1.3 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 to ensure improved cash flow planning.

3.3.1.4 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 will be deducted from the following equitable share allocation.

3.3.2: Element: Financial Asset Management

3.3.2.1 Specified policies, priorities and strategic objectives

Strategic goal 13: To determine policy, to drive, assess and assist departments and municipalities in 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.

3.3.2.2 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. A variance between transfers and actual expenditure of less than 1% was maintained.

On average an interest rate of prime minus 3.5% was earned on investments exceeding 30 days.

The current bank tender was awarded to Nedbank on 15 December 2006, which became effective from 1 April 2007.

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 of municipalities in the future.

3.3.2.3 Analysis of constraints and measures planned to overcome them

The major challenge facing this sub-programme is to ensure that departments submit annual credible projections of expenditure. 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.

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 to ensure that it remains within an acceptable level of less than 1%.

3.3.3.4 Description of planned quality improvement measures

The following quality improvement measures are envisaged:

- To further enhance cash flow management, the current deviation between the funding and the actual expenditure is decreased further to less than 1%.
- The possible limitation of PERSAL supplementary runs from four to two per month, which 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.

3.4 Sub-programme 3.4: Supporting and Interlinked Financial Systems

3.4.1 Specified policies, priorities and strategic objectives

Strategic goal 14: To provide for the oversight, and management of existing financial systems and the transition to the Integrated Financial Management System enhancing compliance with the (PFMA) and other relevant legislation.

Strategic objectives:

1. To provide for the management, improvement and implementation of existing financial systems and eventual transition to the IFMS, ensuring compliance with the PFMA and other relevant legislation.
2. Render effective technical, strategic support and training to departments.

3.4.2 Progress analysis

Currently there are three major systems, the Basic Accounting System (BAS), Personnel and Salary Administration System (PERSAL) and Logistical Information System (LOGIS) that are utilised by the Provincial Government of the Western Cape and maintained by the National Treasury for national and provincial departments. In addition the National Treasury also maintains a management information system (Vulindlela).

Since the BAS mainframe upgrade, a significant improvement in response and uptime of BAS and LOGIS/BAS integration has been experienced. The added advantage is that it can be further upgraded should any further problems be encountered with slow response times and mainframe down time in future.

During the 2007/08 financial year-end the Provincial Treasury ensured that an average uptime of 98.6% on the three major systems was maintained.

Technical Support and Training

Training

The training component of the Provincial Treasury is currently utilising 9 fully equipped training facilities, accommodating 10 students in each facility, situated at Golden Acre, Kromme Rhee, Claremont, George and Worcester. The facilities in the training component were also upgraded with the latest technology.

Training material was updated with the latest enhancements and new prescripts.

A skills gap analysis was performed by the Provincial Treasury of all system users in order to identify their training needs, for priority training interventions.

During the 2007/08 financial year, 1 769 system users attended the various training modules presented and 81% obtained a pass rate of 70% or higher and qualified for certificates.

Helpdesk (user support)

The Provincial Treasury provides a comprehensive helpdesk function for all its 7 000 system users, which is managed by skilled staff from 07h00 to 16h00 daily.

Calls are normally received via the departmental system controllers and as a rule solved locally or referred to National Treasury for resolution and advice if it is of a more technical nature.

During the 2007/08 financial year the Provincial Treasury received in excess of 22 000 calls most of which were resolved to the satisfaction of the system users.

3.4.3 Analysis of constraints and measures planned to overcome them

The main risk with regard to the utilisation of the online systems (BAS, LOGIS 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 especially during month and year-end. This will be addressed by the daily monitoring of the network in co-operation with the Centre for e-Innovation, and SITA and, where required, the upgrade of the infrastructure.

3.4.4 Description of planned quality improvement measures

The re-configuration of the unit, which was adopted in the latter part of the 2007/08 financial year, into three specific areas namely; training, user support and implementation and management of systems, will provide for greater integration, multi-skilling of personnel, improved communication and optimal usage of resources

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

- The daily monitoring of the systems to ensure that all exceptions are cleared timeously. To further monitor the systems 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.
- Ensure the availability of skilled and capacitated staff that has access to the latest technology in order to render a professional service to system users.
- Continuous updating of training material with the latest enhancements and prescripts.

Accelerated training interventions to address training needs of users as identified during the skills gap analysis.

Table 3.1: Programme 3: Asset and Liabilities Management

Sub-programme 3.1: Programme Support		Generic Strategic Goal: To provide management and administrative support.						
Strategic Objective	Measurable Objective	Performance Measure Indicator	Actual 2005/06	Actual 2006/07	2007/08 Estimate	2008/09 Budget	2009/10 Target	2010/11 Target
1. Rendering administrative support services to ensure the effective operational management of the programme.	1.1 Smooth and effective functioning of the component.	Meeting of all outputs of all sub-programmes.	All outputs met	All outputs met	All outputs met	All outputs met	All outputs met	All outputs met
Sub-programme 3.2: Asset Management		Strategic Goal 10: To determine policy, to drive, assess and assist departments and municipalities in the attainment of effective and efficient management of moveable assets.						
3.2.1: Moveable Asset Management								
Strategic Objective	Measurable Objective	Performance Measure Indicator	Actual 2005/06	Actual 2006/07	2007/08 Estimate	2008/09 Budget	2009/10 Target	2010/11 Target
1. To ensure that departments and 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.	1.1 Assist provincial departments and municipalities in improving the efficiency of their SCM activities.	Number of training interventions arranged on SCM for departments.	Target achieved	Target achieved	3 training interventions	4 training interventions	4 training interventions	4 training interventions
		Number of training interventions arranged on SCM for municipalities.	None	None	2 training interventions	2 training interventions	2 training interventions	2 training interventions
		Develop and promote a BBBEE/SMME supplier development programme for departments in liaison with the Department of Economic Development and Tourism.	None	None	Limited	Programme in place	Programme in place	Programme in place

Sub-programme 3.2: Asset Management 3.2.1: Moveable Asset Management		Strategic Goal 10: To determine policy, to drive, assess and assist departments and municipalities in the attainment of effective and efficient management of moveable assets.						
Strategic Objective	Measurable Objective	Performance Measure Indicator	Actual 2005/06	Actual 2006/07	2007/08 Estimate	2008/09 Budget	2009/10 Target	2010/11 Target
1. To ensure that departments and 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. <i>(continued)</i>	1.2 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.	12 assessments	12 assessments	12 assessments	12 assessments	12 assessments	12 assessments
		Number of value for money SCM assessments of municipalities.	None	None	5 assessments	5 assessments	5 assessments	5 assessments

Sub-programme 3.2: Asset Management 3.2.2: Immovable Asset Management		Strategic Goal 11: To determine policy, to drive assess and assist departments and municipalities in the effective and efficient management of immovable assets and sustainable public private partnership projects.						
Strategic Objective	Measurable Objective	Performance Measure Indicator	Actual 2005/06	Actual 2006/07	2007/08 Estimate	2008/09 Budget	2009/10 Target	2010/11 Target
1. Co-ordinate the implementation of the Infrastructure Delivery Improvement Programme (IDIP) for cost effective execution of infrastructure projects.	1.1 Implementation of the Infrastructure Delivery Improvement Plan (IDIP).	Full implementation of IDIP in Health, Education and Transport and Public Works.	Implemented in Education department	90% in Education and 50% in Public Works	90% in Education, 60% in Public Works and 10% in Health	100% in Education, 80% in Public Works and 50% in Health	100% in Education, 80% in Public Works and 50% in Health	100% in Education, 80% in Public Works and 50% in Health
		Implementation of IDIP in 3 municipalities	None	None	Limited	30%	30%	30%
	1.2 Effective and efficient monitoring of infrastructure delivery.	Number of infrastructure reports compiled and compliant to NT Guidelines.	None	1 Report	4	4	4	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.	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	None	None	Initial research, subsequent to guidelines that will be promulgated in 2007/08	Finalise and issue guidelines	Finalise and issue guidelines	Finalise and issue guidelines
	2.2 Efficient utilisation of provincial properties.	Development of property utilisation indicators.	None	None	None	Set of property indicators finalised	Set of property indicators finalised	Set of property indicators finalised

Sub-programme 3.2: Asset Management 3.2.2: Immovable Asset Management		Strategic Goal 11: To determine policy, to drive assess and assist departments and municipalities in the effective and efficient management of immovable assets and sustainable public private partnership projects.						
Strategic Objective	Measurable Objective	Performance Measure Indicator	Actual 2005/06	Actual 2006/07	2007/08 Estimate	2008/09 Budget	2009/10 Target	2010/11 Target
Public Private Partnerships (PPP)								
3. Co-ordinate and promote the implementation of PPP projects through assessments compliance and enforcement of legislation.	1.1 Promote PPP projects in departments and municipalities to obtain value for money.	Provision of advisory service on non-assets solutions and alternative options analysis to departments and municipalities.	None	None	12 inter-actions	12 inter-actions	12 inter-actions	12 inter-actions
4. Facilitate and provide developmental technical assistance and support to departments and municipalities on all PPP projects in progress.	2.1 Training to departments and municipalities.	Number of training sessions/workshops	None	None	2 training sessions	2 training sessions	2 training sessions	2 training sessions
Sub-programme 3.3: Liabilities Management 3.3.1: Borrowing		Strategic Goal 12: To facilitate the effective and efficient management of liabilities.						
Strategic Objective	Measurable Objective	Performance Measure Indicator	Actual 2005/06	Actual 2006/07	2007/08 Estimate	2008/09 Budget	2009/10 Target	2010/11 Target
1. Establish and ensure implementation of policies for effective management of assets and liabilities.	1.1 Effective managed Provincial Revenue Fund (loan book).	Full compliance with capital market and legislative requirements.	None	None	None	None	None	None

Sub-programme 3.3: Liabilities Management 3.3.1: Borrowing		Strategic Goal 12: To facilitate the effective and efficient management of liabilities.						
Strategic Objective	Measurable Objective	Performance Measure Indicator	Actual 2005/06	Actual 2006/07	2007/08 Estimate	2008/09 Budget	2009/10 Target	2010/11 Target
2. To strengthen and provide technical and strategic support for the institutional capacity of local government.	2.1 Training to municipalities.	Number of training sessions/workshops.	None	None	Limited	6 training sessions	6 training sessions	6 training sessions
Sub-programme 3.3: Liabilities Management 3.3.2: Financial Asset Management		Strategic Goal 13: To determine policy, to drive, assess and assist departments and municipalities in the effective and efficient management of financial assets.						
Strategic Objective	Measurable Objective	Performance Measure Indicator	Actual 2005/06	Actual 2006/07	2007/08 Estimate	2008/09 Budget	2009/10 Target	2010/11 Target
1. Ensure effective control and management of the Provincial Revenue Fund.	1.1 Improve the performance of Provincial Revenue Fund to maximise returns from investments	Prime rate minus 4% on investments over 30 days.	Achieved	Achieved	Target exceeded (prime less 3.5%)	Prime rate minus 4%	Prime rate minus 4%	Prime rate minus 4%
2. Render effective technical, strategic support and training to Provincial Departments and Local Government where applicable.	2.1 Improvement of cash management and reporting by departments.	Monthly variance between transfers and actual expenditure less than 1%.	Achieved	Achieved	Achieved	Less than 1%	Less than 1%	Less than 1%
	2.2 Improvement of cash management and reporting by municipalities.	Assessments of the IYM submitted by municipalities in respect of cash flow management and provide feedback and guidance.	None	None	6 municipalities	20 municipalities	20 municipalities	20 municipalities

Sub-programme 3.4: Supporting and Interlinked Financial Systems		Strategic Goal 14: To provide for the oversight and management of existing financial systems and the transition to the Integrated Financial Management System enhancing compliance with the (PFMA) and other relevant legislation.						
Strategic Objective	Measurable Objective	Performance Measure Indicator	Actual 2005/06	Actual 2006/07	2007/08 Estimate	2008/09 Budget	2009/10 Target	2010/11 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.	System functionality as measured by an average of 98% uptime and a .10 second screen refresh rate.	95% uptime and 30 second screen refresh rate on average	95% uptime and 30 second screen refresh rate on average	98% uptime and 15 second screen refresh rate on average	98% uptime and a .10 second screen refresh rate on average	98% uptime and a .10 second screen refresh rate on average	98% uptime and a .10 second screen refresh rate on average
2. Render effective technical, strategic support and training to departments.	2.1 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.	9 hours per day	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.	1400 officials with a 70% pass rate.	1400 officials with a 70% pass rate	1769 officials with 81% pass rate.	1400 officials with a 70% pass rate	1400 officials with a 70% pass rate	1400 officials with a 70% pass rate

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 2005/06 (actual)	Year - 1 2006/07 (actual)	Base year 2007/08 (estimate)	Average annual change (%)	Year 1 2008/09 (budget)	Year 2 2009/10 (MTEF projection)	Year 3 2010/11 (MTEF projection)	Average annual change (%)
Programme Support	699	898	910	14.10%	1 357	1 759	1 852	16.82%
Asset Management	6 084	7 582	8 071	15.18%	9 295	11 091	11 905	13.17%
Movable Asset Management	4 458	4 923	5 119	7.16%	5 749	6 649	7 097	11.11%
Immovable Asset Management	1 626	2 659	2 952	34.74%	3 546	4 442	4 808	16.44%
Liabilities Management	920	1 048	1 526	28.79%	1 802	1 974	2 072	7.23%
Borrowing			1		1	1	1	0.00%
Financial Asset Management	920	1 048	1 525	28.75%	1 801	1 973	2 071	7.23%
Supporting and Interlinked Financial Systems	38 996	42 009	11 674	(45.29%)	10 941	11 716	12 359	6.28%
Total	46 699	51 537	22 181	(31.08%)	23 395	26 540	28 188	9.77%

The average annual decrease of 31.1 per cent for the financial years 2005/06 to 2007/08 is due to the decentralisation of SITA costs to the provincial departments who will be responsible for their own costs that was under Supporting and Interlinked Financial Systems. The annual average increase of 9.8 per cent is the result of the strengthening of the monitoring and evaluation of municipal infrastructure and supply chain management from 2007/08 onwards. Another reason for the increase is the inclusion of a Deputy Director General that will be responsible for this programme and Programme 4: Financial Governance, which will be situated in Programme Support.

4. Programme 4: Financial Governance

This programme promotes financial management improvement, accountability and efficiency within the provincial departments and municipalities. It consists of five sub-programmes namely, programme support, 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 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 capacitating of staff with the necessary resources and skills.

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

Programme Support

To provide management and administrative support.

Accounting Services

Accounting practices within departments, municipalities and entities that will enable the accurate reporting of revenue, expenditure, assets and liabilities in line with predetermined standards.

Norms and Standards

To develop, implement and monitor compliance with financial norms and standards within departments, municipalities and entities.

Risk Management

To develop and implement a system of risk management and financial governance in departments.

Provincial Internal Audit

Work performed to evaluate the effectiveness of risk management, control and governance processes in departments.

To assist municipalities in the development and implementation of effective internal audit functions.

b. Progress analysis

Accounting Services

Accounting Services embarked on a strategy to improve the financial management capability of departments and public entities to move them towards a level 3 auditable organisation. This strategy included remedial steps to be instituted, addressing weaknesses identified in the Auditor-General's reports and the addressing of transversal matters relating to financial management improvement.

Since 2006/07 municipalities were assisted to compile their financial statements in terms of GRAP/GAMAP standards while training was afforded to them on the conversion from IMFO to GRAP/GAMAP financial statements. Accounting Services is monitoring and assisting municipalities with the GRAP implementation process.

Norms and Standards

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 action plan highlights the findings, the responsible departments, the interventions required by Provincial Treasury and departments, and actions to be taken.

Risk Management

Departmental risk management units' staff was trained in basic risk management tools and techniques to enable departments to proceed with risk management. 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 finalised and migration from file based solution to client server commenced. The Governance Framework was updated with the PTM approving it in October 2008. The framework is currently with Cabinet for approval and will be followed with rigorous implementation during 2008/09.

Provincial Internal Audit

A co-sourced internal audit service was provided to all provincial departments (including Provincial Parliament) during the 2007/08 financial year. The organisational structure for the Internal Audit unit was approved by the DPSA during the 2007/08 financial year. This started the recruitment process to increase the staff establishment from 24 to 92 staff members in a phased approach. The appointment of 10 interns during the 2007/08 financial year was the first phase of the internship program that was developed to increase the human resource capacity in this unit. The successful roll-out of the recruitment plan will enable the provincial government to appoint and capacitate the staff required to take over the service from the external service provider when the contract ends on 15 December 2008.

c. Analysis of constraints and measures planned to overcome them

The attrition rate of senior managers and officials within Financial Governance remains high, which place the burden on the remaining staff to meet objectives. It is therefore imperative that vacant posts are filled and a stable environment created 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 are the inadequacies of the current accounting systems to support this transition. The National Treasury over the last few years have been in the process of developing the Integrated Financial Management System to support accrual accounting.

Furthermore, the evolving accounting standards applied by municipalities in terms of the MFMA, imposes constraints within municipalities to technically apply and report on the GRAP/GAMAP standards. Training interventions are taking place for the second year in order to improve the reporting and audit outcomes of all municipalities.

Norms and Standards

Currently the unit is experiencing difficulty in securing suitably qualified candidates for the filling of the post of Senior Manager. The unit has however expanded by the appointment of three new staff members in September 2007. The aforementioned officials were appointed to ensure the existence of an appropriate legislative framework.

Risk Management

This sub-programme encompasses both Enterprise Risk Management and Governance Systems. 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 further exacerbates the situation. The successful implementation of the governance framework and its effectiveness is dependent on support from departments and their Accounting Officers. The approval of the Government Governance Framework still remains a challenge. The inadequate structure of governance systems will also pose constraints to its efficiency and effectiveness.

Provincial Internal Audit

Recruiting and retaining of suitable qualified and experienced staff is a major challenge. In cooperation with Human Resources, a recruitment plan has been developed and renewed efforts have been made to fill the vacant posts. As soon as appointments are made, the new recruits are placed in the field where they work closely with the experienced staff of the external service provider to capacitate them. Training

programmes focused on the development needs of each individual is furthermore provided to increase the capacity of staff members.

The lack of financial resources is still a major factor, restricting the extent of internal audit coverage. This would be addressed by the appointment and capacitating of the Internal Audit unit, increasing the available man-hours to execute internal audit work.

A structured Internship programme 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 provide management and administrative support to the programme.

Strategic objectives:

1. Rendering management and administrative support services to ensure the effective operational management of the programme.

4.1.2 Progress analysis

This sub-programme caters for the Chief Director: Financial Governance who is responsible for Accounting services, Norms and Standards and Risk management. However, the sub-programme Internal Audit does not form part of the organisation structure of Financial Governance.

4.2 Sub-programme 4.2: Accounting Services

4.2.1 Specified policies, priorities and strategic objectives

Strategic goal 15: Accounting practices within departments, municipalities and entities that will enable the accurate reporting of revenue, expenditure, assets and liabilities in line with predetermined standards.

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 organisation.
2. Ensure integrity of financial data.

4.2.2 Progress analysis

The Accounting Services sub-programme is a key link between National Treasury and financial accounting teams of provincial departments, municipalities as well as entities to drive the development and implementation of sound accounting practices, ensuring that financial reporting is in line with predetermined standards.

An appraisal of the existing services and performance covering the 2007/08 financial year highlighted the following key areas:

- Consolidation and timeous tabling of the annual financial statements.
- Assessment of reports (IYM, Auditor-General, Annual Financial Statements) of departments, municipalities and entities.
- 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.
- In process of compiling the Financial Governance Review and Outlook 2007.
- 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 analysis and constraints have already been discussed under programme 4 in paragraph 4c above.

4.2.4 Description of planned quality improvement measures

The implementation of accounting practices and policies with regard to GRAP/GAMAP standards for departments and municipalities.

4.3 Sub-programme 4.3: Norms and Standards

4.3.1 Specified policies, priorities and strategic objectives

Strategic goal 16: To develop, implement and monitor compliance with financial norms and standards within departments, municipalities and entities.

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 organisation.

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 2007/08 financial year highlighted the following key areas:

- Identified transversal issues for 2006/07 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.
- 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.
- 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 and distributed this to municipalities via a circular.

4.3.3 Analysis of constraints and measures planned to overcome them

The analysis and constraints have already been discussed under programme 4 in paragraph 4c above.

4.3.4 Description of planned quality improvement measures

Developing appropriate assessment criteria in order to analyse and comment on the quality and appropriateness of the content of Annual Reports of departments, municipalities and entities.

4.4 Sub-programme 4.4: Risk Management

4.4.1 Specified policies, priorities and strategic objectives

Strategic goal 17: To develop and implement a system of enterprise risk management and corporate governance in departments

Strategic objectives:

1. Develop and facilitate the implementation of effective enterprise 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 enterprise 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 2007/08 financial year highlighted the following key areas:

- A Risk Management Framework was approved by Cabinet as a policy document and was made available to departments and all departmental risk management personnel were trained.
- Rigorous training on departmental risk personnel on various tools and techniques.
- A Governance Framework was updated and approved by PTM.
- A continuous governance awareness programme was introduced.
- Strategic risk assessments were started and 9 departments have already had their results reported.
- Consolidated risk reports per department and the province were issued.
- Fully participating in strategic direction of the national risk management forum.

4.4.3 Analysis of constraints and measures planned to overcome them

The effectiveness of enterprise risk management systems to provide value to Accounting Officers is entirely dependent on appointment of competent risk management practitioners.

The successful implementation of the governance framework and its effectiveness is dependent on support from departments and their Accounting Officers. As a measure to ensure their support and buy-in, continuous awareness and communication will be undertaken. The approval of the Governance Framework by Cabinet still remains a challenge.

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 enterprise 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 and 2007/08 financial year, where instead governance awareness was promoted within departments and to obtain Cabinet approval. The implementation of the framework should be effected in the 2008/09 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 enterprise risk management and governance roll out plans more rigorously.
- To build working relations with Accounting Officers and identified Governance champions in each department.
- Close cooperation and co-ordination between all Provincial Government assurance providers to capitalise on synergies.
- Continue with the training of junior, middle and senior management on the concepts of both risk management and principles of corporate governance.
- 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.

4.5 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 18: Work performed to evaluate the effectiveness of risk management, control and governance processes in departments and to assist municipalities in the development and implementation of effective internal audit functions.

Strategic objectives:

1. To render an effective risk-based internal audit service that will contribute towards a level 4 auditable organisation.

4.5.2 Progress analysis

An evaluation of existing services and performance covering the 2007/08 financial year highlighted the following key areas:

- During the 2007/08 financial year, a co-sourced internal audit service was provided to all provincial departments (including Provincial Parliament). The various audit committees approved the internal audit plans for 13 votes. These plans were based on the highest risk areas of the respective departments after prioritisation of the risks identified in the departments. The internal audit plans also included follow-up audits, which focussed on the evaluation of the implementation of corrective action for internal audit findings raised in the 2006/07 audit cycle. Quarterly progress reports were submitted to the Audit Committee.
- The recruitment process for filling the vacant positions in the new organisational structure has commenced, with particular focus on appointing suitable candidates in management positions. This process will be completed over a period of three years, resulting in the filling of all positions in the staff establishment of 92 by the end of 31 March 2010.

4.5.3 Analysis of constraints and measures planned to overcome them

The challenges facing Internal Audit include limited financial resources, which restrict the extent of the audit coverage and a lack of skilled human resources. Concerted effort has been made in terms of the recruiting process, and although difficulties are experienced to attract suitable resources in a limited, constrained market, progress has been made. The focus in 2007/08 was to increase the management capacity to an acceptable level to grow and develop all levels of staff to be appointed over the next few years.

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.

Table 4.1: Programme 4: Financial Governance

Sub-programme 4.1: Programme Support		Generic Strategic Goal: To provide management and administrative support to the programme.						
Strategic Objective	Measurable Objective	Performance Measure Indicator	Actual 2005/06	Actual 2006/07	2007/08 Estimate	2008/09 Budget	2009/10 Target	2010/11 Target
1. Rendering management and administrative support services to ensure the effective operational management of the programme.	1.1 Smooth and effective functioning of the programme.	Meeting of all outputs of all sub-programmes.	All outputs met	All outputs met	All outputs met	All outputs met	All outputs met	All outputs met
Sub-programme 4.2: Accounting Services		Strategic Goal 15: Accounting practices within departments, municipalities and entities that will enable the accurate reporting of revenue, expenditure, assets and liabilities in line with predetermined standards.						
Strategic Objective	Measurable Objective	Performance Measure Indicator	Actual 2005/06	Actual 2006/07	2007/08 Estimate	2008/09 Budget	2009/10 Target	2010/11 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 organisation.	1.1 Accounting policy framework rolled out for implementation by departments, municipalities and all entities to improve financial reporting.	The number of departments and entities compliant with the approved AFS Accounting Standards.	PMI revised	9 Votes and 11 entities	11 Votes and 12 entities	13 Votes and 14 entities	13 Votes and 14 entities	13 Votes and 14 entities
		The number of municipalities and entities compliant with the approved AFS Accounting Standards.	9	12	18	24	24	24
	1.2 Compile the ACFS of departments and entities to reflect the consolidated financial performance and position of the Provincial Government.	Publishing of Annual Consolidated Financial Statements.	31 October 2005	31 October 2006	31 January 2008	31 October 2008	31 October 2009	31 October 2010

Sub-programme 4.2: Accounting Services		Strategic Goal 15: Accounting practices within departments, municipalities and entities that will enable the accurate reporting of revenue, expenditure, assets and liabilities in line with predetermined standards.						
Strategic Objective	Measurable Objective	Performance Measure Indicator	Actual 2005/06	Actual 2006/07	2007/08 Estimate	2008/09 Budget	2009/10 Target	2010/11 Target
2. Ensure integrity of financial data.	2.1 Coordinate, compile, edit and publish the Financial Governance Review & Outlook to provide an assessment of financial management.	Publishing of the Annual Financial Governance Review and Outlook.	November 2005	November 2006	March 2008	November 2009	November 2010	November 2011

Sub-programme 4.3: Norms and Standards		Strategic Goal 16: To develop, implement and monitor compliance with financial norms and standards within departments, municipalities and entities.						
Strategic Objective	Measurable Objective	Performance Measure Indicator	Actual 2005/06	Actual 2006/07	2007/08 Estimate	2008/09 Budget	2009/10 Target	2010/11 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 towards attaining level 3 auditable organisation.	1.1 Annual Reports that are both compliant and relevant to foster transparency and accountability.	Number of departments and entities compliant with NT and PT guidelines for Annual reporting.	None	None	Limited	4 departments and 3 entities	4departments and 3 entities	4 departments and 3 entities
		Number of municipalities compliant with NT and PT guidelines for Annual reporting.	None	None	Limited	10	10	10
	1.2 Determination and application of financial management norms and standards to address deficiencies identified in internal and external audit reports.	Number of departments and entities assessed and corrective steps recommended to address deficiencies identified.	None	Limited	25 reports	25 reports	25 reports	25 reports
	1.3 Monitor existing financial management norms and standards in municipalities to assess compliance thereof.	Number of Auditor – General report assessed and corrective steps recommended.	None	30	30	30	30	30

Sub-programme 4.4: Risk Management		Strategic Goal 17: To develop and implement a system of enterprise risk management and corporate governance in departments.						
Strategic Objective	Measurable Objective	Performance Measure Indicator	Actual 2005/06	Actual 2006/07	2007/08 Estimate	2008/09 Budget	2009/10 Target	2010/11 Target
1. Develop and facilitate the implementation of effective enterprise risk management and corporate governance capacity within the Provincial Government.	1.1 Develop and facilitate the implementation of effective enterprise risk management framework to enhance internal control and encourage enterprise risk management culture in provincial government.	Number of departmental risk management staff trained in enterprise risk management framework and tools.	None	Limited	30	40	40	40
		Finalise and implement governance framework.	None	None	31 March 2008 finalised	31 March 2009 finalised and implemented in 4 departments	31 March 2009 finalised and implemented in 4 departments	31 March 2009 finalised and implemented in 4 departments
		Number of departments assessed quarterly for compliance with risk management framework.	12	12	12	13	13	13
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	Transversal risk areas identified and allocated to transversal risk owners.	None	None	None	4	4	4

Sub-programme 4.5: Provincial Internal Audit		Strategic Goal 18: Work performed to evaluate the effectiveness of risk management control and governance processes in departments and to assist municipalities in the development and implementation of effective internal audit functions.						
Strategic Objective	Measurable Objective	Performance Measure Indicator	Actual 2005/06	Actual 2006/07	2007/08 Estimate	2008/09 Budget	2009/10 Target	2010/11 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 in departments and selected public entities	Number of votes and entities' internal audit plans executed by the end of the financial year as approved by the relevant Audit Committee.	All votes covered	13 votes	13 votes and 4 entities	13 votes and 5 entities	13 votes and 5 entities	13 votes and 5 entities
		Number of critical and significant findings reported in the previous audit cycle followed-up.	None	Limited	All critical and significant audit findings followed-up	All critical and significant audit findings followed-up	All critical and significant audit findings followed-up	All critical and significant audit findings followed-up
	1.2 Dedicated risk-based internal audit services to improve the effectiveness of risk management, control and governance processes in Health, Education and Transport and Public Works.	Decentralising of operational internal audit services to Health, Education and Transport and Public Works.	None	None	Completion of planning and parameters	Health and Education completed	Health, Education and Transport and Public Works completed	Health, Education and Transport and Public Works completed

Sub-programme 4.5: Provincial Internal Audit		Strategic Goal 18: Work performed to evaluate the effectiveness of risk management control and governance processes in departments and to assist municipalities in the development and implementation of effective internal audit functions.						
Strategic Objective	Measurable Objective	Performance Measure Indicator	Actual 2005/06	Actual 2006/07	2007/08 Estimate	2008/09 Budget	2009/10 Target	2010/11 Target
1. To render an effective risk based internal audit (IA) service that will contribute towards a level 4 auditable organisation. <i>(continued)</i>	1.3 Risk-based internal audit services to improve the effectiveness of risk management, control and governance processes in municipalities and public entities	Providing a guidance and advisory service.	None	None	None	Define and agree role 2 Districts 2 Public Entities	2 Districts 3 Public Entities	1 District Metropole 3 Public Entities
	1.4 Building internal capacity to lessen dependence on external service providers.	Number of posts filled and interns employed on the establishment.	None	20	22	46	62	71

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 2005/06 (actual)	Year - 1 2006/07 (actual)	Base year 2007/08 (estimate)	Average annual change (%)	Year 1 2008/09 (budget)	Year 2 2009/10 (MTEF projection)	Year 3 2010/11 (MTEF projection)	Average annual change (%)
Programme Support	1 039	1 169	1 123	3.96%	1 331	1 449	1 525	7.04%
Accounting Services	2 721	3 735	3 936	20.27%	4 908	5 224	5 492	5.78%
Norms and Standards	2 375	3 118	3 604	23.19%	3 854	4 410	4 636	9.68%
Risk Management	1 704	2 926	2 097	10.93%	2 457	2 913	3 058	11.56%
Provincial Internal Audit	20 004	21 395	26 001	14.01%	26 522	26 301	27 013	0.92%
Total	27 843	32 343	36 761	14.90%	39 072	40 297	41 724	3.34%

The average annual increase of 14.9 per cent over the financial years 2005/06 to 2007/08 is mainly due to the build up of the internal audit capacity as well as the increase in capacity to monitor and evaluate the financial governance in municipalities. Most of the sub-programmes indicate an inflation adjustment in the average annual increase over the MTEF.

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 2005/06	Audited 2006/07	Revised estimate 2007/08	Medium-term estimate		
				2008/09	2009/10	2010/11
Treasury funding						
Equitable share	(353 103)	(8 441)	409	3 029	16 466	23 776
Financing		(49 033)				
Own receipts (Provincial Treasury)		(149 923)	(251 252)	(251 252)	(272 512)	(273 041)
Total Treasury funding	(353 103)	(207 397)	114 751	120 596	132 822	140 132

6.2 Departmental receipts collection

Table 6.2: Departmental receipts collection: Provincial Treasury

Receipts R'000	Audited 2005/06	Audited 2006/07	Revised estimate 2007/08	Medium-term estimate		
				2008/09	2009/10	2010/11
Departmental receipts						
Tax receipts	221 972	275 984	307 746	314 801	333 817	334 346
Sales of goods and services other than capital assets	7 233	1 207	1 171	1 022	1 022	1 022
Transfers received			66	1	1	1
Fines, penalties and forfeits	290	215	91			
Interest, dividends and rent on land	233 361	54 125	47 459	52 947	53 980	53 980
Sales of capital assets						
Financial transactions in assets and liabilities	4 522	9 802	9 061	48	48	48
Total departmental receipts	467 378	341 333	344 682	368 819	388 868	389 397

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		
		2008/09 MTEF R'000	2009/10 MTEF R'000	2010/11 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. However, with capacity building within Provincial Treasury, it is envisaged to take over all PPP 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 and 2006/07 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. In 2007/08 a process of reconfiguration was instituted to realign the Department to the demands of good fiscal governance and those imposed by the PFMA and MFMA collectively. This process is envisaged to be finalised in 2008/09.

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.							
Strategic Objective	Measurable Objective	Performance Measure Indicator	Actual 2006/07	2007/08 Estimate	2008/09 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.	Maximum turnaround time on documents submitted or correspondence addressed to the Minister.	2 working days	2 working days	2 working days	2 working days	2 working days	2 working days	2 working days
2. Assist with tourism functions vested under the Minister.	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.	48	48	48	12	12	12	12

Sub-programme 1.2: Management Services		Strategic Goal 2: To render strategic support, co-ordination and communication services.							
Strategic Objective	Measurable Objective	Performance Measure Indicator	Actual 2006/07	2007/08 Estimate	2008/09 Budget	Quarter 1	Quarter 2	Quarter 3	Quarter 4
1. A well functioning and coordinated institution that delivers on its responsibilities.	1.1 Contribute to improved coordination of management processes to deliver effective and quality services.	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
2. The coordination of processes and measures to support service delivery by the organisation.	2.1 Smooth and effective functioning of the programme.	Meeting of all outputs of all sub-programmes.	All outputs met	All outputs met	All outputs met	All outputs met	All outputs met	All outputs met	All outputs met

Sub-programme 1.3: Corporate Services		Strategic Goal 3: To provide human resource management and development.							
Strategic Objective	Measurable Objective	Performance Measure Indicator	Actual 2006/07	2007/08 Estimate	2008/09 Budget	Quarter 1	Quarter 2	Quarter 3	Quarter 4
1. To attract and acquire the desired employee profile in alignment with Provincial Treasury business objectives.	1.1 Develop appropriate strategies and mechanisms for attracting and acquiring the desired employees.	Date at which new recruitment policy implemented.	Original implemented	Policy currently under review	Implementation and execution of policy as part of Talent Management Framework	Design of Recruitment Policy	Design of Recruitment Policy	Implementation	Implementation

Sub-programme 1.3: Corporate Services		Strategic Goal 3: To provide human resource management and development.							
Strategic Objective	Measurable Objective	Performance Measure Indicator	Actual 2006/07	2007/08 Estimate	2008/09 Budget	Quarter 1	Quarter 2	Quarter 3	Quarter 4
		Date of the development and implementation of a retention policy and strategy.	Limited	Initial draft developed	Composite policy as part of Talent Management Framework	Development and design	Development and design	Development and design	Implementation
2. To develop and maintain a learning organisation in order to produce a competent workforce	2.1 To design and develop a comprehensive learning and development system.	Date at which new Learning and Development Policy and strategy will be implemented.	Limited.	Competency assessment i.r.o. MMS and SMS to be concluded by February 2009	Learning and development policy as part of Talent Management Framework	Development and design	Development and design	Development and design	Implementation
	2.2 To design and develop a comprehensive training and development system	Date at which Quality Management System (QMS) for training will be refined.	Limited.	In process of reviewing policies	Refined Quality Management System for training	Work in progress	Work in progress	Finalisation	Implementation

Sub-programme 1.3: Corporate Services		Strategic Goal 3: To provide human resource management and development.							
Strategic Objective	Measurable Objective	Performance Measure Indicator	Actual 2006/07	2007/08 Estimate	2008/09 Budget	Quarter 1	Quarter 2	Quarter 3	Quarter 4
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.	3.1 Establish diverse and integrated workforce.	Implementation of cultural assessment findings.	Focus group discussions, interventions identified and implemented	Executive Coaching 07/08, structured Cultural Intervention programme and behavioural survey	Further roll-out of cultural assessment findings	Phase 3 of implementation plan	Phase 3 of implementation plan	Phase 3	Phase 4
		Develop and implement a Behavioural Risk Policy and Strategy	Limited	Limited	Behavioural Risk policy and strategy.	Design and develop	Design and develop	Design and develop	Implementation
4. Refining work systems for the optimal delivery of all transactional human resource management contributing to Provincial Treasury attaining a 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.	Unqualified Auditor-General report achieved	To receive an unqualified Auditor-General report	To receive an unqualified Auditor-General report	Work in progress	Achieved	Work in progress	Work in progress
Sub-programme 1.4: Financial Management		Strategic Goal 4: To deliver financial management and advisory services to make limited provision and maintenance of accommodation needs.							
Strategic Objective	Measurable Objective	Performance Measure Indicator	Actual 2006/07	2007/08 Estimate	2008/09 Budget	Quarter 1	Quarter 2	Quarter 3	Quarter 4
1. Good budget management to remain within prescribed budget.	1.1 Maintain and monitor an efficient and effective planning and budget management.	Main and Adjustment Estimates submitted timeously.	Achieved	Achieved	Achieved	Work in progress	Work in progress	Adjustment estimates finalised	Main estimates finalised

Sub-programme 1.4: Financial Management		Strategic Goal 4: To deliver financial management and advisory services to make limited provision and maintenance of accommodation needs.							
Strategic Objective	Measurable Objective	Performance Measure Indicator	Actual 2006/07	2007/08 Estimate	2008/09 Budget	Quarter 1	Quarter 2	Quarter 3	Quarter 4
2. Timely and accurate reflection of status of Provincial Treasury's ledger accounts.	2.1 Ledger accounts that accurately reflect the financial position.	Compile and submit quality AFS.	31 May 2007	31 May 2008	31 May 2009	Preparation of AFS	AFS finalised	Work in progress	Work in progress
	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
3. Good supply chain management services allowing Provincial Treasury to attain level 3 auditable status in this respect.	3.1 To implement SCM that will enhance service delivery.	Percentage of service satisfaction.	80%	85%	90%	90%	90%	90%	90%
4. Proper internal control measures and risk management in the Provincial Treasury.	4.1 Maintain effective risk management systems to reduce risks.	Facilitation of risk identification process in accordance with 8 steps identified in PMF.	Limited	Limited	50% implementation	Work in progress	Work in progress	Work in progress	50% implementation
5. Determine and maintain good administrative standards and reporting.	5.1 Fully functional approved filing system for document flow and document control.	Percentage of inadequacies addressed as recommended by internal control and internal audit inspections.	40%	50%	70%	Work in progress	Work in progress	Work in progress	70%

Programme 2: Sustainable Resource Management

Sub-programme 2.1: Programme Support		Generic Strategic Goal: To provide management and administrative support to the programme.							
Strategic Objective	Measurable Objective	Performance Measure Indicator	Actual 2006/07	2007/08 Estimate	2008/09 Budget	Quarter 1	Quarter 2	Quarter 3	Quarter 4
1. Rendering management and administrative support services to ensure the effective operational management of the programme.	1.1 Smooth and effective functioning of the programme.	Meeting of all outputs of all sub-programmes.	All outputs met	All outputs met	All outputs met	All outputs met	All outputs met	All outputs met	All outputs met
Sub-programme 2.2: Economic Analysis		Strategic Goal 5: To provide for provincial and local government economic analysis and advice that informs fiscal policy and the budget allocative process.							
Strategic Objective	Measurable Objective	Performance Measure Indicator	Actual 2006/07	2007/08 Estimate	2008/09 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, inform and report on socio economic indicators at provincial and local government level.	Publication of the Annual Provincial Economic Review and Outlook (PER&O).	PER&O published March 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 August 2008. plus preparatory work for PER&O 2009	Work in progress	PER&O published	100% complete plus preparatory work 10% for PER&O 2009	Completed plus preparatory work 20% for PER&O 2009
		Publication of the Socio Economic Profile of Local Government (SEP-LG).	November 2006	November 2007	November 2008	20% complete	60% complete	100% complete	Completed
2. Determine the sources, potential and constraints for enhanced growth and development in the Western Cape, as framed within iKapa Elihlumayo.	2.1 Determine and report on the sources, potential and constraints of enhanced growth and development.	Periodic economic reviews.	None	None	1 review	Work in progress	Work in progress	100% complete	Completed

Sub-programme 2.2: Economic Analysis		Strategic Goal 5: To provide for provincial and local government economic analysis and advice that informs fiscal policy and the budget allocative process.							
Strategic Objective	Measurable Objective	Performance Measure Indicator	Actual 2006/07	2007/08 Estimate	2008/09 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.	3.1 Provide technical assistance and training to improve stakeholder understanding and practical application of socio-economic data.	Number of effective stakeholder engagements	Limited	6 municipalities and 5 departments	30 municipalities and 12 departments and 5 selected external stakeholders	Work in progress	Work in progress	Work in progress	All 30 municipalities and 12 departments and 5 external stakeholders covered

Sub-programme 2.3: Fiscal Policy		Strategic Goal 6: To provide for the effective and efficient development of revenue streams.							
Strategic Objective	Measurable Objective	Performance Measure Indicator	Actual 2006/07	2007/08 Estimate	2008/09 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 Enhancement of revenue flows to provincial and local government	Research into and improving the fiscal transfer mechanism to provincial and local governments	None	Limited	Input into new provincial fiscal framework	Recruitment of staff and building liaison with NT and FFC	Research initiated	Research finalised and input into NT processes	Refinement
		Research into additional revenue sources for provincial and local governments	Fuel levy researched and approved by NT	Tourism related taxes researched	Refinement of current research	Work in progress	Work in progress	Work in progress	Complete
		Improvement of the system and credibility of revenue collection, estimation and forecasting for provincial and local governments	None	Limited	Models finalised and implemented	Work in progress	Provincial model finalised	Work in progress	Municipal model finalised

Sub-programme 2.4: Budget management		Strategic Goal 7: To promote effective financial resource allocation.							
Strategic Objective	Measurable Objective	Performance Measure Indicator	Actual 2006/07	2007/08 Estimate	2008/09 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 and MTEF allocation process, which enables implementation of national, provincial and departmental policy priorities and achievement of desired socio-economic outcomes.	Publishing of the Medium Term Budget Policy Statement	WC-MTBPS 2007 – 2010 tabled in Nov 2006	WC-MTBPS 2008 – 2011 tabled in Nov 2007	WC-MTBPS 2009 – 2012 tabled in Nov 2008	Work in progress	Work in progress	WC-MTBPS 2008-2011 tabled	Completed.
		Finalisation of the Annual MTEF allocations.	February 2007	February 2008	February 2009	Work in progress	Work in progress	Preliminary allocations	Final allocations
2. Promote overall strategic goal of Provincial Treasury to understand local government line departments' core business, functions, and progress.	2.1 Review efficacy of departmental spending and performance	Number of quarterly budget performance reviews of departments.	4 pilot reviews for each of the 13 Votes	4 reviews for each of the 13 Votes	4 reviews for each of the 13 Votes	Review 1 for each of the 13 Votes	Review 2 for each of the 13 Votes	Review 3 for each of the 13 Votes	Review 4 for each of the 13 Votes
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.	Number of draft municipal budget assessments focussing on responsiveness	30 Recommendations made through the LGMTEC processes	30 Recommendations made through the LGMTEC processes	30 Recommendations made through the LGMTEC processes	30 LGMTEC municipal assessments and visits and consideration of recommendations by municipal councils	Completed	Completed	Completed

Sub-programme 2.4: Budget management		Strategic Goal 7: To promote effective financial resource allocation.							
Strategic Objective	Measurable Objective	Performance Measure Indicator	Actual 2006/07	2007/08 Estimate	2008/09 Budget	Quarter 1	Quarter 2	Quarter 3	Quarter 4
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 midyear assessment of municipal budget performance.	None	30	30	Work in progress	Work in progress	Work in progress	30
Sub-programme 2.5 Public Finance 2.5.1: Provincial Government Finance		Strategic Goal 8: To ensure efficient budget management in provincial departments.							
Strategic Objective	Measurable Objective	Performance Measure Indicator	Actual 2006/07	2007/08 Estimate	2008/09 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 on the provision of advice.	10 working days	10 working days	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 efficiency, transparency and alignment.	SCoA, sub-programme and programme allocations in line with actual requirements.	Limited	Limited	Health, Education, Social Development and Transport and Public Works	Work in progress	Work in progress	Minimum corrective steps in Adjustment Estimates	Corrective steps in Main Estimates
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 and revenue management.	Efficiency analysis and intervention on selected expenditure items.	Limited	Limited	Transfer payments at Votes 4, 7, 12 and 13 Consultancy spent at Votes 1, 5 and 6	7 Monthly analyses and reporting	7 Monthly analyses and reporting	Corrective steps in Adjustment Estimates	Corrective steps in Main Estimates

Sub-programme 2.5 Public Finance 2.5.1: Provincial Government Finance		Strategic Goal 8: To ensure efficient budget management in provincial departments.							
Strategic Objective	Measurable Objective	Performance Measure Indicator	Actual 2006/07	2007/08 Estimate	2008/09 Budget	Quarter 1	Quarter 2	Quarter 3	Quarter 4
	3.2 Monitoring and oversight over the WCGRB to promote good governance and optimise revenue.	Review of the tax regime.	None	None	Commence and finalise update of tax regime, inclusive of changes to license/bid/exclusivity fees	Work in progress	Work in progress	Proposals made to Cabinet	Approved tax regime tabled
Sub-programme 2.5 Public Finance 2.5.2: Local Government Finance		Strategic Goal 9: To ensure efficient budget management in municipalities and to facilitate local government with financing its service delivery obligations.							
Strategic Objective	Measurable Objective	Performance Measure Indicator	Actual 2006/07	2007/08 Estimate	2008/09 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.	Maximum turnaround time on the provision of advice.	10 working days	10 working days	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 Provide analysis and support to municipalities in the drafting of their budgets in order to improve quality and alignment between municipal and provincial budgets.	Number of draft municipal budget assessments focussing on sustainability and credibility.	30 Recommendations made through the LGMTEC processes	30 Recommendations made through the LGMTEC processes	30 Recommendations made through the LGMTEC processes	30 LGMTEC municipal assessments and visits and consideration of recommendations by municipal councils	Completed	Completed	Completed

Sub-programme 2.5 Public Finance 2.5.2: Local Government Finance		Strategic Goal 9: To ensure efficient budget management in municipalities and to facilitate local government with financing its service delivery obligations.							
Strategic Objective	Measurable Objective	Performance Measure Indicator	Actual 2006/07	2007/08 Estimate	2008/09 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.	Number of gazetted expenditure reports submitted to Cabinet and tabled in Provincial Parliament.	1 gazetted report for last quarter 2006/07	4 gazetted reports	4 gazetted reports	1 st gazetted report	2 nd gazetted report	3 rd gazetted report	4 th gazetted report
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 CFO Forums.	None	4 quarterly CFO Forum meetings	4 quarterly CFO Forum meetings	1 CFO Forum meeting	1 CFO Forum meeting	1 CFO Forum meeting	1 CFO Forum meeting

Programme 3: Asset and Liabilities Management

Sub-programme 3.1: Programme Support		Generic Strategic Goal: To provide management and administrative support.							
Strategic Objective	Measurable Objective	Performance Measure Indicator	Actual 2006/07	2007/08 Estimate	2008/09 Budget	Quarter 1	Quarter 2	Quarter 3	Quarter 4
1. Rendering administrative support services to ensure the effective operational management of the programme.	1.1 Smooth and effective functioning of the programme.	Meeting of all outputs of all sub-programmes.	All outputs met	All outputs met	All outputs met	All outputs met	All outputs met	All outputs met	All outputs met
Sub-programme 3.2: Asset Management 3.2.1 Moveable Asset Management		Strategic Goal 10: To determine policy, to drive, assess and assist departments and municipalities in the attainment of effective and efficient management of moveable assets.							
Strategic Objective	Measurable Objective	Performance Measure Indicator	Actual 2006/07	2007/08 Estimate	2008/09 Budget	Quarter 1	Quarter 2	Quarter 3	Quarter 4
1. To ensure that departments and 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.	1.1 Assist provincial departments and municipalities in improving the efficiency of their SCM activities.	Number of training interventions arranged on SCM for departments.	Target achieved	3 training intervention	4 training intervention	1 training intervention	1 training intervention	1 training intervention	1 training intervention
		Number of training interventions arranged on SCM for municipalities.	None	2 training intervention	2 training intervention	Work in progress	1 training intervention	Work in progress	1 training intervention

Sub-programme 3.2: Asset Management 3.2.1 Moveable Asset Management		Strategic Goal 10: To determine policy, to drive, assess and assist departments and municipalities in the attainment of effective and efficient management of moveable assets.							
Strategic Objective	Measurable Objective	Performance Measure Indicator	Actual 2006/07	2007/08 Estimate	2008/09 Budget	Quarter 1	Quarter 2	Quarter 3	Quarter 4
1. To ensure that departments and 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. (continued)	1.1 Assist provincial departments and municipalities in improving the efficiency of their SCM activities. (continued)	Develop and promote a BBBEE/SMME supplier development programme for departments in liaison with the Department of Economic Development and Tourism.	None	Limited	Programme in place	Work in progress	Work in progress	Work in progress	Programme finalised
	1.2 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.	12 assessments	12 assessments	12 assessments	3 assessments	3 assessments	3 assessments	3 assessments
		Number of value for money SCM assessments of municipalities.	None	5 assessments	5 assessments	1 assessment	1 assessment	2 assessments	1 assessment
Sub-programme 3.2: Asset Management 3.2.2 Immovable Asset Management		Strategic Goal 11: To determine policy, to drive assess and assist departments and municipalities in the effective and efficient management of immovable assets and sustainable public private partnership projects.							
Strategic Objective	Measurable Objective	Performance Measure Indicator	Actual 2006/07	2007/08 Estimate	2008/09 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.	1.1 Implementation of the Infrastructure Delivery Improvement Plan (IDIP).	Full implementation of IDIP in Health, Education and Transport and Public Works.	90% in Education and 50% in Public Works	90% in Education, 60% in Public Works and 10% in Health	100% in Education, 80% in Public Works and 50% in Health	Work in Progress	Work in Progress	Work in Progress	100% in Education, 80% in Public Works and 50% in Health.
		Implementation of IDIP in 3 municipalities.	None	Limited	30%	Work in progress	Work in progress	Work in progress	30%

Sub-programme 3.2: Asset Management 3.2.2 Immovable Asset Management		Strategic Goal 11: To determine policy, to drive assess and assist departments and municipalities in the effective and efficient management of immovable assets and sustainable public private partnership projects.							
Strategic Objective	Measurable Objective	Performance Measure Indicator	Actual 2006/07	2007/08 Estimate	2008/09 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. <i>(continued)</i>	1.2 Effective and efficient monitoring of infrastructure delivery.	Number of infrastructure reports compiled and compliant to NT Guidelines.	1 Report	4	4	1 report	1 report	1 report	1 report
2. To strengthen oversight and strategic roles by rendering advice and direction to departments, public entities, municipalities and municipal entities to enhance service delivery.	2.1 Facilitate the development of provincial asset management guidelines to improve immoveable asset management.	Compile and update provincial asset management guidelines according to GIAMA.	None	Initial research, subsequent to guidelines that will be promulgated in 2007/08	Finalise and issue guidelines	Work in progress	Work in progress	Work in progress	Finalise and issue guidelines
	2.2 Efficient utilisation of provincial properties	Development of property utilisation indicators.	None	None	Set of property indicators finalised	Work in progress	Work in progress	Work in progress	Set of property indicators finalised
Public Private Partnerships (PPP)									
3. Co-ordinate and promote the implementation of PPP projects through assessments compliance and enforcement of legislation.	1.1 Promote PPP projects in departments and municipalities to obtain value for money.	Provision of advisory service on non-assets solutions and alternative options analysis to departments and municipalities.	None	12 inter-actions	12 inter-actions	3 inter-actions	3 inter-actions	3 inter-actions	3 inter-actions
4. Facilitate and provide developmental technical assistance and support to departments and municipalities on all PPP projects in progress.	2.1 Training to departments and municipalities.	Number of training sessions/workshops.	None	2 training sessions	2 training sessions	None	1	None	1

Sub-programme 3.3: Liabilities Management 3.3.1: Borrowing		Strategic Goal 12: To facilitate the effective and efficient management of liabilities.							
Strategic Objective	Measurable Objective	Performance Measure Indicator	Actual 2006/07	2007/08 Estimate	2008/09 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).	Full compliance with capital market and legislative requirements.	None	None	None	None	None	None	None
2. To strengthen and provide technical and strategic support for the institutional capacity of local government.	2.1 Training to municipalities.	Number of training sessions/workshops.	None	Limited	6 training sessions	None	2	2	2

Sub-programme 3.3: Liabilities Management 3.3.2 Financial Asset Management		Strategic Goal 13: To determine policy, to drive, assess and assist departments and municipalities in the effective and efficient management of financial assets.							
Strategic Objective	Measurable Objective	Performance Measure Indicator	Actual 2006/07	2007/08 Estimate	2008/09 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 maximise returns from investments.	Prime rate minus 4% on investments over 30 days.	Achieved	Target exceeded (prime less 3.5%)	Prime rate minus 4%	Prime rate minus 4%	Prime rate minus 4%	Prime rate minus 4%	Prime rate minus 4%
2. Render effective technical, strategic support and training to Provincial Departments and Local Government where applicable.	2.1 Improvement of cash management and reporting by departments.	Monthly variance between transfers and actual expenditure less than 1%.	Achieved	Achieved	Less than 1%	Less than 1%	Less than 1%	Less than 1%	Less than 1%
	2.2 Improvement of cash management and reporting by municipalities.	Assessments of the IYM submitted by municipalities in respect of cash flow management and provide feedback and guidance.	None.	6 municipalities	20 municipalities	20 municipalities	20 municipalities	20 municipalities	20 municipalities

Sub-programme 3.4: Supporting and Interlinked Financial Systems		Strategic Goal 14: To provide for the oversight and management of existing financial systems and the transition to the Integrated Financial Management System enhancing compliance with the (PFMA) and other relevant legislation.							
Strategic Objective	Measurable Objective	Performance Measure Indicator	Actual 2006/07	2007/08 Estimate	2008/09 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.	System functionality as measured by an average of 98% uptime and a 10 second screen refresh rate.	95% uptime and 30 second screen refresh rate on average	98% uptime and 15 second screen refresh rate on average	98% uptime and a 10 second screen refresh rate on average	98% uptime and a 10 second screen refresh rate on average	98% uptime and a 10 second screen refresh rate on average	98% uptime and a 10 second screen refresh rate on average	98% uptime and a 10 second screen refresh rate on average
2. Render effective technical, strategic support and training to departments.	2.1 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.	9 hours per day	9 hours per day	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.	1 400 officials with a 70% pass rate	1 769 officials with a 81% pass rate	1 400 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 provide management and administrative support to the programme.							
Strategic Objective	Measurable Objective	Performance Measure Indicator	Actual 2006/07	2007/08 Estimate	2008/09 Budget	Quarter 1	Quarter 2	Quarter 3	Quarter 4
1. Rendering management and administrative support services to ensure the effective operational management of the programme.	1.1 Smooth and effective functioning of the programme.	Meeting of all outputs of all sub-programmes.	All outputs met	All outputs met	All outputs met	All outputs met	All outputs met	All outputs met	All outputs met
Sub-programme 4.2: Accounting Services		Strategic Goal 15: Accounting practices within departments, municipalities and entities that will enable the accurate reporting of revenue, expenditure, assets and liabilities in line with predetermined standards.							
Strategic Objective	Measurable Objective	Performance Measure Indicator	Actual 2006/07	2007/08 Estimate	2008/09 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 organisation.	1.1 Accounting policy framework rolled out for implementation by departments, municipalities and all entities to improve financial reporting.	The number of departments and entities compliant with the approved AFS Accounting Standards.	9 Votes and 11 entities	11 Votes and 12 entities	13 Votes and 14 entities	Work in progress	Work in progress	13 Votes and 14 entities	Work in progress
		The number of municipalities and entities compliant with the approved AFS Accounting Standards.	12	18	24	Work in progress	Work in progress	Work in progress	24
	1.2 Compile the ACFS of departments and entities to reflect the consolidated financial performance and position of the Provincial Government.	Publishing of Annual Consolidated Financial Statements.	31 October 2006	31 January 2008	31 October 2008	Work in progress	Work in progress	31 October 2008	Completed

Sub-programme 4.2: Accounting Services		Strategic Goal 15: Accounting practices within departments, municipalities and entities that will enable the accurate reporting of revenue, expenditure, assets and liabilities in line with predetermined standards.							
Strategic Objective	Measurable Objective	Performance Measure Indicator	Actual 2006/07	2007/08 Estimate	2008/09 Budget	Quarter 1	Quarter 2	Quarter 3	Quarter 4
2. Ensure integrity of financial data.	2.1 Coordinate, compile, edit and publish the Financial Governance Review & Outlook to provide an assessment of financial management.	Publishing of the Annual Financial Governance Review and Outlook.	November 2006	March 2008	November 2008	Work in progress	Work in progress	30 November 2008	Completed
Sub-programme 4.3: Norms and Standards		Strategic Goal 16: To develop, implement and monitor compliance with financial norms and standards within departments, municipalities and entities.							
Strategic Objective	Measurable Objective	Performance Measure Indicator	Actual 2006/07	2007/08 Estimate	2008/09 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 towards attaining level 3 auditable organisations.	1.1 Annual Reports that are both compliant and relevant to foster transparency and accountability.	Number of departments and entities compliant with NT and PT guidelines for Annual reporting.	None	Limited	4 departments and 3 entities	Work in progress	Work in progress	4 departments and 3 entities	Completed
		Number of municipalities compliant with NT and PT guidelines for Annual reporting.	None	Limited	10	06/07 Annual Reports finalised	Work in progress	Work in progress	07/08 Annual Reports - 10 work in progress

Sub-programme 4.3: Norms and Standards		Strategic Goal 16: To develop, implement and monitor compliance with financial norms and standards within departments, municipalities and entities.							
Strategic Objective	Measurable Objective	Performance Measure Indicator	Actual 2006/07	2007/08 Estimate	2008/09 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 towards attaining level 3 auditable organisations. <i>(continued)</i>	1.2 Determination and application of financial management norms and standards to address deficiencies identified in internal and external audit reports.	Number of departments and entities assessed and corrective steps recommended to address deficiencies identified.	Limited	25 reports	25 reports	Work in progress	10 Reports	10 Reports	5 Reports
	1.3 Monitor existing financial management norms and standards in municipalities to assess compliance thereof.	Number of Auditor-General's report assessed and corrective steps recommended.	30	30	30	30	Completed	Completed	Completed

Sub-programme 4.4: Risk Management		Strategic Goal 17: To develop and implement a system of enterprise risk management and corporate governance in departments.							
Strategic Objective	Measurable Objective	Performance Measure Indicator	Actual 2006/07	2007/08 Estimate	2008/09 Budget	Quarter 1	Quarter 2	Quarter 3	Quarter 4
1. Develop and facilitate the implementation of effective enterprise risk management and corporate governance capacity within the Provincial Government.	1.1 Develop and facilitate the implementation of effective enterprise risk management framework to enhance internal control and encourage enterprise risk management culture in provincial government.	Number of departmental risk management staff trained in enterprise risk management framework and tools.	Limited	30	40	10	10	10	10
		Finalise and implement governance framework.	None	31 March 2008 finalised	31 March 2009 finalised and implemented in 4 departments	Implementation plan and monitoring tool developed	Implementation plan and monitoring tool developed	Roll-out in 4 departments	Roll-out in 4 departments
		Number of departments assessed quarterly for compliance with enterprise risk management framework	12	12	13	13	13	13	13
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.	Transversal risk areas identified and allocated to transversal risk owners.	None	None	4	Work in progress	Work in progress	4	Completed

Sub-programme 4.5: Provincial Internal Audit		Strategic Goal 18: Work performed to evaluate the effectiveness of risk management control and governance processes in departments and to assist municipalities in the development and implementation of effective internal audit functions.							
Strategic Objective	Measurable Objective	Performance Measure Indicator	Actual 2006/07	2007/08 Estimate	2008/09 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 in departments and selected public entities.	Number of votes and entities' internal audit plans executed by the end of the financial year as approved by the relevant Audit Committee.	13 votes	13 votes and 4 entities	13 votes and 5 entities	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 deliverable schedule supporting the internal audit plan
		Number of critical and significant findings reported in the previous audit cycle followed-up.	Limited	All critical and significant audit findings followed-up	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

Sub-programme 4.5: Provincial Internal Audit		Strategic Goal 18: Work performed to evaluate the effectiveness of risk management control and governance processes in departments and to assist municipalities in the development and implementation of effective internal audit functions.							
Strategic Objective	Measurable Objective	Performance Measure Indicator	Actual 2006/07	2007/08 Estimate	2008/09 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>	1.2 Dedicated risk-based internal audit services to improve the effectiveness of risk management, control and governance processes in Health, Education and Transport and Public Works.	Decentralising of operational internal audit services to Health, Education and Transport and Public Works.	None	Completion of planning and parameters	Health and Education completed	Completed	Completed	Completed	Completed
	1.3 Risk-based internal audit services to improve the effectiveness of risk management, control and governance processes in municipalities and public entities.	Providing a guidance and advisory service.	None	None	Define and agree role 2 Districts 2 Public Entities	Not applicable	Define and agree role by 30 September 2008	1 District 1 Public Entity	1 District 1 Public Entity
	1.4 Building internal capacity to lessen dependence on external service providers.	Number of posts filled and interns employed on the establishment.	20	22	46	30	36	40	46