

**Provincial Government Western Cape  
Provincial Treasury**

**Annual Performance Plan  
2011/12 – 2013/14**



PR25/2011

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# Foreword

The twelfth and arguably loftiest strategic objective of the Provincial Government is to build the best-run regional government in the world. For us, this vision speaks to a corruption-free, financially flawless administration. Provincial Treasury is a key stakeholder in achieving this goal, and in 2011/12, we have applied our minds and our budget to this task by funding programmes that will increase our efficiency, effectiveness and responsiveness.

Last year, Provincial Treasury guided the departments of the Western Cape toward achieving a clean sweep of 25 unqualified audits. In so doing, we have not only set the bar for our future audit reports, but for other provinces' audit reports too.

Therefore, this year's plan of action sees Provincial Treasury increase its oversight role of this government's departments and the municipalities within the Western Cape. Crucial to our future financial governance success is the cooperation that we receive from the Accounting and Chief Financial Officers of these organisations. We look forward to building on the positive relationships that we have fostered over the past few years, so that we can attain even higher levels of financial prudence in 2011/12.

Once again, Provincial Treasury has set an agenda for the year that will be difficult, but not impossible, to achieve. In striving to be the best, our small team will use its budget of R148.976 million to see to it that each and every other department and as far as doable, each and every municipality, spends its money toward achieving the best possible service delivery benefits for the people of the Western Cape.

I am looking forward to celebrating the future achievements of this department, and wish the Provincial Treasury team all the best for the year ahead as they work toward their goals.



**ALAN WINDE**

**EXECUTIVE AUTHORITY OF FINANCE, ECONOMIC DEVELOPMENT AND TOURISM**

# OFFICIAL SIGN-OFF

It is hereby certified that this Annual Performance Plan

- Was developed by the management of Western Cape Provincial Treasury under the guidance of Minister Alan Winde.
- Was prepared in line with the current Strategic Plan of Western Cape Provincial Treasury.
- Accurately reflects the performance targets which Western Cape Provincial Treasury will endeavour to achieve given the resources made available in the budget for 2011/12.



**A Gildenhuys (Mr)**  
**Chief Financial Officer**

**Signature** \_\_\_\_\_



**J C Stegmann (Dr)**  
**Accounting Officer**

**Signature** \_\_\_\_\_



**Approved by**  
**A Winde (Mr)**  
**Executive Authority**

**Signature** \_\_\_\_\_

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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
AFS	Annual Financial Statements
AGSA	Auditor-General of South Africa
AO	Accounting Officer
APP	Annual Performance Plan
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
BI	Business Intelligence
BIF	Business Insight Folder
BPO	Business Process Outsourcing
BS	Budget Statement
BTO	Budget Treasury Office
C-AMP	Custodian-Asset Management Plans
CASIDRA	Cape Agency for Sustainable Development in Rural Areas
Cel	Centre for e-Innovation
CFO	Chief Financial Officer
CG	Conditional grant
CIDB	Construction Industry Development Programme
CPD	Corporation for Public Deposits
CSC	Corporate Services Centre
DBAC	Departmental Bid and Adjudication Committee
DBSA	Development Bank of Southern Africa
DDG	Deputy Director General
DLGH	Department of Local Government and Housing
DORA	Division of Revenue Act
DoTP	Department of The Premier
DPWT	Department of Public Works and Transport
EA	Economic Analysis

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EDU	Economic Development Unit
EEP	Employment Equity Plan
EOC	Employer of Choice
EPS	Electronic Purchasing System
EPWP	Expanded Public Works Programme
ERA	Enterprise Risk Assessor
ERM	Enterprise Risk Management
FARMCO	Fraud and Risk Management Committee
FET	Further Education Training
FETC	Further Education and Training Certificate
FGRO	Financial Governance Review and Outlook
FMCM	Financial Maturity Capability Model
FMIP	Financial Management Improvement Plan
FMS	Financial Management System
GAMAP	Generally Accepted Municipal Accounting Practice
GDPR	Gross Domestic Product per Region
GEPF	Government Employees Pension Fund
GIAMA	Government-wide Immoveable Asset Management Act
GRAP	Generally Recognised Accounting Practice
HDI	Historically Disadvantaged Individual
HOD	Head of Department
HOT	Head Official Treasury
HR	Human Resource
HRD	Human Resource Development
HRDS	Human Resource Development Strategy
HRM	Human Resource Management
HSRC	Human Sciences Research Council
IA	Internal Audit
ICS	Improvement in Conditions of Service
ICT	Information Communication Technology
IDIP	Infrastructure Delivery Improvement Programme
IDMS	Infrastructure Development Management System
IDP	Infrastructure Delivery Plan
IDP	Integrated Development Plans
IDP	Individual Development Plans
IE	iKapa Elihlumayo
IFMS	Integrated Financial Management System
IFS	Interim Financial Statements
IGCC	Intergovernmental Cash Co-ordination

IGR	Inter-Governmental Relations
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)
ML	Management Letters
MLO	Media Liaison Officer
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
OD	Organisational Development
PDC	Provincial Development Council
PERSAL	Personnel and Salary Administration System
PER&O	Provincial Economic Review and Outlook
PES	Provincial Equitable Share
PFMA	Public Finance Management Act, 1999 (Act 1 of 1999)
PG	Provincial Government
PGDS	Provincial Growth and Development Strategy
PGWC	Provincial Government Western Cape
PI	Performance Indicator
PMDS	Performance Management Development System
PMF	Performance Management Frameworks



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PMI	Performance Measure Indicator
PMU	Programme Management Unit
PPP	Public Private Partnership
PPFA	Preferential Procurement Policy Framework Act
PPSC	Provincial Portfolio Steering Committee
PSCBC	Public Service Commission Bargaining Council
PSDF	Provincial Spatial Development Framework
PT	Provincial Treasury
PTF	Provincial Treasury Forum
PTI	Provincial Treasury Instructions
PTM	Provincial Treasury Management
PTRPA	Provincial Tax Regulation Process Act
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
SCOPA	Standing Committee on Public Accounts
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
SLA	Service Level Agreement
SME	Small and Medium Enterprises
SMME	Small Medium and Micro Enterprise
SMS	Senior Management Service
SPMS	Staff Performance Management System
SOP	Standard Operating Procedure
TCF	Technical Committee on Finance
TCO	Total Cost of Ownership
TELKOM	Telecommunication
TMM	Treasury Management Meeting

TQM	Total Quality Management
U-AMP	User-Asset Management Plans
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

## PART A: STRATEGIC OVERVIEW

### 1. Updated situational analysis

The overall thrust and environment remain broadly the same as elucidated on further in the Strategic Plan of 2010/11-2014/15 (SP). However, there is an increasing seriousness and urgency by government in tackling the service delivery problems and challenges that have bedeviled the attainment of real and wide-spread socio-economic changes and benefits to all.

A key element in reaching the stated national and provincial goals or outcomes can be found in much improved financial governance, as not only will that improve the efficiency of spending and revenue collection, but will also be a major contributor in ensuring that resources are put to best use.

This Province has done well over the last financial year in improving its financial management and thus has laid a good foundation for the future. However, this attainment was not reached overnight and will, similarly, not be easy to improve on, requiring as it does, the dedicated commitment and leadership of executive authorities accounting officers, their chief financial officers and indeed all staff to move to higher levels. The ambitious, but possible, goal over time has been set of being the best run regional government as measured by international yardsticks.

Therefore the 2011/12 financial year sees some refinement in the delivery of Treasury's stated goals, the objectives of which will not be attainable in the absence of, on the one hand, further building internal competency and capacity, and on the other, building strong partnerships with departments, entities and municipalities and national departments, especially National Treasury.

For the sake of clarity and continuity, Treasury's Vision, Mission and professed Values are repeated below:

#### **Vision**

Change agent in resource allocation and utilisation practices in pursuing a systematic reduction in social and economic disparities.

#### **Mission**

To obtain financial supportive means and foster the optimal utilisation of resources by means of sound governance practices.

## Values

The Provincial Treasury cherishes the following values:

- To give effect to the public service code of conduct.
- To be of service, to empower people.
- To be an employment equity employer.
- To be aware of, and to cultivate respect for our country's heterogeneity.
- To benefit all the people of the Western Cape.

### 1.1 Performance delivery environment

The scope of responsibilities of the Provincial Treasury has changed greatly over the last 15 - 16 years with increasing involvement in the affairs of the local sphere of government and an increasing role in fiscal policy determination and improving fiscal discipline and prudence within departments and entities. With one year of the current five year performance cycle behind us, the Provincial Treasury will in the remaining years build further on its initiatives, specifically on improving its allocative efficiency endeavours to achieve higher goals of service delivery within provincial departments, entities and municipalities.

The delivery targets set for the next four years collectively constitute a formidable challenge and the two delivery Branches within Treasury, **Fiscal and Economic Analysis** and the **Governance and Asset Management** within the Provincial Treasury will have to stay very focused on the strategic goals that were set out in the SP of 2010/11-2014/15.

For the Branch **Fiscal and Economic Analysis** this implies the attainment of efficient and effective revenue generation, collection, allocation and utilization across both the local and provincial spheres, by no means an easy objective to achieve, irrespective of the measurement instruments used. Uppermost will be the objective of cultivating responsive departmental, municipal and entity budgets that will substantially contribute to improvements in a number of selected socio-economic outcomes.

For the Branch **Governance and Asset Management** progressively raising the bar on accounting and financial governance standards and the introduction of purposeful steps that will result in full data integrity, close to complete reduction in regularities and corruption and associated clean audits within departments, entities and municipalities. Key amongst these will be the development and introduction of the desired internal controls, self-testing and systematic building of skills amongst chief financial officers generally and more specifically, financial accountants, supply chain and asset management staff across both spheres.

## 1.2 Organisational environment

During the 2010/11 financial year several initiatives that were already started in 2009/10 came into effect. Two main events that affected this Department during 2010/11 were the shifts of respectively the shared Provincial Internal Audit unit and that of the HRM unit, together with those of another ten departments, into a central Corporate Services Centre (CSC) within the Department of the Premier.

Concurrently with this, Treasury was also in the process of finalising its third reconfiguration process arising from changes in the operating environment, new demands and the building of a solid base over a number of years allowing for the realistic conceptualisation of higher levels of treasury-type services. Several directorates and components were either reconfigured or new ones created to enhance internal efficiencies and to meet these ongoing and changing demands, mainly within the areas of responsibilities towards the municipal sphere and better information management.

Furthermore, the changes that were brought about by the provincial corporatisation process also had an effect on the Office of the Head of the Department as provision for several HR, coordination, regulatory and Corporate Services Centre interface activities had to be made in the form of a small dedicated Customer Relations unit. These units are department specific and were funded from savings realised by the corporatisation process. The net result of these endeavours and intentions will reduce the number of posts within the Department from the initial 355 to 312 or by 47 posts in all.

Enterprise Risk Management was also shifted to the Corporate Services Centre, but only one official was transferred. The activities of the Fraud and Risk Committee continued and progressed with all operational and strategic risks being rated and converted into a risk matrix.

Within the Financial Management Directorate certain changes were also made that should come into effect during 2011/12. These changes include the shift of the document control and certain auxiliary services to the Branch: **Fiscal and Economic Analysis**, while the remaining auxiliary services will resort under the SCM-Unit and the risk and internal control section was configured as a combined and more purposeful

section. For the 2011/12 financial year and beyond, the supporting activities rendered by Financial management will focus on improving its services to the Minister, the Head of the Department, the two Branch Managers and their staff. Against the background of rising external and internal audit and treasury requirements, the Department aspires to improve its level of financial performance to the predetermined standards set by all the parties involved.

### 1.3 Strategic goals of the department

The strategic goals of the Department were amended slightly and rearranged due to internal reconfigurations that was close to being finalised during 2010/11. For the sake of completeness the goals are listed below and will be published on the Provincial Treasury's website <http://www.capegateway.gov.za>.

#### Programme 1

<b>Strategic Goal 1</b>	Assist the member of the Executive Council and the HoD with the delivery of the assigned functions to them.
<b>Goal statement</b>	Render effective strategic secretarial support, administrative support and communication services.
<b>Justification</b>	Ensure that the vision, mission, strategic goals and objectives of the Department are achieved.
<b>Links</b>	Links to the Provincial Strategic Objective of building the best-run provincial government in the world.

<b>Strategic Goal 2</b>	Effective financial management of the department up to a level 3+ financial capability rating.
<b>Goal statement</b>	Deliver financial management and associated advisory services; to make limited provision for accommodation requirements.
<b>Justification</b>	Reduce risk, ensure efficient and effective use of financial resources, and ensure clean audit reports and sustainability within the department.
<b>Links</b>	Links to the Provincial Strategic Objective of building the best-run provincial government in the world.

## Programme 2

<b>Strategic Goal 3</b>	Revenue adequacy, optimisation and efficiency of revenue collection for departments and municipalities to achieve a level 3+ financial capability rating.
<b>Goal statement</b>	Efficient revenue sources and fiscal policy, which addresses financing requirements with no adverse economic effects.
<b>Justification</b>	The limited and constraint fiscal envelope requires provincial and local government to ensure the optimum and efficient collection of all potential revenue sources.
<b>Links</b>	Links to the Provincial Strategic Objective of building the best-run provincial government in the world.

<b>Strategic Goal 4</b>	Monitor and evaluate cash flow and investment management so that it is sustainable and credible and will enhance service delivery and improve liquidity in departments and municipalities.
<b>Goal statement</b>	Ensure sustainable, credible and effective cash flow and investment management in departments and municipalities.
<b>Justification</b>	By ensuring more effective and efficient cash flow and investment management it will improve service delivery and maintain liquidity in departments and municipalities.
<b>Links</b>	Links to the Provincial Strategic Objective of building the best-run provincial government in the world.

<b>Strategic Goal 5</b>	Responsive budgets for all provincial departments, municipalities and entities to achieve a level 3+ financial capability rating.
<b>Goal statement</b>	Promote the development of responsive departmental, municipal and entity budgets that contribute to improvements of selected socio-economic outcomes through economic analysis, budget policy formulation, budget allocations and monitoring of performance.
<b>Justification</b>	Provincial, municipal and entity budgets are meant to play key roles as policy instruments to address social and economic challenges. The achievements of socio-economic imperatives need to be supported with appropriate budget policy and budgetary allocations. Budgets that address selected socio economic outcomes and government priorities/goals as well as effective M&E processes to monitor performance of budget policy and plans are important to ensuring effective resource allocation.
<b>Links</b>	Links to the Provincial Strategic Objective of building the best-run provincial government in the world.

<b>Strategic Goal 6</b>	Credible budgets within departments, municipalities and entities to achieve a level 3+ financial capability rating.
<b>Goal statement</b>	Budgets that are sustainable, operationally efficient, purpose driven and implemented as planned.
<b>Justification</b>	Improve the sustainability and credibility of provincial, municipal and entity budgets, the monitoring of implementation to enhance x-efficiency, financial prudence and fiscal discipline in order to maximise the capacity of provincial departments and municipalities to deliver services.
<b>Links</b>	Links to the Provincial Strategic Objective of building the best-run provincial government in the world.

<b>Strategic Goal 7</b>	Increase the level of infrastructure delivery to achieve a level 3+ financial capability rating (departments of Education, Health, Transport and Public Works and selected municipalities) and the sound management of PPP projects.
<b>Goal statement</b>	Effective and efficient delivery of infrastructure and management of immovable assets, including PPP projects through institutionalising best practice, systems, tools and building capacity.
<b>Justification</b>	Departments and municipalities still lack the ability in terms of capacity, business processes, etc. to achieve optimal investment in infrastructure and sound management of immovable assets.
<b>Links</b>	Links to the Provincial Strategic Objective of building the best-run provincial government in the world.

### Programme 3

<b>Strategic Goal 8</b>	Enhance departmental and municipal capacity and performance to achieve a level 3+ financial capability rating for SCM and moveable asset management.
<b>Goal statement</b>	Assist departments and municipalities in respect of SCM and moveable asset management to build capacity and enforce good governance practices; and for departments to enhance relationships with BEE and SMME vendors in support of preferential procurement imperatives and implement a transversal contract model for the province that gives effect to economies of scale and value for money.
<b>Justification</b>	Ensure that the vision, mission, strategic goals and objectives of the Department are achieved.
<b>Links</b>	Links to the Provincial Strategic Objective of building the best-run provincial government in the world.



<b>Strategic Goal 9</b>	Management, utilisation and implementation of financial systems to achieve a level 3+ financial capability rating within provincial departments and selected entities.
<b>Goal statement</b>	Provide for the standard implementation, management and technical user support (helpdesk and training) of existing financial systems and the transition to the Integrated Financial Management Solutions (IFMS) to enhance compliance with the PFMA and other relevant legislation.
<b>Justification</b>	This goal will contribute to sound financial management, skilled and capacitated system users and compliance to user requirement statement.
<b>Links</b>	Links to the Provincial Strategic Objective of building the best-run provincial government in the world.

#### Programme 4

<b>Strategic Goal 10</b>	Ensure the development of accounting practices within provincial and local government that will promote effective and efficient capturing of REAL movements/accountability and contribute towards attaining level 3 and higher auditable organisations.
<b>Goal statement</b>	Establish a sound and dynamic financial accounting framework to promote accountability, transparency and good governance.
<b>Justification</b>	Improve the quality and integrity of financial accounting and reporting to fully reflect all transactions and the values and extent of all assets owned government.
<b>Links</b>	Links to the Provincial Strategic Objective of building the best-run provincial government in the world.

<b>Strategic Goal 11</b>	Enable departments and municipalities to achieve a level 3+ financial management capability over the next 5 years.
<b>Goal statement</b>	Develop, implement and monitor compliance with corporate governance norms and standards within local and provincial government.
<b>Justification</b>	In terms of S18 of the PFMA and S5 MFMA, PT must set the norms and standards for financial management, and may assist with the implementation thereof and thereby improve efficient and economic utilisation of resources.
<b>Links</b>	Links to the Provincial Strategic Objective of building the best-run provincial government in the world.

## 1.4 Description of the strategic planning process

As alluded to in the SP document the strategic planning process of planning covers a period of five years (with four years remaining of the current cycle), its performance delivery being assessed over the intervening quarterly and annual intervals. Certain strategic objectives and performance indicators were of necessity, based on review of the 2010/11 performance and changes in the environment, changed during the preparation and compilation of the Annual Performance Plan and will also be available on the Provincial Treasury's website <http://www.capegateway.gov.za> as from March 2011.

The core elements of the revised strategic objectives (where applicable) and the associated key performance areas are captured in the text below.

The rather limited and constrained fiscal envelope available requires national, provincial and local governments to ensure the full utilisation, optimum and efficient collection of all potential revenue sources, inclusive of ensuring the effective and efficient development of economically sustainable revenue streams. In this regard, the Fiscal Policy unit will develop mechanisms that provide for optimum revenue collection by conducting research into revenue collection in provincial and local government. Specific projects that the Fiscal Policy will focus on include the review of the provincial funding model, review of the national transfer system, giving special attention to conditional grants and furthering research into new and existing revenue sources. Amongst these, is the review of the casino exclusivity tax regime and associated tax rates.

The focus will also be on improving cash flow management arrangements and liquidity in the Province and municipalities that are sustainable and credible and that contributes to enhancing service delivery within these institutions. The Budget Management units will promote the development of responsive departmental, municipal and entity budgets that contribute to improvements of selected socio-economic outcomes through economic analysis and other analysis to inform planning and budgeting, budget policy formulation, and monitoring of performance. Budgets that address selected socio economic outcomes and government priorities and goals as well as effective M&E processes to monitor performance of budget policy and plans are important towards ensuring effective resource allocation. Also, achieving a level 3+ financial capability rating entails a focus on strengthening the links between budgets and plans.

On the provincial side, efforts of the provincial Budget Office unit will be geared towards ensuring the alignment between priorities, budget allocation and implementation of the budget with the focus on non-financial performance. Key deliverables of this unit are the publications of the annual Provincial Economic Review and Outlook (PER&O), the coordination of the Western Cape Provincial Medium Term Budget Policy statement (WCMTBPS) and the Budget Overview of Provincial Revenue and Expenditure. The municipal Budget Office will evaluate the socio economic

responsiveness of municipal budget planning and will make recommendations to improve municipal impact on communities as well as to monitor and evaluate the implementation of municipal budgets against predetermined objectives. In addition, the Socio-Economic Profiling of municipalities will be further refined, inclusive of initiatives to assist municipalities with building the requisite capacity to implement planning and budget execution standards, through knowledge sharing and training.

The Public Finance units will focus on improving expenditure management and specifically the sustainability and credibility of provincial, municipal and entity budgets. Key activities include monitoring of the implementation of such budgets to enhance x-efficiency, financial prudence and fiscal discipline in order to maximise the ability of provincial departments and municipalities to deliver services at a level 3+ financial capability rating. The monitoring and management of expenditure will enhance our change agent quest to achieve budgets that are sustainable, operationally efficient, purpose driven and implemented as planned. The Local Government Unit will further sophisticate IGR engagement processes and continue to drive the further implementation of the Local Government: Municipal Finance Management Act, 2003 (Act 56 of 2003).

The Infrastructure unit will focus on increasing the level of infrastructure delivery efficiency in the Province to a level 3+ financial capability rating which will include developing and maintaining the Provincial Infrastructure Strategy in collaboration with the relevant departments. The focus of the unit will be to develop and to maintain a best practice framework for infrastructure procurement, which is aligned to the latest Construction Industry Development Board (CIDB) recommendations and changes in the institutional environment as well as to assist with the development of a provincial infrastructure plan. Infrastructure budgets and User-Asset Management (U-AMP) and Custodian-Asset Management (C-AMP) plans will be assessed, whilst the monitoring and enhancing of infrastructure spending performance of designated departments (Education, Health, Transport (including roads) and Public Works and CapeNature) and championing infrastructure delivery improvement processes in these departments will be the foci for the 2011 MTEF.

The Moveable Asset Management unit will drive, assess and assist departments in the effective and efficient management of supply chain and moveable asset management in terms of the PFMA. Through conducting virtuous cycle assessments, corrective actions will be identified for implementation. In respect of supply chain management, support to provincial departments includes training, assistance and guidance to improve SCM and moveable asset management processes. Deliverables include developing key principles and guidelines in respect of the revised Accounting Officer's systems as well as the Provincial Treasury Instructions or other contemplated legislative initiatives to fast track and facilitate responsive SCM structures to service departmental needs. Other focus areas will cover supplier development initiatives to capacitate the supplier market; ensuring data integrity and transparency on SCM systems; ensuring quality and cost effective bulk buying

initiatives through the facilitation and arrangement of transversal contracts for identified goods and services for transversal provincial needs.

Similar support will be provided to municipalities. In addition key principles and guidelines will be developed to fast track and facilitate responsive SCM structures to service municipal needs; enforcing good governance practices and compliance to SCM policy and prescripts and to investigate any system of control or financial management from a SCM perspective and ensuring data integrity and transparency on SCM systems.

The Supporting and Interlinked Financial Systems unit aims to improve financial system management to a level 3+ financial capability rating by ensuring that system users are appropriately trained in accordance with their system profiles and effective user account management is maintained. The further development of Provincial Treasury integrated training interventions will promote the correct and optimal use of the systems and the veracity of data.

In addition, the unit will be driving the acquisition and implementation of a supply chain management system which addresses areas such as supplier management, quotations, bids and contract management currently not catered for in the suite of existing financial systems which complies to this province's user requirements statement as well as the roll out and implementation of enhanced LOGIS functionalities.

The key objective of the Local Government Accounting unit is to roll-out the latest Generally Recognised Accounting Practice (GRAP) standards and to monitor the implementation of the transitional provisions within the municipalities of the Western Cape. In addition, this unit will be reviewing the accounting systems and processes of municipalities to improve the integrity of financial data as well as the competency and staffing of the Accounting sections within the CFO offices.

The key objective of Provincial and Local Government Accounting is to roll-out the latest accounting policy framework for accurate and complete implementation by all departments, entities and municipalities (as applicable) while reviewing accounting and associated processes to improve the integrity and full disclosure of financial information. This will be achieved by continuous assessments supported by the preparation and assessment of Interim and Annual Financial Statements. Further focus areas will relate to the competency and staffing of the accounting sections within the CFO's offices as well as the publication of the Annual Consolidated Financial Statements of the Province. The enhancement of the focus areas mentioned will be complimented with bespoke training at a departmental and municipal level.

The objectives of the Corporate governance unit is to drive departmental and municipal CFO offices to function at a level 3 financial maturity rating as well as to develop and facilitate the implementation of an effective assurance framework towards attaining such a level of competence. This unit will focus on the development and implementation of a framework to assess CFO offices in departments and municipalities in relation to their structures and competencies as well as their compliance to the relevant regularity frameworks. In addition this unit will be monitoring the effectiveness of financial governance structures in the departments and municipalities and provide assistance and training where required.

### **1.5 Revisions to legislative and other mandates**

The full list of acts and laws as cited in section 4 of the Strategic Plan remain applicable although there are intentions nationally to revise the regulations issued under the auspices of the Public Finance Management and Preferential Procurement Policy Framework acts, both meant to improve the applications of these two acts. Additionally a State Liability Amendment Bill has been tabled in Parliament, its purpose being to amend the State Liability Act, 1957, so as to regulate the manner in which a final court order sounding in money against the State must be satisfied; and to provide for matters connected therewith.

Provincially a Procurement (Business Interests of Employees) bill has been assented to by the Premier and the Provincial Treasury in liaison with the Department of the Premier is in the process of finalising the supporting regulations.

A complete revision of supply chain management Provincial Treasury Instructions is well underway with an issuing date set for end of the first quarter of 2011/12. Further work in concert with the National Treasury is also being considered to extend the legislative thrust relating to supply management, as well utilizing the provisions of the Provincial Constitution more effectively.

## 2. Overview of 2011 budget and MTEF estimates

### 2.1 Expenditure estimates

**Table 1 Provincial Treasury**

Programme R'000	Outcome			Main appro- priation 2010/11	Adjusted appro- priation 2010/11	Revised estimate 2010/11	Medium-term estimate			
	Audited 2007/08	Audited 2008/09	Audited 2009/10				% Change from Revised estimate			
							2011/12	2010/11	2012/13	2013/14
1. Administration <sup>a</sup>	33 447	40 141	39 359	39 390	35 296	35 296	<b>36 187</b>	2.52	38 305	41 131
2. Sustainable Resource Management	21 540	21 346	36 531	47 263	41 708	41 708	<b>59 363</b>	42.33	61 141	65 105
3. Asset and Liabilities Management	21 707	22 348	27 526	33 125	34 904	34 904	<b>28 781</b>	( 17.54)	31 804	33 522
4. Financial Governance	38 430	37 115	34 955	40 692	19 596	19 596	<b>20 645</b>	5.35	22 106	23 697
<b>Total payments and estimates</b>	115 124	120 950	138 371	160 470	131 504	131 504	<b>144 976</b>	10.24	153 356	163 455

<sup>a</sup> MEC total remuneration package: R1 491 514 with effect from 1 April 2010.

Note:

Corporate Services was shifted to the Department of the Premier as part of the modernisation process during 2010/11.

The Provincial Treasury does not have a separate internal audit unit and uses the internal audit component of the province, which is now vested in the Department of the Premier.

Economic Analysis has now been fully integrated into Budget Management: Provincial Government.

Liabilities management was shifted from Programme 3: Assets and Liabilities to Fiscal Policy under the Programme 2: Sustainable Resources Management.

Risk Management now resorts under Norms and Standards.

Economic classification R'000	Outcome			Main appro- piation 2010/11	Adjusted appro- piation 2010/11	Revised estimate 2010/11	Medium-term estimate			
	Audited 2007/08	Audited 2008/09	Audited 2009/10				% Change from Revised estimate			
							2011/12	2010/11	2012/13	2013/14
<b>Current payments</b>	112 659	118 105	134 643	157 840	128 612	128 612	<b>141 559</b>	10.07	149 827	159 697
Compensation of employees	60 231	71 482	93 902	111 309	92 082	92 082	<b>106 534</b>	15.69	113 010	120 023
Goods and services	52 428	46 623	40 741	46 531	36 530	36 530	<b>35 025</b>	(4.12)	36 817	39 674
<b>Transfers and subsidies to</b>	1 414	267	419	430	630	630	<b>500</b>	(20.63)	529	658
Provinces and municipalities		80								
Departmental agencies and accounts	252									
Non-profit institutions		50	100							
Households	1 162	137	319	430	630	630	<b>500</b>	(20.63)	529	658
<b>Payments for capital assets</b>	1 030	2 541	3 106	2 200	2 214	2 214	<b>2 917</b>	31.75	3 000	3 100
Machinery and equipment	1 030	2 541	2 153	2 200	2 214	2 214	<b>2 917</b>	31.75	3 000	3 100
Software and other intangible assets			953							
<b>Payments for financial assets</b>	21	37	203		48	48		(100.00)		
<b>Total economic classification</b>	<b>115 124</b>	<b>120 950</b>	<b>138 371</b>	<b>160 470</b>	<b>131 504</b>	<b>131 504</b>	<b>144 976</b>	10.24	153 356	163 455

## 2.2 Relating expenditure trends to strategic goals

Since 2007 the net personnel establishment of the Provincial Treasury has increased modestly from 245 to 314 which resulted in an annual average increase of 4.5 per cent in the budgetary provision or by R16.380 million from R115.124 million in 2007/08 to R131.504 million in 2010/11 (revised estimate).

The further annual average (nominal) growth of 7.5 per cent from the revised estimate figure of R131.504 million in 2010/11 to the 2013/14 figure of R163.455 million is due to the additional funding received for selected AGSA performance audits, taxation and revenue generation initiatives under Programme 2, improved oversight capacity and strengthening of mainly MFMA responsibilities in line with Treasury's 11 strategic goals.





## PART B: PROGRAMME AND SUB-PROGRAMME PLANS

Programme	Sub-programme
<b>1. Administration</b>	1.1 Office of the Minister 1.2 Management Services 1.3 Financial Management
<b>2. Sustainable Resource Management</b>	2.1 Programme Support 2.2 Fiscal Policy 2.3 Budget Management 2.4 Public Finance
<b>3. Assets and Liabilities</b>	3.1 Programme Support 3.2 Asset Management 3.3 Interlinked and Financial Support Systems
<b>4. Financial Governance</b>	4.1 Programme Support 4.2 Accounting Services 4.3 Corporate Governance

### 3. Programme 1 – Administration

#### Programme description

Give strategic direction and to provide quality financial and other support services to the Minister and the Head of Department.

#### Programme structure

The programme is further divided into the following sub-programmes:

##### Sub programme 1.1: Office of the Minister

Purpose: Assist the member of the Provincial Cabinet with those functions as assigned by legislation and/or the Premier.

The Minister's office renders secretarial and administrative services to assist the Minister with the performance of his/her legislative responsibilities as MEC and as an elected public representative. This includes fostering relationships with the media and all other parties within government and the broader public. The office of the Minister is also responsible for assisting with the assigned functions of Provincial Treasury and the Department of Economic Development and Tourism.

##### Sub programme 1.2: Management Services

Purpose: Assist the Head of the Department with the delivery of functions and responsibilities assigned either by legislation and/or by the Minister.

The Office of the Head of the Department provides strategic support to the department as a whole, inclusive of secretariat and other support services. This includes internal communication and website services, information centre services and managerial coordination for the Department. A new addition to Management Services is the Corporate Services Relations Management section that supports the centralised Corporate Services Centre that is responsible for 11 departments' human resources services, which is now vested within the Department of the Premier.

### **Sub programme 1.3: Financial management**

Purpose: Effective financial management of the department up to a level 3+ financial capability rating and the provision of limited accommodation requirements and support services.

This sub-programme is driven by the Chief Financial Officer (CFO) who is appointed in terms of Chapter 2 of the National Treasury Regulations and reports directly to the Accounting Officer (AO). The main duties are spread across five sections.

The Management Accounting section is responsible for the compilation of the annual and adjusted budgets, quarterly and annual performance reports, and the monitoring and control of expenditure.

The Financial Accounting section is responsible for maintaining an effective payments system, for compiling the annual financial statements and maintaining the ledger accounts of the Department.

The Supply Chain Management section (SCM) is responsible for providing and developing the SCM database, maintaining and safeguarding assets and providing administrative support in respect of the acquisition of goods and services.

The Internal Control section must ensure that effective internal control measures are in place throughout the Department, particularly in high-risk areas and also ensure the prevention of adverse internal and external audits.

The Auxiliary Services section still resides under the CFO, and includes the registry, government vehicles, telephone services, reprographic services, messenger services and food aid services. It is envisaged that the bulk of these services will be shifted to Programme 2 to form part of the mooted consolidated document and information management unit later in the financial year.

## Sub-Programme 1.1: Office of the Minister

### Strategic objective: Annual targets

Strategic objective		Audited/Actual performance			Estimated performance 2010/11	Medium-term targets		
		2007/08	2008/09	2009/10		2011/12	2012/13	2013/14
1.	Provide support services	Revised strategic objective	Revised strategic objective	Revised strategic objective	Maintained effective and efficient handling of correspondence and effective programme management	Improve support services	Maintain support services	Maintain support services
2.	Render communication services to the Ministry	Revised strategic objective	Revised strategic objective	Revised strategic objective	Improved relationships with media	Improve relationships with media	Maintain relationships with media	Maintain relationships with media
3.	Assist Minister with Executive Authority role and responsibilities	Revised strategic objective	Revised strategic objective	Revised strategic objective	Developed and maintained strategic management and support provided to enable Executive Authority to execute the responsibilities	Improve strategic management and support services to enable the Executive Authority to execute powers and functions assigned by the Premier	Maintain strategic management and support services to enable the Executive Authority to execute powers and functions assigned by the Premier	Maintain strategic management and support services to enable the Executive Authority to execute powers and functions assigned by the Premier

### Performance indicators: Annual targets

Programme performance indicator		Audited/Actual performance			Estimated performance 2010/11	Medium-term targets		
		2007/08	2008/09	2009/10		2011/12	2012/13	2013/14
1.1	Effective and efficient support services	New PI	New PI	New PI	New PI	Review and maintain standards for programme management	Review and maintain standards for programme management	Review and maintain standards for programme management
						Develop and implement standards for secretarial and administrative services	Review and maintain standards for secretarial and administrative services	Review and maintain standards for secretarial and administrative services
1.2	An operational plan that builds on dashboard and QPR requirements setting out milestones, desired quantum and quality of services	New PI	New PI	New PI	New PI	Develop, monitor and maintain operational plan	Develop, monitor and maintain operational plan	Develop, monitor and maintain operational plan

Programme performance indicator	Audited/Actual performance			Estimated performance 2010/11	Medium-term targets			
	2007/08	2008/09	2009/10		2011/12	2012/13	2013/14	
1.3	Composition and implementation of a customised development plan for each staff member in line with competency requirement	New PI	New PI	New PI	New PI	Develop, monitor and maintain development plan	Develop, monitor and maintain development plan	Develop, monitor and maintain development plan
2.1	Effective communication, media liaison services and events co-ordination	New PI	New PI	New PI	Developed and implemented communication plan, including ways of fostering relationships with media	Develop and implement annual communication plan, including ways of fostering relationships with media and events co-ordination	Develop and implement annual communication plan, including ways of fostering relationships with media and events	Develop and implement annual communication plan, including ways of fostering relationships with media and events
3.1	Effective strategic management and support	New PI	New PI	New PI	Developed and implemented standards for strategic engagements	Develop and implement systems to support and assist Minister to perform his role and responsibilities as MEC for Finance, Economic Development and Tourism	Review and maintain systems to support and assist Minister to perform his role and responsibilities as MEC for Finance, Economic Development and Tourism	Review and maintain systems to support and assist Minister to perform his role and responsibilities as MEC for Finance, Economic Development and Tourism

### Quarterly targets for 2011/12

Performance indicator	Reporting period	Annual target 2011/12	Quarterly targets				
			1 <sup>st</sup>	2 <sup>nd</sup>	3 <sup>rd</sup>	4 <sup>th</sup>	
1.1	Effective and efficient support services	Quarterly	Review and maintain standards for programme management	Review, implement and monitor standards	Implement and monitor standards	Implement and monitor standards	Implement and monitor standards
		Develop and implement standards for secretarial and administrative services	Develop standards	Test standards	Implement and monitor standards	Implement and monitor standards	
1.2	An operational plan that builds on dashboard and QPR requirements setting out milestones, desired quantum and quality of services	Quarterly	Develop, monitor and maintain operational plan	Finalise, implement and monitor operational plan and institute remedial steps	Implement, monitor operational plan and institute, remedial steps	Implement, monitor operational plan and institute, remedial steps	Evaluate year's performance and compile operational for next financial year

Performance indicator		Reporting period	Annual target 2011/12	Quarterly targets			
				1 <sup>st</sup>	2 <sup>nd</sup>	3 <sup>rd</sup>	4 <sup>th</sup>
1.3	Composition and implementation of a customised development plan for each staff member in line with competency requirement	Quarterly	Develop, monitor and maintain development plan	Compile staff development and annual training plan	Implement and monitor staff development and training plan	Implement and monitor staff development and training plan	Implement and monitor staff development and training plan
2.1	Effective communication, media liaison services and events co-ordination	Quarterly	Develop and implement annual communication plan, including ways of fostering relationships with media and events co-ordination	Develop annual communication plan, including events and ways of fostering relationships with media	Implement communication plan, including events and ways of fostering relationships with media	Implement communication plan, including events and ways of fostering relationships with media	Implement communication plan, including events and ways of fostering relationships with media
3.1	Effective strategic management and support	Quarterly	Develop and implement systems to support and assist Minister to perform his role and responsibilities as MEC for Finance, Economic Development and Tourism	Develop systems	Test, implement and monitor systems	Implement and monitor systems	Implement and monitor systems

## Sub-Programme 1.2: Management Services

### Strategic objectives: Annual targets

Strategic objective		Audited/Actual performance			Estimated performance 2010/11	Medium-term targets		
		2007/08	2008/09	2009/10		2011/12	2012/13	2013/14
4.	Build competencies and enhance and maintain strategic support services	New strategic objective	New strategic objective	New strategic objective	Reviewed and maintained systems and standards	Improve support services	Maintain support services	Maintain support services
					Operational plan in line with APP in place and monitored for delivery	Operational plan supporting the APP in place and monitored for delivery	Operational plan supporting APP in place and monitored for delivery	Operational plan supporting APP in place and monitored for delivery
					Tailored development plan for each staff member	Tailored development plan for each staff member	Tailored and assessed development plan for each staff member	Tailored and assessed development plan for each staff member

Strategic objective		Audited/Actual performance			Estimated performance 2010/11	Medium-term targets		
		2007/08	2008/09	2009/10		2011/12	2012/13	2013/14
5.	Provide effective and efficient support in the management of the working relationship between the department and the CSC	New strategic objective	New strategic objective	New strategic objective	New strategic objective	Provide support in terms of the service level agreement as assigned	Provide support in terms of the service level agreement as assigned	Provide support In terms of the service level agreement as assigned

### Performance indicators: Annual targets

Programme performance indicator		Audited/Actual performance			Estimated performance 2010/11	Medium-term targets		
		2007/08	2008/09	2009/10		2011/12	2012/13	2013/14
4.1	Effective and efficient support services	New PI	New PI	New PI	Reviewed and implemented systems and standards	Develop and maintain systems and standards for strategic management and support to assist HOD in performing roles and responsibilities	Maintain systems and standards for strategic management and support to assist HOD in performing roles and responsibilities	Maintain systems and standards for strategic management and support to assist HOD in performing roles and responsibilities
						Review and maintain systems and standards for programme management	Maintain systems and standard for programme management	Maintain systems and standards for programme management
						Develop and implement standards for secretarial and administrative services	Review and maintain standards for secretarial and administrative services	Review and maintain standards for secretarial and administrative services
4.2	An operational plan that builds on dashboard and QPR requirements setting out milestones, desired quantum and quality of delivery	New PI	New PI	New PI	Developed and maintained operational plan	Develop, monitor and maintain operational plan and QPR reporting	Develop, monitor and maintain operational plan and QPR reporting	Develop, monitor and maintain operational plan and QPR reporting
4.3	Composition and implementation of a customised development plan for each staff member in line with competency requirements for each unit	New PI	New PI	New PI	Training programme in place to raise competency level of staff	Develop, monitor and maintain development plan	Develop, monitor and maintain development plan	Develop, monitor and maintain development plan

Programme performance indicator		Audited/Actual performance			Estimated performance 2010/11	Medium-term targets		
		2007/08	2008/09	2009/10		2011/12	2012/13	2013/14
4.4	Effective communication and events coordination	New PI	New PI	Designed communication strategy	Implemented and maintained communication strategy to improve services	Develop and implement annual communication plan, including events	Develop and implement annual communication plan, including events	Develop and implement annual communication plan, including events
5.1	Monitor, assess and report on the compliance to the service delivery standards of the CSC as assigned	New PI	New PI	New PI	New PI	Full compliance	Full compliance	Full compliance
5.2	Periodic review of the SLA	New PI	New PI	New PI	New PI	2 months prior to the end of the financial year	2 months prior to the end of the financial year	2 months prior to the end of the financial year
						Practicalise the SLA by the development of internal SOPs	Review and update the SLA by the development of internal SOPs	Practicalise the SLA by the development of internal SOPs
5.3	Drafting and consolidation of prescribed departmental plans and reports for submission to CSC	New PI	New PI	New PI	New PI	Full compliance	Full compliance	Full compliance
5.4	Coordinate the appointment of members of prescribed departmental committees/transversal forums and other statutory requirements	New PI	New PI	New PI	New PI	Full compliance	Full compliance	Full compliance
5.5	Serve as a nodal point between the department and the CSC pertaining to correspondence, access, services and other HR related issues	New PI	New PI	New PI	New PI	Full compliance	Full compliance	Full compliance

## Quarterly targets for 2011/12

Performance indicator	Reporting period	Annual target 2011/12	Quarterly targets			
			1 <sup>st</sup>	2 <sup>nd</sup>	3 <sup>rd</sup>	4 <sup>th</sup>
4.1 Effective and efficient support services	Quarterly	Develop and maintain systems and standards for strategic management and support to assist HOD in performing roles and responsibilities	Develop systems and standards	Test standards	Implement and monitor systems standards	Implement and monitor systems and standards
		Review and maintain systems and standards for programme management	Review, implement and monitor systems and standards	Implement and monitor systems and standards	Implement and monitor systems and standards	Implement and monitor systems and standards
		Develop and implement standards for secretarial and administrative services	Develop standards	Test standards	Implement and monitor standards	Implement and monitor standards
4.2 An operational plan that builds on dashboard and QPR requirements setting out milestones, desired quantum and quality of delivery	Quarterly	Develop, monitor and maintain operational plan and QPR reporting	Finalise, implement and monitor operational plan and institute remedial steps	Implement, monitor operational plan and institute, remedial steps	Implement, monitor operational plan and institute, remedial steps	Evaluate year's performance and compile operational for next financial year
4.3 Composition and implementation of a customised development plan for each staff member in line with competency requirements for each unit	Quarterly	Develop, monitor and maintain development plan	Develop, monitor and maintain development plan	Implement and monitor staff development and training plan	Implement and monitor staff development and training plan	Implement and monitor staff development and training plan
4.4 Effective communication and events co-ordination	Annually	Develop and implement annual communication plan, including events	Develop and implement annual communication plan, including events	Implement and monitor communication plan, including events	Implement and monitor communication plan, including events	Implement and monitor communication plan, including events
5.1 Monitor, assess and report on the compliance to the service delivery standards of the CSC as assigned	Quarterly	Full compliance	Full compliance	Full compliance	Full compliance	Full compliance



Performance indicator	Reporting period	Annual target 2011/12	Quarterly targets				
			1 <sup>st</sup>	2 <sup>nd</sup>	3 <sup>rd</sup>	4 <sup>th</sup>	
5.2	Periodic review of the SLA	Annual	2 months prior to the end of the financial year	Continuous assessment of SLA	Continuous assessment of SLA	Continuous assessment of SLA	Finalise review
			Practicalise the SLA by the development of internal SOPs	Develop	Implement and review	Implement and review	Implement and review
5.3	Drafting and consolidation of prescribed departmental plans and reports for submission to CSC	Quarterly	Full compliance	On prescribed dates	On prescribed dates	On prescribed dates	On prescribed dates
5.4	Coordinate the appointment of members of prescribed departmental committees/ transversal forums and other statutory requirements	Quarterly	Full compliance	In terms of statutory requirements and transversal policies	In terms of statutory requirements and transversal policies	In terms of statutory requirements and transversal policies	In terms of statutory requirements and transversal policies
5.5	Serve as a nodal point between the department and the CSC pertaining to correspondence, access, services and other HR related issues	Quarterly	Full compliance	Refining and determining of new standards and processes	Application of standards and processes	Application of standards and processes	Application of standards and processes

### Sub programme 1.3: Financial Management

#### Strategic objective: Annual targets

Strategic objective	Audited/Actual performance			Estimated performance 2010/11	Medium-term targets			
	2007/08	2008/09	2009/10		2011/12	2012/13	2013/14	
6.	Responsive and credible budget composition and delivery for the department	Revised strategic objective	Revised strategic objective	Revised strategic objective	Responsive and credible budget at level 3 (PT criteria)	Responsive and credible budget at level 3	Responsive and credible budget at level 3+	Responsive and credible budget at level 3+
7.	Full and accurate reflection of all financial transactions of the department	Revised strategic objective	Revised strategic objective	Revised strategic objective	Comprehensive and full reflection of financial transactions at level 3 (PT criteria)	Comprehensive and full reflection of financial transactions at level 3	Comprehensive and full reflection of financial transactions at level 3+	Comprehensive and full reflection of financial transactions at level 3+

Strategic objective		Audited/Actual performance			Estimated performance 2010/11	Medium-term targets		
		2007/08	2008/09	2009/10		2011/12	2012/13	2013/14
8.	Level 3 auditable supply chain management services	Revised strategic objective	Revised strategic objective	Revised strategic objective	Attain above level two auditable supply chain management services	Attain level 3 auditable supply chain management services	Attain above level 3 auditable supply chain management services	Attain level 3+ auditable supply chain management services
9.	Effective internal control measures and risk mitigation	Revised strategic objective	Revised strategic objective	Revised strategic objective	Attain level 2 effective internal control measures and risk mitigation	Attain level 2 effective internal control measures	Attain level 3 effective internal control measures and risk mitigation	Attain level 3+ effective internal control measures and risk mitigation
						Attain level 2 risk management for the department	Attain level 3 effective risk management for the department	Attain level 3+ effective risk management for the department
10.	Provide effective auxiliary and specialised support services	Revised strategic objective	Revised strategic objective	Revised strategic objective	80% on target	85%	88%	90%

### Performance indicators: Annual targets

Programme performance indicator		Audited/Actual performance			Estimated performance 2010/11	Medium-term targets		
		2007/08	2008/09	2009/10		2011/12	2012/13	2013/14
6.1	APP and QPR at level 3 + reporting standards	1 APP tabled on 30 March 2007	1 APP tabled on 28 March 2008	1 APP tabled with the Budget on 24 February 2009	1 APP and 1 SP tabled with the Main Budget	APP tabled with the Main Budget in line with PT dashboard at level 3	APP tabled with the Main Budget in line with PT dashboard at level 3+	APP tabled with the Main Budget in line with PT dashboard at level 3+
		QPR for each quarter	QPR for each quarter	QPR for each quarter supported by narratives	QPR for each quarter supported by narratives	QPR for each quarter supported by narratives at level 3	QPR for each quarter supported by narratives at level 3+	QPR for each quarter supported by narratives at level 3+
6.2	Fully costed budget with minimum shifts between the main and adjustment budget and is aligned to the APP	Revised PI	Revised PI	Revised PI	85% costed budget	90% costed budget	95% costed budget	95% costed budget
					12 IYM reports supported by narrative at level 3	12 IYM reports supported by narratives at level 3+	12 IYM reports supported by narratives at level 3+	12 IYM reports supported by narratives at level 3+
					New PI	Variance between main and adjustment estimates less than 2%	Variance between main and adjustment estimates less than 2%	Variance between main and adjustment estimates less than 2%

PART B: PROGRAMME AND SUB-PROGRAMME PLANS

Programme performance indicator		Audited/Actual performance			Estimated performance 2010/11	Medium-term targets		
		2007/08	2008/09	2009/10		2011/12	2012/13	2013/14
6.3	Compilation and coordination of the Annual Report	New PI	New PI	New PI	New PI	Draft Annual Report by 31 May and final by 31 August at level 3	Draft Annual Report by 15 June and final by 31 August at level 3	Draft Annual Report by 15 June and final by 31 August at level 3+
7.1	Fully functional payment system to pre-determined standards	Revised PI	Payment system developed	Payment system implemented	Payment system maintained	Review, refine and implement updated payment system	Review and maintain payment system	Review and maintain payment system
7.2	Clearance of ledger accounts to pre-determined standards	New PI	New PI	New PI	Monitoring and assessment system developed	Review, refine and implement	Review and maintain	Review and maintain
7.3	Compile Annual Financial Statements (AFS) to pre-determined standards	Unqualified audit report on AFS	Unqualified audit report on AFS	Unqualified audit report on AFS	Unqualified audit report on AFS and midyear report	Unqualified audit report on AFS with no material misstatements and other matters as well as the correct the midyear report	Unqualified audit report on AFS with no material misstatements and other matters as well as the correct midyear report	Unqualified audit report on AFS with no material misstatements and other matters as well as the correct midyear report
8.1	Demand and acquisition management to pre-determined standards	Not completed	Not completed	70% completed	Rewrite the relevant sections of the current AO system	Refine and implement to meet Treasury requirements	Refine and implement to meet Treasury requirements	Refine and implement to meet Treasury requirements
					New PI	Share responsibility with managers to acquire goods and services proactively	Share responsibility with managers to acquire goods and services proactively	Share responsibility with managers to acquire goods and services proactively
					New PI	Improve bid process in accordance with PTI's	Maintain and develop bid process as determined	Maintain and develop bid process as determined
					New PI	Ensure managers adhere to new prescripts	Develop and refine SCM prescripts further	Develop and refine SCM prescripts further
8.2	Logistics management to pre-determined standards	65%	75%	85%	Complete and up to date asset register that reconciles with Logis	Full compliance to meet treasury requirements	Full compliance to meet treasury requirements	Full compliance to meet treasury requirements
9.1	Execution of general internal control functions	New PI	New PI	New PI	New PI	Attain level 2 effective internal control measures	Attain level 3 effective internal control measures and risk mitigation	Attain level 3+ effective internal control measures and risk mitigation

Programme performance indicator		Audited/Actual performance			Estimated performance 2010/11	Medium-term targets		
		2007/08	2008/09	2009/10		2011/12	2012/13	2013/14
9.2	Assist AO to drive the risk management process	New PI	New PI	New PI	New PI	Attain level 2 risk management for the department	Attain level 3 effective risk management for the department	Attain level 3+ effective risk management for the department
10.1	General support services to pre-determined standards	New PI	New PI	New PI	80% compliance SOP standards	85% compliance SOP standards	88% compliance SOP standards	90% compliance SOP standards

### Quarterly targets for 2011/12

Performance indicator		Reporting period	Annual target 2011/12	Quarterly targets			
				1 <sup>st</sup>	2 <sup>nd</sup>	3 <sup>rd</sup>	4 <sup>th</sup>
6.1	APP and QPR at level 3 + reporting standards	Annually	APP tabled with the Main Budget in line with PT dashboard at level 3	Planning of APP	Review APP and finalise 1 <sup>st</sup> draft	Finalise 2 <sup>nd</sup> draft	APP tabled
		Quarterly	QPR for each quarter supported by narratives at level 3	1 QPR inclusive of narrative report	1 QPR inclusive of narrative report	1 QPR inclusive of narrative report	1 QPR inclusive of narrative report
6.2	Fully costed budget with minimum shifts between the main and adjustments budget and is aligned to the APP	Annually	90% costed budget	Identify the expenditure items on the 80/20 principle	Establish what drives the expenditure items	Refine and include in the 2nd draft budget and Adjustments Estimate	90% costed budget tabled
		Quarterly	12 IYM reports supported by narratives at level 3+	3 IYM inclusive of narrative reports	3 IYM inclusive of narrative reports	3 IYM inclusive of narrative reports	3 IYM inclusive of narrative reports
		Annually	Variance between main and adjustment estimates less than 2%	None	None	Determine if variance between main and adjusted estimates is less than 2%	Keep final spending less than 2% of Adjusted Budget
6.3	Compilation and coordination of the Annual Report	Annually	Draft Annual Report by 31 May and final by 31 August at level 3	Appropriation Statement by 31 May and 1 draft Annual Report by 15 June	Final Annual Report by 31 August for tabling by 30 September	None	None
7.1	Fully functional payment system to pre-determined standards	Quarterly	Review, refine and implement updated payment system	Review payment system	Refine payment system	Implement the payment system	Maintain the payment system
7.2	Clearance of ledger accounts to predetermined standards	Quarterly	Review, refine and implement	Revise and refine	Implement	Maintain	Maintain

PART B: PROGRAMME AND SUB-PROGRAMME PLANS

Performance indicator		Reporting period	Annual target 2011/12	Quarterly targets			
				1 <sup>st</sup>	2 <sup>nd</sup>	3 <sup>rd</sup>	4 <sup>th</sup>
7.3	Compile Annual Financial Statements (AFS) to pre-determined standards	Annually	Unqualified audit report on AFS with no material misstatements and other matters as well as correct the midyear report	2010/11 AFS to AGSA	Unqualified AFS taken up in 2010/11 Annual Report	Mid-year report	Preparation for 2011/12 AFS
8.1	Demand and acquisition management to predetermined standards	Quarterly	Refine and implement to meet Treasury requirements	Distribute and implement AO system	Develop finalise and implement 1 <sup>st</sup> demand management tool	Issue assets as per demand management tool	Compile a demand management tool for 2012/13
		Quarterly	Share the responsibility with managers to acquire goods and services pro-actively	Check compliance to prescripts	Implement corrective measures	Maintain measures pro-actively	Maintain measures pro-actively
		Quarterly	Improve bid process in accordance with PTI's	Implement DBAC in terms of AO system	Implement DBAC in terms of AO system	Implement DBAC in terms of AO system	Implement DBAC in terms of AO system
		Quarterly	Ensure managers adhere to new prescripts	AO system delegations and demand management to be implemented in department	Check deviations and complete implementation in department	Identify gaps and rectify	Identify gaps and rectify
8.2	Logistics management to predetermined standards	Quarterly	Full compliance to meet treasury requirements	Reconciliation of the 2010/11 asset registers for inclusion in the AFS	Mid-year stock take completed	Reconcile midyear stock take	Maintain asset register
9.1	Execution of general internal control functions	Quarterly	Attain level 2 effective internal control measures	Finalise activities outstanding in 2010/11	Compile three action lists (for AGSA, IA and the FGRO)	Schedule, evaluate and follow-up action lists	Complete actions identified on lists
9.2	Assist AO to drive the risk management process	Quarterly to AO and FARMCO	Attain level 2 risk management for the department	Take stock of status of risk management in the Dept and identify gaps that are reported to FARMCO	Use FARMCO recommendations and implement new risk model in the Dept	Evaluate and managers response and buy in to new risk policy within the Department and report to FARMCO and AO and ERM	Implement recommendations of the 3 <sup>rd</sup> Qtr in department and report back to FARMCO to take further in 2012/13
10.1	General support services to predetermined standards	Quarterly	85% compliance to SOP standards	70% compliance to SOP standards	77% compliance to SOP standards	82% compliance to SOP standards	85% compliance to SOP standards

## Reconciling performance targets with the Budget and MTEF

### Expenditure estimates

**Table 2 Administration**

Sub-programme R'000	Outcome			Main appro- piation 2010/11	Adjusted appro- piation 2010/11	Revised estimate 2010/11	Medium-term estimate			
	Audited	Audited	Audited				% Change from Revised estimate			
	2007/08	2008/09	2009/10				2011/12	2010/11	2012/13	2013/14
1. Office of the Minister <sup>a</sup>	3 312	3 595	4 410	4 896	4 948	4 948	5 188	4.85	5 501	5 872
2. Management Services	2 566	2 576	3 278	5 287	5 502	5 502	8 435	53.31	9 643	10 356
3. Corporate Services	13 371	13 676	11 077	7 758	3 971	3 971		(100.00)		
4. Financial Management	14 198	20 294	20 594	21 449	20 875	20 875	22 564	8.09	23 161	24 903
<b>Total payments and estimates</b>	<b>33 447</b>	<b>40 141</b>	<b>39 359</b>	<b>39 390</b>	<b>35 296</b>	<b>35 296</b>	<b>36 187</b>	<b>2.52</b>	<b>38 305</b>	<b>41 131</b>

<sup>a</sup> MEC total remuneration package: R1 491 514 with effect from 1 April 2010.

Economic classification R'000	Outcome			Main appro- piation 2010/11	Adjusted appro- piation 2010/11	Revised estimate 2010/11	Medium-term estimate			
	Audited	Audited	Audited				% Change from Revised estimate			
	2007/08	2008/09	2009/10				2011/12	2010/11	2012/13	2013/14
<b>Current payments</b>	31 680	37 455	36 684	36 760	32 404	32 404	32 770	1.13	34 776	37 373
Compensation of employees	15 132	17 626	21 520	21 980	19 029	19 029	20 488	7.67	21 875	23 355
Goods and services	16 548	19 829	15 164	14 780	13 375	13 375	12 282	(8.17)	12 901	14 018
<b>Transfers and subsidies to</b>	799	108	319	430	630	630	500	(20.63)	529	658
Departmental agencies and accounts	250									
Households	549	108	319	430	630	630	500	(20.63)	529	658
<b>Payments for capital assets</b>	947	2 541	2 153	2 200	2 214	2 214	2 917	31.75	3 000	3 100
Machinery and equipment	947	2 541	2 153	2 200	2 214	2 214	2 917	31.75	3 000	3 100
<b>Payments for financial assets</b>	21	37	203		48	48		(100.00)		
<b>Total economic classification</b>	<b>33 447</b>	<b>40 141</b>	<b>39 359</b>	<b>39 390</b>	<b>35 296</b>	<b>35 296</b>	<b>36 187</b>	<b>2.52</b>	<b>38 305</b>	<b>41 131</b>

## **Performance and expenditure trends**

The increase of R1.849 million from R33.447 million in 2007/08 to R35.296 million in 2010/11 (revised estimate), equates to an average nominal growth of 1.81 per cent per annum. The reduction from R39.390 million (Main estimates) to R35.296 million in 2010/11 is due to the corporatisation of Human Resources and Enterprise Risk Management services. The annual average nominal growth of 5.23 per cent from the revised estimate of R35.296 million in 2010/11 to R41.131 million in 2013/14, is due to the anticipated bolstering of Management Services and Supply Chain Management.

## **4. Programme 2 – Sustainable Resource Management**

### **Programme description**

Purpose: To inform financial resource allocation, to manage the provincial budget and to monitor the implementation of provincial, municipal and entity budgets to enhance the effective utilisation of available fiscal resources.

### **Programme structure**

The Programme currently consists of the following sub-programmes:

#### **Sub-programme 2.1: Programme support**

Purpose: provide management and administrative support to the programme.

This sub-programme houses the head of the Branch: Fiscal and Economic Services and the relevant chief directors responsible for Public Policy Services and Public Finance, respectively. It also provides resources for the structured training and development of the staff attached to the programme.

#### **Sub-programme 2.2: Fiscal Policy**

Purpose: provide for the effective and efficient development of revenue streams, cash and liability management.

Initiatives within this sub-programme are aimed at improving the sustainability of provincial and municipal revenue budgets and exploring the full use of available revenue resources.

Functions of the unit include the review of the provincial funding model, review of the national transfer system and research into new and existing revenue sources. Amongst the research is the review of the casino exclusivity tax regime and associated tax rates.

This sub-programme furthermore monitors and evaluates cash flow and investment management to ensure the sustainability and credibility thereof and improve liquidity in departments and municipalities.

This unit is also responsible for Departmental oversight of the Western Cape Gambling and Racing Board.

### **Sub-programme 2.3: Budget Management**

#### **Element: Provincial Government Budget Management**

Purpose: provide for provincial economic analysis and advice that informs fiscal policy and the budget allocation process; and assist, assess and report on policy attainment across the provincial sphere and introduce associated remedial steps.

A key focus area for this sub programme is to improve the responsiveness and impact of the provincial budget in addressing the socio economic needs of the people living in the Western Cape.

This sub programme is responsible for promoting the effective and responsive allocation of provincial resources; providing economic and other analysis and departmental advice that informs fiscal policy and making recommendations on budget allocations.

Efforts of the unit are geared towards ensuring the alignment between priorities, budget allocation and implementation of the budget with the focus on non-financial performance. Key deliverables of this unit are the publications of the annual Provincial Economic Review and Outlook (PER&O), the coordination of the Western Cape Provincial Medium Term Budget Policy statement (WCMTBPS), the Budget Overview of Provincial Expenditure and associated budget allocations.

#### **Element: Local Government Budget Management**

Purpose: provide for local government economic analysis and advice that informs fiscal policy and budget allocation decisions and associated remedial steps; and assist, assess and report on policy attainment across the local government sphere and introduce associated remedial steps.

This sub programme is responsible for assisting municipalities in compiling and tabling responsive and sustainable budgets, which are able to give effect to their service delivery mandates and address the various socio-economic needs of communities living in the municipal areas.

This unit evaluates the socio-economic responsiveness of municipal budget documentation against set criteria and makes recommendations to improve their impact on communities. The unit also provides monitoring and evaluation on the implementation of municipal budgets against predetermined objectives.

The unit further compiles the Socio-Economic Profiles of municipalities and undertakes initiatives to assist municipalities with building the requisite capacity to implement standards through knowledge sharing and training.



**Sub-programme 2.4: Public Finance****Element: Provincial Government Finance**

Purpose: compile a credible and sustainable main and adjustments budget and monitor the efficient implementation thereof; and assist, assess and report on provincial departmental and entity expenditure management and introduce associated remedial steps.

This sub-programme is responsible for the assessment of provincial budgets to improve the sustainability and credibility and for monitoring the implementation of budgets to enhance x-efficiency, financial prudence and fiscal discipline. The key focus area is improving the credibility and sustainability of provincial budgets through promoting efficient budget implementation.

**Element: Local Government Finance (Groups 1 and 2)**

Purpose: assist, assess and report on municipal and entity budgets, revenue and expenditure management, financial management and introduce associated remedial steps; effective participation in local government IGR engagement processes; and drive the implementation of the Local Government: Municipal Finance Management Act, 2003 (Act 56 of 2003).

The sub-programme is divided into two directorates, namely Group 1 (mainly coastal municipalities) and Group 2 (mainly non-coastal municipalities). They will respectively concentrate on improving the credibility and sustainability of municipal budgets by promoting efficient budget implementation and developing the functional ability of municipalities through the implementation of standards, knowledge-sharing and training (internally and externally).

Continuous improvement of interface between municipal budgets and in-year monitoring by identifying gaps in the interface and implementing remedial steps relating to revenue- and expenditure management in municipalities.

**Element: Immoveable Asset Management**

Purpose: increase the level of infrastructure delivery to a level 3+ financial capability rating (departments of Education, Health, Transport and Public Works, Human Settlement and CapeNature) and the sound management of PPP projects and introduce associated remedial steps.

The sub-programme must develop and maintain a Provincial Infrastructure Strategy in collaboration with the relevant departments. The infrastructure under this element is responsible for assessment of infrastructure budgets and User-Asset Management (U-AMP) and Custodian-Asset Management (C-AMP) plans, monitoring and enhancing infrastructure spending performance of designated departments (Education, Health, Transport and Public Works (including roads) and CapeNature) and championing infrastructure delivery improvement processes in these departments.

This element is further responsible to develop and to maintain a framework for infrastructure procurement, aligned to changes in the institutional environment. The directorate must also assist with the development of a provincial infrastructure plan.

The Public-Private Partnership (PPP) section is, amongst other, responsible for advising and assisting provincial departments and municipalities on PPP projects and monitoring of PPP projects. The directorate will also be responsible to conduct research in terms of alternative infrastructure/property procurement strategies/methodologies.

## Sub-Programme 2.1: Programme Support

### Strategic objective: Annual targets

Strategic objective		Audited/Actual performance			Estimated performance 2010/11	Medium-term targets		
		2007/08	2008/09	2009/10		2011/12	2012/13	2013/14
11.	Build competencies, enhance and maintain the delivery of the programme	New strategic objective	New strategic objective	New strategic objective	Reviewed and maintained systems and standards	Improve support services	Maintain support services	Maintain support services
					Operational plan supporting APP in place and monitored for delivery	Operational plan supporting the APP in place and monitored for delivery	Operational plan supporting APP in place and monitored for delivery	Operational plan supporting APP in place and monitored for delivery
					Tailored development plan for each staff member	Tailored development plan for each staff member	Tailored and assessed development plan for each staff member	Tailored and assessed development plan for each staff member

### Performance indicators: Annual targets

Programme performance indicator		Audited/Actual performance			Estimated performance 2010/11	Medium-term targets		
		2007/08	2008/09	2009/10		2011/12	2012/13	2013/14
11.1	Effective and efficient support services	New PI	New PI	New PI	New PI	Develop and maintain systems and standards for strategic management and support to assist DDG in performing roles and responsibilities	Maintain systems and standards for strategic management and support to assist DDG in performing roles and responsibilities	Maintain systems and standards for strategic management and support to assist DDG in performing roles and responsibilities
						Review and maintain systems and standards for programme management	Maintain systems and standard for programme management	Maintain systems and standards for programme management
						Develop and implement standards for secretarial and administrative services	Review and maintain standards for secretarial and administrative services	Review and maintain standards for secretarial and administrative services

Programme performance indicator		Audited/Actual performance			Estimated performance 2010/11	Medium-term targets		
		2007/08	2008/09	2009/10		2011/12	2012/13	2013/14
11.2	An operational plan that builds on dashboard and QPR requirements setting out milestones, desired quantum and quality of delivery	New PI	New PI	New PI	Developed and maintained operational plan	Develop, monitor and maintain operational plan and QPR reporting	Refine, monitor and maintain operational plan and QPR reporting	Refine, monitor and maintain operational plan and QPR reporting
11.3	Composition and implementation of a customised development plan for each staff member in line with competency requirements	New PI	New PI	New PI	Training plan in place to raise competency framework for units	Develop, monitor and maintain development plan	Refine, monitor and maintain development plan	Refine, monitor and maintain development plan
11.4	Maintain effective communication, transparency and events coordination	New PI	New PI	New PI	Implemented PT Internal Communication Strategy by means of regular staff meetings	Maintain internal communication	Maintain internal communication	Maintain internal communication

### Quarterly targets for 2011/12

Performance indicator		Reporting period	Annual target 2011/12	Quarterly targets			
				1 <sup>st</sup>	2 <sup>nd</sup>	3 <sup>rd</sup>	4 <sup>th</sup>
11.1	Effective and efficient support services	Quarterly	Develop and maintain systems and standards for strategic management and support to assist DDG in performing roles and responsibilities	Develop systems and standards	Implement and monitor systems and standards	Implement and monitor systems and standards	Implement and monitor systems and standards
			Review and maintain systems and standards for programme management	Review, implement and monitor systems and standards	Implement and monitor systems and standards	Implement and monitor systems and standards	Implement and monitor systems and standards
			Develop and implement standards for secretarial and administrative services	Develop standards	Test standards	Implement and monitor standards	Implement and monitor standards

Performance indicator		Reporting period	Annual target 2011/12	Quarterly targets			
				1 <sup>st</sup>	2 <sup>nd</sup>	3 <sup>rd</sup>	4 <sup>th</sup>
11.2	An operational plan that builds on dashboard and QPR requirements setting out milestones, desired quantum and quality of delivery	Quarterly	Develop, monitor and maintain operational plan and QPR reporting	Finalise, implement and monitor operational plan and institute remedial steps	Implement, monitor operational plan and institute remedial steps	Implement, monitor operational plan and institute remedial steps	Evaluate year's performance and compile operational plan for next financial year
11.3	Composition and implementation of a customised development plan for each staff member in line with competency requirements	Quarterly	Develop, monitor and maintain development plan	Develop staff development plan	Implement and monitor staff development and training plan	Implement and monitor staff development and training plan	Implement and monitor staff development and training plan
11.4	Maintain effective communication, transparency and events coordination	Quarterly	Maintain Internal Communication	Analyse requirements and implement	Implement and monitor adequacy of communication and transparency	Implement and monitor adequacy of communication and transparency	Implement and monitor adequacy of communication and transparency

## Sub-Programme 2.2: Fiscal Policy

### Strategic objective: Annual targets

Strategic objective		Audited/Actual performance			Estimated performance 2010/11	Medium-term targets		
		2007/08	2008/09	2009/10		2011/12	2012/13	2013/14
12.	Full utilisation of all potential revenue sources available to provincial and local governments	New strategic objective	New strategic objective	New strategic objective	Research into potential revenue resources	Identification, research and assessment of provincial and local government revenue streams against sustainability and credibility criteria	Identification, research and assessment of provincial and local government revenue streams against sustainability and credibility criteria	Identification, research and assessment of provincial and local government revenue streams against sustainability and credibility criteria
13.	Mechanisms for revenue collections in provincial and local governments that are optimum inclusive of cash management arrangements	New strategic objective	New strategic objective	New strategic objective	Research into revenue collection mechanisms	Conduct research into revenue collection mechanisms and provide recommendations	Refinement of research into revenue collection mechanisms and provide recommendations including follow-up on recommendations	Refinement of research into revenue collection mechanisms and provide recommendations including follow-up on recommendations

Strategic objective		Audited/Actual performance			Estimated performance 2010/11	Medium-term targets		
		2007/08	2008/09	2009/10		2011/12	2012/13	2013/14
14.	Cash flow management improvement of provincial departments to achieve a level 3+ financial management capability	Revised strategic objective	Revised strategic objective	3 departments achieving a level 3+ auditable rating	6 departments achieving a level 3+ auditable rating	All votes achieving a level 3+ auditable rating	All votes achieving a level 3+ auditable rating	All votes achieving a level 3+ auditable rating
15.	Monitoring and evaluation of cash flow and investment management that is sustainable and credible to enhance service delivery and improve liquidity in municipalities	New strategic objective	New strategic objective	All municipalities	All municipalities	All municipalities	All municipalities	All municipalities

#### Performance indicators: Annual targets

Programme performance indicator		Audited/Actual performance			Estimated performance 2010/11	Medium-term targets		
		2007/08	2008/09	2009/10		2011/12	2012/13	2013/14
12.1	Review of the national fiscal transfer system to provinces and local government	Limited updates	Limited updates	Preparatory work and appointment of researchers	Research, input and testing of new provincial fiscal framework	Research, review of provincial funding model and input into the fiscal transfer system for provinces and local government	Research, review of provincial funding model and input into the fiscal transfer system for provinces and local government	Research, review of provincial funding model and input into the fiscal transfer system for provinces and local government
		New PI	New PI	New PI	New PI	Estimate and provide the provincial fiscal framework	Estimate and provide the provincial fiscal framework	Estimate and provide the provincial fiscal framework

Programme performance indicator		Audited/Actual performance			Estimated performance 2010/11	Medium-term targets		
		2007/08	2008/09	2009/10		2011/12	2012/13	2013/14
13.1	Research, monitor and advise on the sustainability and credibility of provincial own revenue sources	New PI	New PI	New PI	New PI	Assessments of departmental provincial own revenue trends and submitted policies	Assessments of departmental provincial own revenue trends and submitted policies	Assessments of departmental provincial own revenue trends and submitted policies
		None	Planning, and research	Plan, research and appointed external consultant/ expertise inclusive of consultation with industry	Refine and conclude research and implement the new tax regime inclusive of approval by Legislature	Refine and conclude research on casino tax regime inclusive of approval by the Provincial Parliament	Possible further refinement and implementation	None
		Fuel levy researched and approved by NT	Tourism related taxes researched and motor vehicle license impact researched	Refine and update current research initiatives	Refine and update current research initiatives (fuel levy, bed levy, tourism departure tax) and submission of one new tax proposal to NT i.r.o. the PTRPA	Refine and update fuel levy, bed and tourism departure tax	Refine, research initiatives and submit one new tax proposal to NT in terms of the PTRPA	Implement one new tax proposal and further refine other proposals
13.2	Ensure oversight and efficient management of the WCGRB to optimise revenue	New PI	New PI	New PI	Assessment tool measuring compliance and implementation	Governance Review of the WCGRB	Refinement and implementation of review findings for the WCGRB	Further refinement and implementation of review findings for the WCGRB
						Performance assessment reports for the WCGRB	Performance assessment reports for the WCGRB	Performance assessment reports for the WCGRB
13.3	Research into revenue sources/tariff structures for local government	New PI	New PI	New PI	New PI	Research into revenue/tariff structures and provide recommendations to encourage optimal revenue generating mechanisms for selected municipalities	Refinement of research into revenue/tariff structures and provide recommendations to encourage optimal revenue generating mechanisms for selected municipalities	Refinement of research into revenue/ tariff structures and provide recommendations to encourage optimal revenue generating mechanisms for selected municipalities
14.1	Alignment of vote expenditure to vote receipts in accordance with an approved Provincial Treasury payment schedule	Revised PI	Revised PI	All provincial departments	All provincial departments	All votes	All votes	All votes

Programme performance indicator		Audited/Actual performance			Estimated performance 2010/11	Medium-term targets		
		2007/08	2008/09	2009/10		2011/12	2012/13	2013/14
15.1	Assessment of monthly municipal IYM and any remedial action necessary inclusive of user support and training	New PI	New PI	New PI	All municipalities	All municipalities	All municipalities	All municipalities
15.2	Support, assessment and advice on external borrowings by municipalities	New PI	New PI	New PI	All municipalities	All municipalities in accordance with PT's borrowings assessment framework	All municipalities in accordance with PT's borrowings assessment framework	All municipalities in accordance with PT's borrowings assessment framework

### Quarterly targets for 2011/12

Performance indicator		Reporting period	Annual target 2011/12	Quarterly targets			
				1 <sup>st</sup>	2 <sup>nd</sup>	3 <sup>rd</sup>	4 <sup>th</sup>
12.1	Review of the national fiscal transfer system to provinces and local government	Quarterly	Research, review of provincial funding model and input into the fiscal transfer system for provinces and local government	Research, review of national fiscal transfer system and comment on fiscal transfer system	Continuation of research of national fiscal transfer system and comment on the fiscal transfer system	Continuation of research of national fiscal transfer system and of comment on the fiscal transfer system	Refinement of research of the national fiscal transfer system and comment on the fiscal transfer system
		Quarterly	Estimate and provide the provincial fiscal framework	Review of the provincial fiscal envelop	Review of the provincial fiscal envelop	Estimate and provide the provincial revenue envelope	Provide the provincial revenue envelope
13.1	Research, monitor and advise on the sustainability and credibility of provincial own revenue sources	Quarterly	Assessments of departmental provincial own revenue trends and submitted policies	Monthly revenue reports to monitor sustainability and credibility of provincial own revenue	Assessment reports of provincial own receipts and revenue policies submitted	Monthly revenue reports to monitor sustainability and credibility of provincial own revenue	Assessment reports of provincial own receipts and revenue policies submitted
			Refine and conclude research on casino tax regime inclusive of approval by the Provincial Parliament	Continuation of casino research and consultation with industry	Continuation of casino research, consultation with industry and drafting of legislation	Legislative process and further refinement	Implement new casino taxation regime
			Refine and update fuel levy, bed and tourism departure tax	Refine and update fuel levy, bed and tourism departure tax	Continuation with refinement and update of fuel levy, bed and tourism departure tax	Consultation (MEC, industry, etc) and further refinement of taxation proposals	Cabinet approval and consultation with NT

Performance indicator		Reporting period	Annual target 2011/12	Quarterly targets			
				1 <sup>st</sup>	2 <sup>nd</sup>	3 <sup>rd</sup>	4 <sup>th</sup>
13.2	Ensure oversight and efficient management of the WCGRB to optimise revenue	Quarterly	Governance Review of the WCGRB	None	Optimising the operational structure of the WCGRB	None	None
		Quarterly	Performance assessment reports for the WCGRB	Performance assessment reports for the WCGRB	Performance assessment reports for the WCGRB	Performance assessment reports for the WCGRB	Performance assessment reports for the WCGRB
13.3	Research into revenue sources/tariff structures for local government	Quarterly	Research into revenue/tariff structures and provide recommendations to encourage optimal revenue generating mechanisms for selected municipalities	Research into revenue/tariff structures to encourage optimal revenue generating mechanisms for selected municipalities	Research into revenue/tariff structures to encourage optimal revenue generating mechanisms for selected municipalities	Research into revenue/tariff structures to encourage optimal revenue generating mechanisms for selected municipalities	Research into revenue/tariff structures to encourage optimal revenue generating mechanisms for selected municipalities
14.1	Alignment of vote expenditure to vote receipts in accordance with an approved Provincial Treasury payment schedule.	Quarterly	All votes	All votes	All votes	All votes	All votes
15.1	Assessment of monthly municipal IYM and any remedial action necessary inclusive of user support and training	Quarterly	All municipalities	All municipalities	All municipalities	All municipalities	All municipalities
15.2	Support, assessment and advice on external borrowings by municipalities	Quarterly	All municipalities in accordance with PT's borrowings assessment framework	All municipalities	All municipalities	All municipalities	All municipalities



**Sub-programme 2.3: Budget Management****Element: Provincial Government Budget Management****Strategic objective: Annual targets**

Strategic objective		Audited/Actual performance			Estimated performance 2010/11	Medium-term targets		
		2007/08	2008/09	2009/10		2011/12	2012/13	2013/14
16.	Evaluate and improve the responsiveness of budgets within provincial departments and entities	New strategic objective	New strategic objective	New strategic objective	All budgets assessed against responsive-ness criteria as part of PG MTEC process	All departmental budgets and APPs assessed and departments assisted and capacitated through establishing standards and providing guidance and training	All departmental budgets and APPs assessed and departments assisted and capacitated through establishing standards and providing guidance and training	All departmental budgets and APPs assessed and departments assisted and capacitated through establishing standards and providing guidance and training
17.	Apply economic and other analysis to inform provincial planning and budgeting processes	New strategic objective	New strategic objective	New strategic objective	Publication of the 2010 Provincial Economic Review and Outlook and findings fed into the Medium Term Budget Policy Statement. Economic update included in the Budget Overview	Economic and other analysis to inform provincial planning and budgeting	Economic and other analysis to inform provincial planning and budgeting	Economic and other analysis to inform provincial planning and budgeting

**Performance indicators Annual targets**

Programme performance indicator		Audited/Actual performance			Estimated performance 2010/11	Medium-term targets		
		2007/08	2008/09	2009/10		2011/12	2012/13	2013/14
16.1	Provincial APP and budget assessments to enhance responsiveness	12 Annual Performance Plans	12 Annual Performance Plans	12 Annual Performance Plans	13 Annual Performance Plans	Annual Performance Plans of all votes assessed and remedial actions identified	Annual Performance Plans of all votes assessed and remedial actions identified	Annual Performance Plans of all votes assessed and remedial actions identified

Programme performance indicator		Audited/Actual performance			Estimated performance 2010/11	Medium-term targets		
		2007/08	2008/09	2009/10		2011/12	2012/13	2013/14
16.2	Performance reports evaluated on the implementation of budget	48 Quarterly Performance Reports assessments	48 Quarterly Performance Reports assessments	48 Quarterly Performance Reports assessments	52 Quarterly Performance Reports assessments	Quarterly Performance Reports on all departments and submissions to Cabinet and Provincial Parliament on quarterly non-financial performance	Quarterly Performance Reports on all departments and submissions to Cabinet and Provincial parliament on quarterly non-financial performance	Quarterly Performance Reports on all departments and submissions to Cabinet and Provincial Parliament on quarterly non-financial performance
						Annual Reports of all votes assessed and recommendations provided	Annual Reports of all votes assessed and recommendations provided	Annual Reports of all votes assessed and recommendations provided
17.1	Publication of the Provincial Economic Review and Outlook (PER&O)	PER&O 2007 published in June 2007	PER&O 2008 published in November 2008	PER&O 2009 published in November 2009	PER&O 2010 published in November 2010	PER&O 2011 to be published by August 2011	PER&O 2012 to be published by August 2012	PER&O 2013 to be published by August 2013

### Quarterly targets for 2011/12

Performance indicator		Reporting period	Annual target 2011/12	Quarterly targets			
				1 <sup>st</sup>	2 <sup>nd</sup>	3 <sup>rd</sup>	4 <sup>th</sup>
16.1	Provincial APP and budget assessments to enhance responsiveness	Annually	Annual Performance Plans of all votes assessed and remedial actions identified	Draft standards for APPs to be developed and guidance and customised training on preparation of budgets and plans provided	Develop and communicate standards and assessment framework	1 <sup>st</sup> draft Annual Performance plans assessed and remedial actions identified.	2 <sup>nd</sup> draft Annual Performance plans assessed and remedial actions identified
16.2	Performance reports evaluated on the implementation of budget	Quarterly	Quarterly Performance Reports on all departments and submissions to Cabinet and legislature on quarterly non-financial performance	Quarterly Performance Reports assessments on all departments and submissions to Cabinet and Provincial Parliament on quarterly non-financial performance	Quarterly Performance Reports assessments on all departments and submissions to Cabinet and Provincial Parliament on quarterly non-financial performance	Quarterly Performance Reports assessments on all departments and submissions to Cabinet and Provincial Parliament on quarterly non-financial performance	Quarterly Performance Reports assessments on all departments and submissions to Cabinet and Provincial Parliament on quarterly non-financial performance
		Annually	Annual Reports of all votes assessed and recommendations provided	Draft Annual Reports assessed and responses provided	None	None	None
17.1	Publication of the Provincial Economic Review and Outlook (PER&O)	Annually	PER&O 2011 to be published by August 2011	Planning and preparatory work conducted	Publication of the PER&O	Utilise findings in 2012/13 MTEF Budget process	Planning and preparatory work for PER&O 2012.

**Sub-programme 2.3: Budget Management****Element: Local Government Budget Management****Strategic objective: Annual targets**

Strategic objective		Audited/Actual performance			Estimated performance 2010/11	Medium-term targets		
		2007/08	2008/09	2009/10		2011/12	2012/13	2013/14
18.	Evaluate and improve the responsiveness of municipal budgets	Municipal budgets assessed against responsiveness criteria	Municipal budgets assessed against responsiveness criteria	Municipal budgets assessed against responsiveness criteria	All municipal budgets assessed against responsiveness criteria as part of LG MTEC process	All municipal budgets and SDBIPs assessed and municipalities assisted and capacitated through establishing standards and providing guidance and training	All municipal budgets and SDBIPs assessed and municipalities assisted and capacitated through establishing standards and providing guidance and training	All municipal budgets and SDBIPs assessed and municipalities assisted and capacitated through establishing standards and providing guidance and training
19.	Apply economic and other analysis to inform municipal planning and budgeting processes	Published SEP-LG for 5 districts and City of Cape Town by November 2006	Released Working Papers on 5 districts and City of Cape Town by June 2007	Planning and preparatory work for 2 district profiles – Cape Winelands and Eden	Compile SEP-LG for 5 districts and City of Cape Town	Economic and other analysis to inform municipal planning and budgeting	Economic and other analysis to inform municipal planning and budgeting	Economic and other analysis to inform municipal planning and budgeting

**Performance indicators: Annual targets**

Programme performance indicator		Audited/Actual performance			Estimated performance 2010/11	Medium-term targets		
		2007/08	2008/09	2009/10		2011/12	2012/13	2013/14
18.1	Municipal budget assessments to enhance responsiveness	30 municipal budgets assessed for responsiveness	30 municipal budgets assessed for responsiveness	30 municipal budgets assessed for responsiveness	30 municipal budgets assessed for responsiveness	30 municipal budgets assessed for responsiveness and remedial action identified	30 municipal budgets assessed for responsiveness and remedial action identified	30 municipal budgets assessed for responsiveness and remedial action identified
18.2	Performance reports evaluated on the implementation of budgets and support provided to municipalities to improve performance information	Overview report and feedback on SDBIP, mid-year and Annual Report assessments	Overview report and feedback on SDBIP, mid-year and Annual Report assessments	Overview report and feedback on SDBIP, mid-year and Annual Report assessments	Overview report and feedback on SDBIP, mid-year and Annual Report assessments	SDBIP quarterly and Mid-year Reports assessments of all municipalities and submissions to Cabinet and Provincial Parliament on quarterly non-financial performance	SDBIP quarterly and Mid-year Reports assessments of all municipalities and submissions to Cabinet and Provincial Parliament on quarterly non-financial performance	SDBIP quarterly and Mid-year Reports assessments of all municipalities and submissions to Cabinet and Provincial Parliament on quarterly non-financial performance
						Annual Reports Assessed of all municipalities and recommendations provided	Annual Reports Assessed of all municipalities and recommendations provided	Annual Reports Assessed of all municipalities and recommendations provided

Programme performance indicator		Audited/Actual performance			Estimated performance 2010/11	Medium-term targets		
		2007/08	2008/09	2009/10		2011/12	2012/13	2013/14
19.1	Publication of Socio-Economic Review of Local Government (SEP-LG) for 5 Districts Profiles and the Metro	Published SEP-LG for 5 districts and City of Cape Town by November 2006	Released Working Papers on 5 districts and City of Cape Town by June 2007	Planning and preparatory work for 2 district profiles – Cape Winelands and Eden	Publish a district SEP-LG 5 districts and City of Cape Town	Publish Socio-Economic Review of Local Government (SEP-LG) for 5 Districts and the Metro by October 2011	Publish Socio-Economic Review of Local Government (SEP-LG) for 5 Districts and the Metro by October 2012	Publish Socio-Economic Review of Local Government (SEP-LG) for 5 Districts and the Metro by October 2013

### Quarterly targets for 2011/12

Performance indicator		Reporting period	Annual target 2011/12	Quarterly targets			
				1 <sup>st</sup>	2 <sup>nd</sup>	3 <sup>rd</sup>	4 <sup>th</sup>
18.1	Municipal budget assessments to enhance responsiveness	Annually	30 municipal budgets assessed for responsiveness and remedial action identified	Municipal budgets assessed and remedial actions identified	Evaluate findings and provide feedback to Cabinet and relevant stakeholders	Implement and follow through of recommendations	Review, planning and preparatory work for 2012/13
18.2	Performance reports evaluated on the implementation of budgets and support provided to municipalities to improve performance information	Quarterly	SDBIP quarterly and Mid-year Reports assessments of all municipalities and submissions to Cabinet and Provincial Parliament on quarterly non-financial performance	Planning & preparatory work	Provide guidance & clarification	Quarterly/ Mid-year Reports assessments of all municipalities and submissions to Cabinet and Provincial Parliament on quarterly non-financial performance	Mid-year Reports assessments of all municipalities and submissions to Cabinet and Provincial Parliament on quarterly non-financial performance
		Annually	Annual Reports assessed of all municipalities and recommendation provided	None	None	Planning & preparatory work	Draft Annual Reports assessed and responses provided to all municipalities
19.1	Publication of Socio Economic Review of Local Government (SEP-LG) for 5 Districts Profiles and the Metro	Annually	Publish Socio Economic Review of Local Government (SEP-LG) for 5 Districts and the Metro by October 2011	Planning and preparatory work	Collecting and vetting of information Drafting of SEP-LG for 5 District and the Metro	None	Planning and preparatory work for SEP-LG 2012/13

**Sub-programme 2.4: Public Finance****Element: Provincial Government Finance****Strategic objective: Annual targets**

Strategic objective		Audited/Actual performance			Estimated performance 2010/11	Medium-term targets		
		2007/08	2008/09	2009/10		2011/12	2012/13	2013/14
20.	Evaluate and improve the credibility and sustainability of the budget	26 PG MTEC Assessment reports	26 PG MTEC Assessment reports	26 PG MTEC Assessment reports	26 PG MTEC Assessment reports	All votes budgets assessed against credibility criteria and departments assisted and capacitated through establishing standards, providing guidance and training	All votes budgets assessed against credibility criteria and departments assisted and capacitated through establishing standards, providing guidance and training	All votes budgets assessed against credibility criteria and departments assisted and capacitated through establishing standards, providing guidance and training
21.	Monitor the implementation of the budget in terms of x-efficiency, financial prudence and fiscal discipline	13 Monthly IYM reports and 4 Cabinet submissions	13 Monthly IYM reports and 4 Cabinet submissions	13 Monthly IYM reports and 4 Cabinet submissions	13 Monthly IYM reports and 4 Cabinet submissions	Monthly in-year-monitoring assessments and quarterly reports inclusive of remedial action identified submitted to Cabinet and Provincial Parliament	Monthly in-year-monitoring assessments and quarterly reports inclusive of remedial action identified submitted to Cabinet and Provincial Parliament	Monthly in-year-monitoring assessments and quarterly reports inclusive of remedial action identified submitted to Cabinet and Provincial Parliament

**Performance indicators: Annual targets**

Programme performance indicator		Audited/Actual performance			Estimated performance 2010/11	Medium-term targets		
		2007/08	2008/09	2009/10		2011/12	2012/13	2013/14
20.1	Provincial budget assessments to enhance sustainability and credibility of the budget and the development and rollout of a budget management framework inclusive of user support	26 PG MTEC assessment reports	26 PG MTEC assessment reports	26 PG MTEC assessment reports	26 PG MTEC assessment reports	Provincial budgets assessed and remedial actions identified Develop and implement budget management framework	14 draft provincial vote budgets assessed and remedial actions identified Revise and implement budget management framework	14 draft provincial vote budgets assessed and remedial actions identified Revise and implement budget management framework

Programme performance indicator		Audited/Actual performance			Estimated performance 2010/11	Medium-term targets		
		2007/08	2008/09	2009/10		2011/12	2012/13	2013/14
21.1	In-year monitoring reports evaluated on the implementation of the budget order to enhance x-efficiency, financial prudence and fiscal discipline in departments	13 Monthly IYM reports and 4 Cabinet sub-missions	13 Monthly IYM reports and 4 Cabinet sub-missions	13 Monthly IYM reports and 4 Cabinet sub-missions	13 Monthly IYM reports and 4 Cabinet sub-missions	Monthly IYM reports and quarterly submissions to Cabinet and the Provincial Parliament	Monthly IYM reports and quarterly submissions to Cabinet and the Provincial Parliament	Monthly IYM reports and quarterly submissions to Cabinet and the Provincial Parliament

### Quarterly targets for 2011/12

Performance indicator		Reporting period	Annual target 2011/12	Quarterly targets			
				1 <sup>st</sup>	2 <sup>nd</sup>	3 <sup>rd</sup>	4 <sup>th</sup>
20.1	Provincial budget assessments to enhance sustainability and credibility of the budget and the development and rollout of a budget management framework inclusive of user support	Bi-annually	Provincial budgets assessed and remedial actions identified  Develop and implement budget management framework	Draft standards for provincial budget to be developed and knowledge sharing and training on preparation of budgets and plans	14 assessments of 1 <sup>st</sup> draft budgets submitted	14 assessments of 2 <sup>nd</sup> Draft budgets submitted	1 Estimate of Provincial Revenue and Expenditure
21.1	In-year monitoring reports evaluated on the implementation of the budget order to enhance x-efficiency, financial prudence and fiscal discipline in departments	Quarterly	Monthly IYM reports and quarterly submissions to Cabinet and the Provincial Parliament	14 Monthly IYM reports and 1 Cabinet submission	14 Monthly IYM reports and 1 Cabinet submission	14 Monthly IYM reports and 1 Cabinet submission	14 Monthly IYM reports and 1 Cabinet submission

**Element: Local Government Finance (Groups 1 and 2)****Strategic objective: Annual targets**

Strategic objective		Audited/Actual performance			Estimated performance 2010/11	Medium-term targets		
		2007/08	2008/09	2009/10		2011/12	2012/13	2013/14
22.	Evaluate and improve credibility and sustainability of municipal budgets	30 LGMTEC Assessment reports	30 LGMTEC Assessment Reports	30 LGMTEC Assessment Reports	Assessed all budgets against pre-established criteria and developed revised criteria for the next budget cycle	Assess all municipal budgets against pre-established criteria, Municipalities assisted and capacitated through establishing standards, providing guidance and training	Assess all municipal budgets against pre-established criteria and refine existing Municipalities assisted and capacitated through establishing standards, providing guidance and training	Assess all municipal budgets against pre-established credibility criteria, Municipalities and assisted and capacitated through establishing standards, providing guidance and training
23.	Monitor the implementation of municipal budgets in terms of x-efficiency, financial prudence and fiscal discipline	30 Monthly IYM reports and 4 Cabinet Submissions	30 Monthly IYM reports and 4 Cabinet Submissions	30 Monthly IYM reports and 4 Cabinet Submissions	30 monthly IYM's Assessed against pre-established criteria and developed revised criteria for the next budget cycle	Monthly in-year monitoring assessments and quarterly reports inclusive of remedial action identified and submitted to Cabinet and Provincial Parliament	Monthly in-year monitoring assessments and quarterly reports inclusive of remedial action identified and submitted to Cabinet and Provincial Parliament	Monthly in-year monitoring assessments and quarterly reports inclusive of remedial action identified and submitted to Cabinet and Provincial Parliament
24.	Coordination of MFMA Implementation requirements	New Strategic Objective	New Strategic Objective	New Strategic Objective	New Strategic Objective	Implementation of selected MFMA priorities	Implementation of selected MFMA priorities	Implementation of selected MFMA priorities

**Performance indicators: Annual targets**

Programme performance indicator		Audited/Actual performance			Estimated performance 2010/11	Medium-term targets		
		2007/08	2008/09	2009/10		2011/12	2012/13	2013/14
22.1	Municipal budgets assessed for sustainability, credibility and ensure compliance with regulatory framework	30 LG MTEC 3 assessment reports	30 LG MTEC 3 assessment reports	30 LG MTEC 3 assessment reports	30 LG MTEC 3 assessment reports assessed against the pre-established criteria and development of the revised criteria for 2011/12	30 LG MTEC 3 draft budget assessment reports assessed against the refined credibility criteria	30 LG MTEC 3 draft budget assessment reports assessed against the refined credibility criteria	30 LG MTEC 3 draft budget assessment reports assessed against the refined credibility criteria
						Refine the criteria for 12/13 financial year	Refine the criteria for 13/14 financial year	Refine the criteria for 14/15 financial year

Programme performance indicator		Audited/Actual performance			Estimated performance 2010/11	Medium-term targets		
		2007/08	2008/09	2009/10		2011/12	2012/13	2013/14
23.1	IYM reports assessed to enhance x-efficiency, financial prudence and fiscal discipline	30 monthly IYM reports and 4 Cabinet submissions	30 monthly IYM reports and 4 Cabinet submissions	30 monthly IYM reports and 4 Cabinet submissions	Assess 30 monthly IYM reports and submit 4 quarterly reports to Cabinet	Assess 30 monthly IYM reports Publish 4 quarterly consolidated Municipal Budget Statements. Submit 4 quarterly reports to Cabinet and Provincial Parliament	Assess 30 monthly IYM reports. Publish 4 quarterly consolidated Municipal Budget Statements. Submit 4 quarterly reports to Cabinet and Provincial Parliament	Assess 30 monthly IYM reports. Publish 4 quarterly consolidated Municipal Budget Statements. Submit 4 quarterly reports to Cabinet and Provincial Parliament
24.1	Implementation of the Selected MFMA Priorities	New PI	New PI	New PI	New PI	Implementation of Selected MFMA priorities and effective participation in inter-governmental relations structures	Implementation of Selected MFMA priorities and effective participation in inter-governmental relations structures	Implementation of Selected MFMA priorities and effective participation in inter-governmental relations structures

### Quarterly targets for 2011/12

Performance indicator		Reporting period	Annual target 2011/12	Quarterly targets			
				1 <sup>st</sup>	2 <sup>nd</sup>	3 <sup>rd</sup>	4 <sup>th</sup>
22.1	Municipal budgets assessed for sustainability, credibility and ensure compliance with regulatory framework	Quarterly	30 LG MTEC 3 draft budget assessment reports assessed against the refined credibility criteria	Budget Assessment Reports presented and issued to municipalities	Compliance Assessments on approved budgets i.t.o. Budget Regulations of NT	Refine assessment framework criteria for the next budget cycle	Midyear budget assessments. Preparatory work for finalisation of LGMTEC assessments Conduct LGMTEC 2 engagement
		Quarterly	Refine the criteria for 12/13 financial year	Refine the criteria for 12/13 financial year	Refine the criteria for 12/13 financial year	Refine the criteria for 12/13 financial year	Refine the criteria for 12/13 financial year



Performance indicator		Reporting period	Annual target 2011/12	Quarterly targets			
				1 <sup>st</sup>	2 <sup>nd</sup>	3 <sup>rd</sup>	4 <sup>th</sup>
23.1	IYM reports assessed to enhance x-efficiency, financial prudence and fiscal discipline	Quarterly	Assess 30 monthly IYM reports Publish 4 quarterly consolidated Municipal Budget Statements. Submit 4 quarterly reports to Cabinet and Provincial Parliament	30 Monthly IYM assessment reports in terms of the new criteria for Q3 of municipal financial year. Verifications of Conditional Grants on behalf of NT. 2 x Cabinet submissions, Consolidated Municipal Budget Statement on IYM Performance and Government Debt. (Q3 municipal year)	30 monthly IYM assessment reports in terms of the new criteria for Q4 of municipal financial year. Verifications of Conditional Grants on behalf of NT. 2 x Cabinet submissions on IYM Performance and Government Debt. (Q4 municipal year)	30 monthly IYM assessment reports in terms of the refined criteria for Q1 of municipal financial year. Verifications of Conditional Grants on behalf of NT. 2 x Cabinet submissions, Consolidated Municipal Budget Statement on IYM Performance and Government Debt. (Q1 municipal year)	30 monthly IYM assessment reports in terms of the refined criteria for Q2 of municipal financial year. Verifications of Conditional Grants on behalf of NT. 2 x Cabinet submissions Consolidated Municipal Budget Statement on IYM Performance and Government Debt. (Q2 municipal year)
24.1	Implementation of the Selected MFMA Priorities	Quarterly	Implementation of Selected MFMA priorities and effective participation in intergovernmental relations structures	Management and refinement of Local Government IGR engagement framework	Management and refinement of Local Government IGR engagement framework	Management and refinement of Local Government IGR engagement framework	Management and refinement of Local Government IGR engagement framework

## Element: Immoveable Asset Management

### Strategic objective: Annual targets

Strategic objective		Audited/Actual performance			Estimated performance 2010/11	Medium-term targets		
		2007/08	2008/09	2009/10		2011/12	2012/13	2013/14
25.	Entrenching built-environment business principles and processes for effective infrastructure delivery that is aligned and contributes to optimal utilisation of government immoveable assets	Revised strategic objective	Revised strategic objective	Revised strategic objective	Revised strategic objective	Develop Assessment tools and conduct assessments to determine maturity levels of departments (Education, Health, Human Settlements and TPW (Public Works and Roads and Transport (branches)) to deliver infrastructure	Conduct assessments to determine maturity levels of departments (Education, Health, Human Settlements and TPW (Public Works and Roads and Transport (branches)) to deliver infrastructure.	Conduct assessments to determine the maturity levels of departments (Education, Health, Human Settlements and TPW (Public Works and Roads and Transport (branches)) to deliver infrastructure

Strategic objective		Audited/Actual performance			Estimated performance 2010/11	Medium-term targets		
		2007/08	2008/09	2009/10		2011/12	2012/13	2013/14
25.	Entrenching built-environment business principles and processes for effective infrastructure delivery that is aligned and contributes to optimal utilisation of government immovable assets <i>(continued)</i>				Assessments conducted on User Asset Management Plans (U-AMP) and Custodian Asset Management Plan (C-Amp) and feedback provided to all departments and Provincial Parliament	Assessments conducted on User Asset Management Plans (U-AMP) and Custodian Asset Management Plan (C-Amp) and feedback provided to all departments and Provincial Parliament.	Assessments conducted on User Asset Management Plans (U-AMP) and Custodian Asset Management Plan (C-Amp) and feedback provided to all departments and Provincial Parliament	Assessments conducted on User Asset Management Plans (U-AMP) and Custodian Asset Management Plan (C-Amp) and feedback provided to all departments and Provincial Parliament
		New strategic objective	New strategic objective	New strategic objective	New strategic objective	As part of IDMS, develop a provincial infrastructure procurement framework	Maintain the provincial infrastructure procurement framework	Maintain the provincial infrastructure procurement framework
		New strategic objective	New strategic objective	New strategic objective	Developed a good governance assessment tool and pilot on one PPP project	Roll-out assessment on two PPP projects	Roll-out assessment on three PPP projects	Roll-out assessment on four PPP projects
					New strategic objective	Develop alternative infrastructure/property procurement strategies/methodologies and explore potential disposal strategies	Promote the implementation of alternative infrastructure/property procurement strategies/methodologies and assess disposal strategies	Promote the implementation of alternative infrastructure/property procurement strategies/methodologies and assess disposal strategies

### Performance indicators: Annual targets

Programme performance indicator		Audited/Actual performance			Estimated performance 2010/11	Medium-term targets		
		2007/08	2008/09	2009/10		2011/12	2012/13	2013/14
25.1	Infrastructure planning processes and procedures compliant to the Infrastructure Development Improvement Programme (IDIP)	Revised PI	Revised PI	Revised PI	Draft maturity tool developed	Conduct assessments to determine the maturity levels of departments (Education, Health and TPW (Public Works and Roads and Transport (branches)) to deliver infrastructure and identify remedial steps	Conduct assessments to determine the maturity levels of departments (Education, Health, Human Settlements and TPW (Public Works and Roads and Transport (branches)) to deliver infrastructure and identify remedial steps	Conduct assessments to determine the maturity levels of departments (Education, Health, Human Settlements and TPW (Public Works and Roads and Transport (branches)) to deliver infrastructure and identify remedial steps

PART B: PROGRAMME AND SUB-PROGRAMME PLANS

Programme performance indicator		Audited/Actual performance			Estimated performance 2010/11	Medium-term targets		
		2007/08	2008/09	2009/10		2011/12	2012/13	2013/14
25.1	Infrastructure planning processes and procedures compliant to the Infrastructure Development Improvement Programme (IDIP) (continued)	New PI	New PI	New PI	New PI	Develop a provincial infrastructure procurement framework	Maintain the provincial infrastructure procurement framework.	Maintain the provincial infrastructure procurement framework
		16 reports	16 reports	16 reports	16 Infrastructure Expenditure Reports of Education, Public Works and Roads and Health that are compliant to Division of Revenue Act (DORA)	16 Infrastructure Expenditure Reports of Education, Public Works and Roads and Health are compliant to Division of Revenue Act (DORA)	16 Infrastructure Expenditure Reports of Education, Public Works and Roads and Health are compliant to Division of Revenue Act (DORA)	16 Infrastructure Expenditure Reports of Education, Public Works and Roads and Health are compliant to Division of Revenue Act (DORA)
		Revised PI	8 reports	8 reports	8 IDIP effectiveness reports (Education and Health) and feedback provided to departments	8 IDIP effectiveness reports (Education and Health) and feedback provided to departments	12 IDIP effectiveness reports (Education, Health and Public Works) and feedback provided to departments	16 IDIP effectiveness reports (Education, Health, Public Works and Roads) and feedback provided to departments
25.2	Promote compliance of Departmental User Asset Management Plans, in terms of GIAMA guidelines, in collaboration with Public Works	New PI	New PI	New PI	Assessment on User Asset Management Plans (U-Amp) conducted and feedback provided to 13 departments and Provincial Parliament	Assessment on User Asset Management Plans (U-Amp) and C-Amp conducted and feedback provided to 13 departments and Provincial Parliament	Assessment on User Asset Management Plans (U-Amp) conducted and feedback provided to 13 departments and Provincial Parliament	Assessment on User Asset Management Plans (U-Amp) conducted and feedback provided to 13 departments and Provincial Parliament
25.3	Implementation of an assessment and remedial action model for closed PPP deals (bi-annual assessments)	New PI	New PI	New PI	Assessment and Remedial Action Model developed, and implemented on two Provincial closed PPP projects (bi-annual reports)	Model fully implemented and applied to all closed PPP deals (four projects)	Model fully implemented and applied to all closed PPP deals (four projects)	Model fully implemented and applied to all closed PPP deals (four projects)
					New PI	Conduct research on alternative infrastructure/property procurement strategies/methodologies	Promote the implementation of alternative infrastructure/property procurement strategies/methodologies	Promote the implementation of alternative infrastructure/property procurement strategies/methodologies

## Quarterly targets for 2011/12

Performance indicator	Reporting period	Annual target 2011/12	Quarterly targets				
			1 <sup>st</sup>	2 <sup>nd</sup>	3 <sup>rd</sup>	4 <sup>th</sup>	
25.1 Infrastructure planning processes and procedures compliant to the Infrastructure Development Improvement Programme (IDIP)	Quarterly	Conduct assessments to determine maturity levels of departments (Education, Health and TPW (Public Works and Roads and Transport (branches)) to deliver infrastructure and identify remedial steps	Assessment tool refined and agreed on to determine maturity level of Public Works as the Implementing Agent (IA)	Conduct assessment on the maturity level of Public Works as Implementing Agent (IA) for Education & Health	Conduct an assessment on the maturity level of Education as a client department i.r.o infrastructure planning	Conduct assessment on the maturity level of Health as a client department i.r.o infrastructure planning	
	Annually	Develop a provincial infrastructure procurement framework	Conduct research and network with stakeholders to develop framework on provincial infrastructure strategy	1st draft framework on provincial infrastructure strategy developed	2nd draft framework on provincial infrastructure strategy developed	Finalise framework on provincial infrastructure strategy	
	Quarterly	16 Infrastructure Expenditure Reports of Education, Public Works and Roads and Health are compliant to Division of Revenue Act (DORA)	Four reports	Four reports	Four reports	Four reports	
	Quarterly	8 IDIP effectiveness reports (Education and Health) and feedback provided to departments	2 IDIP effectiveness reports (Education and Health) and feedback provided to departments	2 IDIP effectiveness reports (Education and Health) and feedback provided to departments	2 IDIP effectiveness reports (Education and Health) and feedback provided to departments	2 IDIP effectiveness reports (Education and Health) and feedback provided to departments	
25.2	Promote compliance of Departmental User Asset Management Plans, in terms of GIAMA guidelines, in collaboration with Public Works	Quarterly	Assessment on User Asset Management Plans (U-Amp) and C-Amp conducted and feedback provided to 13 departments and Provincial Parliament	Two engagements with Public Works and Human Settlements i.r.o. U-AMPS and C-AMPS	Assessment on draft U-AMPS conducted and feedback provided to 13 departments and Provincial Parliament	Assessment conducted on draft C-AMP of Public Works and Human Settlements and feedback provided	Assessment on final U-AMPS and C-AMP conducted and feedback provided Public Works (custodian) and to 13 departments and Provincial Parliament

Performance indicator		Reporting period	Annual target 2011/12	Quarterly targets			
				1 <sup>st</sup>	2 <sup>nd</sup>	3 <sup>rd</sup>	4 <sup>th</sup>
25.3	Implementation of an assessment and remedial action model for closed PPP deals (bi-annual assessments)	Quarterly	Model fully implemented and applied to all closed PPP deals (four projects)	2 assessment reports	2 assessment reports	2 assessment reports	2 assessment reports
		Annually	Conduct research on alternative infrastructure/property procurement strategies/methodologies	Conduct research	1st draft	2nd draft	Finalise report

## Reconciling performance targets with the Budget and MTEF

### Expenditure estimates

**Table 3 Sustainable Resource Management**

Sub-programme R'000	Outcome			Main appro- piation 2010/11	Adjusted appro- piation 2010/11	Revised estimate 2010/11	Medium-term estimate			
	Audited 2007/08	Audited 2008/09	Audited 2009/10				% Change from Revised estimate			
							2011/12	2010/11	2012/13	2013/14
1. Programme Support	1 475	1 605	2 438	3 247	3 229	3 229	5 431	68.19	5 664	6 041
2. Fiscal Policy <sup>Note</sup>	230	662	5 240	3 895	3 041	3 041	8 870	191.68	9 030	9 916
3. Budget Management	10 478	8 974	10 004	13 582	13 961	13 961	16 148	26.65	16 956	17 675
Provincial Government Budgets			6 381	8 154	8 717	8 717	10 615	21.77	11 313	11 776
Local Government Budgets			3 623	5 428	5 244	5 244	5 533	5.51	5 643	5 899
4. Public Finance	9 357	10 105	18 849	26 539	21 477	21 477	28 914	34.63	29 491	31 473
Provincial Government Finance	3 432	3 157	10 659	14 062	11 859	11 859	9 769	(17.62)	9 838	10 511
Local Government Finance: Group 1	5 925	6 948	4 317	7 402	4 567	4 567	7 667	67.88	7 613	8 105
Local Government Finance: Group 2			3 873	5 075	5 051	5 051	5 454	7.98	5 769	6 159
Immoveable Asset Management <sup>Note</sup>							6 024		6 271	6 698
<b>Total payments and estimates</b>	<b>21 540</b>	<b>21 346</b>	<b>36 531</b>	<b>47 263</b>	<b>41 708</b>	<b>41 708</b>	<b>59 363</b>	<b>42.33</b>	<b>61 141</b>	<b>65 105</b>

Note: Prior to 2011/12 the estimates for Immoveable Asset Management and Liability Management included under Fiscal Policy are reflected under Programme 3: Table 4.

Economic classification R'000	Outcome			Main appro- piation 2010/11	Adjusted appro- piation 2010/11	Revised estimate 2010/11	Medium-term estimate			
	Audited	Audited	Audited				% Change from Revised estimate			
	2007/08	2008/09	2009/10				2011/12	2010/11	2012/13	2013/14
<b>Current payments</b>	21 478	21 296	36 431	47 263	41 708	41 708	<b>59 363</b>	42.33	61 141	65 105
Compensation of employees	16 544	17 153	21 708	28 234	29 564	29 564	<b>44 834</b>	51.65	47 305	50 113
Goods and services	4 934	4 143	14 723	19 029	12 144	12 144	<b>14 529</b>	19.64	13 836	14 992
<b>Transfers and subsidies to</b>		50	100							
Non-profit institutions		50	100							
<b>Payments for capital assets</b>	62									
Machinery and equipment	62									
<b>Total economic classification</b>	21 540	21 346	36 531	47 263	41 708	41 708	<b>59 363</b>	42.33	61 141	65 105

### Performance and expenditure trends

The programme has increased from R21.540 million in 2007/08 to R41.708 million in 2010/11 (revised estimate), which equates to an average nominal growth of 24.64 per cent per annum. The growth inter alia relates to the increasing implementation requirements of the Municipal Financial management Act (MFMA) and associated provisioning of resources to enhance fiscal prudence. The allocation over the MTEF period will further increase from R41.708 million in 2010/11 revised estimate to R59.363 million in 2011/12 as a result of the shifting of Immoveable Asset Management (element) and Liabilities Management (sub-programme) from Programme 3: Assets and Liabilities to this programme. The growth from 2010/11 (revised estimate) of R41.708 million to R65.105 million in 2013/14 reflects an annual average growth of 16 per cent over the three year period.

## 5. Programme 3 – Assets and Liabilities Management

### Programme description

Purpose: To provide policy direction and to facilitate and enforce the effective and efficient management of financial systems, moveable assets and the supply chain management within the provincial and municipal spheres.

### Programme structure

The Programme currently consists of the following sub-programmes:

#### Sub-programme 3.1: Programme Support

Purpose: provide management and administrative support to the programme.

This sub-programme houses the Head of the Branch: Governance and Asset Management (who is responsible for both Programmes 3 and 4). It also provides resources for the structured training and development of the staff in the programme.

### **Sub-programme 3.2: Asset Management**

#### **Element: Moveable Asset Management: Provincial Government**

Purpose: enhance departmental and entity capacity and performance to a level 3+ financial capability for supply chain (SCM) and moveable asset management

This unit is responsible for the driving, assessing and assisting departments in the effective and efficient management of supply chain and moveable asset management in terms of the PFMA. This, amongst others, includes developing key principles and guidelines to fast track and facilitate responsive SCM structures to service departmental needs; providing training, assistance and guidance to assist departments in improving their SCM processes and supplier development initiatives to capacitate the supplier market; enforcing good governance practices and compliance to SCM policy and prescripts and to investigate any system of control or financial management from a SCM perspective; ensuring data integrity and transparency on SCM systems; ensuring quality and cost effective bulk buying initiatives through the facilitation and arrangement of transversal contracts for identified goods and services for transversal provincial needs.

#### **Element: Moveable Asset Management: Local Government**

Purpose: enhance municipal capacity and performance to a level 3+ financial capability for supply chain (SCM) and moveable asset management.

This unit is responsible for the driving, assessing and assisting municipalities in the effective and efficient management of supply chain and moveable asset management in terms of the MFMA. This amongst others includes developing key principles and guidelines to fast track and facilitate responsive SCM structures to service municipal needs; providing training, assistance and guidance to assist municipalities in improving their SCM processes; enforcing good governance practices and compliance to SCM policy and prescripts and to investigate any system of control or financial management from a SCM perspective and ensuring data integrity and transparency on SCM systems.

### **Sub programme 3.3: Supporting and Interlinked Financial Systems**

Purpose: provide for the implementation, management and oversight of existing provincially operated financial systems and the transition to new appropriate systems.

This sub-programme aims to improve financial system management at a level 3+ financial capability rating by ensuring that system users are appropriately trained in accordance with their system profiles, effective user account management is maintained and the further development of Provincial Treasury integrated training interventions that will promote the correct and optimal use of the systems and validity and veracity of data.

In addition, the acquisition and implementation of a supply chain management system which addresses areas such as supplier management, quotations, bids and contract management currently not catered for in the suite of existing financial systems which complies to this Province's user requirements statement. Further to this, the roll out of enhanced LOGIS functionalities, as proposed by Provincial Treasury, to all departments/institutions.

### Sub-Programme 3.1: Programme Support

#### Strategic objective: Annual targets

Strategic objective		Audited/Actual performance			Estimated performance 2010/11	Medium-term targets		
		2007/08	2008/09	2009/10		2011/12	2012/13	2013/14
26.	Build competencies, enhance and maintain the delivery of the programme	New strategic objective	New strategic objective	New strategic objective	Reviewed and maintained systems and standards	Improve support services	Maintain support services	Maintain support services
					Operational plan supporting APP in place and monitored for delivery	Operational plan supporting the APP in place and monitored for delivery	Operational plan supporting APP in place and monitored for delivery	Operational plan supporting APP in place and monitored for delivery
					Tailored development plan for each staff member	Tailored development plan for each staff member	Tailored and assessed development plan for each staff member	Tailored and assessed development plan for each staff member

#### Performance indicators: Annual targets

Programme performance indicator		Audited/Actual performance			Estimated performance 2010/11	Medium-term targets		
		2007/08	2008/09	2009/10		2011/12	2012/13	2013/14
26.1	Effective and efficient support services	New PI	New PI	New PI	New PI	Develop and maintain systems and standards for strategic management and support to assist DDG in performing roles and responsibilities	Maintain systems and standards for strategic management and support to assist DDG in performing roles and responsibilities	Maintain systems and standards for strategic management and support to assist DDG in performing roles and responsibilities



Programme performance indicator		Audited/Actual performance			Estimated performance 2010/11	Medium-term targets		
		2007/08	2008/09	2009/10		2011/12	2012/13	2013/14
26.1	Effective and efficient support services <i>(continued)</i>					Review and maintain systems and standards for programme management	Maintain systems and standard for programme management	Maintain systems and standards for programme management
						Develop and implement standards for secretarial and administrative services	Review and maintain standards for secretarial and administrative services	Review and maintain standards for secretarial and administrative services
26.2	An operational plan that builds on dashboard and QPR requirements setting out milestones, desired quantum and quality of delivery	New PI	New PI	New PI	Developed and maintained operational plan	Develop, monitor and maintain operational plan and QPR reporting	Refine, monitor and maintain operational plan and QPR reporting	Refine, monitor and maintain operational plan and QPR reporting
26.3	Composition and implementation of a customised development plan for each staff member in line with competency requirements	New PI	New PI	New PI	Training plan in place to raise competency framework for units	Develop, monitor and maintain development plan	Refine, monitor and maintain development plan	Refine, monitor and maintain development plan
26.4	Maintain effective communication, transparency and events coordination	New PI	New PI	New PI	Implemented PT Internal Communication Strategy by means of regular staff meetings	Maintain internal communication	Maintain internal communication	Maintain internal communication

### Quarterly targets for 2011/12

Performance indicator		Reporting period	Annual target 2011/12	Quarterly targets			
				1 <sup>st</sup>	2 <sup>nd</sup>	3 <sup>rd</sup>	4 <sup>th</sup>
26.1	Effective and efficient support services	Quarterly	Develop and maintain systems and standards for strategic management and support to assist DDG in performing roles and responsibilities	Develop systems and standards	Implement and monitor systems and standards	Implement and monitor systems standards	Implement and monitor systems and standards
			Review and maintain systems and standards for programme management	Review, implement and monitor systems and standards	Implement and monitor systems and standards	Implement and monitor systems and standards	Implement and monitor systems and standards
			Develop and implement standards for secretarial services and administrative services	Develop standards	Test standards	Implement and monitor standards	Implement and monitor standards

Performance indicator		Reporting period	Annual target 2011/12	Quarterly targets			
				1 <sup>st</sup>	2 <sup>nd</sup>	3 <sup>rd</sup>	4 <sup>th</sup>
26.2	An operational plan that builds on dashboard and QPR requirements setting out milestones, desired quantum and quality of delivery	Quarterly	Develop, monitor and maintain operational plan and QPR reporting	Finalise, implement and monitor operational plan and institute remedial steps	Implement, monitor operational plan and institute remedial steps	Implement, monitor operational plan and institute remedial steps	Evaluate year's performance and compile operational plan for next financial year
26.3	Composition and implementation of a customised development plan for each staff member in line with competency requirements	Quarterly	Develop, monitor and maintain development plan	Develop staff development plan	Implement and monitor staff development and training plan	Implement and monitor staff development and training plan	Implement and monitor staff development and training plan
26.4	Maintain effective communication, transparency and events coordination	Quarterly	Maintain internal communication	Analyse requirements and implement	Implement and monitor adequacy of communication and transparency	Implement and monitor adequacy of communication and transparency	Implement and monitor adequacy of communication and transparency

### Sub-Programme 3.2: Asset Management

#### Element: Moveable Asset Management: Provincial Government

##### Strategic objective: Annual targets

Strategic objective		Audited/Actual performance			Estimated performance 2010/11	Medium-term targets		
		2007/08	2008/09	2009/10		2011/12	2012/13	2013/14
27.	Drive, assess and assist departments in the effective and efficient management of supply chain and moveable assets	New Strategic Objective	New Strategic objective	New Strategic Objective	New Strategic Objective	6 departments attaining a level 3+ financial capability	10 departments attaining a level 3+ financial capability	All departments attaining a level 3+ financial capability

##### Performance indicators: Annual targets

Programme performance indicator		Audited/Actual performance			Estimated performance 2010/11	Medium-term targets		
		2007/08	2008/09	2009/10		2011/12	2012/13	2013/14
27.1	Developed key principles and guidelines in respect of SCM structures for provincial departments	New PI	New PI	New PI	Revised PI	Develop and implement guidelines for SCM structures	Maintenance and continuous review of guidelines	Maintenance and continuous review of guidelines

Programme performance indicator		Audited/Actual performance			Estimated performance 2010/11	Medium-term targets		
		2007/08	2008/09	2009/10		2011/12	2012/13	2013/14
27.2	Provide training assistance, guidance and supplier development initiatives to assist departments	New PI	New PI	New PI	Develop and implement a SCM helpdesk to deal with SCM opinions, assistance and guidance	Review helpdesk framework, implement improvements and maintain helpdesk	Maintain helpdesk to be fully effective	Maintain helpdesk to be fully effective
		New PI	New PI	New PI	6 SCM Virtuous Cycle Integrated Training to all departments	SCM Virtuous Cycle Integrated Training to all departments	SCM Virtuous Cycle Integrated Training to all departments	SCM Virtuous Cycle Integrated Training to all departments
		New PI	New PI	New PI	2 supplier open day	2 supplier open days	2 supplier open days	2 supplier open days
27.3	Enforce good governance practices and compliance to SCM policies and prescripts	New PI	New PI	12 Capacity Assessments	12 SCM Virtuous Cycle assessments	Virtuous Cycle assessments of all departments	Virtuous Cycle assessments of all departments	Virtuous Cycle assessments of all departments
					Development of SCM Provincial Treasury Instructions for the Province	SCM Provincial Treasury Instructions implemented and compliance monitored	Alignment of SCM Provincial Treasury Instructions to changes in National Policy and continuous monitoring	Alignment of SCM Provincial Treasury Instructions to changes in National Policy and continuous monitoring
					Development of a generic AO's System	Generic AO System Implemented and identification of departmental bespoke requirements	Refinement and implementation of AO system in all departments	Refinement and implementation of AO system in all departments
27.4	Ensure SCM Systems integrity of data and transparency	New PI	New PI	New PI	Review, refine and implement SCM data reporting requirements for the Province to ensure data integrity and transparency	Maintain an efficient and effective reporting mechanism for SCM data in the Province that ensures data integrity and transparency	Maintain an efficient and effective reporting mechanism for SCM data in the Province that ensures data integrity and transparency	Maintain an efficient and effective reporting mechanism for SCM data in the Province that ensures data integrity and transparency
27.5	Ensure quality and cost effective bulk buying that leverages economies of scale	New PI	New PI	Identification of possible transversal contracts for Provincial needs 1 contract	Identification of possible transversal contracts for Provincial needs 1 contract	Identification and implementation of possible transversal contract needs	Identification and implementation of possible transversal contract needs	Identification and implementation of possible transversal contract needs

## Quarterly targets for 2011/12

Performance indicator		Reporting period	Annual target 2011/12	Quarterly targets			
				1 <sup>st</sup>	2 <sup>nd</sup>	3 <sup>rd</sup>	4 <sup>th</sup>
27.1	Develop key principles and guidelines in respect of SCM structures for provincial departments	Quarterly	Develop and implement guidelines for SCM structures	Plan and draft principles and guidelines	Test and refine principles and guidelines	Refine principles and guidelines	Implement and maintain principles and guidelines
27.2	Provide training, assistance guidance and supplier development initiatives to assist departments	Quarterly	Review helpdesk framework, implement improvements and maintain helpdesk	Maintain framework. Report quarterly on utilisation	Maintain framework. Report quarterly on utilisation	Maintain framework. Report quarterly on utilisation	Maintain framework. Report quarterly on utilisation
		Quarterly	SCM Virtuous Cycle Integrated Training to all departments	Training Interventions as per schedule	Training Interventions as per schedule	Training Interventions as per schedule	Training Interventions as per schedule
		Quarterly	2 supplier open day	Project Planning, stakeholder engagements and logistical arrangements	1 supplier open day	Project Planning, stakeholder engagements and logistical arrangements	1 supplier open day
27.3	Enforce good governance practices and compliance to SCM policies and prescripts	Quarterly	Virtuous Cycle assessments of all departments	Project Planning and preparation	5 Assessments	5 Assessments	3 Assessments
		Quarterly	SCM Provincial Treasury Instructions implemented and compliance monitored	Quarterly follow-up on departmental action plans and recommend corrective measures	Quarterly follow-up on departmental action plans and recommend corrective measures	Quarterly follow-up on departmental action plans and recommend corrective measures	Quarterly follow-up on departmental action plans and recommend corrective measures
		Quarterly	Generic AO System Implemented and identification of departmental bespoke requirements	Finalisation and issuing of the Provincial AO System	Roll out of AO System to all departments	Consolidation of roll out and review/ refinement of AO System	Consolidation of roll out and review/ refinement of AO System
27.4	Ensure SCM Systems integrity of data and transparency	Quarterly	Maintain an efficient and effective reporting mechanism for SCM data in the Province that ensures data integrity and transparency	Review and refinement of reporting requirements	Quarterly reporting and consistent monitoring and evaluation of data integrity	Quarterly reporting and consistent monitoring and evaluation of data integrity	Quarterly reporting and consistent monitoring and evaluation of data integrity
27.5	Ensure quality and cost effective bulk buying that leverages economies of scale	Quarterly	Identification and implementation of possible transversal contract needs	Business Case development	Business Case development	Competitive bidding process initiated	Competitive bidding process finalised

**Element: Moveable Asset Management: Local Government****Strategic objective: Annual targets**

Strategic objective		Audited/Actual performance			Estimated performance 2010/11	Medium-term targets		
		2007/08	2008/09	2009/10		2011/12	2012/13	2013/14
28.	Drive, assess and assist municipalities in the efficient and effective management of supply chain and moveable assets	New Strategic Objective	New Strategic Objective	New Strategic Objective	New Strategic Objective	15 municipalities attaining a level 3 financial capability	24 municipalities attaining a level 3 financial capability	All municipalities attaining a level 3 financial capability

**Performance indicators: Annual targets**

Programme performance indicator		Audited/Actual performance			Estimated performance 2010/11	Medium-term targets		
		2007/08	2008/09	2009/10		2011/12	2012/13	2013/14
28.1	Develop key principles and guidelines in respect of SCM structures for municipalities	New PI	New PI	New PI	Revised PI	Develop and implement guidelines for SCM structures	Maintenance and continuous review of guidelines	Maintenance and continuous review of guidelines
28.2	Provide training, assistance, guidance and supplier development initiatives to assist municipalities	New PI	New PI	New PI	Develop and implement a SCM helpdesk to deal with SCM opinions, assistance and guidance	Review helpdesk framework, implement improvements and maintain helpdesk	Maintain helpdesk to be fully effective	Maintain helpdesk to be fully effective
		New PI	New PI	3 bespoke training interventions	6 bespoke SCM training interventions	SCM Virtuous Cycle Bespoke training interventions	SCM Virtuous Cycle Bespoke training interventions	SCM Virtuous Cycle Bespoke training interventions
28.3	Enforce good governance practices and compliance to SCM policies and prescripts	New PI	New PI	7 SCM Compliance Assessments	7 SCM Compliance Assessments	SCM Virtuous Cycle assessments at designated municipalities	SCM Virtuous Cycle assessments at designated municipalities	SCM Virtuous Cycle assessments at designated municipalities
					8 SCM policy assessed against model policy framework	12 SCM policy assessed against NT model policy framework	SCM policy assessed against NT model policy framework for all municipalities	SCM policy assessed against NT model policy framework for all municipalities
28.4	Ensure SCM Systems integrity of data and transparency	New PI	New PI	New PI	New PI	4 Quarterly SCM institutionalisation reports	4 Quarterly SCM institutionalisation reports	4 Quarterly SCM institutionalisation reports

## Quarterly targets for 2011/12

Performance indicator		Reporting period	Annual target 2011/12	Quarterly targets			
				1 <sup>st</sup>	2 <sup>nd</sup>	3 <sup>rd</sup>	4 <sup>th</sup>
28.1	Develop key principles and guidelines in respect of SCM structures for municipalities	Quarterly	Develop and implement guidelines for SCM structures	Plan and draft principles and guidelines	Test and refine principles and guidelines	Refine principles and guidelines	Implement and maintain principles and guidelines
28.2	Provide training, assistance and guidance and supplier development initiatives to assist municipalities to elevate themselves to a level 3+ financial capability	Quarterly	Review helpdesk framework, implement improvements and maintain helpdesk	Maintain framework Report quarterly on utilisation	Maintain framework Report quarterly on utilisation	Maintain framework Report quarterly on utilisation	Maintain framework Report quarterly on utilisation
		Quarterly	SCM Virtuous Cycle Bespoke training interventions	Project Planning and preparation	Training interventions as scheduled	Training interventions as scheduled	Training interventions as scheduled
28.3	Enforce good governance practices and compliance to SCM policies and prescripts	Quarterly	SCM Virtuous Cycle assessments at designated municipalities	Project Planning and logistical arrangements	Assessments as designated in terms of the predetermined criteria	Assessments as designated in terms of the predetermined criteria	Assessments as designated in terms of the predetermined criteria
		Quarterly	12 SCM policy assessed against NT model policy framework	3 policy assessments	3 policy assessments	3 policy assessments	3 policy assessments
28.4	Ensure SCM Systems integrity of data and transparency	Quarterly	4 Quarterly SCM institutionalisation reports	1 quarterly report	1 quarterly report	1 quarterly report	1 quarterly report

## Sub-Programme 3.3: Support and Interlinked Financial Systems

## Strategic objective: Annual targets

Strategic objective		Audited/Actual performance			Estimated performance 2010/11	Medium-term targets		
		2007/08	2008/09	2009/10		2011/12	2012/13	2013/14
29.	Financial system management improvement to achieve a level 3+ financial capability rating	Revised strategic objective	Revised strategic objective	Revised strategic objective	2 departments achieving a level 3+ financial capability rating	6 votes achieving a level 3+ financial capability rating	9 votes achieving a level 3+ financial capability rating	All votes achieving a level 3+ financial capability rating

## Performance indicators: Annual targets

Programme performance indicator		Audited/Actual performance			Estimated performance 2010/11	Medium-term targets		
		2007/08	2008/09	2009/10		2011/12	2012/13	2013/14
29.1	Number of authorised (BAS, PERSAL and LOGIS) core system users appropriately trained in accordance with their system profiles	1 400 officials	1 769 officials	1 597 officials	1 550 officials	1 400 officials (approx. 33% of core users) trained to the required standards	2 800 officials (approx. 66% of core users) trained to the required standards	4 200 officials (approx. 99% of core users) trained to the required standards
29.2	The further development of PT integrated training interventions to ensure the correct and optimal utilisation of systems	1 training service provider integrated	1 training service provider integrated	1 training service provider integrated	All 5 training service providers integrated	Scheduled 5 service providers addressing identified training needs and gaps	Scheduled 5 service providers addressing identified training needs and gaps	Scheduled 5 service providers addressing identified training needs and gaps
29.3	Provision of an effective user account management service to all departments/institutions to predetermined criteria	None	None	None	91 departments/institutions provided with effective user account management	All departments/institutions provided with effective user account management	All departments/institutions provided with effective user account management	All departments/institutions provided with effective user account management
29.4	Accessibility to management and detailed information extracted from auditor downloads that meets PT determined requirements	None	None	None	All 13 Prov. Depts. including PT components have access to management and detailed information	All 13 Prov. Depts. including PT components and Provincial Parliament have direct access to management and detailed information	All 13 Prov. Depts. including PT components and Provincial Parliament have direct access to management and detailed information	All 13 Prov. Depts. including PT components and Provincial Parliament have direct access to management and detailed information
29.5	Accessibility to a fully operational helpdesk	13 departments within a 24 hour turn-around time	13 departments within a 24 hour turn-around time	13 departments within a 24 hour turn-around time	All queries resolved within a 24 hour turn-around time except calls registered with NT (LOGIK)	All queries resolved on average within a 3 hour turn-around time except calls registered with NT (LOGIK)	All queries resolved on average within a 3 hour turn-around time except calls registered with NT (LOGIK)	All queries resolved on average within a 3 hour turn-around time except calls registered with NT (LOGIK)

Programme performance indicator		Audited/Actual performance			Estimated performance 2010/11	Medium-term targets		
		2007/08	2008/09	2009/10		2011/12	2012/13	2013/14
29.6	The acquisition and implementation of a supply chain and asset management system that complies to predetermined requirements	None	None	None	New indicator	Procurement/ acquisition and implementation of a supply chain management system at all departments that addresses: <ul style="list-style-type: none"> <li>• Supplier Management</li> <li>• Quotations</li> <li>• Bids</li> <li>• Contract Management</li> </ul>	Refinement and implementation of the procurement management system	Refinement and implementation of the procurement management system
						Roll out of the enhanced Logis system to all departments	Refinement and implementation of the asset management system	Refinement and implementation of the asset management system

### Quarterly targets for 2011/12

Performance indicator		Reporting period	Annual target 2011/12	Quarterly targets			
				1 <sup>st</sup>	2 <sup>nd</sup>	3 <sup>rd</sup>	4 <sup>th</sup>
29.1	Number of authorised (BAS, PERSAL and LOGIS) core system users appropriately trained in accordance with their system profiles	Quarterly	33% of core users (approx. 1 400 officials) trained to the required standards	378 officials) (approx. 9% of target market trained to the required standards	420 officials (approx. 10% of target market) trained to the required standards	266 officials (approx. 6% of target market) trained to the required standards	336 officials) (approx. 8% of target market trained to the required standards
29.2	The further development of PT integrated training interventions to ensure the correct and optimal utilisation of systems	Quarterly	Scheduled 5 service providers addressing identified training needs and gaps	2 service providers aligned as per schedule	3 service providers aligned as per schedule	4 service providers aligned as per schedule	5 service providers aligned as per schedule
29.3	Provision of an effective user account management service to all departments/ institutions to predetermined criteria	Quarterly	All departments/ institutions provided with effective user account management	All departments/ institutions provided with effective user account management	All departments/ institutions provided with effective user account management	All departments/ institutions provided with effective user account management	All departments/ institutions provided with effective user account management



Performance indicator		Reporting period	Annual target 2011/12	Quarterly targets			
				1 <sup>st</sup>	2 <sup>nd</sup>	3 <sup>rd</sup>	4 <sup>th</sup>
29.4	Accessibility to management and detailed information extracted from auditor downloads that meets PT determined requirements	Quarterly	All 13 Prov. Depts. including PT components and Provincial Parliament have direct access to management and detailed information	All departments, including PT components and Provincial Parliament have direct access to management and detailed information	All departments, including PT components and Provincial Parliament have direct access to management and detailed information	All departments, including PT components and Provincial Parliament have direct access to management and detailed information	All departments, including PT components and Provincial Parliament have direct access to management and detailed information
29.5	Accessibility to a fully operational helpdesk	Quarterly	All queries resolved on average within a 3 hour turnaround time except calls registered with NT (LOGIK)	All queries resolved on average within a 3 hour turnaround time except calls registered with NT (LOGIK)	All queries resolved on average within a 3 hour turnaround time except calls registered with NT (LOGIK)	All queries resolved on average within a 3 hour turnaround time except calls registered with NT (LOGIK)	All queries resolved on average within a 3 hour turnaround time except calls registered with NT (LOGIK)
29.6	The acquisition and implementation of a supply chain and asset management system that complies to predetermined requirements	Quarterly	Procurement/ acquisition and implementation of a supply chain management system at all departments that addresses: <ul style="list-style-type: none"> <li>• Supplier Management</li> <li>• Quotations</li> <li>• Bids</li> <li>• Contract Management</li> </ul>	Acquisition and preparation for implementation in respect of Supplier management and quotations at all departments	Stabilisation of supplier management and quotations modules acquired and implemented	Acquisition and preparation for implementation in respect of bids and contract management modules at all departments	Stabilisation of procurement management modules acquired and implemented
		Quarterly	Roll out of the enhanced Logis system to all departments	Test and prepare for implementation of enhancements	Implementation and refinement	Implementation and refinement	Implementation and refinement

## Reconciling performance targets with the Budget and MTEF

### Expenditure estimates

**Table 4 Asset and Liabilities Management**

Sub-programme R'000	Outcome			Main appro- piation 2010/11	Adjusted appro- piation 2010/11	Revised estimate 2010/11	Medium-term estimate			
	Audited 2007/08	Audited 2008/09	Audited 2009/10				% Change from Revised estimate			
							2011/12	2010/11	2012/13	2013/14
1. Programme Support	961	840	1 233	2 350	1 764	1 764	2 734	54.99	2 952	3 148
2. Asset Management	7 542	8 622	11 420	14 609	16 074	16 074	9 876	(38.56)	12 031	12 854
Moveable Asset Management: Provincial Government	4 746	5 223	7 016	8 379	9 411	9 411	9 875	4.93	12 030	12 853
Moveable Asset Management: Local Government				1	1	1	1		1	1
Immoveable Asset Management	2 796	3 399	4 404	6 229	6 662	6 662		(100.00)		
3. Liabilities Management	1 465	1 652	2 313	2 327	2 489	2 489		(100.00)		
4. Supporting and Interlinked Financial Systems	11 739	11 234	12 560	13 839	14 577	14 577	16 171	10.94	16 821	17 520
<b>Total payments and estimates</b>	<b>21 707</b>	<b>22 348</b>	<b>27 526</b>	<b>33 125</b>	<b>34 904</b>	<b>34 904</b>	<b>28 781</b>	<b>(17.54)</b>	<b>31 804</b>	<b>33 522</b>

Economic classification R'000	Outcome			Main appro- piation 2010/11	Adjusted appro- piation 2010/11	Revised estimate 2010/11	Medium-term estimate			
	Audited 2007/08	Audited 2008/09	Audited 2009/10				% Change from Revised estimate			
							2011/12	2010/11	2012/13	2013/14
<b>Current payments</b>	<b>21 081</b>	<b>22 348</b>	<b>27 526</b>	<b>33 125</b>	<b>34 904</b>	<b>34 904</b>	<b>28 781</b>	<b>(17.54)</b>	<b>31 804</b>	<b>33 522</b>
Compensation of employees	15 034	16 270	21 136	26 010	26 522	26 522	23 172	(12.63)	24 482	25 768
Goods and services	6 047	6 078	6 390	7 115	8 382	8 382	5 609	(33.08)	7 322	7 754
<b>Transfers and subsidies to</b>	<b>615</b>									
Departmental agencies and accounts	2									
Households	613									
<b>Payments for capital assets</b>	<b>11</b>									
Machinery and equipment	11									
<b>Total economic classification</b>	<b>21 707</b>	<b>22 348</b>	<b>27 526</b>	<b>33 125</b>	<b>34 904</b>	<b>34 904</b>	<b>28 781</b>	<b>(17.54)</b>	<b>31 804</b>	<b>33 522</b>

### **Performance and expenditure trends**

The increase of R13.197 million from R21.707 million in 2007/08 to R34.904 million (revised estimate) in 2010/11 is due the programme's responsibility relating to the importance attached to proper asset and supply chain management. This equated to a high nominal growth of 17.15 per cent over the period. Over the MTEF period the allocations decreases from a revised estimate base of R34.904 million in 2010/11 to R33.522 million in 2013/14, as a result of the shifting of the Immoveable Asset and Liabilities Management to Programme 2, reflecting a nominal decline of 1.34 per cent per annum as from 2010/11 to 2013/14.

## **6. Programme 4 – Financial Governance**

### **Programme Description**

Purpose: Development of accounting and financial management practices within provincial and local governments that will contribute towards attaining level 3 and higher auditable organisations.

### **Programme structure**

This programme together with Programme 3 constitutes the Branch: Governance and Asset Management. It currently consists of a Chief Director as the Head of the programme and is further divided into the following sub-programmes:

#### **Sub-programme 4.1: Programme Support**

Purpose: provide management and administrative support to the programme.

This sub-programme houses the Chief Director responsible for the Programme and also provides resources for structured training and development of staff in the programme.

#### **Sub-programme 4.2: Accounting Services**

##### **Element: Local Government Accounting**

Purpose: improve the standards of accounting and financial reporting within municipalities and allied entities to a level 3+ financial capability rating.

The key objective of this unit is to roll-out the latest GRAP standards (and its further evolution) within the municipalities of the Western Cape. In the 2009/10 financial year all municipalities were required to convert to GRAP compliant financial statements. However, the transitional provisions as contained in Directive 4 as issued by the ASB, allows for low capacity municipalities to be fully GRAP compliant by 2012. The unit has and will busy itself with training interventions, explanatory advice and facilitations (National Treasury, Accounting Standards Board and the Auditor-General) in the event of disputes regarding the interpretation of accounting standards.

##### **Element: Provincial Government Accounting**

Purpose: improve the standards of accounting and financial reporting within departments and entities to a level 3+ financial capability rating.

The key objective of this unit over the next few years is to ensure full and timeous capturing of financial transactions and associated financial reforms to prevent irregularities and material financial misstatements allowing for modified cash basis of accounting within departments and the accrual basis of accounting within entities.

**Sub-programme 4.3: Corporate Governance**

Purpose: enable departments and municipalities to achieve a general level 3+ financial management capability over the next 5 years.

The sub-programme's main objectives are the development, implementation and enforcement of a generic set of corporate governance norms and standards for departments, municipalities and entities that are responsive to and compliant with the relevant financial legislative framework. In addition, the adaptation of a generic set of governance norms and standards to meet the particular requirements of individual departments is also envisaged.

**Sub-Programme 4.1: Programme Support****Strategic objective: Annual targets**

Strategic objective		Audited/Actual performance			Estimated performance 2010/11	Medium-term targets		
		2007/08	2008/09	2009/10		2011/12	2012/13	2013/14
30.	Build competencies, enhance and maintain the delivery of the programme	New strategic objective	New strategic objective	New strategic objective	Reviewed and maintained systems and standards	Improve support services	Maintain support services	Maintain support services
					Operational plan in line with APP in place and monitored for delivery	Operational plan supporting the APP in place and monitored for delivery	Operational plan supporting APP in place and monitored for delivery	Operational plan supporting APP in place and monitored for delivery
					Tailored development plan for each staff member	Tailored development plan for each staff member	Tailored and assessed development plan for each staff member	Tailored and assessed development plan for each staff member

**Performance indicators: Annual targets**

Programme performance indicator		Audited/Actual performance			Estimated performance 2010/11	Medium-term targets		
		2007/08	2008/09	2009/10		2011/12	2012/13	2013/14
30.1	Effective and efficient support services	New PI	New PI	New PI	New PI	Develop and maintain systems and standards for strategic management and support to assist DDG in performing roles and responsibilities	Maintain systems and standards for strategic management and support to assist DDG in performing roles and responsibilities	Maintain systems and standards for strategic management and support to assist DDG in performing roles and responsibilities

Programme performance indicator		Audited/Actual performance			Estimated performance 2010/11	Medium-term targets		
		2007/08	2008/09	2009/10		2011/12	2012/13	2013/14
30.1	Effective and efficient support services <i>(continued)</i>					Review and maintain systems and standards for programme management	Maintain systems and standard for programme management	Maintain systems and standards for programme management
						Develop and implement standards for secretarial and administrative services	Review and maintain standards for secretarial and administrative services	Review and maintain standards for secretarial and administrative services
30.2	An operational plan that builds on dashboard and QPR requirements setting out milestones, desired quantum and quality of delivery	New PI	New PI	New PI	Developed and maintained operational plan	Develop, monitor and maintain operational plan and QPR reporting	Refine, monitor and maintain operational plan and QPR reporting	Refine, monitor and maintain operational plan and QPR reporting
30.3	Composition and implementation of a bespoke development plan for each staff member in line with competency requirements	New PI	New PI	New PI	Training plan in place to raise competency framework for units	Develop, monitor and maintain development plan	Refine, monitor and maintain development plan	Refine, monitor and maintain development plan
30.4	Maintain effective communication, transparency and events coordination	New PI	New PI	New PI	Implemented PT Internal Communication Strategy by means of regular staff meetings	Maintain internal communication	Maintain internal communication	Maintain internal communication

### Quarterly targets for 2011/12

Performance indicator		Reporting period	Annual target 2011/12	Quarterly targets			
				1 <sup>st</sup>	2 <sup>nd</sup>	3 <sup>rd</sup>	4 <sup>th</sup>
30.1	Effective and efficient support services	Quarterly	Develop and maintain systems and standards for strategic management and support to assist DDG in performing roles and responsibilities	Develop systems and standards	Implement and monitor systems and standards	Implement and monitor systems standards	Implement and monitor systems and standards
			Review and maintain systems and standards for programme management	Review, implement and monitor systems and standards	Implement and monitor systems and standards	Implement and monitor systems and standards	Implement and monitor systems and standards
			Develop and implement standards for secretarial services and administrative services	Develop standards	Test standards	Implement and monitor standards	Implement and monitor standards

Performance indicator		Reporting period	Annual target 2011/12	Quarterly targets			
				1 <sup>st</sup>	2 <sup>nd</sup>	3 <sup>rd</sup>	4 <sup>th</sup>
30.2	An operational plan that builds on dashboard and QPR requirements setting out milestones, desired quantum and quality of delivery	Quarterly	Develop, monitor and maintain operational plan and QPR reporting	Finalise, implement and monitor operational plan and institute remedial steps	Implement, monitor operational plan and institute remedial steps	Implement, monitor operational plan and institute remedial steps	Evaluate year's performance and compile operational for next financial year
30.3	Composition and implementation of a bespoke development plan for each staff member in line with competency requirements	Quarterly	Develop, monitor and maintain development plan	Develop staff development plan	Implement and monitor staff development and training plan	Implement and monitor staff development and training plan	Implement and monitor staff development and training plan
30.4	Maintain effective communication, transparency and events coordination	Quarterly	Maintain internal communication	Analyse requirements and implement	Implement and monitor adequacy of communication and transparency	Implement and monitor adequacy of communication and transparency	Implement and monitor adequacy of communication and transparency

## Sub-programme 4.2: Accounting Services

### Element: Local Government Accounting

#### Strategic objective: Annual targets

Strategic objective		Audited/Actual performance			Estimated performance 2010/11	Medium-term targets		
		2007/08	2008/09	2009/10		2011/12	2012/13	2013/14
31.	Improving the standards of accounting and financial reporting within municipalities and municipal entities to a level 3+Financial Management Capability (FMC)	Revised strategic objective	Revised strategic objective	FMC level 2	FMC level 2	FMC level 2 at all municipalities	FMC level 2+ at all municipalities	FMC level 3 at all municipalities

## Performance indicators: Annual targets

Programme performance indicator		Audited/Actual performance			Estimated performance 2010/11	Medium-term targets		
		2007/08	2008/09	2009/10		2011/12	2012/13	2013/14
31.1	Assess and roll out the latest accounting policy framework for accurate and complete implementation by municipalities and their entities to improve financial reporting	PMI Revised	PMI Revised	PMI Revised	21 of the 30 municipalities fully implemented the 2009/10 accounting reporting frameworks	23 of the 30 municipalities fully implemented the 2010/11 accounting reporting frameworks	26 of the 30 municipalities fully implemented the 2011/12 accounting reporting frameworks	All municipalities fully implemented the 2012/13 accounting reporting frameworks
		PMI Revised	PMI Revised	PMI Revised	All municipal entities fully implemented the 2009/10 accounting reporting frameworks	All municipal entities fully implemented the 2010/11 accounting reporting frameworks	All municipal entities fully implemented the 2011/12 accounting reporting frameworks	All municipal entities fully implemented the 2012/13 accounting reporting frameworks
					New PI	Interim Financial Statements (IFS) compiled and submitted by all high capacity municipalities	IFS compiled and submitted by all high and medium capacity municipalities	IFS compiled and submitted by all municipalities
31.2	Review the accounting systems and processes and implement strategies to improve the integrity of financial data	New PI	New PI	New PI	New PI	Assess the utilisation and adequacy of accounting systems and introduce remedial steps	Assess the utilisation and adequacy of accounting systems and introduce remedial steps	Assess the utilisation and adequacy of accounting systems and introduce remedial steps
31.3	Improve the adequacy and functionality of Budget and Treasury Office structures of municipalities and municipal entities by ensuring the implementation of key accounting principles and guidelines	New PI	New PI	New PI	New PI	Assess the adequacy and functionality of existing accounting structure and processes to identify gaps and issue recommendations	Monitor and advise on the actions taken on recommendations	Monitor and advise on the actions taken on recommendations
		New PI	New PI	New PI	New PI	Compile a Financial Accounting Review for municipalities to improve financial management	Compile a Financial Accounting Review for municipalities to improve financial management	Compile a Financial Accounting Review for municipalities to improve financial management
31.4	Build and maintain competent municipal accounting units by providing training on GRAP reporting	New PI	New PI	3 focussed training sessions	4 focussed training sessions	Training sessions as scheduled	Training sessions as scheduled	Training sessions as scheduled



## Quarterly targets for 2011/12

Performance indicator	Reporting period	Annual target 2011/12	Quarterly targets				
			1 <sup>st</sup>	2 <sup>nd</sup>	3 <sup>rd</sup>	4 <sup>th</sup>	
31.1	Assess and roll out the latest accounting policy framework for accurate and complete implementation by municipalities and their entities to improve financial reporting	Quarterly	23 of the 30 municipalities fully implemented the 2010/11 accounting reporting frameworks	Assess readiness of municipalities for 2010/11 year-end closure	Preview 2010/11 AFS and provide feedback to municipalities	Provide support to municipalities during the 2010/11 audit process	Analyse 2010/11 Municipal Audit Reports to identify areas for remedial action
			Roll out the 2011/12 accounting framework	Monitor the implementation of the 2011/12 accounting framework and provide helpdesk service	Monitor the implementation of the 2011/12 accounting framework and provide helpdesk service	Monitor the implementation of the 2011/12 accounting framework and provide helpdesk service	
		Quarterly	All municipal entities fully implemented the 2010/11 accounting reporting frameworks	Assess readiness of municipal entities for 2010/11 year-end closure	Preview 2010/11 AFS and provide feedback to municipal entities	Provide support to municipal entities during the 2010/11 audit process	Analyse 2010/11 Audit Reports to identify areas for remedial action
				Roll out the 2011/12 accounting framework	Monitor the implementation of the 2011/12 accounting framework and provide helpdesk service	Monitor the implementation of the 2011/12 accounting framework and provide helpdesk service	Monitor the implementation of the 2011/12 accounting framework and provide helpdesk service
Quarterly	Interim Financial Statements (IFS) compiled and submitted by all high capacity municipalities	Preparation of IFS reporting guidelines	Issue IFS reporting guidelines	Prepare municipalities for the compilation of 2011/12 IFS	2011/12 IFS assessed and recommendations provided to municipalities		
31.2	Review the accounting systems and processes and implement strategies to improve the integrity of financial data	Quarterly	Assess the utilisation and adequacy of accounting systems and introduce remedial steps	Conduct an assessment of accounting systems at selected municipalities and establish best practices model	Conduct a gap analysis at challenged municipalities	Roll out best practices to municipalities using same system	Monitor and assist to achieve desired standards

Performance indicator		Reporting period	Annual target 2011/12	Quarterly targets			
				1 <sup>st</sup>	2 <sup>nd</sup>	3 <sup>rd</sup>	4 <sup>th</sup>
31.3	Improve the adequacy and functionality of Budget and Treasury Office structures of municipalities and municipal entities by ensuring the implementation of key accounting principles and guidelines	Quarterly	Assess the adequacy and functionality of existing accounting structure and processes to identify gaps and issue recommendations	Analyse results of 2009/10 BTO survey and identify risk areas	Develop strategies to mitigate the risks and issue recommendations to municipalities	Monitor the implementation of strategies	Monitor the implementation of strategies
			Compile a Financial Accounting Review for municipalities to improve financial management	2009/10 Working Paper compiled, distributed and utilised LG MTEC3	Monitor financial management improvement strategies i.r.o. recommendations	Revised 2010/11 framework and assess financial management capability levels	2010/11 Working Paper compiled and distributed utilised LG MTEC3
31.4	Build and maintain competent municipal accounting units by providing training on GRAP reporting	Quarterly	Training sessions as scheduled	Scheduled training session	Scheduled training session	Scheduled training session	Scheduled training session

## Element: Provincial Government Accounting

### Strategic objective: Annual targets

Strategic objective		Audited/Actual performance			Estimated performance 2010/11	Medium-term targets		
		2007/08	2008/09	2009/10		2011/12	2012/13	2013/14
32.	Improving the standards of accounting and financial reporting within all votes to a level 3+Financial Management Capability	Revised strategic objective	Revised strategic objective	FMC level 2	FMC level 2+	FMC level 3 at all votes	FMC level 3 at all votes	FMC level 3+ at all votes

### Performance indicators: Annual targets

Programme performance indicator		Audited/Actual performance			Estimated performance 2010/11	Medium-term targets		
		2007/08	2008/09	2009/10		2011/12	2012/13	2013/14
32.1	Assess and roll out the latest accounting policy framework for accurate and complete implementation by all votes to improve financial reporting	New PI	New PI	New PI	All votes fully implemented the 2010/11 accounting reporting frameworks	All votes fully implemented the 2011/12 accounting reporting frameworks	All votes fully implemented the 2012/13 accounting reporting frameworks	All votes fully implemented the 2013/14 accounting reporting frameworks
		New PI	New PI	New PI	Develop and implement an Accounting helpdesk to deal with Accounting opinions, assistance and guidance	Review helpdesk framework, implement improvements and maintain helpdesk	Maintain helpdesk to be fully effective	Maintain helpdesk to be fully effective

Programme performance indicator		Audited/Actual performance			Estimated performance 2010/11	Medium-term targets		
		2007/08	2008/09	2009/10		2011/12	2012/13	2013/14
32.1	Assess and roll out the latest accounting policy framework for accurate and complete implementation by all votes to improve financial reporting <i>(continued)</i>				Interim Financial Statements (IFS) compiled and submitted by all votes	IFS compiled and submitted by all votes	IFS compiled and submitted by all votes	IFS compiled and submitted by all votes
32.2	Review accounting systems and processes, and implement strategies to improve the integrity of financial data	New PI	New PI	New PI	Assess the utilisation and adequacy of accounting systems and processes and the introduction of remedial steps	Assess the utilisation and adequacy of accounting systems and processes and the introduction of remedial steps.	Assess the utilisation and adequacy of accounting systems and processes and the introduction of remedial steps.	Assess the utilisation and adequacy of accounting systems and processes and the introduction of remedial steps
		FGRO 2008 published	FGRO 2009 published	FGRO 2010 issued as Working Paper	Monitor and drive the improvement of Accounting FMC of all votes from a baseline through definitive assessment criteria	Monitor and drive the accounting FMC of all votes to a level 3 in terms of pre-determined criteria	Monitor and drive the accounting FMC of all votes to a level 3 in terms of pre-determined criteria	Monitor and drive the accounting FMC of all votes to a level 3 in terms of pre-determined criteria
32.3	Ensure compliance with key accounting principles and guidelines in respect of reporting structures and responsibilities for provincial departments and entities	New PI	New PI	New PI	New PI	Develop and implement guidelines for accounting unit reporting structures	Maintenance and continuous review of guidelines	Maintenance and continuous review of guidelines
32.4	Build and maintain competent accounting units within departments and entities by providing training on reporting frameworks	New PI	New PI	New PI	4 PT Integrated training interventions on accounting frameworks	Scheduled PT Integrated training interventions on accounting frameworks	Scheduled PT Integrated training interventions on accounting frameworks	Scheduled PT Integrated training interventions on accounting frameworks
		New PI	New PI	New PI	Identify training requirements and preferred service provider	Procure and establish service provider and structured training programme	Structured training to financial accountants to predetermined competency levels	Structured training to financial accountants to predetermined competency levels

Programme performance indicator		Audited/Actual performance			Estimated performance 2010/11	Medium-term targets		
		2007/08	2008/09	2009/10		2011/12	2012/13	2013/14
32.5	Publication of the Annual Consolidated Financial Statements	Tabled 31 October 2007	Tabled 30 November 2008	Tabled 31 January 2010	Tabled 8 December 2010	Compile Provincial ACFs, inclusive of a management report and table by 31 October 2011	Compile Provincial ACFs, inclusive of a management report and table by 31 October 2012	Compile Provincial ACFs, inclusive of a management report and table by 31 October 2013

### Quarterly targets for 2011/12

Performance indicator		Reporting period	Annual target 2011/12	Quarterly targets			
				1 <sup>st</sup>	2 <sup>nd</sup>	3 <sup>rd</sup>	4 <sup>th</sup>
32.1	Assess and roll out the latest accounting policy framework for accurate and complete implementation by all votes to improve financial reporting	Quarterly	All votes fully implemented the 2011/12 accounting reporting frameworks	Preview 2010/11 AFS of all votes and introduce remedial steps	AFS issues (retrospectively and prospectively) identified and taken up with role-players	Review accounting frameworks for 2011/12	Roll-out of accounting frameworks
			Review helpdesk framework, implement improvements and maintain helpdesk	Finalise framework and implement	Maintain framework. Report quarterly on utilisation	Maintain framework. Report quarterly on utilisation	Maintain framework. Report quarterly on utilisation
			IFS compiled and submitted by all votes	Finalise planning for IFS scheduling and requirements	Issue IFS framework	Assessment of Interim Financial Statements. Issuing of remedial steps	Monitor and follow up on remedial steps
32.2	Review accounting systems and processes and implement strategies to improve the integrity of financial data	Quarterly	Assess the utilisation and adequacy of accounting systems and processes and the introduction of remedial steps	Address identified risk areas related to accounting processes, i.e. payments, commitments and accruals	Issue guidelines and remedial steps	Monitor and follow up on remedial steps	Monitor and follow up on remedial steps
			Monitor and drive the accounting FMC of all votes to a level 3 in terms of predetermined criteria	Revised framework and assessment tool for FGR&O agreed to	Perform financial management capability assessments, compile and distribute draft FGR&O	Consult and finalise FGR&O	Project planning finalised for following year review
32.3	Ensure compliance with key principles and guidelines in respect of reporting structures and responsibilities for provincial departments and entities	Quarterly	Develop and implement guidelines for accounting unit reporting structures	Assess and analyse current accounting and reporting structures of two selected departments	Compile and submit a report to the relevant accounting officers on findings and recommendations made	Monitor and follow up as part of the FMIP	Monitor and follow up as part of the FMIP

Performance indicator		Reporting period	Annual target 2011/12	Quarterly targets			
				1 <sup>st</sup>	2 <sup>nd</sup>	3 <sup>rd</sup>	4 <sup>th</sup>
32.4	Build and maintain competent accounting units within departments and entities by providing training on reporting frameworks	Quarterly	Scheduled PT Integrated training interventions on accounting framework	Integrated training session as scheduled	Integrated training session as scheduled	Integrated training session as scheduled	Integrated training session as scheduled
		Quarterly	Procure and establish service provider and structured training programme	Finalise training and procurement requirements	Procure and establish service provider	Programme structured training	Programme structured training
32.5	Publication of the Annual Consolidated Financial Statements	Quarterly	Compile Provincial ACFS, inclusive of a management report and table by 31 October 2011	Submit ACFS based on unaudited AFS of all votes by 30 June	Submit ACFS to AGSA on 31 August based on audited AFS	Table ACFS by 31 October inclusive of a management report identifying areas for strategic intervention	ACFS strategic interventions addressed

### Sub-programme 4.3: Corporate Governance

#### Strategic objective: Annual targets

Strategic objective		Audited/Actual performance			Estimated performance 2010/11	Medium-term targets		
		2007/08	2008/09	2009/10		2011/12	2012/13	2013/14
33.	Drive departmental and municipal CFO offices to function at a level 3 financial capability rating	New PI	New PI	New PI	New PI	Achieve FMC in - Departments at level 2+ - Public Entities at level 2 - Municipalities at level 2	Achieve FMC in - Departments at level 3 - Public Entities at level 2+ - Municipalities at Level 2+	Achieve FMC in - Departments at level 3+ - Public Entities at level 3 - Municipalities at level 3
34.	Develop and facilitate the implementation of an effective assurance framework towards attaining level 3 financial capability rating	New PI	New PI	New PI	New PI	Achieve FMC in - Departments at level 3 - Public Entities at level 2+ - Municipalities at level 2	Achieve FMC in - Departments at level 3+ - Public Entities at level 3 - Municipalities at level 2+	Achieve FMC in - Departments at level 4 - Public Entities at level 3+ - Municipalities at level 3

## Performance indicators: Annual targets

Programme performance indicator		Audited/Actual performance			Estimated performance 2010/11	Medium-term targets		
		2007/08	2008/09	2009/10		2011/12	2012/13	2013/14
33.1	Develop and implement a framework to assess the CFO offices in departments and municipalities	New PI	New PI	New PI	Develop framework to assess CFO structures in collaboration with National Treasury and Department of the Premier (OD)	Develop and implement an assessment framework to assess departmental CFO structures	Refine and implement an assessment framework to assess departmental CFO structures	Refine and maintain an assessment framework to assess departmental CFO structures
					Research correct legislative procedures in respect of framework for BTO offices	Develop an assessment framework to assess municipal CFO structures	Implement an assessment framework to assess the municipal CFO structures	Refine and implement an assessment framework to assess the municipal CFO structures
33.2	Implementation of NT Competency Frameworks for CFO offices in departments and municipalities	New PI	New PI	New PI	New PI	Finalisation and roll out of competencies required	Monitor and follow up interventions in respect of gaps identified	Monitor and follow up interventions in respect of gaps identified
34.1	Drive, monitor and evaluate the effectiveness of financial governance structures in departments and municipalities	New PI	New PI	New PI	New PI	Develop and implement an assessment framework to assess governance structures	Implement an assessment framework to assess governance structures	Maintain an assessment framework to assess governance structures
						Perform assessments on assurance structures	Perform assessments on assurance structures	Perform assessments on assurance structures
						Develop and pilot an integrated financial governance guidelines	Full roll out of the integrated financial governance guidelines	Perform assessments based on the integrated financial governance guidelines
34.2	Implement and drive compliance to Regularity Frameworks	New PI	New PI	Provincial financial legislation kept relevant and dynamic	Provincial financial legislation and policy kept relevant and dynamic	Provincial financial legislation and policy kept relevant and dynamic	Provincial financial legislation and policy kept relevant and dynamic	Provincial financial legislation and policy kept relevant and dynamic
						Drive Financial Management Improvement for Municipalities	Drive Financial Management Improvement for Municipalities	Drive Financial Management Improvement for Municipalities
		New PI	New PI	New PI	New PI	Drive Financial Management Improvement for Departments	Drive Financial Management Improvement for Departments	Drive Financial Management Improvement for Departments

Programme performance indicator		Audited/Actual performance			Estimated performance 2010/11	Medium-term targets		
		2007/08	2008/09	2009/10		2011/12	2012/13	2013/14
34.3	Enterprise Risk Management (ERM) capacity for municipalities	Monitoring 12 departments	Monitoring 12 departments	Monitoring 12 departments	Monitoring municipalities and 12 departments	Institutionalise ERM at all municipalities and drive capacity building initiatives at selected municipalities	Institutionalise ERM at all municipalities and drive capacity building initiatives at selected municipalities	Institutionalise ERM at all municipalities and drive capacity building initiatives at selected municipalities

### Quarterly targets for 2011/12

Performance indicator		Reporting period	Annual target 2011/12	Quarterly targets			
				1 <sup>st</sup>	2 <sup>nd</sup>	3 <sup>rd</sup>	4 <sup>th</sup>
33.1	Develop and implement a framework to assess the CFO offices in departments and municipalities	Quarterly	Develop and implement an assessment framework to assess departmental CFO structures	Finalise departmental self-assessment tool	Initiate control self-assessment tool	Review of self-assessment tool	Refinement and roll out of control self-assessment tool
			Develop an assessment framework to assess municipal CFO structures	Recommended CFO structure finalised	Risk based assessment framework finalised relative to recommended structure	Roll out assessment framework	Roll out assessment framework
33.2	Implementation of NT Competency Frameworks for CFO offices in departments and municipalities	Quarterly	Finalisation and roll out of competencies required in Departments	Departmental competency requirements finalised	Gap analysis initiated	Gap analysis completed	Remedial steps identified and initiated
		Quarterly	Finalisation and roll out of competencies required in Municipalities	Update database on progress achieved	Monitor and follow up on gaps identified	Monitor and follow up on gaps identified	Monitor and follow up on gaps identified
34.1	Drive, monitor and evaluate the effectiveness of financial governance structures in departments and municipalities	Quarterly	Develop and implement an assessment framework to assess governance structures	Finalise departmental governance self-assessment tool	Initiate governance self-assessment tool	Reporting and follow-up of actions	Refinement and roll out of governance self-assessment tool
		Quarterly	Perform assessments on assurance structures	Perform assessments on assurance structures for all departments	Perform assessments on assurance structures for all municipalities	Perform assessments on assurance structures for all departments	Perform assessments on assurance structures for all municipalities
		Quarterly	Develop and pilot an integrated financial governance guidelines	Internally quality assure integrated governance framework guidance document	Consult proposed integrated governance framework guidance document with departments	Initiate integrated governance framework guidance document in pilot departments	Test and refine integrated governance framework guidance document in pilot departments

Performance indicator		Reporting period	Annual target 2011/12	Quarterly targets			
				1 <sup>st</sup>	2 <sup>nd</sup>	3 <sup>rd</sup>	4 <sup>th</sup>
34.2	Implement and drive compliance to Regularity Frameworks	Quarterly	Provincial financial legislation and policy kept relevant and dynamic	Perform Provincial Treasury Instructions and Directives review	Propose and consult any revisions to Provincial Treasury Instructions and Directives	Issue revised Provincial Treasury Instructions and Directives	Evaluate implementation of new Provincial Treasury Instructions and Directives
		Quarterly	Drive Financial Management Improvement for Municipalities	Facilitate the development of action plans for 30 Municipalities	Monitor and report progress for municipalities	Monitor and report progress for Municipalities	Assessment of AG reports, ML, LGMTEC and BTO assessment for Municipalities
		Quarterly	Drive Financial Management Improvement for Departments	Monitor and report progress for Departments	Assessment of AG reports, ML, FGR&O and FMCMM assessment for 13 Departments	Facilitate the development of action plan for 13 Departments	Monitor and report progress for Departments
34.3	Enterprise Risk Management (ERM) capacitation for municipalities	Quarterly	Institutionalise ERM at all municipalities and drive capacity building initiatives at selected municipalities	Execution of specific capacity initiative for 2 municipalities and training for municipal practitioners	Execution of specific capacity initiative for 2 municipalities and training for municipal practitioners	Execution of specific capacity initiative for 2 municipalities and training for municipal practitioners	Execution of specific capacity initiative for 2 municipalities and training for municipal practitioners



## Reconciling performance targets with the Budget and MTEF

## Expenditure estimates

Table 5 Financial Governance

Sub-programme R'000	Outcome			Main appro- piation 2010/11	Adjusted appro- piation 2010/11	Revised estimate 2010/11	Medium-term estimate			
	Audited 2007/08	Audited 2008/09	Audited 2009/10				% Change from Revised estimate			
							2011/12	2010/11	2012/13	2013/14
1. Programme Support	1 037	1 581	1 777	2 309	1 625	1 625	1 870	15.08	2 264	2 414
2. Accounting Services	3 806	5 272	7 292	8 717	8 564	8 564	9 973	16.45	10 851	11 575
Provincial Government Accounting			4 619	4 856	4 943	4 943	5 207	5.34	5 460	5 822
Local Government Accounting			2 673	3 861	3 621	3 621	4 766	31.62	5 391	5 753
3. Norms and Standards	3 551	3 426	4 664	7 379	7 971	7 971	8 802	10.43	8 991	9 708
4. Risk Management	2 091	2 276	2 721							
5. Provincial Internal Audit	27 945	24 560	18 501	22 287	1 436	1 436		(100.00)		
Sub-programme Support			4 570	4 319	252	252		(100.00)		
G&A Cluster			4 941	5 823	412	412		(100.00)		
Economic Cluster			5 630	7 491	530	530		(100.00)		
Social Cluster			3 360	4 654	242	242		(100.00)		
<b>Total payments and estimates</b>	<b>38 430</b>	<b>37 115</b>	<b>34 955</b>	<b>40 692</b>	<b>19 596</b>	<b>19 596</b>	<b>20 645</b>	<b>5.35</b>	<b>22 106</b>	<b>23 697</b>

Economic classification R'000	Outcome			Main appro- piation 2010/11	Adjusted appro- piation 2010/11	Revised estimate 2010/11	Medium-term estimate			
	Audited 2007/08	Audited 2008/09	Audited 2009/10				% Change from Revised estimate			
							2011/12	2010/11	2012/13	2013/14
<b>Current payments</b>	<b>38 420</b>	<b>37 006</b>	<b>34 002</b>	<b>40 692</b>	<b>19 596</b>	<b>19 596</b>	<b>20 645</b>	<b>5.35</b>	<b>22 106</b>	<b>23 697</b>
Compensation of employees	13 521	20 433	29 538	35 085	16 967	16 967	18 040	6.32	19 348	20 787
Goods and services	24 899	16 573	4 464	5 607	2 629	2 629	2 605	(0.91)	2 758	2 910
<b>Transfers and subsidies to Provinces and municipalities</b>		109								
Households		80								
<b>Payments for capital assets</b>			953							
Machinery and equipment		10								
Software and other intangible assets			953							
<b>Total economic classification</b>	<b>38 430</b>	<b>37 115</b>	<b>34 955</b>	<b>40 692</b>	<b>19 596</b>	<b>19 596</b>	<b>20 645</b>	<b>5.35</b>	<b>22 106</b>	<b>23 697</b>

### **Performance and expenditure trends**

The decrease of R18.834 million from R38.430 million in 2007/08 to R19.596 million in 2010/11 (revised estimate) is mainly due to the shared Provincial Internal Audit functions that were shifted to the Department of the Premier during the 2010/11 financial year. This is an annual average decrease of 20.11 per cent over the three year period. Over the period 2011/12 to 2013/14, the total nominal growth for the programme, over the three year period, is 6.54 per cent.

## **PART C LINKS TO OTHER PLANS**

### **7. Links to the long-term infrastructure and other capital plans**

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

### **8. Conditional grants**

Not applicable.

### **9. Public entities**

Present information on Western Cape Gambling and Racing Board is contained in the Strategic Plan of 2010/11 - 2014/15 (SP) under section 13.

### **10. Public-private partnerships**

The Provincial Treasury is not yet functionally responsible for any PPP, but provides an advisory and monitoring service. However, with capacity building within Provincial Treasury, it is envisaged to take over all PPP related responsibilities from National Treasury at some future date.

### **11. Annexure E (Technical indicator descriptions)**

The Annexure E for the strategic objectives and performance indicators will be made available on the Department's website, <http://www.capegateway.gov.za/treasury>.