



PROVINCIAL TREASURY

Provincial Government of the Western Cape

BUDGET MANAGEMENT: PROVINCIAL GOVERNMENT

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REFERENCE: T 9/1/18 – 2011/12
ENQUIRIES: M Sheraton-Korsten

TREASURY CIRCULAR 28/2011

THE PREMIER

THE MINISTER OF AGRICULTURE AND RURAL DEVELOPMENT
THE MINISTER OF COMMUNITY SAFETY
THE MINISTER OF CULTURAL AFFAIRS AND SPORT
THE MINISTER OF EDUCATION
THE MINISTER OF FINANCE, ECONOMIC DEVELOPMENT AND TOURISM
THE MINISTER OF HEALTH
THE MINISTER OF HUMAN SETTLEMENTS
THE MINISTER OF LOCAL GOVERNMENT, ENVIRONMENTAL AFFAIRS AND DEVELOPMENT PLANNING
THE MINISTER OF SOCIAL DEVELOPMENT
THE MINISTER OF TRANSPORT AND PUBLIC WORKS

THE SPEAKER: PROVINCIAL PARLIAMENT
THE DEPUTY SPEAKER: PROVINCIAL PARLIAMENT

THE ACCOUNTING OFFICER: VOTE 1: PREMIER (ADV B GERBER)
THE ACCOUNTING OFFICER: VOTE 2: PROVINCIAL PARLIAMENT (MR R HINDLEY)
THE ACCOUNTING OFFICER: VOTE 3: PROVINCIAL TREASURY (DR JC STEGMANN)
THE ACCOUNTING OFFICER: VOTE 4: COMMUNITY SAFETY (DR GA LAWRENCE)
THE ACCOUNTING OFFICER: VOTE 5: EDUCATION (MS P VINJEVOLD)
THE ACCOUNTING OFFICER: VOTE 6: HEALTH (PROF KC HOUSEHAM)
THE ACCOUNTING OFFICER: VOTE 7: SOCIAL DEVELOPMENT (MS K LUBELWANA)
THE ACCOUNTING OFFICER: VOTE 8: HUMAN SETTLEMENTS (MR M TSHANGANA)
THE ACCOUNTING OFFICER: VOTE 9: ENVIRONMENTAL AFFAIRS AND DEVELOPMENT PLANNING (MR T GILDENHUYIS)
THE ACCOUNTING OFFICER: VOTE 10: TRANSPORT AND PUBLIC WORKS (MR J FOURIE)
THE ACCOUNTING OFFICER: VOTE 11: AGRICULTURE (MS J ISAACS)
THE ACCOUNTING OFFICER: VOTE 12: ECONOMIC DEVELOPMENT AND TOURISM (MR S FOURIE)
THE ACCOUNTING OFFICER: VOTE 13: CULTURAL AFFAIRS AND SPORT (MR B WALTERS)
THE ACCOUNTING OFFICER: VOTE 14: LOCAL GOVERNMENT (DR H FAST)

} For information

THE CHIEF FINANCIAL OFFICER: VOTE 1: PREMIER (MR D BASSON)
THE CHIEF FINANCIAL OFFICER: VOTE 2: PROVINCIAL PARLIAMENT (MS N PETERSEN)
THE CHIEF FINANCIAL OFFICER: VOTE 3: PROVINCIAL TREASURY (MR A GILDENHUYIS)
THE CHIEF FINANCIAL OFFICER: VOTE 4: COMMUNITY SAFETY (MR M FRIZLAR)
THE CHIEF FINANCIAL OFFICER: VOTE 5: EDUCATION (MR L ELY)
THE CHIEF FINANCIAL OFFICER: VOTE 6: HEALTH (MR A VAN NIEKERK)
THE CHIEF FINANCIAL OFFICER: VOTE 7: SOCIAL DEVELOPMENT (MR JO SMITH)
THE CHIEF FINANCIAL OFFICER: VOTE 8: HUMAN SETTLEMENTS (MR F DE WET) (ACTING)
THE CHIEF FINANCIAL OFFICER: VOTE 9: ENVIRONMENTAL AFFAIRS AND DEVELOPMENT PLANNING (MR AA GAFFOOR)
THE CHIEF FINANCIAL OFFICER: VOTE 10: TRANSPORT AND PUBLIC WORKS (MR CR ISMAY)
THE CHIEF FINANCIAL OFFICER: VOTE 11: AGRICULTURE (MR F HUYSAMER)
THE CHIEF FINANCIAL OFFICER: VOTE 12: ECONOMIC DEVELOPMENT AND TOURISM (MS M ABRAHAMS)
THE CHIEF FINANCIAL OFFICER: VOTE 13: CULTURAL AFFAIRS AND SPORT (MS BG RUTGERS)
THE CHIEF FINANCIAL OFFICER: VOTE 14: LOCAL GOVERNMENT (MR F DE WET) (ACTING)

THE CHIEF EXECUTIVE OFFICER: WESTERN CAPE GAMBLING AND RACING BOARD (MR P ABRAHAMS) (ACTING)
THE CHIEF EXECUTIVE OFFICER: WESTERN CAPE NATURE CONSERVATION BOARD (MS L MEYER)
THE CHIEF EXECUTIVE OFFICER: WESTERN CAPE INVESTMENTS AND TRADE PROMOTION AGENCY (MR N FLAATTEN) (ACTING)
THE CHIEF EXECUTIVE OFFICER: CAPE TOWN ROUTES UNLIMITED (DMO) (MR C GILFELLAN)
THE CHIEF EXECUTIVE OFFICER: WESTERN CAPE CULTURAL COMMISSION (MS J MOLELEKI)
THE CHIEF EXECUTIVE OFFICER: WESTERN CAPE LANGUAGE COMMISSION (MS J MOLELEKI)
THE CHIEF EXECUTIVE OFFICER: WESTERN CAPE HERITAGE COMMISSION (MS J MOLELEKI)
THE CHIEF EXECUTIVE OFFICER: CASIDRA (MS T MLONYENI) (ACTING)
THE CHIEF EXECUTIVE OFFICER: WESTERN CAPE LIQUOR BOARD (MR B ROBERTS)

THE CHIEF FINANCIAL OFFICER: WESTERN CAPE GAMBLING AND RACING BOARD (MR P ABRAHAMS)
THE CHIEF FINANCIAL OFFICER: WESTERN CAPE NATURE CONSERVATION BOARD (MR A PRESTSON)
THE CHIEF FINANCIAL OFFICER: WESTERN CAPE INVESTMENTS AND TRADE PROMOTION AGENCY (MR W DE JONGH) (ACTING)
THE CHIEF FINANCIAL OFFICER: CAPE TOWN ROUTES UNLIMITED (DMO) (MR H BONESCHANS)
THE CHIEF FINANCIAL OFFICER: WESTERN CAPE CULTURAL COMMISSION (MS B RUTGERS)
THE CHIEF FINANCIAL OFFICER: WESTERN CAPE LANGUAGE COMMISSION (MS B RUTGERS)
THE CHIEF FINANCIAL OFFICER: WESTERN CAPE HERITAGE COMMISSION (MS B RUTGERS)
THE CHIEF FINANCIAL OFFICER: CASIDRA (MR F VAN ZYL)
THE CHIEF FINANCIAL OFFICER: WESTERN CAPE LIQUOR BOARD (MS M ABRAHAMS)

THE HEAD OFFICIAL: PROVINCIAL TREASURY (DR JC STEGMANN)
THE HEAD: BRANCH FISCAL AND ECONOMIC SERVICES (MR H MALILA)
THE HEAD: BRANCH GOVERNANCE AND ASSET MANAGEMENT (MR TC ARENDSE)
THE HEAD: PUBLIC POLICY SERVICES (MR A PHILLIPS)
THE HEAD: PUBLIC FINANCE (MR H MALILA) (PRO TEM)
THE HEAD: FINANCIAL GOVERNANCE (MR A REDDY) (ACTING)
THE HEAD: ASSET MANAGEMENT (MS N EBRAHIM) (ACTING)
THE CHIEF FINANCIAL OFFICER (MR A GILDENHUYS)
THE SENIOR MANAGER: ACCOUNTING SERVICES: PROVINCIAL GOVERNMENT (MR N VAN NIEKERK) (ACTING)
THE SENIOR MANAGER: ACCOUNTING SERVICES: LOCAL GOVERNMENT (MS L NGXONONO)
THE SENIOR MANAGER: CORPORATE GOVERNANCE (MR B VINK)
THE SENIOR MANAGER: BUDGET MANAGEMENT: PROVINCIAL GOVERNMENT (MS M SHERATON)
THE SENIOR MANAGER: BUDGET MANAGEMENT: LOCAL GOVERNMENT (MR ML BOOYSEN)
THE SENIOR MANAGER: PROVINCIAL GOVERNMENT FINANCE (MS A PICK)
THE SENIOR MANAGER: LOCAL GOVERNMENT FINANCE (GROUP ONE) (MR F SABBAT)
THE SENIOR MANAGER: LOCAL GOVERNMENT FINANCE (GROUP TWO) (MR M SIGABI)
THE SENIOR MANAGER: PUBLIC FINANCE POLICY RESEARCH AND MODELLING (MS C HORTON)
THE SENIOR MANAGER: IMMOVEABLE ASSET MANAGEMENT (MR NB LANGENHOVEN)
THE SENIOR MANAGER: MOVEABLE ASSET MANAGEMENT (MS N EBRAHIM)
THE SENIOR MANAGER: SUPPORTING AND INTERLINKED FINANCIAL SYSTEMS (MR A BASTIAANSE)
THE HEAD: OFFICE OF THE FINANCE MINISTRY (MS A SMIT)

THE PROVINCIAL AUDITOR

MASTER RECORDS OFFICIAL: FINANCIAL MANAGEMENT

QUARTERLY PERFORMANCE REPORTING IN THE CONTEXT OF PLANNING AND REPORTING

Purpose

To provide guidance on the 2011/12 quarterly reporting process for departments and entities inclusive of issuing the National Treasury guidelines and communicating the associated training.

Background

The Framework for Managing Programme Performance Information (FMPPi) indicates that that "under sections 215 and 216 of the Constitution, the National Treasury is responsible for prescribing the formats of budgets, and for measures to ensure transparency and expenditure control in each sphere of government. Given these provisions, the National Treasury's role in relation to performance information management is:

- Developing standards that may be required to facilitate the implementation of the Framework for Managing Programme Performance Information.
- Developing formats for accountability reporting, including strategic plans, corporate plans, annual performance plans, budgets, in-year reports and annual reports.
- Developing the core sets of performance information in collaboration with sector departments to ensure uniform information is produced to measure service delivery across provinces and municipalities.
- Developing guidelines on the use of performance information in different circumstances.

In addition, the National Treasury and provincial treasuries are responsible for:

- Monitoring the implementation of the Framework by all institutions within their respective spheres.
- Providing training on the use of performance information.
- Providing input into the processes to select and define performance indicators.
- Using the information generated by other institutions to monitor, evaluate and report on economy, efficiency, effectiveness and equity in the use of resources to deliver services".

In terms of Treasury Regulations 5.3.1 all Accounting Officers must establish procedures for quarterly reporting to the executive authority to facilitate effective performance monitoring, evaluation and corrective action. Quarterly performance reporting can therefore be viewed as an enabling mechanism that allows Accounting Officers to track progress against what has been planned and what is actually achieved in the form of service delivery outputs.

The Provincial Treasury has been tasked to fulfil a monitoring role from an accountability perspective within the performance reporting paradigm. The implementation of the Strategic and Annual Performance Plan/objectives needs to be tracked by officials in the Provincial Treasury and the required performance reports submitted to the Provincial Cabinet, National Treasury and Provincial Parliament Budget Committee. Departments and Entities are therefore required to submit Quarterly Performance Reports (QPR) in a standardised reporting format to the treasury to facilitate this process.

To attain a more comprehensive assessment of in-year departmental performance, and understanding of the proposed remedial action required, since the 2010/11 financial year it was requested that departments report on all performance indicators in the Annual Performance Plan on a quarterly basis. The revised Quarterly Performance Report templates allows for the electronic submission of performance against targets (whereas the previous model only allows for tracking of national sector targets and to a limited extent provincial targets).

Provincial Treasury has also introduced further additions to the model for the 2011/12 financial year to provide for the reporting on challenges and responses to challenges as well as for the reference to sources/collection of data. To assist departments, the Provincial Treasury has commenced with capturing departments' entire APP in the QPR reporting template which includes ALL performance indicators and targets that lends itself to quarterly reporting.

Action required

To assist with the quarterly reporting process departments are requested to:

1. Ensure that the targets in the Quarterly Performance Reporting database are correctly captured and corresponds to those taken up in the Annual Performance Plan 2011/12 for both annual planned and quarterly planned targets;
2. As practice, record the preliminary and validated output per quarter;

3. Ensure that all sector customised measures are highlighted for departments with standardised APPs;
4. Apart from the model, submit the required narrative quarterly reporting format;
5. Departments must report on all indicators and also monitor its relevant entities and constitutional institutions and report on their progress against targets set in the 2011/12 APPs in the same QPR format. In addition public entities may report against outputs specified in the shareholder compact or service level agreements between the departments and public entities, and approved by the board of directors; and
6. Note and submit QPR information on the dates specified on page 25 of the guideline.

Proxy Indicators

Quarterly Reports on outputs against expenditures incurred by your Department are provided to a number of stakeholders. Amongst these are the National Treasury, national line departments, the Standing Committees, Provincial Cabinet and the Provincial Parliament. These reports provide essential information on in-year departmental performance.

To further aid monitoring and evaluation of budget implementation and to report on progress on provincial goals as reflected in current Annual Performance Plans it was agreed that in liaison with your MEC, your Department prepares proxy indicators that represent the key thrusts or goals of your 2011 budget and that correspondingly aggregate the relevant programme/sub-programme performance indicators as taken up in your APP to enhance the QPR reporting to Cabinet.

In 2011, Departments are required to report against the proxy indicators which were previously selected by the Department. These are performance indicators which are considered meaningful for reporting progress and achievements against the Departments' predetermined objectives and strategic priorities linked to the Provincial Strategic Objectives and articulated in Annual Performance Plans and budget documentation. Dependant on the selection of the proxy indicators, reporting against these may already be included in Excel reporting template or alternatively, departments should include a brief narrative update as an annexure to the narrative report.

Public Entity Reporting

Public entities are required to report on non-financial information in accordance with the National Treasury Guideline for Implementation of Provincial Quarterly Reports and the Framework for Managing Programme Performance Information. Regarding the reporting of financial information, a separate Treasury circular will follow.

The latest proposed amendments to the National Treasury Regulations require institutions to: adopt a quarterly reporting system, including submission of agreed information to executive authorities, the Presidency or Premier's Offices, the relevant treasury and Parliamentary portfolio committees. Public entities are encouraged to submit the reports to their executive authorities and responsible departments.

In view of the above, all Departments are recommended to assess their applicable public entity and forward such assessment to the Treasury for inclusion with non-financial reporting to the Cabinet.

Public Entity Reporting Dates

The following reporting dates follow a sequence starting with public/trading entities who have to submit their first datasets jointly to the Provincial Treasury and their respective parent department. Once the Provincial Treasury and parent departments have checked the data for obvious discrepancies they should send it directly back to public/trading entities to rectify the changes with the objective of finalising the datasets for the signature of the Chief Executive Officer. The final signed off datasets should then be submitted to the Parent Department and Provincial Treasury for analysis.

Quarters 2011/12	Public/Trading Entity to Provincial Treasury and Parent Department	Parent Departments to Public/Trading Entities to verify information	Public/Trading Entities final dataset to the Provincial Treasury and parent department
1st Q – June 2011	Tues, 12 July 2011	Fri, 15 July 2011	Wed, 20 July 2011
2nd Q – Sept 2011	Tues, 11 Oct 2011	Fri, 14 Oct 2011	Wed, 19 Oct 2011
3rd Q – Dec 2011	Fri, 13 Jan 2012	Wed, 18 Jan 2012	Mon, 23 Jan 2012
4th Q – Mar 2012	Thurs, 29 April 2012	Tues, 24 Apr 2012	Fri, 27 Apr 2012

Note: The **actual validated data for the fourth quarter must be submitted** to the Provincial Treasury on **21 May 2012** together with the pre-audited performance information for the 2011/12 financial year. The pre-audited performance information will be the same information that will be submitted to the Auditor General.

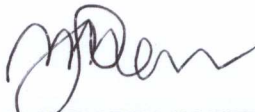
Training

Attached hereto is the **Guide for the implementation of Provincial Quarterly Performance Reports 2011**. The Provincial Treasury will forward the populated QPR models (sector and non-sector) to departments and public entities during the course of the next few weeks. To assist, the PT will make arrangements for a **workshop on 27 June 2011** with departments and public entities on the Quarterly Performance reporting process in the context of planning and reporting, the Guide and the reporting requirements. The Training will cover the Context for performance management and reporting and the QPR model and reporting templates. It is important that Accounting Officers nominate relevant staff members within departments and public entities whom are responsible for planning and reporting and the consolidation of the QPR information to attend this workshop. It would be appreciated if nominations could be e-mailed to jchendri@pgwc.gov.za by no later than 23 June 2011. Training session dates would be communicated to departments shortly.

The contact details of each Budget Office official responsible for relevant Department/Entity are as follows:

Name	Departments	Contact Number
Ronel Slinger	Education, Economic Development and Tourism, WESGRO, Destination Marketing Organisation	483-5486
Nelia Orlandi	Social Development, Transport and Public Works, GMT Trading Entity	483-6131
Thurston Marinus	Premier, Environmental Affairs and Development Planning, CapeNature	483-6075
Ammaarah Kamish	Provincial Parliament, Cultural Affairs and Sport, Cultural Commission, Language Committee, Heritage Committee	483-9650
Esther Mohube	Community Safety, Agriculture, Casidra	483-3062
Hisham Allie	Human Settlements, Local Government	483-8692
Sihaam Nieftagodien	Provincial Treasury, Health, Western Cape Gambling and Racing Board	483-8440

Please feel free to contact myself, or the relevant officials for further information and queries regarding this letter.



M-SHERATON-KORSTEN

SENIOR MANAGER: BUDGET MANAGEMENT: PROVINCIAL GOVERNMENT

DATE: 21 June 2011