



**Western Cape  
Government**

Provincial Treasury



**Annual Performance Plan 2015**  
Provincial Treasury

**Western Cape Government  
Provincial Treasury**

**Annual Performance Plan  
2015/16**

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# Foreword

In the 2014 Medium Term Budget Policy Statement (MTBPS) we indicated that the Western Cape Government's budget policy framework is informed by the following policy principles:

- Constitutionalism
- Rule of law
- Whole of society approach
- Evidence based practice
- Partnerships
- Citizen centric
- Innovation, and
- Public value

The MTBPS also took into account the developments in the global and national economic environment, associated risks and economic prospects, as well as socio-economic challenges facing the Province.

The 2015/16 APP highlights our response to the challenges facing our Province. It expresses Provincial Treasury's strategic intent to continue to build on the successes of the past by improving governance, enhancing service delivery and ultimately ensuring that the people of the Western Cape receive value for money.

Furthermore, the National Development Plan (NDP) makes a strong case for what it calls "The Capable State". It argues that to achieve the vision of a capable state we will have to amongst others "strengthen delegation, accountability and oversight and make it easier for citizens to hold public servants and politicians accountable, particularly for the quality of service delivery".

This plan is our response to the NDP's call for a capable state. We will therefore, in partnership with all municipalities in the Province, continue to work towards ensuring improved financial accountability and good governance which translates into better audit outcomes and service delivery.

The plan also expresses our commitment to ensure that available resources are efficiently utilized and that public expenditure remains at an affordable and sustainable level as this will not only improve service delivery and creating public value, but also lay the platform for growing the economy and creating job opportunities.

I would like to wish all the officials in the Provincial Treasury the very best as they work towards this goal.



**DR IVAN MEYER**  
**MINISTER OF FINANCE**

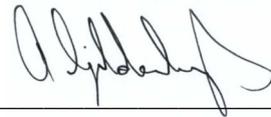
# OFFICIAL SIGN-OFF

It is hereby certified that this Annual Performance Plan:

- Was developed by the management of the Western Cape Provincial Treasury under the guidance of Minister Ivan Meyer
- Was prepared in line with the Strategic Plan of the Western Cape Provincial Treasury
- Accurately reflects the performance targets which the Western Cape Provincial Treasury will endeavour to achieve given the resources made available in the budget for 2015/16

**Mr A Gildenhuis**  
**Chief Financial Officer**

**Signature**



**Ms A Smit**  
**Director: Strategic and**  
**Operational Management Support**

**Signature**



**Mr Z Hoosain CA (SA)**  
**Accounting Officer**

**Signature**



**Approved by**

**Dr IH Meyer**  
**Executive Authority**

**Signature**



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## PART A: STRATEGIC OVERVIEW

The Provincial Treasury's Vision, Mission and professed Values are as follow:

### 1. Vision

Good governance through financial accountability.

### 2. Mission

To improve governance through:

Enhancing accountability and oversight;

Creating public value;

Enabling delivery of quality services through partnerships; and

Capacity building in public sector finance.

### 3. Values

The Provincial Treasury (PT) cherishes the following values:

**Courtesy** - We undertake to always be courteous to our stakeholders and co-employees by having empathy, consideration and respect for them.

**Honesty and Integrity** - We undertake to conduct ourselves in a professional manner by embracing truthfulness and trust; treating everyone with dignity and respect – as we wish to be treated ourselves.

**Openness and Transparency** - We undertake to conduct business openly through honest and meaningful consultation with stakeholders and communication of reliable information.

**Prompt declaration of conflict of interest** - We undertake to promptly disclose/declare and recuse ourselves from any situation in which we are in a position to exploit our official capacity for our personal benefit, directly or indirectly.

**Fairness** - We undertake to operate in a manner that is fair and just.

**Ethics** - We adhere to morally acceptable standards in all that we do. We will acquaint ourselves with the ethical values, rules and regulations applicable within our workplace.

**Loyalty** - We commit to remain loyal to our organisational values and our colleagues within an ethical environment.

## **4. Legislative and other mandates**

### **4.1 Constitutional mandates**

The constitutional mandate of the Provincial Treasury is derived from Chapter 13 of the Constitution of the Republic of South Africa, 1996 (Act 108 of 1996) and Chapter 7 of the Western Cape Provincial Constitution. In the main, this encompasses determining measures to ensure transparency, accountability and expenditure control within the Province. This includes the introduction of proper accounting practices, expenditure classifications and treasury norms and standards.

### **4.2 Legislative mandates**

The following primary legislation drives the mandate of the Provincial Treasury:

#### **a. The Public Finance Management Act (PFMA), 1999 (Act 1 of 1999)**

The Provincial Treasury is established in terms of section 17 of the **PFMA (Act 1 of 1999)**. Section 18 of the PFMA assigns the functions and powers of the Provincial Treasury including, *inter alia*, the following: preparing and exercising control over the implementation of the provincial budget; promoting and enforcing transparency and effective management in respect of revenue, expenditure, assets and liabilities of provincial departments and provincial public entities; ensuring that the WCG's fiscal policies do not materially and unreasonably prejudice national economic policies; issuing of provincial treasury instructions not inconsistent with the PFMA; enforcing the PFMA and any prescribed national and provincial norms and standards; complying with the annual Division of Revenue Act (DORA); monitoring and assessing the implementation by provincial entities of national and provincial norms and standards; assisting provincial departments and provincial public entities in building their capacity for efficient, effective and transparent financial management; investigating any system of financial management and internal control applied by a provincial department or a provincial public entity; intervening by taking appropriate steps to address serious or persistent material breach of the PFMA by a provincial department or provincial public entity; promptly providing any information required by National Treasury (NT) in terms of the PFMA and doing anything further that is necessary to fulfil its responsibilities effectively.

#### **b. The Municipal Finance Management Act (MFMA), 2003 (Act 56 of 2003)**

In terms of section 5(4) of the **MFMA, 2003 (Act 56 of 2003)** the Provincial Treasury must, *inter alia*: monitor compliance with the MFMA by municipalities and municipal entities in the Province; and monitor the preparation of municipal budgets, the monthly outcomes of these budgets and the submission of reports by municipalities as required in terms of the MFMA. Furthermore, it may assist municipalities in the preparation of their budgets; further exercise any powers and perform any duties delegated to it by the National Treasury in terms of the MFMA; and take appropriate steps if a municipality or municipal entity in the Province commits a breach of the MFMA.

### 4.3 Policy mandates

The following policy mandates are primarily responsible for driving the work of the Provincial Treasury:

#### **a. National Development Plan – 2030 (NDP)**

The Provincial Treasury must assist and support provincial departments and municipalities to build a capable state which is able to enhance socio-economic opportunities; support the development of expertise, better systems and processes to reduce inefficiencies and enhance a high adherence to ethics; and build a government that is accountable to its people.

#### **b. Medium-Term Strategic Framework 2014 - 2019 (MTSF)**

National Outcome 9: A responsive, accountable, effective and efficient local government system and National Outcome 12: An efficient, effective and development oriented public service and an empowered, fair and inclusive citizenship – The Provincial Treasury must assist and support provincial departments and municipalities to improve their management practices, financial practices and operations systems.

#### **c. Western Cape Government Strategic Plan 2014 - 2019 (PSP)**

The WCG has identified the following five strategic goals under which to cluster its strategic objectives in its bid to contribute to the realisation of the aims and objectives of the National Development Plan over the 2015 – 2019 five year period:

- Strategic Goal 1 – Create opportunities for growth and jobs;
- Strategic Goal 2 – Improve education outcomes and opportunities for youth development;
- Strategic Goal 3 – Increase wellness and safety, and tackle social ills;
- Strategic Goal 4 - Enable a resilient, sustainable, quality and inclusive living environment; and
- Strategic Goal 5 – Embed good governance and integrated service delivery through partnerships and spatial alignment.

The Provincial Treasury, the Department of the Premier, Department of Local Government and the Department of Environmental Affairs and Development Planning will collectively contribute to Provincial Strategic Goal 5 (PSG 5) – Embed good governance and integrated service delivery through partnerships and spatial alignment.

#### **d. National Treasury Regulations (NTRs)**

The planned implementation date of the new set of NTR's was originally set for 1 April 2014. Provincial Treasury has also provided commentary on the draft regulations to national. Many of the draft regulations have already been included in the draft Provincial Treasury Instructions (PTIs) during previous financial years which were held in abeyance until the revised NTRs were to be promulgated. We await further announcements on the way forward on this matter.

#### **4.4 Planned policy initiatives**

The budgeting process aims to ensure that the budgets and related implementation plans give effect to the policy goals of the Western Cape Government. The focus is to build on joint planning, coordination and delivery between provincial departments, municipalities, national government and other key stakeholders by integration of processes and engagement, eradication of duplication and improved quality and consistency in planning and budgeting. Therefore the planning and budgeting process is interrelated with monitoring and evaluation of delivery.

To give effect to the outcome of Integrated Management in the Province one of the key policy initiatives is a more integrated approach to policy, planning, budgeting and implementation. It entails reviewing the mechanisms, processes and institutional framework for integrated planning, budgeting and implementation. The main aim of a Joint Planning and Budgeting Process from a strategic perspective is to mainstream the objectives of the NDP, MTSF and the PSP and to integrate these within a provincial and local government context. This process will build on the existing Integrated Development Planning (IDP) Indabas and the intergovernmental relations (IGR) Framework, Local Government/Provincial Government Medium Terms Expenditure Framework Committee (MTEC) processes; and strengthen interaction with the provincial and municipal governance improvement processes.

We will continue to improve on the initiatives that we have introduced under the banners of the LG MTEC and PG MTEC processes, Corporate Governance Review and Outlook (CGRO) and Municipal Governance Review and Outlook (MGRO). These initiatives, which are aimed at supporting the National Development Plan, National Outcomes 9 and 12 and PSG 5, will be further refined. The recent Back to Basics (B2B) approach, adopted by National Department of Cooperative Governance and Traditional Affairs (COGTA), National Treasury Financial Management Capability Maturity Model (FMCMM) principles and fundamentals are already embedded in the MGRO approach previously adopted by all municipalities in the Western Cape.

The B2B approach focuses on the current challenges in the local government sphere, in the short and medium term specifically, in order to get the basics in municipal services right. This will lay a foundation on which future performance can be built, and is necessary for us to achieve our long term vision of developmental local government.

## **5. Situational analysis**

### **5.1 Performance delivery environment**

#### **Socio-Economic context**

Developments within the global and national economic environment, associated risks and economic prospects, as well as socio-economic challenges facing the Western Cape have implications for the effective and efficient management of government resources.

The global economic environment remains uncertain. The International Monetary Fund (IMF) has downwardly revised global growth – projected at 3.5 per cent for 2015. Current key global developments informing the economic outlook include: the decline in the oil price, weaker-than-expected economic growth in several major economies; the appreciation of the US Dollar, and financial market volatility. While the decline in the oil price, driven by supply factors, will boost global growth, and in particular in oil importing economies, there is uncertainty over the persistence of the impact of the current oil supply shock. Recent economic developments indicate that the national economy lost momentum in 2014, largely due to strikes and energy constraints on the domestic side as well as slower and weaker growth in key export markets, lower international commodity prices and slowing consumer confidence. Real GDP growth is projected to slow to 1.4 per cent in 2014, but forecast to pick up to 2.1 per cent in 2015 (IMF forecast) and 1.9 per cent (Bureau for Economic Research forecast). National Treasury also expects a slight improvement in the economic outlook as a result of easing of infrastructure constraints, recovering in private investment and growth in exports (National MTBPS, 2014).

The current electricity constraints pose a risk to the South African growth outlook over the medium term. External risks include global financial market volatility, lower global growth and commodity prices that could weaken South African exports and growth.

Economic growth in the Western Cape has tracked the performance, at a slightly higher rate, of the rest of the country over the past ten years. The better performance of the regional economy is as a result of both the structure and source of economic activity in the Province. The biggest sector in the regional economy is the finance, real estate and business services sector (33 per cent share of economic output) followed by the wholesale, retail trade, catering and accommodation sector (15 per cent) and the manufacturing sector (about 17 per cent) (Provincial Economic Review and Outlook 2014). Despite its relatively small direct contribution to GDP, the Western Cape agricultural sector accounts for 23.4 per cent of national agricultural output and therefore remains a key sector along with the tourism sector that is linked to many other sectors and has a strong potential to create jobs.

Economic activity in the Western Cape is geographically concentrated. As a result of locational attributes and concentration, economic activity is concentrated in the City of Cape Town Metropolitan Municipality. It accounts for 73 per cent of Western Cape GDP and employs two thirds of the provincial work force. The Cape Metro is the second largest municipal economy in the country and also the second largest contributor to national

employment. The two other dominant districts in the Western Cape are the Cape Winelands (11.6 per cent of GDP) and Eden (7.8 per cent); combined with the Cape Metro, these districts generate 92 per cent of the Western Cape value added and employ close to 90 per cent of the provincial work force.

Growth in the Western Cape is forecast at 2.1 per cent in 2014. Over the medium term, economic growth is estimated to average around 3.0 per cent between 2014 and 2019 (Provincial Economic Review and Outlook, 2014). Given the current downward revisions for global and national growth, the implications for the Western Cape include lower oil prices and a weakening currency which may have a positive impact on exports and tourism as well as on general consumption through lower prices. However, key risks still remain such as a decrease in investment due to electricity shortages and uncertain global growth.

The Western Cape population is currently estimated at 6.1 million (Stats SA Mid-Year Estimates 2014) which represents 11.3 per cent of the national population. Almost two thirds of the Western Cape population resides within the City of Cape Town. The Cape Winelands District is the second most populous region followed by the Eden District (Stats SA Census 2011). The Western Cape population is projected to grow by 10.5 per cent from 2014 to 2024 – a total increase of over 630 000 people. At a district level the projected pattern of growth is uneven, ranging from a declining population in Oudtshoorn to an increase of 18.6 per cent in Bitou (Department of Social Development). The City of Cape Town is projected to increase its population by 9.8 per cent from 2014 to 2024.

Employment in the Western Cape is estimated at almost 2.2 million in the fourth quarter of 2014 – according to the Stats SA Quarterly Labour Force Survey (QLFS). The labour force is estimated at about 2.8 million people. The narrow unemployment rate in the Western Cape is approximately 23 per cent. However, including the non-searching unemployed amongst the unemployed – i.e. expanding the definition of unemployment – raises the provincial unemployment rate to 24.5 per cent. In the Western Cape, young people bear the brunt of the unemployment problem with 15 to 34 years olds accounting for about two thirds of the unemployment.

The health and education development indicator outcomes indicate that the Western Cape economy faces multiple and interrelated socio-economic challenges. These include the incidence of chronic disease, high repetition and learner dropout rates and rising crime rates. Interpersonal violence, road traffic injuries, HIV/AIDS, TB and chronic disease continue to be the leading causes of premature deaths, as measured by the Years of Life Lost, in the Province.

Given the socio-economic challenges facing the Western Cape, progress has been made over the past few years with improved life expectancy at birth, declining infant and child mortality rate, more and better matric passes, improved learner retention and improving access to basic services.

The Western Cape Government is proposing appropriate policy responses to the three major global risks, namely water, energy and food security. Provincial economic realities are modest growth, high unemployment and population pressures. But there are also opportunities for economic development across all sectors and along value chains such as in agriculture, agro-processing, tourism and the green economy.

The Provincial Treasury is mandated to prepare the provincial budget and to exercise control over the implementation of the provincial budget. The challenge therefore is to allocate the limited available resources as best as possible to effective programmes within votes that reflect the priorities of government (allocative efficiency); promoting the economy, effectiveness and efficiency in the provision of public services (value for money) and at a provincial level maintaining stability in government programmes and managing risks in the constrained economic and fiscal environment (fiscal sustainability).

The weak economic environment has impacted the national fiscus as tax revenue is now lower than projected. The 2014 National Medium Term Budget Policy Statement has subsequently emphasised the need for fiscal consolidation and to stabilise the fiscal base whilst pursuing the National Development Plan (NDP) and 2014 Medium Term Strategic Framework (MTSF) outcomes and priorities.

Another challenge in terms of taking the limited resources into consideration is the co-ordination, alignment and integration of planning and budgeting between the three spheres of and amongst the organs of state within each sphere. With the limited resources and specific socio-economic imperatives, government expenditure must be spatially targeted to ensure a shift from expenditure to investment in areas where desired impacts can be maximised.

### **Governance context**

Good governance contributes to improving government performance and ultimately improved service delivery and a better life for our people. Although significant strides were made over the past two decades to strengthen financial governance and accountability in the provincial and municipal spheres, continuous improvement is required. Additionally, innovation is the driving force behind what we do to continually lift governance across all our clients.

Underpinning all of Treasury's efforts are the transversal financial systems, which in their current state of (under)development are both an asset and hindrance at the same time.

Currently, there are three major systems which are out-dated: Basic Accounting System (BAS), Personnel and Salary Administration System (PERSAL) and Logistical Information System (LOGIS). These systems are maintained by National Treasury, with the Provincial Treasury being responsible for user account management and effective system utilisation. The various systems, although very stable, are still managed on a stand-alone basis and not as a single integrated solution.

The National Treasury has reprioritised the implementation of a single Integrated Financial Management System (IFMS) which will cover the following core financial functions.

<b>FINANCIAL FUNCTION</b>	<b>SCOPE</b>
Financial Management	Revenue, expenditure, assets, liabilities, bank management, general ledger, budget execution, cash management, financial reporting
Supply Chain Management	Demand, logistics, disposal
Procurement Management	Quotes, bids, supplier management, order management, contract management, purchase requisitions, invoice receipting
Human Resource Management	Recruitment, assumption of duty, performance management, exit management, skills development, employee wellness
Payroll	Salaries, benefits, allowances, deductions
Business Intelligence (BI)	Data consolidation, trend analysis and reporting

The Western Cape Government has been identified as a pilot site to implement the IFMS during the 2016/17 and 2017/18 financial years.

A process is underway to improve the integrity of data in the current legacy systems to ensure smooth migration to the envisaged IFMS.

Supply Chain Management within the provincial and municipal spheres was identified as an area that needs comprehensive improvements.

Areas of concern are the complex SCM legislative environment, inadequate SCM organisational structures and skills composite of staff, lack of SCM technology and the inability to leverage the buying power of government to drive cost effectiveness and value for money.

In addressing these concerns steps have been undertaken to streamline the SCM legislative environment, implementing enablers such as a central database and e-procurement, professionalising the SCM cadre and facilitating strategic sourcing strategies.

The Corporate Governance and Review and Outlook (CGRO) indicate that the financial governance within Provincial Departments is approaching the maturity level to move beyond conformance to further improve performance as part of the integral whole.

CGRO as a Provincial strategy to systematically achieve higher levels of governance maturity over the medium to long term, has already yielded positive results in the form of improved audit outcomes for the 2013/14 financial year. The Province has made substantial strides in improving its audit outcomes from five (5) clean audits to eleven (11) clean with no qualifications.

There was a significant improvement in the local government audit outcomes from 2009/10 to 2013/14. The number of municipalities with an unqualified with no findings audit opinion increased from one municipality for the 2009/10 financial year to seventeen municipalities for the 2013/14 financial year, and has exceeded the fifty per cent mark of municipalities within the Province.

## 5.2 Organisational environment

The current organisational structure was approved by the Executive Authority for Finance, Economic Development and Tourism in November 2011. The current structure makes provision for two branches. The Branch: Fiscal and Economic Services are responsible for managing the provincial and municipal fiscal resources effectively, and the Branch: Governance and Asset Management is responsible for facilitating the effective and efficient management of assets and financial systems to promote accountability in financial activities and compliance with financial norms and standards. Each branch is headed by a Deputy Director-General. Strategic, operational and financial management support services are provided by the Directorates Financial Management and Strategic and Operational Management Support.

As three years have passed since the current organisational structure was approved it will be re-assessed to ensure that it is structured appropriately and adequately to respond to the increasing governance requirements and fiscal policy environment.

The previous Head Official was scheduled to exit the organisation due to retirement on 31 December 2014. To ensure a smooth transition, a Head Official Designate was appointed for the period 1 November 2014 till 31 December 2014. The official took the position as Head Official with effect from 1 January 2015.

The tables below depict the employment and vacancies per programme and salary bands as at 31 December 2014.

**Table 1 Employment and vacancies by programme, 31 December 2014**

Programme	Number of posts on approved establishment	Number of posts filled	Vacancy rate	Number of employees additional to the establishment	Vacancy rate including additional employees
Administration	69	53	23%	3	19%
Sustainable Resource Management	132	113	14%	2	13%
Asset Management	76	62	18%	0	18%
Financial Governance	51	48	6%	3	0%
<b>Total</b>	<b>328</b>	<b>276</b>	<b>16%</b>	<b>8</b>	<b>13%</b>

**Table 2 Employment and vacancies by salary bands, 31 December 2014**

Salary bands	Number of posts on approved establishment	Number of posts filled	Vacancy rate	Number of employees additional to the establishment	Vacancy rate including additional employees
SL 1 - 2 <sup>1</sup>	3	2	33%	0	33%
SL 3 - 5	25	17	32%	0	29%
SL 6 - 8	57	49	14%	5	6%
SL 9 - 12	218	190	13%	1	12%
SL 13 - 16	25	18	28%	2	28%
<b>Total</b>	<b>328</b>	<b>276</b>	<b>16%</b>	<b>8</b>	<b>13%</b>

As depicted in the tables above the vacancy rate as at 31 December 2014 is above ten per cent, but the Provincial Treasury will implement a vigorous recruitment plan to ensure that the vacancies are advertised as soon as it becomes vacant and that all vacant posts are filled within 90 days after the closing date of the advertisement.

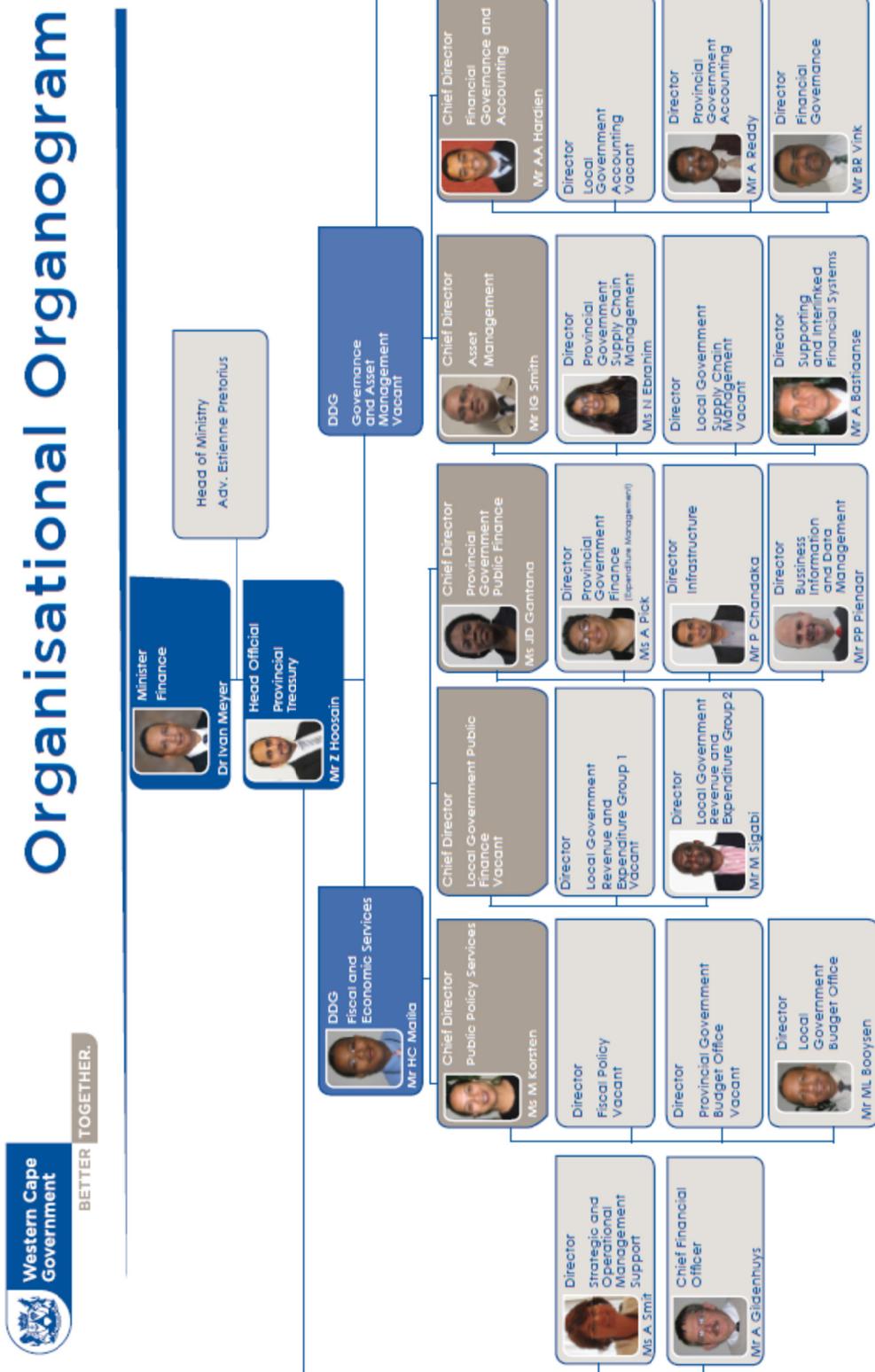
Information and Communication Technology (ICT) was identified as an enabler in delivering on its mandate. The following strategic ICT initiatives have been identified to support the achievement of its strategic objectives:

- Integrated Provincial Performance Management;
- Integrated Financial Management Solution (IFMS);
- Enterprise Content Management;
- Governance Review and Outlook (CGRO)/Municipal Review and Outlook (MGRO) tracking;
- Strategic Sourcing/Procurement Strategies;
- Business Intelligence; and
- ICT Governance.

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<sup>1</sup> SL - Salary Level

The organisational organogram below depicts the management structure.



The vacant posts as seen in the illustrated organogram are in the process of being filled.

### 5.3 Description of the strategic planning process

After the 2014 elections the Western Cape Government decided to re-assess and cluster its strategic and tactical intent for the next 5 years (2014 – 2019) under five (5) PSGs, i.e. Create opportunities for growth and jobs; Improve education outcomes and opportunities for youth development; Increase wellness and safety, and tackle social ills; Enable a resilient, sustainable, quality and inclusive living environment and Embed good governance and integrated service delivery through partnerships and spatial alignment.

The Provincial Treasury, Department of the Premier, Department of Local Government and Department of Environmental Affairs and Development Planning collectively contribute to PSG 5 - Embed good governance and integrated service delivery through partnerships and spatial alignment. The strategic priorities identified are enhanced governance, inclusive society and integrated management, with the Provincial Treasury mainly responsible for enhanced governance and integrated management. With this mind and that a new Strategic Plan for the next five years (2015/16 – 2019/20) is required the first strategic planning session (August 2014) focused on reaching agreement on what the Provincial Treasury wants to achieve over the next 5 years whilst building on the current foundation.

Each directorate had prior to the strategic planning session determined the following:

- What are the key problems experienced (What is the current state versus the desired state);
- What they want to achieve over the next five years (Proposed outputs);
- How are they going to achieve it (Proposed sub-outputs);
- How are they going to measure/assess success (Proposed Performance indicators);
- What are the game changers;
- What are the municipal touch points (if any);
- Partnerships (internal and external), also indicating if the partner is enabling or disabling; and
- What are the potential barriers/risks?

At the strategic planning session the Institute for Futures Research provided the Management Team with a view of the futures (moving towards 2030) within a global, African and South African context.

The Executive Authority also provided the political and executive context and the priority areas to the Management Team.

Thereafter each Senior Manager presented his/her directorate's information followed by an open discussion on each on the presentations. At the end of the session it was agreed that although new game changes and way of work have been identified as critical for success in moving forward, the current goals and strategic objectives, with minor refinement were deemed to be still perfectly appropriate and correctly linked to Treasury's legislative mandate and the achieve the objectives as per the National Development Plan, Medium Term Strategic Framework and Western Cape Government Strategic Plan.

Thereafter the first iteration Strategic Plan for the fiscal year 2015/16 – 2019/20 and Annual Performance Plan 2015/16 – 2017/18 were compiled by Senior Managers and confirmed by Top Management at a follow up Strategic Planning Session prior to submitting the first draft.

Further refinement of the Strategic Plan and APP took place during the period September to November 2014. This culminated in a final review session in November 2014 by Top Management.

## 6. Strategic outcome oriented goals of the department

The strategic outcome oriented goals of the Department are as follow:

### Programme 1 – Administration

<b>Strategic outcome oriented goal 1</b>	Efficient and effective departmental governance support services.
<b>Goal statement</b>	Efficient and effective departmental governance support services to enable the Department to achieve all its goals and objectives and a clean audit outcome.
<b>Justification</b>	To support the political and strategic Executive Mandate and deliverables.
<b>Links</b>	Chapter 13 – Building a capable and developmental state of the National Development Plan; National Outcome 12 – An efficient, effective and development-orientated public services of the Medium-term Strategic Framework 2014 - 2019; and PSG 5 – Embed good governance and integrated service delivery through partnerships and spatial alignment.

## Programme 2 – Sustainable Resource Management

<b>Strategic outcome oriented goal 2</b>	Effective, efficient and sustainable management of provincial and municipal fiscal resources.
<b>Goal statement</b>	<p>Effective, efficient and sustainable management of provincial and municipal fiscal resources to enable service delivery and public value through:</p> <ul style="list-style-type: none"> <li>• The annual tabling of the provincial budget;</li> <li>• Assistance to municipalities in preparation of municipal budgets through the annual municipal budget assessments; and</li> <li>• Monitoring and quarterly reporting on the budget implementation.</li> </ul>
<b>Justification</b>	<p>Provincial Treasury is required to prepare the provincial budget, assist municipalities in the preparation of their budgets and monitor the efficient and effective implementation thereof. The limited fiscal envelope requires provincial and local government to ensure the efficient, effective and sustainable management of fiscal resources. Improvements in the sustainability and credibility of provincial and municipal budgets and the monitoring of implementation enhance efficiency and effectiveness and maximises the capacity of provincial departments and municipalities to deliver services and public value.</p> <p>Efficiency: How productively inputs are translated into outputs.</p> <p>Effectiveness: The extent to which the outputs of an institution achieve the desired outcomes.</p>
<b>Links</b>	<p>Chapter 13 – Building a capable and developmental state of the National Development Plan;</p> <p>National Outcome 12 – An efficient, effective and development-orientated public services of the Medium-term Strategic Framework 2014 - 2019; and</p> <p>PSG 5 – Embed good governance and integrated service delivery through partnerships and spatial alignment.</p>

## Programme 3 – Asset Management

<b>Strategic outcome oriented goal 3</b>	Financial system, supply chain and movable asset governance within the provincial and municipal spheres.
<b>Goal statement</b>	Financial system, supply chain and movable asset governance within the provincial and municipal spheres by assisting 13 departments and 30 municipalities to build capacity and instilling good governance practices to improve the financial management maturity that equates to a managed level.
<b>Justification</b>	Gives effect to a programme to ensure improved transparency, accountability and capacity for supply chain management and moveable assets within Departments and municipalities. Enforce the management of information system controls to ensure integrity of data as well as appropriate and timeous management information.

<b>Links</b>	<p>Chapter 13 – Building a capable and developmental state of the National Development Plan;</p> <p>National Outcome 12 – An efficient, effective and development-orientated public services of the Medium-term Strategic Framework 2014 - 2019; and</p> <p>PSG 5 – Embed good governance and integrated service delivery through partnerships and spatial alignment.</p>
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#### Programme 4 – Financial Governance

<b>Strategic outcome oriented goal 4</b>	Accountability through the review of financial reporting of departments, entities and municipalities and compliance with financial norms and standards.
<b>Goal statement</b>	Achieving accountability through promoting the reporting frameworks and compliance with financial norms and standards through the establishment of sound financial governance within the provincial and municipal spheres. This will be continually measured to achieve the highest level of governance in 2020.
<b>Justification</b>	<p>Improve the quality and integrity of financial accounting and reporting to fully reflect all transactions and the values and extent of all assets owned by government.</p> <p>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.</p>
<b>Links</b>	<p>Chapter 13 – Building a capable and developmental state of the National Development Plan;</p> <p>National Outcome 12 – An efficient, effective and development-orientated public services of the Medium-term Strategic Framework 2014 - 2019; and</p> <p>PSG 5 – Embed good governance and integrated service delivery through partnerships and spatial alignment.</p>

## 7. Overview of 2015 budget and MTEF estimates

**Table 3 Summary of payments and estimates**

Programme R'000	Outcome			Main appropriation 2014/15	Adjusted appropriation 2014/15	Revised estimate 2014/15	Medium-term estimate			
	Audited 2011/12	Audited 2012/13	Audited 2013/14				% Change from Revised estimate			
							2015/16	2014/15	2016/17	2017/18
1. Administration	31 138	35 462	40 780	44 886	44 943	44 943	52 058	15.83	54 934	62 260
2. Sustainable Resource Management	61 331	70 898	86 182	520 318	99 288	99 288	116 418	17.25	127 755	157 824
3. Asset Management	30 706	33 934	47 520	53 923	58 432	58 432	60 078	2.82	60 943	67 559
4. Financial Governance	19 444	21 989	25 485	29 171	36 505	36 505	33 475	( 8.30)	35 101	37 964
<b>Total payments and estimates</b>	142 619	162 283	199 967	648 298	239 168	239 168	262 029	9.56	278 733	325 607

Note:

Programme 1: MEC total remuneration package as at 23 February 2015: R1 652 224 with effect from 1 April 2013. The proclamation in terms of Gazette number 38470, determining the remuneration of Public Office Bearers with effect from 1 April 2014, is still under consideration.

Economic classification R'000	Outcome			Main appropriation 2014/15	Adjusted appropriation 2014/15	Revised estimate 2014/15	Medium-term estimate			
	Audited 2011/12	Audited 2012/13	Audited 2013/14				% Change from Revised estimate			
							2015/16	2014/15	2016/17	2017/18
<b>Current payments</b>	135 303	147 052	172 782	196 690	205 681	205 681	219 315	6.63	230 597	256 192
Compensation of employees	94 973	107 182	125 299	146 221	139 651	139 651	152 678	9.33	165 087	178 910
Goods and services	40 301	39 870	47 483	50 469	66 030	66 030	66 637	0.92	65 510	77 282
Interest and rent on land	29									
<b>Transfers and subsidies to</b>	4 640	11 795	22 389	446 738	28 928	28 928	37 925	31.10	43 085	63 502
Provinces and municipalities	3 450	8 250	15 369	435 385	16 800	16 800	24 831	47.80	29 558	49 258
Departmental agencies and accounts	83	2 411	5 525	10 406	10 409	10 409	10 491	0.79	10 911	11 489
Non-profit institutions					100	100		( 100.00)		
Households	1 107	1 134	1 495	947	1 619	1 619	2 603	60.78	2 616	2 755
<b>Payments for capital assets</b>	2 633	3 404	4 359	4 870	4 530	4 530	4 789	5.72	5 051	5 913
Machinery and equipment	2 633	3 404	4 324	4 870	4 504	4 504	4 764	5.77	5 024	5 884
Software and other intangible assets			35		26	26	25	( 3.85)	27	29
<b>Payments for financial assets</b>	43	32	437		29	29		( 100.00)		
<b>Total economic classification</b>	142 619	162 283	199 967	648 298	239 168	239 168	262 029	9.56	278 733	325 607

## PART B: STRATEGIC OBJECTIVES

### Programme 1 – Administration

#### Programme description

**Purpose:** To give strategic direction and to provide quality financial and other support services to the Minister and the Head of Department.

#### Strategic outcome oriented goal

<b>Strategic outcome oriented goal 1</b>	Efficient and effective departmental governance support services.
<b>Goal statement</b>	Efficient and effective departmental governance support services to enable the Department to achieve all its goals and objectives and a clean audit outcome.

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

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

The Minister's office renders strategic advice as well as secretarial and administrative services to assist the Minister with the performance of his/her legislative responsibilities as Member of the Executive Council (MEC). 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 International Relations.

#### Strategic objective

<b>Strategic objective 1</b>	To provide ministerial support services.
<b>Objective statement</b>	To provide ministerial support services to enable the MEC to execute his/her duties.
<b>Baseline</b>	New strategic objective indicator.

#### Strategic objective annual targets for 2015/16

Strategic objective performance indicator		Audited/Actual performance			Estimated performance 2014/15	Medium-term targets		
		2011/12	2012/13	2013/14		2015/16	2016/17	2017/18
1.	Number of engagements/ meetings attended to comply with statutory requirements and Consular Relations	New strategic objective indicator	18	18	18			

## Risk management

**Risk:** Non-compliance to legislative requirements as a result of the late submission of or poor quality of data provided by the Department.

**Mitigation:** The risk will mainly be mitigated by implementing a standard operating procedure for stakeholder relations between the Department and the Ministry.

### Programme performance indicators and annual targets for 2015/16

Programme performance indicator		Audited/Actual performance			Estimated performance 2014/15	Medium-term targets		
		2011/12	2012/13	2013/14		2015/16	2016/17	2017/18
1.1	Number of formal engagements with the Department on meeting statutory requirements	New PI	New PI	New PI	New PI	10	10	10
1.2	Number of meetings with Consul Generals and/or members of the Diplomatic Corp.	New PI	New PI	New PI	New PI	8	8	8

### Quarterly targets for 2015/16

Performance indicator		PSG linkage	Reporting period	Annual target 2015/16	Quarterly targets			
					1 <sup>st</sup>	2 <sup>nd</sup>	3 <sup>rd</sup>	4 <sup>th</sup>
1.1	Number of formal engagements with the Department on meeting statutory requirements	PSG 5	Quarterly	10	2	3	3	2
1.2	Number of meetings with Consul Generals and/or members of the Diplomatic Corp.	PSG 5	Quarterly	8	2	2	2	2

## Sub-programme 1.2: Management Services

**Purpose:** To provide strategic and operational management support services.

This sub-programme includes the Head Official of Treasury and the Directorate Strategic and Operational Management Support (SOMS). It is responsible for guiding and coordinating the delivery of the activities of the Provincial Treasury and for providing strategic and operational support services.

The unit is responsible for the facilitation of the Departmental strategic planning process and for the monitoring, reporting on and evaluating the overall performance of the Provincial Treasury. The focus of the unit will be to build on and improve the current performance planning, monitoring, reporting and evaluation processes.

This unit also coordinates and drives the rendering of human capital support services to the Provincial Treasury in terms of the provisions of the current Service Level Agreement with the CSC. The focus of the unit will be to compile and implement a Human Resource Plan that will ensure that the Provincial Treasury has the right people at the right time all the time.

It also renders departmental communications, events management and language services. The focus of the unit will be to improve the administrative processes to support the achievement of the Provincial Treasury's goals and objectives.

### Strategic objective

<b>Strategic objective 2</b>	To improve corporate management processes.
<b>Objective statement</b>	To improve strategic management and human resource management through building on and improving the current performance planning, monitoring, reporting and evaluation processes and the implementation of a Human Resource Management Plan over the 5 year period to ensure that there are no material audit findings on human resource management and pre-determined objectives every year.
<b>Baseline</b>	No material findings on human resource management and pre-determined objectives, but material misstatements were identified in the annual performance report submitted for auditing.

### Strategic objective annual targets for 2015/16

Strategic objective performance indicator		Audited/Actual performance			Estimated performance 2014/15	Medium-term targets		
		2011/12	2012/13	2013/14		2015/16	2016/17	2017/18
2.	Number of material Human Resource Management and Performance Management audit findings	New strategic objective indicator	New strategic objective indicator	New strategic objective indicator	0	0	0	0

## Risk management

**Risk:** Non-compliance by managers with prescripts.

**Mitigation:** Provision of clear guidelines and support and facilitation of appropriate training.

### Programme performance indicators and annual targets for 2015/16

Programme performance indicator		Audited/Actual performance			Estimated performance 2014/15	Medium-term targets		
		2011/12	2012/13	2013/14		2015/16	2016/17	2017/18
2.1	Number of prescribed performance plans and reports submitted	New PI	New PI	6	7	6	6	6
2.2	Number of reports on the implementation of the HR Plan	New PI	New PI	New PI	New PI	4	4	4

### Quarterly targets for 2015/16

Performance indicator		PSG linkage	Reporting period	Annual target 2015/16	Quarterly targets			
					1 <sup>st</sup>	2 <sup>nd</sup>	3 <sup>rd</sup>	4 <sup>th</sup>
2.1	Number of prescribed performance plans and reports submitted	PSG 5	Quarterly	6	1	2	1	2
2.2	Number of reports on the implementation of the HR Plan	PSG 5	Quarterly	4	1	1	1	1

### Sub-programme 1.3: Financial Management

**Purpose:** To assist the Accounting Officer to drive financial management in the Department.

This sub-programme is the responsibility of the CFO who is appointed in terms of Chapter 2 of the NTRs and reports directly to the AO. The main duties of this sub-programme are spread across four sections:

- The Management Accounting Section is responsible for the compilation of the annual and adjusted budgets, monitoring and control of expenditure via the IYM process and compilation of the departmental annual report. Furthermore the section will pro-actively manage IYM expenditure and cash flow of the department inclusive of Contract management. The impact of the new IFMS and how it will be rolled out will also be implemented with the assistance of the Provincial treasury in this Section.

- The Financial Accounting Section is responsible for maintaining a payments system, compiling the Annual Financial Statement (AFS) and maintaining the ledger accounts of the Department; The impact of the new IFMS and how it will be rolled out will also be implemented with the assistance of the Provincial Treasury in this Section.
- The SCM section is responsible for further developing the SCM database, with active engagement and analytical administrative support in respect of the acquisition of goods and services and specified auxiliary services.
- The Internal Control section which must ensure that internal control measures are in place throughout the Department, particularly in high-risk areas, to prevent any negative internal and external audit findings. Furthermore the Unit must ensure analytical and proactive measures are also in place to ensure due diligence exists while it also acts as secretariat to the Enterprise Risk Management Committee (ERMCO) and with the compilation of the quarterly CGRO assessment.

### Strategic objective

<b>Strategic objective 3</b>	To provide financial administrative services to the Department.
<b>Objective statement</b>	To provide financial administrative services in respect of financial and management accounting, supply chain management services and internal control to achieve a clean financial audit outcome every year.
<b>Baseline</b>	Clean audit outcome for 2013/14

### Strategic objective annual targets for 2015/16

Strategic objective performance indicator		Audited/Actual performance			Estimated performance 2014/15	Medium-term targets		
		2011/12	2012/13	2013/14		2015/16	2016/17	2017/18
3.	Number of material financial management audit findings	New strategic objective indicator	New strategic objective indicator	Clean audit outcome	0	0	0	0

## Risk management

**Risk:** SCM operational and implementation risks, Financial Accounting misstatements, institutionalisation of internal control.

**Mitigation:** Non-compliance of new Accounting Officer System (AOS) prescripts will jointly be driven by all senior managers in a vicarious manner in liaison with Financial Management.

Financial accounting misstatements will be minimised by means of supplementary reports generated by financial management.

The new Internal Control unit will only be able to fill all its posts in 2015/16 together with introducing higher levels of compliance testing.

### Programme performance indicators and annual targets for 2015/16

Programme performance indicator		Audited/Actual performance			Estimated performance 2014/15	Medium-term targets		
		2011/12	2012/13	2013/14		2015/16	2016/17	2017/18
3.1	Number of IYM reports	New PI	New PI	12	12	12	12	12
3.2	Number of Budget submissions	New PI	New PI	4	4	4	4	4
3.3	Number of Corporate reports	New PI	New PI	4	4	4	4	4

### Quarterly targets for 2015/16

Performance indicator		PSG linkage	Reporting period	Annual target 2015/16	Quarterly targets			
					1 <sup>st</sup>	2 <sup>nd</sup>	3 <sup>rd</sup>	4 <sup>th</sup>
3.1	Number of IYM reports	PSG 5	Monthly	12	3	3	3	3
3.2	Number of Budget submissions	PSG 5	Quarterly	4	-	1	2	1
3.3	Number of Corporate reports	PSG 5	Quarterly	4	-	2	1	1

## Reconciling performance targets with the Budget and MTEF

### Expenditure estimates

**Table 4 Administration**

Sub-programme R'000	Outcome			Main appro- priation 2014/15	Adjusted appro- priation 2014/15	Revised estimate 2014/15	Medium-term estimate			
	Audited	Audited	Audited				% Change from Revised estimate			
	2011/12	2012/13	2013/14				2015/16	2014/15	2016/17	2017/18
1. Office of the Minister	4 926	5 284	6 242	6 268	5 635	5 635	6 172	9.53	6 572	7 021
2. Management Services	7 766	9 918	11 832	13 406	13 149	13 149	17 226	31.01	18 466	19 882
3. Financial Management	18 446	20 260	22 706	25 212	26 159	26 159	28 660	9.56	29 896	35 357
<b>Total payments and estimates</b>	<b>31 138</b>	<b>35 462</b>	<b>40 780</b>	<b>44 886</b>	<b>44 943</b>	<b>44 943</b>	<b>52 058</b>	<b>15.83</b>	<b>54 934</b>	<b>62 260</b>

Note:

Sub-programme 1.1: MEC total remuneration package as at 23 February 2015: R1 652 224 with effect from 1 April 2013. The proclamation in terms of Gazette number 38470, determining the remuneration of Public Office Bearers with effect from 1 April 2014, is still under consideration.

Two sub-programmes, Corporate Services and Internal Audit, were shifted to the Department of the Premier as part of modernisation in 2010/11.

Economic classification R'000	Outcome			Main appro- priation 2014/15	Adjusted appro- priation 2014/15	Revised estimate 2014/15	Medium-term estimate			
	Audited	Audited	Audited				% Change from Revised estimate			
	2011/12	2012/13	2013/14				2015/16	2014/15	2016/17	2017/18
<b>Current payments</b>	27 279	30 910	34 594	39 069	38 764	38 764	44 786	15.54	47 264	53 589
Compensation of employees	18 356	19 576	23 170	26 308	25 147	25 147	29 717	18.17	31 912	34 625
Goods and services	8 894	11 334	11 424	12 761	13 617	13 617	15 069	10.66	15 352	18 964
Interest and rent on land	29									
<b>Transfers and subsidies to</b>	1 183	1 116	1 390	947	1 620	1 620	2 483	53.27	2 619	2 758
Departmental agencies and accounts	83		2		3	3	3		3	3
Non-profit institutions					100	100		(100.00)		
Households	1 100	1 116	1 388	947	1 517	1 517	2 480	63.48	2 616	2 755
<b>Payments for capital assets</b>	2 633	3 404	4 359	4 870	4 530	4 530	4 789	5.72	5 051	5 913
Machinery and equipment	2 633	3 404	4 324	4 870	4 504	4 504	4 764	5.77	5 024	5 884
Software and other intangible assets			35		26	26	25	(3.85)	27	29
<b>Payments for financial assets</b>	43	32	437		29	29		(100.00)		
<b>Total economic classification</b>	<b>31 138</b>	<b>35 462</b>	<b>40 780</b>	<b>44 886</b>	<b>44 943</b>	<b>44 943</b>	<b>52 058</b>	<b>15.83</b>	<b>54 934</b>	<b>62 260</b>

### Performance and expenditure trends

The increase of R13.805 million from R31.138 million in 2011/12 to R44.943 million in 2014/15 (revised estimate), equates to an average nominal increase of 13 per cent per annum (three year period). The annual average nominal growth of 11.5 per cent from the revised estimate of R44.943 million in 2014/15 to R62.260 million in 2017/18 is due to mainly inflation adjustments, as well as the expansion of the bursary programme over the years. Provision has also been made for strengthening core corporate requirements towards meeting increasing demands bestowed on the Department. The transfers within the programme are for external bursars.

## Programme 2 – Sustainable Resource Management

### Programme description

**Purpose:** To ensure the efficient and effective management of provincial and municipal financial resources.

### Strategic outcome oriented goal

<b>Strategic outcome oriented goal 2</b>	Effective, efficient and sustainable management of provincial and municipal fiscal resources.
<b>Goal statement</b>	<p>Effective, efficient and sustainable management of provincial and municipal fiscal resources to enable service delivery and public value through:</p> <ul style="list-style-type: none"> <li>• The annual tabling of the provincial budget;</li> <li>• Assistance to municipalities in preparation of municipal budgets through the annual municipal budget assessments; and</li> <li>• Monitoring and quarterly reporting on the budget implementation.</li> </ul>

### Programme structure

#### Sub-programme 2.1: Programme support

**Purpose:** To provide management and administrative support to the programme.

This sub-programme includes the head and support staff of the Branch: Fiscal and Economic Services and the relevant chief directors responsible for the Chief Directorates – Public Policy Services, Public Finance: Provincial Government and Public Finance: Local Government. It also provides resources for the structured training and development of the staff attached to the programme.

#### Strategic objective

<b>Strategic objective 4</b>	To provide management and administrative support to Programme 2 - Sustainable Resource Management.
<b>Objective statement</b>	To provide management and administrative support to Programme 2 – Sustainable Resource Management to ensure that all strategic objectives and targets are achieved every year.
<b>Baseline</b>	95% targets achieved (2013/14 Annual Report)

**Strategic objective annual targets for 2015/16**

Strategic objective performance indicator		Audited/Actual performance			Estimated performance 2014/15	Medium-term targets		
		2011/12	2012/13	2013/14		2015/16	2016/17	2017/18
4.	Percentage of Programme 2 – Sustainable Resource Management's programme performance indicator targets achieved	New PI	New PI	New PI	100%	100%	100%	100%

**Risk management**

**Risk:** Lack of capacity.

**Mitigation:** Skilled and competent staff to be recruited in vacant positions and a bespoke training and development plan for each staff member.

**Programme performance indicators and annual targets for 2015/16**

Programme performance indicator		Audited/Actual performance			Estimated performance 2014/15	Medium-term targets		
		2011/12	2012/13	2013/14		2015/16	2016/17	2017/18
4.1	Number of quarterly performance reports for Programme 2 – Sustainable Resource Management submitted	New PI	New PI	New PI	New PI	4	4	4

**Quarterly targets for 2015/16**

Performance indicator		PSG linkage	Reporting period	Annual target 2015/16	Quarterly targets			
					1 <sup>st</sup>	2 <sup>nd</sup>	3 <sup>rd</sup>	4 <sup>th</sup>
4.1	Number of quarterly performance reports for Programme 2 – Sustainable Resource Management submitted	PSG 5	Quarterly	4	1	1	1	1

## Sub-programme 2.2: Fiscal Policy

**Purpose:** To research, analyse and advise on the management of provincial and municipal fiscal resources.

The unit conducts fiscal policy research and analysis on provincial and local government revenue matters which include the national fiscal transfer system and the funding formula that impact on the fiscal framework of provincial and local government. The fiscal policy research and analysis informs the development of the provincial and local government fiscal framework and budget policy. This unit analyses and reports on the in-year cash flow and revenue performance for both provincial and local government. This unit is also responsible for departmental oversight of the Western Cape Gambling and Racing Board (WCGRB).

### Strategic objective

<b>Strategic objective 5</b>	To conduct research and advise on the management of the provincial and municipal fiscal resources.
<b>Objective statement</b>	To research and advise on the most appropriate fiscal policy approach for the Western Cape departments and municipalities, monitor revenue trends and advise on the sustainability and management of provincial and municipal funding sources.
<b>Baseline</b>	2 reports on the Provincial and Local Government Fiscal Transfer System; 4 Quarterly Revenue Reports; 8 Quarterly Cash Management reports; 4 WCGRB Quarterly Performance Reports; Municipal Tariff Modelling Training; comments on Division of Revenue and Finance and Fiscal Commission recommendations.

### Strategic objective annual targets for 2015/16

Strategic objective performance indicator		Audited/Actual performance			Estimated performance 2014/15	Medium-term targets		
		2011/12	2012/13	2013/14		2015/16	2016/17	2017/18
5.	Number of fiscal policy reports	New PI	New PI	New PI	New PI	20	20	20

### Risk management

**Risk:** Fiscal uncertainty due to the weaker global economic environment with possible impacts on the national transfers (equitable share and conditional grants), as well as provincial and municipal own revenue. These variables have the potential to impact national transfers to provinces and local government and hamper collection of own revenue sources.

**Mitigation:** Developing and implementing a fiscal framework that manages risks to the revenue envelope, including research into the intergovernmental transfer system, revenue and tariff assessments of departments and identified municipalities. Support initiatives, advice and guidance to departments, municipalities and the WCGRB.

### Programme performance indicators and annual targets for 2015/16

Programme performance indicator		Audited/Actual performance			Estimated performance 2014/15	Medium-term targets		
		2011/12	2012/13	2013/14		2015/16	2016/17	2017/18
5.1	Number of research reports on the Provincial and Local Government Fiscal System	Research, review of provincial funding model and input into the fiscal transfer system for provinces. Commenced with initial work on Local Government Equitable Share Provincial fiscal framework estimated and provided	Research, review of provincial funding model and input into the fiscal transfer system for provinces and local government	2	2	4	4	4
5.2	Number of Provincial Revenue reports	Revised PI	Revised PI	Revised PI	Revised PI	4	4	4
5.3	Number of Cash Management Reports	Revised PI	Revised PI	Revised PI	Revised PI	8	8	8
5.4	Number of reports on the performance of the WCGRB	Governance Review not achieved Performance assessment reports for the WCGRB completed	Quarterly Performance reports of the WCGRB assessed.	4	4	4	4	4

### Quarterly targets for 2015/16

Performance indicator		PSG Linkage	Reporting period	Annual target 2015/16	Quarterly targets			
					1 <sup>st</sup>	2 <sup>nd</sup>	3 <sup>rd</sup>	4 <sup>th</sup>
5.1	Number of research reports on the Provincial and Local Government Fiscal System	PSG 5	Quarterly	4	-	1	1	2
5.2	Number of Provincial Revenue reports	PSG 5	Quarterly	4	1	1	1	1

Performance indicator		PSG Linkage	Reporting period	Annual target 2015/16	Quarterly targets			
					1 <sup>st</sup>	2 <sup>nd</sup>	3 <sup>rd</sup>	4 <sup>th</sup>
5.3	Number of Cash Management Reports	PSG 5	Quarterly	8	2	2	2	2
5.4	Number of reports on the performance of the WCGRB	PSG 5	Quarterly	4	1	1	1	1

## Sub-programme 2.3: Budget Management

### Element: Provincial Government Budget Office

**Purpose:** To promote effective financial resource allocation and provide research, analysis and advice that informs the preparation of the provincial budget and monitor budget implementation.

The Provincial Government Budget Office provides research, analysis and advice on the regional economy, and issues and trends relevant to budget and fiscal policy matters. The focus is to inform the formulation of budget policy and recommend allocations in line with government strategic priorities and promote planning led budgeting with an integrated and spatial focus. The unit also assesses the provincial budgets to improve the responsiveness of the budgets to target socio economic and policy objectives.

### Strategic objective

<b>Strategic objective 6</b>	To promote effective resource allocation within the provincial budget through research, analysis and advice.
<b>Objective statement</b>	To promote effective resource allocation within the provincial budget and its effective implementation through research, analysis and advice that informs budget policy and enables recommendations on budget allocations which reflect the priorities of government and are based on programme effectiveness.
<b>Baseline</b>	Overview of Provincial Revenue and Expenditure (Budget Overview) 2015 tabled by March.

### Strategic objective annual targets for 2015/16

Strategic objective performance indicator		Audited/Actual performance			Estimated performance 2014/15	Medium-term targets		
		2011/12	2012/13	2013/14		2015/16	2016/17	2017/18
6.	Timeous publication of the Overview of Provincial Revenue and Expenditure	New PI	New PI	March 2014	March 2015	March 2016	March 2017	March 2018

## Risk management

**Risk:** Inadequate integrated planning and budgeting with resultant duplication and gaps, lack of budget focus with sub-optimal impact.

**Mitigation:** Risks will be addressed through a more integrated planning and budgeting process.

**Risk:** The current weaker and uncertain future economic environment and the resultant impact on the fiscal framework and future revenue flows which have a direct impact on the budget process and policy.

**Mitigation:** A budget policy framework that is responsive to the economic and fiscal outlook will be developed and implemented as part of the budget process.

**Risk:** Inadequate data integration and analysis linking spending and performance to support decision making.

**Mitigation:** The roll-out of an automated system for budget related performance data and strengthened collaboration with relevant components within Provincial Treasury (such as those responsible for expenditure monitoring, supply chain management and local government budget processes) to address integration issues. Also, functional collaboration between Provincial Treasury and the Department of the Premier regarding planning and reporting and more broadly through the relevant PSG 5 workgroup to support integration.

## Programme performance indicators and annual targets 2015/16

Programme performance indicator		Audited/Actual performance			Estimated performance 2014/15	Medium-term targets		
		2011/12	2012/13	2013/14		2015/16	2016/17	2017/18
6.1	Number of provincial budget policy assessment reports	APPs of all votes assessed and remedial actions identified	14 APPs and budget submissions assessed and with recommendations to the provincial MTEC	28	28	28	28	28
6.2	Timeous publication of the Provincial Economic Review and Outlook	PERO 2011 published in September 2011	PERO 2012 published September 2012	October 2013	October 2014	October 2015	October 2016	October 2017
6.3	Timeous publication of the Medium Term Budget Policy Statement	New PI	New PI	November 2013	November 2014	November 2015	November 2016	November 2017
6.4	Number of Quarterly Performance Reports assessed	New PI	New PI	New PI	New PI	56	56	56

**Quarterly targets for 2015/16**

Performance indicator		PSG Linkage	Reporting period	Annual target 2014/15	Quarterly targets			
					1 <sup>st</sup>	2 <sup>nd</sup>	3 <sup>rd</sup>	4 <sup>th</sup>
6.1	Number of provincial budget policy assessment reports	PSG 5	Bi-annually	28	-	-	14	14
6.2	Timeous publication of the Provincial Economic Review and Outlook	PSG 5	Annually	October 2015	-	-	October 2015	-
6.3	Timeous publication of the Medium Term Budget Policy Statement	PSG 5	Annually	November 2015	-	-	November 2015	-
6.4	Number of Quarterly Performance Reports assessed	PSG 5	Quarterly	56	14	14	14	14

**Element: Local Government Budget Office**

**Purpose:** To promote effective financial resource allocation and provide research, analysis and advice that inform the preparation of municipal budgets and monitor budget implementation.

The Local Government Budget Office provides advice and analysis on the regional and local economy, issues and trends relevant to local government budget and fiscal policy matters. The focus is to inform the municipal budgetary processes to promote allocations in line with government strategic outcomes and promote planning led budgeting with an integrated and spatial focus. The unit also assesses the municipal budgets to improve the responsiveness of the budgets to target socio economic and policy objectives.

**Strategic objective**

<b>Strategic objective 7</b>	To promote effective resource allocation within municipal budgets through research, analysis and advice.
<b>Objective statement</b>	To promote effective resource allocation within municipal budgets and its effective implementation through research, analysis and advice that informs the preparation of municipal budgets to promote allocations which reflect the priorities of government and based on programme effectiveness.
<b>Baseline</b>	30 municipal budget policy assessments

**Strategic objective annual targets for 2015/16**

Strategic objective indicator		Audited/Actual performance			Estimated performance 2014/15	Medium-term targets		
		2011/12	2012/13	2013/14		2015/16	2016/17	2017/18
7.	Number of municipal budget policy assessment reports	30 municipal budgets assessed for responsiveness	30 municipal budgets assessed for responsiveness	74 quarterly SDBIP Performance reports submitted & 28 Annual Reports assessed	30	30	30	30

**Risk management**

**Risk:** Lack of integrated performance planning and budgeting with resultant duplication and gaps, lack of budget focus with sub-optimal impact.

**Mitigation:** Risks will be addressed through the development of a more integrated planning and budgeting process.

**Risk:** Late tabling and adoption of municipal budgets and non- or late submission of budgetary related documents including Annual Reports, Service Delivery and Budget Implementation Reports (SDBIPs), and In-year Service Delivery reports.

**Mitigation:** Timeous tabling, adoption and submission of municipal budgets that conforms to the prescribed guidelines and requirements is a pre-requisite to measure the responsiveness and performance of annual budget and reporting thereon in the SDBIPs, In-year reports and Annual Reports. Non-compliance is mitigated through issuing clear guidelines for the tabling, adoption, submission and reporting guidelines for development of municipal budgets, SDBIPs, In-year reports and Annual Reports and training and advice to municipalities.

**Risk:** Inadequate use of relevant and social and economic information at a municipal level to inform planning and budgeting.

**Mitigation:** Credible socio-economic information is important to inform the compilation of municipal budgets and strategic plans. Socio-economic information, including relevant economic updates is undertaken by specialist service providers with the required standard of expertise, capacity, knowledge and experience and is translated by Budget Office staff to feed into the budgetary processes and publications.

**Programme performance indicators and annual targets 2015/16**

Programme performance indicator		Audited/Actual performance			Estimated performance 2014/15	Medium-term targets		
		2011/12	2012/13	2013/14		2015/16	2016/17	2017/18
7.1	Number of municipal budget policy assessment reports	New PI	New PI	New PI	30	30	30	30

Programme performance indicator		Audited/Actual performance			Estimated performance 2014/15	Medium-term targets		
		2011/12	2012/13	2013/14		2015/16	2016/17	2017/18
7.2	Percentage of Quarterly Performance Reports assessed	New PI	New PI	New PI	100%	100%	100%	100%
7.3	Timeous publication of the Municipal Economic Review and Outlook	New PI	New PI	Publication of 2013 Municipal Economic Review and Outlook	Revised PI	October 2015	October 2016	October 2017

### Quarterly targets for 2015/16

Performance indicator		PSG Linkage	Reporting period	Annual target 2015/16	Quarterly targets			
					1 <sup>st</sup>	2 <sup>nd</sup>	3 <sup>rd</sup>	4 <sup>th</sup>
7.1	Number of municipal budget policy assessment reports	PSG 5	Annually	30	30	-	-	-
7.2	Percentage of Quarterly Performance Reports assessed	PSG 5	Quarterly	100%	100%	100%	100%	100%
7.3	Timeous publication of the Municipal Economic Review and Outlook	PSG 5	Annually	October 2015	-	-	October 2015	-

## Sub-programme 2.4: Public Finance

### Element: Provincial Government Finance

**Purpose:** To compile a credible and sustainable main and adjustments budget, and to guide and monitor the efficient implementation thereof.

This unit is responsible for the assessment of provincial budgets to improve the conformance, credibility and sustainability of the budget and for monitoring the implementation of budgets to enhance accountability, efficiency and data integrity.

A key focus area is to improve on the efficiency of expenditure management in departments through analysis on selected expenditure items and expenditure analytics, which will assist and inform strategic sourcing of goods and services. Furthermore, in line with improving financial management, the unit will facilitate the professionalisation of public sector Management Accountants.

**Strategic objective**

<b>Strategic objective 8</b>	To improve the conformance, credibility, sustainability and guide and monitor the efficient implementation of the provincial budget.
<b>Objective statement</b>	To improve the conformance, credibility and sustainability of the provincial budget by assessing expenditure composition and trends within departments and table an approved Estimates of Provincial Revenue and Expenditure. To monitor the implementation of the budget by assessing conformance, accountability, data integrity, and efficiency.
<b>Baseline</b>	Estimates of Provincial Revenue and Expenditure tabled by March 2015.

**Strategic objective annual targets for 2015/16**

Strategic objective Performance indicator		Audited/Actual performance			Estimated performance 2014/15	Medium-term targets		
		2011/12	2012/13	2013/14		2015/16	2016/17	2017/18
8.	Timeous tabling of the Estimates of Provincial Revenue and Expenditure	All votes' budgets assessed against credibility criteria and departments assisted and capacitated through establishing standards providing guidance and training	All votes and entities budget submissions assessed against a framework for conformance, credibility and sustainability	March 2014	March 2015	March 2016	March 2017	March 2018

**Risk management**

**Risk:** Lack of an integrated financial management system integrating financial and non-financial information which is critical to inform decision making around budget composition of spend and budget spending analysis.

Service pressure i.e. spending risks not able to be accommodated within the overall fiscal framework and mismatch between budgets and actual spend.

**Mitigation:** Provincial Government Finance, together with the Provincial Treasury's Supply Chain Management Unit will focus on developing a spending analysis tool which will facilitate integrated cost driving models on selected expenditure items.

## Programme performance indicators and annual targets for 2015/16

Programme performance indicator		Audited/Actual performance			Estimated performance 2014/15	Medium-term targets		
		2011/12	2012/13	2013/14		2015/16	2016/17	2017/18
8.1	Number of provincial budget assessment reports	14 provincial budgets assessed and remedial actions identified	Developed a framework on conformance, credibility and sustainability of the budget and 14 provincial budgets assessed and remedial steps actioned	28	28	28	28	28
8.2	Number of expenditure reviews	New PI	New PI	New PI	New PI	1	1	1
8.3	Number of quarterly reports on the implementation of the budget	New PI	4	4	4	4	4	4

## Quarterly targets for 2015/16

Performance indicator		PSG Linkage	Reporting period	Annual target 2015/16	Quarterly targets			
					1 <sup>st</sup>	2 <sup>nd</sup>	3 <sup>rd</sup>	4 <sup>th</sup>
8.1	Number of provincial budget assessment reports	PSG 5	Bi-annually	28	-	-	14	14
8.2	Number of expenditure reviews	PSG 5	Annually	1	-	-	-	1
8.3	Number of quarterly reports on the implementation of the budget	PSG 5	Quarterly	4	1	1	1	1

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

**Purpose:** To drive the implementation of the MFMA and assist and guide municipalities to prepare budgets and monitor the implementation thereof.

To drive the implementation of the MFMA through IGR coordination between municipalities, provincial national departments and other related stakeholders.

To improve municipal budget implementation against the set standards and by knowledge sharing and training.

**Strategic objective**

<b>Strategic objective 9</b>	To guide and monitor the implementation of municipal budgets.
<b>Objective statement</b>	To improve municipal budgets through monitoring and support municipalities and municipal entities and to report on it monthly and quarterly.
<b>Baseline</b>	Quarterly reports on the implementation of municipal budgets.

**Strategic objective annual targets for 2015/16**

Strategic objective performance indicator		Audited/Actual performance			Estimated performance 2014/15	Medium-term targets		
		2011/12	2012/13	2013/14		2015/16	2016/17	2017/18
9.	Number of quarterly reports on the implementation of municipal budgets	New PI	New PI	4	4	4	4	4

**Risk management**

**Risk:** SCOA implementation

**Mitigation:** Adoption of SCOA Governance Framework and implementation plan for the Province.

**Risk:** Integrity of Financial reporting and non-Compliance to MFMA.

**Mitigation** Support to municipalities to improve integrity of financial reporting and on matters of compliance.

**Risk:** Financial sustainability of municipalities.

**Mitigation:** In year monitoring assessments and reviews of municipalities.

## Programme performance Indicators and annual targets for 2015/16

Programme performance indicator		Audited/Actual performance			Estimated performance 2014/15	Medium-term targets		
		2011/12	2012/13	2013/14		2015/16	2016/17	2017/18
9.1	Number of monthly IYM assessment reports on the implementation of the municipal budget	30 monthly IYM reports and 12 monthly consolidated reports	30 monthly and 4 quarterly reports aligned to framework on financial reporting	372	372	372	372	372
9.2	Number of Municipal budget assessment reports	29 LG MTEC 3 draft budget assessment reports assessed against the refined credibility criteria	30 Municipal draft budgets assessed against the refined conformance, credibility and recommendations made	30	30	30	30	30
9.3	Number of reports on MFMA implementation	Implementation of selected MFMA priorities	Assessment on MFMA implementation against framework and recommendations made to municipalities	4	4	4	4	4
9.4	Number of efficiency assessments on selected municipal budget expenditure items	New PI	New PI	New PI	New PI	1	1	1

## Quarterly targets for 2015/16

Performance indicator		PSG Linkage	Reporting Period	Annual Target 2015/16	Quarterly Targets			
					1 <sup>st</sup>	2 <sup>nd</sup>	3 <sup>rd</sup>	4 <sup>th</sup>
9.1	Number of monthly IYM assessment reports on the implementation of the municipal budget	PSG 5	Quarterly	372	93	93	93	93
9.2	Number of Municipal budget assessment reports	PSG 5	Annually	30	30	-	-	-
9.3	Number of reports on MFMA implementation	PSG 5	Quarterly	4	1	1	1	1
9.4	Number of efficiency assessments on selected municipal budget expenditure items	PSG 5	Annually	1	-	-	-	1

**Element: Infrastructure**

**Purpose:** To promote the delivery and maintenance of physical infrastructure.

The unit will assess User Asset Management Plans (U-AMPs), Custodian Asset Management Plans (C-AMPs), as well as Concept Reports and Project Proposals (in terms of the Guidelines for Performance Based Incentive Process).

The unit is further responsible for monitoring and enhancing infrastructure spending of designated departments and advocating the infrastructure delivery improvement processes.

A key focus of the unit remains the institutionalisation of the Western Cape Infrastructure Delivery Management System (WCIDMS) in Provincial Departments.

A further aim of the unit is to develop an IDMS for municipalities.

**Strategic objective**

<b>Strategic objective 10</b>	To institutionalise and standardise good practice methodologies, tools and systems for physical infrastructure delivery and maintenance.
<b>Objective statement</b>	To instil WCIDMS-principles in departments to better deliver on planning, construction, and maintenance of projects.
<b>Baseline</b>	4 assessments to be conducted on the institutionalisation of WCIDMS at the Departments of Education; Health (Client departments), Transport and Public Works (Branch: Public Works and Branch: Roads) and the impact on improving infrastructure delivery.

**Strategic objective annual targets for 2015/16**

Strategic objective performance indicator		Audited/Actual performance			Estimated performance 2014/15	Medium-term targets		
		2011/12	2012/13	2013/14		2015/16	2016/17	2017/18
10.	Number of assessments on the institutionalisation of the WCIDMS	Revised strategic objective	Rolling out the approved WCIDMS (HR, business processes and procurement framework)	3	4	5	5	5

**Risk management**

**Risk:** The quality of U-AMPS, concept plans and project proposals do not meet the Performance Incentive Criteria and forfeit additional funding.

**Mitigation:** Assess Plans to validate that these plans are aligned with legislative requirements and meet the Performance Incentive Grant Criteria before submission to National Treasury.

**Risk:** Monitoring of infrastructure spending leads to irregular expenditure and program delays.

**Mitigation:** Instituting best practice and intervention/assistance in the departments.

**Risk:** Failure to institutionalise the IDMS could compromise infrastructure delivery in the relevant department(s).

**Mitigation:** Facilitate integral discussions between departments to better understand their interpretations of IDMS and vice versa. Continue to build the capacity of departments to implement the IDMS, both in terms of resources and good governance.

**Risk:** Municipalities resist the implementation of an IDMS or a change in business processes.

**Mitigation:** Signal the intent to implement the IDMS at Municipalities from an early stage. First pilot at municipalities and document lessons learned for future applications.

### Programme performance indicators and annual targets for 2015/16

Programme performance indicator		Audited/Actual performance			Estimated performance 2014/15	Medium-term targets		
		2011/12	2012/13	2013/14		2015/16	2016/17	2017/18
10.1	Number of asset management plans assessed	Assessment on User Asset Management Plans (U-AMPs) conducted and feedback provided	Quality Infrastructure Plans (U-AMPs and C-AMPs) aligned with national, provincial, local government and private sector investments initiatives, and department Strategic Plans and APPs	3	28	28	28	28
10.2	Number of Infrastructure expenditure reports assessed	16 infrastructure Expenditure Reports (Roads & Transport, Public Works, Education and Health) were submitted in compliance with the Division of Revenue Act (DORA)	16 infrastructure Expenditure Reports of Education, Public Works, Roads and Health aligned to infrastructure reporting framework	20	16	72	72	72
10.3	Number of infrastructure project delivery assessments	New PI	3 project assessments in respect of impact (economic, social, job creation, etc.)	6	10	10	10	10

### Quarterly targets for 2015/16

Performance indicator		PSG Linkage	Reporting period	Annual target 2015/16	Quarterly targets			
					1 <sup>st</sup>	2 <sup>nd</sup>	3 <sup>rd</sup>	4 <sup>th</sup>
10.1	Number of asset management plans assessed	PSG 5	Bi-annually	28	-	14	-	14
10.2	Number of Infrastructure expenditure reports assessed	PSG 5	Quarterly	72	24	18	18	12
10.3	Number of infrastructure project delivery assessments	PSG 5	Bi-annually	10	-	5	-	5

### Element: Business Information and Data Management

**Purpose:** To render a client interface, data collating, data and information management and records management service to the Provincial Treasury.

This element consists of four main sections:

- Records Management is responsible for managing the centralised filing system aiming for conformance to the Archives and Records Service prescripts. The centralised repository is system driven, providing a platform for Provincial Treasury employees to safeguard information, and enable proper decision-making and ensuring the retention of information. The Records Management section is also responsible for the security aspects of the Provincial Treasury.
- Data and Information Management is responsible for the management of data sets in support of Provincial Treasury's strategic goals. The spatial integration of the data sets will be enhanced to promote the integration of information between spheres of government.
- The Client Interface section deals with the coordination of departmental and municipal MTEC processes and document flow (hard and electronic information).
- The Data Collating section managing the Provincial Treasury's database and the technical refinement of treasury publications and working papers.

The four sections will form an integral part in driving the development of the knowledge information management system for the Provincial Treasury. This will include steps to improve accuracy and completeness of financial information and economic data to facilitate proper decision making, monitoring and credible reporting.

The element is also responsible for mainstreaming Information Communication Technology (ICT) within the Department through the implementation of the DPSA Corporate Governance Information Communication Technology Policy Framework (CGICTPF) and the monitoring of the Strategic ICT Plan Initiatives.

**Strategic objective**

<b>Strategic objective 11</b>	To render an effective data information management service.
<b>Objective statement</b>	To render an effective data information management service by providing financial and performance information on a central repository to enable proper decision making and credible publications.
<b>Baseline</b>	One central repository

**Strategic objective annual targets for 2015/16**

Strategic objective performance indicator		Audited/Actual performance			Estimated performance 2014/15	Medium-term targets		
		2011/12	2012/13	2013/14		2015/16	2016/17	2017/18
11.	An available central repository	New strategic objective	New strategic objective	Revised Strategic objective	1	1	1	1

**Risk management**

**Risk:** Inadequate safeguarding and dissemination of information within the Provincial Treasury.

**Mitigation:** Proper use of the centralised repository (hard copy and electronic copy) and monitoring the adherence to guidelines and applicable legislative prescripts.

**Risk:** Slow implementation levels for certain planned Strategic ICT Plan initiatives.

**Mitigation:** The Department will assess the potential for establishing a Project Office (PO) capability to oversee the delivery of departmental projects. Ce-I will continue to provide the required support to guide the department in terms of IT project implementation activity.

**Risk:** Insufficient buy-in to IT initiatives, due to a lack of proper change enablement.

**Mitigation:** The Department will manage the change management process with assistance from Ce-I and Organisational Development's Change Navigation Team in DoTP.

**Programme performance indicators and annual targets 2015/16**

Programme performance indicator		Audited/Actual performance			Estimated performance 2014/15	Medium-term targets		
		2011/12	2012/13	2013/14		2015/16	2016/17	2017/18
11.1	Number of datasets managed	Revised PI	Revised PI	4	4	4	5	5
11.2	Number of budget process plans managed	Revised PI	Revised PI	3	3	3	3	3

### Quarterly targets for 2015/16

Performance indicator		PSG Linkage	Reporting period	Annual target 2015/16	Quarterly targets			
					1 <sup>st</sup>	2 <sup>nd</sup>	3 <sup>rd</sup>	4 <sup>th</sup>
11.1	Number of datasets managed	PSG 5	Quarterly	4	4	4	4	4
11.2	Number of budget process plans managed	PSG 5	Quarterly	3	1	-	1	1

Note:

Sub-programme 2.5: Transversal projects – All allocation for transversal projects were allocated to the relevant departments in the 2014 Adjusted Estimate and over the 2015/16 to 2017/18 MTEF and therefore the sub-programme has no targets for 2015/16 and beyond.

## Reconciling performance targets with the Budget and MTEF

### Expenditure estimates

**Table 5 Sustainable Resource Management**

Sub-programme R'000	Outcome			Main appro- priation 2014/15	Adjusted appro- priation 2014/15	Revised estimate 2014/15	Medium-term estimate			
	Audited	Audited	Audited				% Change from Revised estimate			
	2011/12	2012/13	2013/14				2015/16	2014/15	2016/17	2017/18
1. Programme Support	3 848	5 897	5 080	6 395	5 539	5 539	6 339	14.44	6 773	7 241
2. Fiscal Policy	6 693	11 117	13 832	21 366	20 330	20 330	22 141	8.91	23 358	26 486
Fiscal Policy	6 693	8 706	8 309	10 960	9 924	9 924	11 653	26.65	12 450	15 000
Western Cape Gambling and Racing Board		2 411	5 523	10 406	10 406	10 406	10 488	0.79	10 908	11 486
3. Budget Management	16 784	14 304	13 614	18 093	16 230	16 230	19 578	20.63	21 363	24 463
Provincial Government Budget Office	10 845	7 766	6 627	9 269	8 362	8 362	9 592	14.71	10 715	12 624
Local Government Budget Office	5 939	6 538	6 987	8 824	7 868	7 868	9 986	26.92	10 648	11 839
4. Public Finance	34 006	39 580	53 656	45 079	57 189	57 189	68 360	19.53	76 261	99 634
Provincial Government Finance	11 310	6 778	7 241	8 501	9 183	9 183	8 794	(4.24)	9 420	10 527
Local Government Finance Group 1	8 408	8 839	11 962	7 745	7 736	7 736	10 049	29.90	10 742	11 456
Local Government Finance Group 2	8 522	13 701	21 696	12 860	24 043	24 043	31 918	32.75	37 120	57 361
Infrastructure	5 766	5 161	6 137	7 675	6 618	6 618	7 715	16.58	8 199	8 783
Business Information and Data Management		5 101	6 620	8 298	9 609	9 609	9 884	2.86	10 780	11 507
5. Transversal Projects				429 385						
<b>Total payments and estimates</b>	61 331	70 898	86 182	520 318	99 288	99 288	116 418	17.25	127 755	157 824

Note:

Sub-programme 2.4: Support initiatives to municipalities to improve financial governance and management introduced during 2011/12 will continue over the MTEF, especially to the most vulnerable municipalities. Over the MTEF, R24.831 million in 2015/16, R29.558 million in 2016/17 and R49.258 million in 2017/18 have been reserved for this purpose. The amounts are unallocated at this stage and will be split between Vote 14: Local Government and Vote 3: Provincial Treasury and shifted in the respective Adjusted Estimates that will be based on the outcomes and recommendations of both the MGRO, IDP and LG MTEC 3 processes.

Sub-programme 2.5: In the 2014 Adjusted Estimates and over the 2015/16 MTEF Transversal Projects were re-allocated to implementing votes, in order to facilitate accountability and good governance.

Economic classification R'000	Outcome			Main appro- priation 2014/15	Adjusted appro- priation 2014/15	Revised estimate 2014/15	Medium-term estimate			
	Audited	Audited	Audited				% Change from Revised estimate			
	2011/12	2012/13	2013/14				2015/16	2014/15	2016/17	2017/18
<b>Current payments</b>	57 874	60 228	65 222	74 527	72 049	72 049	<b>81 099</b>	12.56	87 289	97 080
Compensation of employees	39 715	45 953	51 322	62 880	58 633	58 633	<b>63 433</b>	8.19	68 649	73 929
Goods and services	18 159	14 275	13 900	11 647	13 416	13 416	<b>17 666</b>	31.68	18 640	23 151
<b>Transfers and subsidies to</b>	3 457	10 670	20 960	445 791	27 239	27 239	<b>35 319</b>	29.66	40 466	60 744
Provinces and municipalities	3 450	8 250	15 369	435 385	16 800	16 800	<b>24 831</b>	47.80	29 558	49 258
Departmental agencies and accounts		2 411	5 523	10 406	10 406	10 406	<b>10 488</b>	0.79	10 908	11 486
Households	7	9	68		33	33		( 100.00)		
<b>Total economic classification</b>	61 331	70 898	86 182	520 318	99 288	99 288	<b>116 418</b>	17.25	127 755	157 824

## Performance and expenditure trends

The programme has increased from R61.331 million in 2011/12 to R99.288 million in the 2014/15 (revised estimate), which equates to an average nominal growth of 17.4 per cent per annum. The growth 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 2015 MTEF period will further increase from R99.288 million in 2014/15 revised estimate to R116.418 million in 2015/16 as a result of the priority funding allocations of R24.831 million that are ring-fenced under the element 2.4.3: Local Government Finance for municipal financial management improvement support grants. The growth from 2014/15 (revised estimate) of R99.288 million to R157.824 million in 2017/18 reflects an annual average growth of 16.7 per cent over the three year period.

## Programme 3 – Asset Management

### Programme description

**Purpose:** To provide policy direction and to facilitate and enforce the management of provincial financial systems, supply chain and movable asset management within the provincial and municipal spheres.

### Strategic outcome oriented goal

<b>Strategic outcome oriented goal 3</b>	Financial system, supply chain and moveable asset governance within the provincial and municipal spheres.
<b>Goal statement</b>	Financial system, supply chain and movable asset governance within the provincial and municipal spheres by assisting 13 departments and 30 municipalities to build capacity and instilling good governance practices to improve the financial management maturity that equates to a managed level.

## Programme structure

### Sub-programme 3.1: Programme Support

**Purpose:** To provide management and administrative support to the programme.

This sub-programme includes the Head and support services of the Branch: Governance and Asset Management (who is responsible for both Programmes 3 and 4) and the Chief Director: Asset Management. It also provides resources for the structured training and development of the staff attached to the programme.

### Strategic objective

<b>Strategic objective 12</b>	To provide management and administrative support to Programme 3 – Asset Management.
<b>Objective statement</b>	To provide management and administrative support to Programme 3 - Asset Management to ensure that all strategic objectives and targets are achieved every year.
<b>Baseline</b>	74% targets achieved (2013/14 Annual Report)

### Strategic objective annual targets for 2015/16

Strategic objective performance indicator		Audited/Actual performance			Estimated performance 2014/15	Medium-term targets		
		2011/12	2012/13	2013/14		2015/16	2016/17	2017/18
12.	Percentage of Programme 3 – Asset Management's programme performance indicator targets achieved	New PI	New PI	New PI	100%	100%	100%	100%

### Risk management

**Risk:** Lack of capacity.

**Mitigation:** Skilled and competent staff to be recruited in vacant positions and a bespoke training and development plan for each staff member.

### Programme performance indicators and annual targets for 2015/16

Programme performance indicator		Audited/Actual performance			Estimated performance 2014/15	Medium-term targets		
		2011/12	2012/13	2013/14		2015/16	2016/17	2017/18
12.1	Number of quarterly performance reports for Programme 3 - Asset Management submitted	New PI	New PI	New PI	New PI	4	4	4

**Quarterly targets for 2015/16**

Performance indicator		PSG linkage	Reporting period	Annual target 2015/16	Quarterly targets			
					1 <sup>st</sup>	2 <sup>nd</sup>	3 <sup>rd</sup>	4 <sup>th</sup>
12.1	Number of quarterly performance reports for Programme 3 - Asset Management submitted	PSG 5	Quarterly	4	1	1	1	1

**Sub-programme 3.2: Supply Chain Management****Element: Supply Chain Management: Provincial Government**

**Purpose:** To provide policy direction and facilitating the management of supply chain and asset management practices.

This unit is responsible for driving SCM governance and performance in the Province. This, amongst others, includes enforcing good governance practices and compliance to SCM and movable asset management policies and prescripts; ensuring data integrity and reporting through SCM systems and capacity building and training initiatives.

The WCG on average spent 30 per cent of its budget on procurement of goods, services and infrastructure. The unit is also responsible for promoting better procurement planning and the development of suitable procurement strategies to optimise procurement spent and to improve service delivery. Strategic sourcing methodologies are also undertaken to leverage economies of scale through bulk buying and transversal contracts.

Capacity of both SCM practitioners and suppliers will be addressed. SCM skills and knowledge development of practitioners in institutions will be facilitated through bespoke training interventions, via helpdesk support, assistance and guidance, through road shows and the SCM Focus Group. Various platforms will also be used to engage with suppliers and to ensure that they are capacitated and better equipped in understanding the provincial SCM environment and procurement requirements when doing business with the Western Cape Government.

Improvement within SCM will be driven through business process optimisation (BPO), structured support programmes to departments through the Corporate Governance Review and Outlook (CGRO), targeted strategic sourcing projects and using automated SCM systems.

**Strategic objective**

<b>Strategic objective 13</b>	To provide policy direction and facilitating the management of supply chain and asset management practices in departments.
<b>Objective statement</b>	To provide policy direction and facilitating the management of supply chain and asset management practices through better procurement planning, capacity building, business process enhancement, for efficiency gains and enhancing relationships with suppliers.
<b>Baseline</b>	13 departments assisted to manage supply chain and moveable asset management.

**Strategic objective annual targets for 2015/16**

Strategic objective Performance indicator		Audited/Actual performance			Estimated performance 2014/15	Medium-term targets		
		2011/12	2012/13	2013/14		2015/16	2016/17	2017/18
13.	Number of departments assisted to continuously improve management of supply chain and moveable assets	6 departments attaining a Level 3+ financial capability	10 departments achieved the majority of Level 3	14	13	13	13	13

**Risk management**

**Risk:** Inadequate capacity to respond to the ever expanding supply chain and asset management requirements to improve SCM governance and performance.

**Mitigation:** Review of the unit's capacity and alignment to the National Treasury Office of the Chief Procurement Officer structure. Fast tracking appointments and complementing capacity through outsourcing certain requirements. Broker commitment with the CSC to review departmental SCM and Asset Management structures.

**Risk:** Lack of an integrated Enterprise Resource Planning (ERP) system that can facilitate SCM data integration between financial management systems due to the delay/lack of implementation of the national IFMS system and the lack of a self-service BI tool and/ business intelligence information system.

**Mitigation:** Utilisation of the mechanisms implemented in the Province to improve and manage risk to improve financial management, internal controls and mitigation against adverse audit outcomes and the development of Province BI through the BIZ-suite implementation process and/ purchase of a self-service BI Tool.

## Programme performance indicators and annual targets for 2015/16

Programme performance indicator		Audited/Actual performance			Estimated performance 2014/15	Medium-term targets		
		2011/12	2012/13	2013/14		2015/16	2016/17	2017/18
13.1	Number of departments assisted with the continuous improvements of their supply chain and asset management systems	Generic AO System refined	General AO System could not be implemented as a review of the NTR instructions not finalised	14	13	13	13	13
13.2	Number of SCM assessment reports	New PI	New PI	New PI	13	13	13	13
13.3	Number of interventions for strategic sourcing implementation	New PI	New PI	Revised PI	Revised PI	3	4	4
13.4	Number of supplier engagement sessions held to develop and educate suppliers	2 supplier open days concluded	1 supplier open day and 5 supplier database registration initiative concluded	11	4	4	4	4

## Quarterly targets for 2015/16

Performance indicator		PSG Linkage	Reporting period	Annual target 2015/16	Quarterly targets			
					1 <sup>st</sup>	2 <sup>nd</sup>	3 <sup>rd</sup>	4 <sup>th</sup>
13.1	Number of departments assisted with the continuous improvements of their supply chain and asset management systems	PSG 5	Quarterly	13	2	3	5	3
13.2	Number of SCM assessment reports	PSG 5	Quarterly	13	2	3	4	4
13.3	Number of interventions for strategic sourcing implementation	PSG 5	Annually	3	-	-	-	3
13.4	Number of supplier engagement sessions held to develop and educate suppliers	PSG 5	Quarterly	4	1	1	1	1

**Element: Supply Chain Management: Local Government**

**Purpose:** To provide policy guidance and facilitating the management of supply chain and asset management practices.

This unit is responsible for driving SCM governance and performance in municipalities, in terms of the MFMA. This, amongst others, includes encouraging good governance practices and compliance to SCM policy and prescripts; investigation of any system of control or financial management impacting on SCM and asset management; improving data integrity and transparency on SCM reporting; and providing guidance to municipalities in improving their SCM processes.

SCM skills and capacity will be improved in municipalities to a level where municipalities are able to analyse and translate and apply complex legislative and policy requirements throughout the SCM and AM processes. Structured support programmes will be rolled out to municipalities through the skill, capacity and benchmarking LG SCM programmes.

Better procurement planning will be promoted to influence the budget planning processes to increase efficiency in spending and value for money.

Integration of Supply Chain Management and Asset Management systems will be promoted to ensure availability of accurate and timely information for both report and decision making purposes.

**Strategic objective**

<b>Strategic objective 14</b>	To provide policy guidance and facilitating the management of supply chain and asset management practices in municipalities.
<b>Objective statement</b>	To provide policy guidance and facilitating the management of supply chain and asset management practices through better procurement planning, capacity building, business process enhancement, for efficiency gains and enhancing relationships with suppliers.
<b>Baseline</b>	30 municipalities assisted to manage supply chain and asset management.

**Strategic objective annual targets for 2015/16**

Strategic objective Performance indicator		Audited/Actual performance			Estimated performance 2014/15	Medium-term targets		
		2011/12	2012/13	2013/14		2015/16	2016/17	2017/18
<b>14.</b>	Number of municipalities assisted to improve management of supply chain and assets	5 municipalities attaining a Level 3 financial capability	15 municipalities attaining a Level 2+ (2.3) financial capability	30	30	30	30	30

## Risk management

**Risk:** Inadequate capacity to respond to the ever expanding supply chain and asset management requirements to improve SCM governance and performance in municipalities.

**Mitigation:** Review of the unit's capacity and alignment to the National Treasury Office of the Chief Procurement Officer structure.

**Risk:** Lack of an integrated Enterprise Resource Planning (ERP) system that can facilitate SCM governance and management of data which is needed to enhance procurement planning and decision-making.

**Mitigation:** Promoting a uniform supplier database system for municipalities and provide support to the municipalities to implement new financial systems.

## Programme performance indicators and annual targets for 2015/16

Programme performance indicator		Audited/Actual performance			Estimated performance 2014/15	Medium-term targets		
		2011/12	2012/13	2013/14		2015/16	2016/17	2017/18
14.1	Number of municipal SCM and MAM Virtuous Cycle assessment reports	SCM Virtuous Cycle Assessments were concluded at 10 municipalities and MGRO action plans concluded and implemented	SCM Virtuous Cycle Assessments or impact assessments at designated municipalities and action plans monitored	17	20	22	22	22
14.2	Number of municipalities assisted with construction procurement planning	New PI	New PI	Revised PI	3	5	5	7
14.3	Number of structured municipal training interventions	Concluded TOR with USB-ED Approved Project Plan Work shopped draft training material with 7 pilot municipalities	SCM and MAM Virtuous Cycle training interventions devised against developed standards and competencies	8	8	10	10	10
14.4	Number of municipalities assisted with supplier database and asset management system integrated with FMS	New PI	New PI	New PI	New PI	13	13	4

### Quarterly targets for 2015/16

Performance indicator		PSG Linkage	Reporting period	Annual target 2015/16	Quarterly targets			
					1 <sup>st</sup>	2 <sup>nd</sup>	3 <sup>rd</sup>	4 <sup>th</sup>
14.1	Number of municipal SCM and MAM Virtuous Cycle assessment reports	PSG 5	Quarterly	22	7	5	5	5
14.2	Number of municipalities assisted with construction procurement planning	PSG 5	Quarterly	5	2	-	2	1
14.3	Number of structured municipal training interventions	PSG 5	Quarterly	10	3	2	3	2
14.4	Number of municipalities assisted with supplier database and asset management system integrated with FMS	PSG 5	Annually	13	-	-	-	13

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

**Purpose:** Provide for the implementation, management and oversight of provincially operated financial systems and transition to new or replacement systems.

This sub-programme aims to improve financial system management in the Province by training of system users in accordance with their system profiles; maintenance of effective user account management; the further development of integrated training interventions to promote the correct and optimal use of financial systems; and steps to enhance the validity and veracity of data.

The role out and the maintenance of the Integrated Procurement System (IPS) and the further configuration of the solution to accommodate bids as well as the management of the Western Cape Supplier Database is also one of the functions of the unit and is a key enabler to modernise the provincial SCM environment.

In preparation for the implementation of the Integrated Financial Management System (IFMS) the focus will be on cleaning up the supplier database, item description database, cleaning up and updating of data in current systems and improvement in budget management and financial reporting.

**Strategic objective**

<b>Strategic objective 15</b>	To provide for the implementation, management and oversight of provincially operated financial systems and the transition to the IFMS.
<b>Objective statement</b>	To provide for the implementation, management and oversight of provincially operated financial systems and the transition to new or replacement systems through training of users in accordance with their system profiles, effective user account management and the optimal utilisation of systems.
<b>Baseline</b>	14 votes assisted to effectively utilise the suite of financial systems.

**Strategic objective annual targets for 2015/16**

Strategic objective Performance indicator		Audited/Actual performance			Estimated performance 2014/15	Medium-term targets		
		2011/12	2012/13	2013/14		2015/16	2016/17	2017/18
15.	Number of votes assisted to effectively utilise the suite of financial systems	4 votes notwithstanding stricter assessment criteria and corporatisation of HR functions	7 votes achieving a Level 3+ financial capability rating	14	14	14	14	14

**Risk management**

**Risk:** Not all system users are formally trained in at least their system profiles which negatively impact on integrity of data and optimal utilisation of the systems.

**Mitigation:** Training gaps of system users are provided to departments on a quarterly basis to nominate users in accordance with the bi-annual training programme. On receipt of nominations users with training gaps are accommodated as priority.

**Risk:** Integrated Procurement Solution (IPS) not fully understood by users and therefore not optimally utilised.

**Mitigation:** The maintenance and further expansion of an IPS user support team within the directorate that will be responsible for training and awareness sessions, maintenance of the system and provision of system support to users.

**Risk:** Integrity of data for the programmatically migration to the IFMS.

**Mitigation:** Implementation of a project to assist departments to clean up and update their current data (e.g. asset registers) for migration to the IFMS.

### Programme performance indicators and annual targets for 2015/16

Programme performance indicator		Audited/Actual performance			Estimated performance 2014/15	Medium-term targets		
		2011/12	2012/13	2013/14		2015/16	2016/17	2017/18
15.1	Number of institutions provided with an effective user account management service	Target achieved, with the exception of Department of Health (PERSAL) which will be taken over by 1 June 2012	All departments/institutions	119	118	125	125	125
15.2	Compilation and implementation of a project plan for the migration to the IFMS.	New PI	New PI	New PI	New PI	1	1	1
15.3	Number of votes where the Integrated Procurement Solution (IPS) is implemented	New agreement with our current service provider Quadrem for the development of a new on-line web-based solution	IPS developed to address supplier management, quotations and bids	14	14	14	14	14

### Quarterly targets for 2015/16

Performance indicator		PSG Linkage	Reporting period	Annual target 2015/16	Quarterly targets			
					1 <sup>st</sup>	2 <sup>nd</sup>	3 <sup>rd</sup>	4 <sup>th</sup>
15.1	Number of institutions provided with an effective user account management service	PSG 5	Quarterly	125	125	125	125	125
15.2	Compilation and implementation of a project plan for the migration to the IFMS.	PSG 5	Quarterly	1	-	1	1	1
15.3	Number of votes where the Integrated Procurement Solution (IPS) is implemented	PSG 5	Quarterly	14	14	14	14	14

## Reconciling performance targets with the Budget and MTEF

### Expenditure estimates

**Table 6 Asset Management**

Sub-programme R'000	Outcome			Main appro- pria- tion 2014/15	Adjusted appro- pria- tion 2014/15	Revised estimate 2014/15	Medium-term estimate			
	Audited 2011/12	Audited 2012/13	Audited 2013/14				% Change from Revised estimate		2015/16	2016/17
1. Programme Support	1 054	1 861	3 408	4 113	3 897	3 897	4 174	7.11	4 481	4 862
2. Supply Chain Management	9 614	10 033	14 815	19 367	22 207	22 207	22 677	2.12	21 293	24 100
Supply Chain Management: Provincial Government	9 614	6 781	10 020	12 674	15 560	15 560	16 129	3.66	13 841	14 922
Supply Chain Management: Local Government		3 252	4 795	6 693	6 647	6 647	6 548	(1.49)	7 452	9 178
3. Supporting and Interlinked Financial Systems	20 038	22 040	29 297	30 443	32 328	32 328	33 227	2.78	35 169	38 597
<b>Total payments and estimates</b>	<b>30 706</b>	<b>33 934</b>	<b>47 520</b>	<b>53 923</b>	<b>58 432</b>	<b>58 432</b>	<b>60 078</b>	<b>2.82</b>	<b>60 943</b>	<b>67 559</b>

Note: Liabilities Management was shifted from Programme 3: Asset Management to Fiscal Policy under Programme 2: Sustainable Resource Management during 2011/12.

Economic classification R'000	Outcome			Main appro- pria- tion 2014/15	Adjusted appro- pria- tion 2014/15	Revised estimate 2014/15	Medium-term estimate			
	Audited 2011/12	Audited 2012/13	Audited 2013/14				% Change from Revised estimate		2015/16	2016/17
<b>Current payments</b>	<b>30 706</b>	<b>33 930</b>	<b>47 496</b>	<b>53 923</b>	<b>58 386</b>	<b>58 386</b>	<b>59 955</b>	<b>2.69</b>	<b>60 943</b>	<b>67 559</b>
Compensation of employees	19 815	22 456	28 058	31 411	30 282	30 282	32 725	8.07	35 508	39 295
Goods and services	10 891	11 474	19 438	22 512	28 104	28 104	27 230	(3.11)	25 435	28 264
<b>Transfers and subsidies to</b>		4	24		46	46	123	167.39		
Households		4	24		46	46	123	167.39		
<b>Total economic classification</b>	<b>30 706</b>	<b>33 934</b>	<b>47 520</b>	<b>53 923</b>	<b>58 432</b>	<b>58 432</b>	<b>60 078</b>	<b>2.82</b>	<b>60 943</b>	<b>67 559</b>

### Performance and expenditure trends

The programme has increased by R27.726 million from R30.706 million in 2011/12 to R58.432 million (revised estimate) in 2014/15, with an average nominal growth of 23.9 per cent per annum. This is due to the increased involvement and guidance over supply chain management and financial systems management. Over the MTEF period the allocation will moderately increase by an average nominal growth of 5 per cent per annum from R58.432 million (revised estimate) in 2014/15 to R67.559 million in 2017/18. This is mainly due to the roll out and implementation of new financial systems, as well as the strengthening of the supply chain management in municipalities. Furthermore, strategic sourcing/procurement strategies will be developed for certain commodities to enhance Supply Chain Management (SCM) efficiencies.

## Programme 4 – Financial Governance

### Programme Description

**Purpose:** To promote accountability and financial governance within departments, entities and municipalities.

### Strategic outcome oriented goal

<b>Strategic outcome oriented goal 4</b>	Accountability through the review of financial reporting of departments, entities and municipalities and compliance with financial norms and standards.
<b>Goal statement</b>	Achieving accountability through promoting the reporting frameworks and compliance with financial norms and standards through the establishment of sound financial governance within the provincial and municipal spheres. This will be continually measured to achieve the highest level of governance in 2020.

### Programme structure

#### Sub-programme 4.1: Programme Support

**Purpose:** To provide management and administrative support to the programme.

This sub-programme includes the Chief Director: Financial Governance and Accounting/ Provincial Accountant-General and provides resources for structured training and development of staff attached to the programme.

#### Strategic objective

<b>Strategic objective 16</b>	To provide management and administrative support to Programme 4 – Financial Governance.
<b>Objective statement</b>	To provide management and administrative support to Programme 4 – Financial Governance to ensure that all strategic objectives and targets are achieved every year.
<b>Baseline</b>	100% targets achieved (2013/14 Annual Report)

#### Strategic objective annual targets for 2015/16

Strategic objective performance indicator		Audited/Actual performance			Estimated performance 2014/15	Medium-term targets		
		2011/12	2012/13	2013/14		2015/16	2016/17	2017/18
16.	Percentage of Programme 4 – Financial Governance's programme performance indicator targets achieved	New PI	New PI	New PI	100%	100%	100%	100%

## Risk management

**Risk:** Lack of capacity.

**Mitigation:** Skilled and competent staff to be recruited in vacant positions and a bespoke training and development plan for each staff member.

### Programme performance indicators and annual targets for 2015/16

Programme performance indicator		Audited/Actual performance			Estimated performance 2014/15	Medium-term targets		
		2011/12	2012/13	2013/14		2015/16	2016/17	2017/18
16.1	Number of quarterly performance reports for Programme 4 – Financial Governance submitted	New PI	New PI	New PI	New PI	4	4	4

### Quarterly targets for 2015/16

Performance indicator		PSG linkage	Reporting period	Annual target 2015/16	Quarterly targets			
					1 <sup>st</sup>	2 <sup>nd</sup>	3 <sup>d</sup>	4 <sup>th</sup>
16.1	Number of quarterly performance reports for Programme 4 – Financial Governance submitted	PSG 5	Quarterly	4	1	1	1	1

## Sub-programme 4.2: Accounting Services

### Element: Local Government Accounting

**Purpose:** To improve the application of accounting standards and financial reporting within municipalities.

The key objective of this sub-unit is to ensure accurate and complete recording of transactions as required by Generally Recognised Accounting Practice (GRAP), and conformance with applicable financial laws and regulations. This should contribute toward preventing material misstatements and irregularities in the preparation of financial statements of municipalities.

**Strategic objective**

<b>Strategic objective 17</b>	To improve the understanding and application of accounting standards and financial reporting within municipalities.
<b>Objective statement</b>	To improve the application of accounting standards and financial reporting within municipalities by providing support and training to municipalities.
<b>Baseline</b>	30 municipalities assisted to comply with full GRAP implementation.

**Strategic objective annual targets for 2015/16**

Strategic objective Performance indicator		Audited/Actual performance			Estimated performance 2014/15	Medium-term targets		
		2011/12	2012/13	2013/14		2015/16	2016/17	2017/18
17.	Number of municipalities supported to comply with the GRAP standards	FMC Level 2 at all municipalities	FMC Level 3 at 26 municipalities	30	30	30	30	30

**Risk management**

**Risk:** Lack of a consistent application of accounting standards and a continual enhancement in the reporting framework.

**Mitigation:** Provide and coordinate comments on the application of the accounting standards and work towards consistent application from the Public Sector Accounting Forum, Auditor-General of South Africa (AGSA) and National Treasury.

**Risk:** Implementation of the Standard Chart of Accounts (SCOA) within prescribed timelines, inclusive of systems requirements, as indicated in National Treasury's project summary for SCOA.

**Mitigation:** Institutionalising the SCOA governance framework inclusive of representation on pilot site strategic meetings, utilisation of SCOA helpdesk for issues of clarity, sharing of best practices through the Integrated Consultative Forum, capacity building provided by National Treasury and contributing to the finalisation of the systems road map.

### Programme performance indicators and annual targets for 2015/16

Programme performance indicator		Audited/Actual performance			Estimated performance 2014/15	Medium-term targets		
		2011/12	2012/13	2013/14		2015/16	2016/17	2017/18
17.1	Number of municipalities assessed against the accounting reporting framework	21 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	30	30	30	30	30
17.2	Number of municipalities supported and monitored on SCOA implementation	New PI	New PI	New PI	New PI	6	6	24
17.3	Number of accounting support interventions	Training sessions as scheduled	Structured training program developed and refined. GRAP training rolled out	2	2	2	2	2
17.4	Percentage of municipal financial assessments on submitted AFS	New PI	New PI	New PI	100%	100%	100%	100%

### Quarterly targets for 2015/16

Performance indicator		PSG linkage	Reporting period	Annual target 2015/16	Quarterly targets			
					1 <sup>st</sup>	2 <sup>nd</sup>	3 <sup>rd</sup>	4 <sup>th</sup>
17.1	Number of municipalities assessed against the accounting reporting framework	PSG 5	Quarterly	30	30	30	30	30
17.2	Number of municipalities supported and monitored on SCOA implementation	PSG 5	Bi-annually	6	-	3	-	3
17.3	Number of accounting support interventions	PSG 5	Bi-annually	2	-	1	-	1
17.4	Percentage of municipal financial assessments on submitted AFS	PSG 5	Bi-annually	100%	100%	-	-	100%

## Element: Provincial Government Accounting and Compliance

**Purpose:** To drive financial governance reforms, the implementation of accounting practices and prepare consolidated financial statements.

The key objectives of this unit are to ensure the complete and accurate recording of transactions as required in terms of the associated financial reforms. This should contribute towards preventing irregularities and material financial misstatements in both the modified cash basis of accounting within departments and accrual basis of accounting within entities.

By coordinating and incrementally driving financial norms and standards, the unit also monitors and report quarterly on the departmental CGRO governance action plans to enable the improvement of financial management.

To enable the improvement of both governance and the application of the accounting framework, a structured training programme and E-GAP will be rolled out to departments.

### Strategic objective

<b>Strategic objective 18</b>	To improve the application of accounting practices in line with the reporting framework, prepare provincial consolidated financial statements and gradually drive financial governance reform.
<b>Objective statement</b>	To improve the application of accounting practices in line with the reporting framework, prepare provincial consolidated financial statements and prepare for financial governance reform by training and building capacity within departments.
<b>Baseline</b>	14 votes assisted to comply with the applicable accounting and financial norms framework.

### Strategic objective annual targets for 2015/16

Strategic objective performance indicators		Audited/Actual performance			Estimated performance 2014/15	Medium-term targets		
		2011/12	2012/13	2013/14		2015/16	2016/17	2017/18
18.	Number of votes assisted to comply with financial accounting and governance norms and standards	New PI	New PI	14	14	14	14	14

### Risk management

**Risk:** Implementation of the evolving accounting reforms in terms of the Standards of GRAP applicable to entities and the Modified Cash Standard (MCS) as applicable to departments.

**Mitigation:** Provide support and training to departments and entities on the new and revised accounting standards.

**Risk:** Accuracy and completeness of disclosure information which is the main cause of material misstatements.

**Mitigation:** Training interventions focused on building accounting capacity and the use of data analytical techniques to timeously interrogate and analyse financial information to support departments.

**Risk:** Inadequate structure to monitor and enforce compliance with the PFMA by departments.

**Mitigation:** To strengthen the existing structure in order to provide oversight over the compliance of the PFMA by departments.

### Programme performance indicators and annual targets 2015/16

Programme performance indicator		Audited/Actual performance			Estimated performance 2014/15	Medium-term targets		
		2011/12	2012/13	2013/14		2015/16	2016/17	2017/18
18.1	Number of votes assessed against the applicable accounting and norms and standards requirements	All votes fully implemented the 2011/12 accounting reporting frameworks	All votes in full conformance with the 2012/13 accounting reporting framework	14	14	14	14	14
18.2	Number of accounting training interventions	Procure service provider and facilitate structured training programme	Structured training presented to financial accountants on GRAP Standards and Accounting Frameworks	8	5	5	5	5
18.3	Timeous Publication and tabling of the ACFS	Compile provincial ACFS, inclusive of a management report and table by 31 January 2012	Compiled provincial ACFS, inclusive of a management report	Published 1 month after receipt of audited AFS	1 month after receipt of audited AFS	1 month after receipt of audit report on the ACFS	1 month after receipt of audit report on the ACFS	1 month after receipt of audit report on the ACFS
18.4	Number of CGRO assessment reports coordinated per vote	New PI	Monitor and drive the GAPs for departments and make recommendations toward achieving good governance	4	4	4	4	4

Programme performance indicator		Audited/Actual performance			Estimated performance 2014/15	Medium-term targets		
		2011/12	2012/13	2013/14		2015/16	2016/17	2017/18
18.5	Number of interventions to institutionalise internal control within departments	New PI	Develop a provincial functional structure for Internal control units in departments	13	13	13	13	13

### Quarterly targets for 2015/16

Performance indicator		PSG linkage	Reporting period	Annual target 2015/16	Quarterly targets			
					1 <sup>st</sup>	2 <sup>nd</sup>	3 <sup>rd</sup>	4 <sup>th</sup>
18.1	Number of votes assessed against the applicable accounting and norms and standards requirements	PSG 5	Quarterly	14	14	14	14	14
18.2	Number of accounting training interventions	PSG 5	Quarterly	5	1	1	1	2
18.3	Timeous Publication and tabling of the ACFS	PSG 5	Annually	1 month after receipt of audit report on the ACFS	-	-	1 month after receipt of audit report on the ACFS	-
18.4	Number of CGRO assessment reports coordinated per vote	PSG 5	Quarterly	4	1	1	1	1
18.5	Number of interventions to institutionalise internal control within departments	PSG 5	Quarterly	13	3	4	3	3

### Sub-programme 4.3: Corporate Governance

**Purpose:** To strengthen corporate governance within the Province through the implementation of risk management, internal audit and compliance with financial norms and standards.

The unit is responsible for coordinating the Municipal Governance Review and Outlook (MGRO) and progressively driving the criteria across various disciplines to achieve higher levels of governance.

To drive norms and standards, the established forums such as the Chief Risk Officer (CRO) and Chief Audit Executive (CAE) fora will be used which will further direct the relevant training to being rolled out.

The unit is responsible for reviewing, assessing and proposing relevant financial legislation affecting all spheres of government and consequently, ensuring that stakeholders are informed.

### Strategic objective

<b>Strategic objective 19</b>	To develop, monitor and advise on norms and standards of corporate governance within municipalities.
<b>Objective statement</b>	To develop, monitor and advise on norms and standards of corporate governance by supporting the development, implementation and enforcement of a generic set of corporate governance standards.
<b>Baseline</b>	30 municipalities assisted.

### Strategic objective annual targets for 2015/16

Strategic objective performance indicators		Audited/Actual performance			Estimated performance 2014/15	Medium-term targets		
		2011/12	2012/13	2013/14		2015/16	2016/17	2017/18
19.	Number of municipalities assisted to improve corporate governance	New PI	30	30	30	30	30	30

### Risk management

**Risk:** Risk management, internal audit units and audit committees functions are not functioning optimally.

**Mitigation:** Obtain practical understanding of the system of internal control and monitor the municipalities' design of the assurance processes.

**Risk:** Instability and continuous development of governance criteria.

**Mitigation:** Collaboration with various oversight institutions to have all the criteria in one space, and migrating the E-GAP to an electronic platform as a single source of information about the state of governance.

### Programme performance indicators and annual targets 2015/16

Programme performance indicator		Audited/Actual performance			Estimated performance 2014/15	Medium-term targets		
		2011/12	2012/13	2013/14		2015/16	2016/17	2017/18
19.1	Number of municipal support interventions on BTO capacitation and development	New PI	Develop BTO structures guideline	15	4	15	15	15
19.2	Number of MGRO assessment reports coordinated per municipality	Local Government Financial Governance Review and Outlook (LG FGRO) was developed and implemented	MGRO 2012 issued and MGAP <sup>2</sup> updated	2	1	2	2	2
19.3	Number of municipal support interventions on Governance, Risk and Control	Training provided to 4 municipalities on risk management, control identification and residual risk assessments, 4 CRO and 2 CAE fora were also held where a key focus is on capacitation. 30 Assurance assessments performed for municipalities as part of LG FGRO	Institutionalise ERM at all municipalities and drive capacity building initiatives at selected municipalities	30	30	20	20	20
19.4	Number of municipalities supported with financial delegation framework and policies	New PI	New PI	New PI	5	5	5	5

<sup>2</sup> Gap between the current and desired state of governance within a municipality

Programme performance indicator		Audited/Actual performance			Estimated performance 2014/15	Medium-term targets		
		2011/12	2012/13	2013/14		2015/16	2016/17	2017/18
19.5	Number of legislative scanning reports	Provincial financial legislation kept relevant and dynamic	Develop and implement a framework and parameters that determines best practise approach for prescripts and regulatory processes with the aim to strengthen the regulatory arena in the internal control environment, that draws on the system capability for optimal utilisation of available systems	100% of bills, circulars and guidelines received and responded to	4	4	4	4

### Quarterly targets for 2015/16

Performance indicator		PSG linkage	Reporting period	Annual target 2015/16	Quarterly targets			
					1 <sup>st</sup>	2 <sup>nd</sup>	3 <sup>rd</sup>	4 <sup>th</sup>
19.1	Number of municipal support interventions on BTO capacitation and development	PSG 5	Quarterly	15	3	5	5	2
19.2	Number of MGRO assessment reports coordinated per municipality	PSG 5	Bi-annually	2	-	1	-	1
19.3	Number of municipal support interventions on Governance, Risk and Control	PSG 5	Quarterly	20	5	6	6	3

Performance indicator		PSG linkage	Reporting period	Annual target 2015/16	Quarterly targets			
					1 <sup>st</sup>	2 <sup>nd</sup>	3 <sup>rd</sup>	4 <sup>th</sup>
19.4	Number of municipalities supported with financial delegation framework and policies	PSG 5	Quarterly	5	1	2	1	1
19.5	Number of legislative scanning reports	PSG 5	Quarterly	4	1	1	1	1

## Reconciling performance targets with the Budget and MTEF

### Expenditure estimates

Table 7 Financial Governance

Sub-programme R'000	Outcome			Main appropriation 2014/15	Adjusted appropriation 2014/15	Revised estimate 2014/15	Medium-term estimate			
	Audited 2011/12	Audited 2012/13	Audited 2013/14				% Change from Revised estimate			
							2015/16	2014/15	2016/17	2017/18
1. Programme Support	1 437	1 821	1 982	2 339	3 205	3 205	3 467	8.17	3 728	3 946
2. Accounting Services	9 775	10 558	13 419	16 646	20 937	20 937	18 044	(13.82)	19 510	21 322
Provincial Government Accounting and Compliance	5 370	5 418	6 505	8 297	13 140	13 140	9 699	(26.19)	10 309	11 467
Local Government Accounting	4 405	5 140	6 914	8 349	7 797	7 797	8 345	7.03	9 201	9 855
3. Corporate Governance	8 232	9 610	10 084	10 186	12 363	12 363	11 964	(3.23)	11 863	12 696
<b>Total payments and estimates</b>	<b>19 444</b>	<b>21 989</b>	<b>25 485</b>	<b>29 171</b>	<b>36 505</b>	<b>36 505</b>	<b>33 475</b>	<b>(8.30)</b>	<b>35 101</b>	<b>37 964</b>

Note: Provincial Internal Audit was shifted to the Department of the Premier as part of the modernisation process in 2010/11.

Economic classification R'000	Outcome			Main appropriation 2014/15	Adjusted appropriation 2014/15	Revised estimate 2014/15	Medium-term estimate			
	Audited 2011/12	Audited 2012/13	Audited 2013/14				% Change from Revised estimate			
							2015/16	2014/15	2016/17	2017/18
<b>Current payments</b>	<b>19 444</b>	<b>21 984</b>	<b>25 470</b>	<b>29 171</b>	<b>36 482</b>	<b>36 482</b>	<b>33 475</b>	<b>(8.24)</b>	<b>35 101</b>	<b>37 964</b>
Compensation of employees	17 087	19 197	22 749	25 622	25 589	25 589	26 803	4.74	29 018	31 061
Goods and services	2 357	2 787	2 721	3 549	10 893	10 893	6 672	(38.75)	6 083	6 903
<b>Transfers and subsidies to Households</b>		5	15		23	23		(100.00)		
		5	15		23	23		(100.00)		
<b>Total economic classification</b>	<b>19 444</b>	<b>21 989</b>	<b>25 485</b>	<b>29 171</b>	<b>36 505</b>	<b>36 505</b>	<b>33 475</b>	<b>(8.30)</b>	<b>35 101</b>	<b>37 964</b>

### **Performance and expenditure trends**

The increase of R17.061 million from R19.444 million in 2011/12 to R36.505 million in 2014/15 (revised estimate) was mainly due to earmarked funds for the improvement of transversal internal control services and posts that were created during the reconfiguration process within the Accounting Services and Corporate Governance sub-programmes. This represented an annual average increase of 14.5 per cent over the three year period. Over the MTEF period the allocation will increase by an average nominal growth of 1.3 per cent per annum from R36.505 million (revised estimate) in 2014/15 to R37.964 million in 2017/18.

## PART C: LINKS TO OTHER PLANS

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

Except as provided for under Sub-programme 1.3: Financial Management, which covers planned equipment expenditure within the Department, and Sub-programme 2.4: Public Finance (Element: Immovable Assets) which details the Provincial Treasury's oversight responsibilities relating to infrastructure planning and spending, the Department's internal responsibilities do not relate to major capital investment.

### 2. Conditional grants

The Department does not receive any conditional grants.

### 3. Public entities

The following entity reports to the Minister for Finance:

Name of entity	Legislation	Strategic goal of Entity	Strategic objectives of the Entity
WCGRB	WCGR Act, 1996 (Act 4 of 1996)	To ensure that the Board, in pursuit of its mandate in respect of gambling industry regulation, designs and utilises its structure, resources and processes for effective, efficient and optimal performance of its duties.	<p>To provide leadership and oversight on all functions of the office of the Board to ensure an effective and efficient administration for the period 2015 to 2020.</p> <p>To provide effective and efficient management of all functions of the office of the Board.</p> <p>To provide legal advisory support and research services to the Board and its Office.</p> <p>To assist the Board in ensuring that it complies with HR Best practices and maintaining an appropriately skilled workforce.</p> <p>To review all of Administration and Finance's policies and procedures for relevance and effectiveness and allocate the available resources to the purpose of the policies and processes during the period.</p> <p>To ensure the efficient and timely investigation of applications received, resulting in the licensing of fit and proper persons permitted to engage in gambling operations.</p> <p>To ensure that gambling activities conducted in the Province is in accordance with the prescribed legislations and regulating requirements.</p> <p>To enable business performance, ability to achieve or exceed business objectives, for all programmes through innovative use of ICT.</p>

On-going evaluation of the WCGRB is conducted via a number of mechanisms, e.g.:

- Periodic meetings between the Minister of Finance;
- Quarterly assessment of the WCGRB's financial and performance information and feedback to the entity; and
- Ongoing assessment of funding, sustainability, inclusive of possible remedial steps.

#### **4. Public private partnerships**

The Department does not have any Public private partnerships.

# ANNEXURE A:

## Technical indicator descriptions

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

#### Strategic objective performance indicator

<b>Indicator title 1</b>	Number of engagements/meetings attended to comply with statutory requirements and Consular Relations.
<b>Short definition</b>	Minister to meet Senior Management of Provincial Treasury and Diplomatic Representatives in furtherance of provincial mandate.
<b>Purpose/importance</b>	Engagements will enable Minister to discharge his executive and legislative functions.
<b>Source/collection of data</b>	Minutes and attendance registers of meetings
<b>Method of calculation</b>	Simple Count
<b>Data limitations</b>	Not applicable
<b>Type of indicator</b>	Output
<b>Calculation type</b>	Cumulative
<b>Reporting cycle</b>	Quarterly
<b>New indicator</b>	Yes
<b>Desired performance</b>	Actual performance equal to targeted performance is desirable.
<b>Indicator responsibility</b>	Head of Office: Ministry

#### Programme performance Indicators

<b>Indicator title 1.1</b>	Number of formal engagements with the Department on meeting statutory requirements.
<b>Short definition</b>	Minister to meet with senior management of Provincial Treasury in furtherance of provisions of PFMA and MFMA.
<b>Purpose/importance</b>	Engagements will enable Minister to discharge his executive and legislative functions.
<b>Source/collection of data</b>	Minutes and attendance registers of meetings with senior management (TMM).
<b>Method of calculation</b>	Simple Count
<b>Data limitations</b>	Not applicable
<b>Type of indicator</b>	Output
<b>Calculation type</b>	Cumulative
<b>Reporting cycle</b>	Quarterly
<b>New indicator</b>	Yes
<b>Desired performance</b>	Compliance with PFMA and MFMA
<b>Indicator responsibility</b>	Head of Office: Ministry

<b>Indicator title 1.2</b>	Number of meetings with Consul Generals and/or members of the Diplomatic Corp.
<b>Short definition</b>	Minister to meet Diplomatic Representatives to give effect to the International Relations Strategy.
<b>Purpose/importance</b>	Engagements will enable Minister to foster sound International Relations with regional/foreign governments.
<b>Source/collection of data</b>	Minutes and attendance registers of meetings; and Briefing documents
<b>Method of calculation</b>	Simple count
<b>Data limitations</b>	Not applicable
<b>Type of indicator</b>	Output
<b>Calculation type</b>	Cumulative
<b>Reporting cycle</b>	Quarterly
<b>New indicator</b>	Yes
<b>Desired performance</b>	Sound relations with foreign countries/region.
<b>Indicator responsibility</b>	Head of Office: Ministry

## Sub-programme 1.2: Management Services

### Strategic objective performance Indicator

<b>Indicator title 2</b>	Number of material Human Resource Management and Performance Management audit findings.
<b>Short definition</b>	The number of material findings by the AGSA on Human Resource Management and Performance Management as reported in the Report of the AG.
<b>Purpose/importance</b>	To determine the level of strategic and operational management support rendered.
<b>Source/collection of data</b>	Report of the AG to the Western Cape Provincial Parliament on Vote No. 3: Western Cape Provincial Treasury.
<b>Method of calculation</b>	Simple count – Number of material audit findings
<b>Data limitations</b>	Not applicable
<b>Type of indicator</b>	Output
<b>Calculation type</b>	Non-cumulative
<b>Reporting cycle</b>	Annually
<b>New indicator</b>	Yes
<b>Desired performance</b>	Actual performance equal to targeted performance is desirable
<b>Indicator responsibility</b>	Director: Strategic and Operational Management Support

**Programme performance indicators**

<b>Indicator title 2.1</b>	Number of prescribed performance plans and reports submitted.
<b>Short definition</b>	Submission of 1 Annual Performance Plan, 4 Quarterly Performance Reports and 1 Annual Performance Information Report. The performance plans and reports must be compliant with legislative prescripts, reporting guidelines and procedures.
<b>Purpose/importance</b>	<p>The Annual Performance Plan sets the objectives, performance indicators and targets that the Department seeks to achieve in the upcoming financial year and during the MTEF to implement its Strategic Plan.</p> <p>Quarterly Performance Reports provides progress updates on the implementation of the department's Annual Performance Plan in the previous quarter, with particular reference to monitoring delivery against quarterly performance targets.</p> <p>The Annual Performance Information Report provides information on the performance of the organisation in the preceding financial year for the purposes of oversight.</p>
<b>Source/collection of data</b>	<p>Annual Performance Plan: Provincial Parliament's Announcements, Tabling and Committee reports document for the tabling of Vote 3 – Provincial Treasury, hardcopy APP and e-copy APP.</p> <p>Quarterly Performance Reports: Assessments of Quarterly Performance Report.</p> <p>Annual Performance Report: Provincial Parliament's Announcements, Tabling and Committee reports document for the tabling of Vote 3 – Provincial Treasury, hardcopy AR and e-copy AR.</p>
<b>Method of calculation</b>	Simple count - Number of reports submitted
<b>Data limitations</b>	Not applicable
<b>Type of indicator</b>	Output
<b>Calculation type</b>	Cumulative
<b>Reporting cycle</b>	Quarterly
<b>New indicator</b>	No
<b>Desired performance</b>	Actual performance equal to targeted performance is desirable.
<b>Indicator responsibility</b>	Deputy Director: Strategic Management Support Services/Director: Strategic and Operational Management Support

<b>Indicator title 2.2</b>	Number of reports on the implementation of the Human Resource Plan (HRP).
<b>Short definition</b>	Quarterly report on the progress regarding the implementation of the identified interventions contained in the HRP and the adherence to legislature prescripts and procedures.
<b>Purpose/importance</b>	HR planning can be defined as an inclusive and dynamic process that involves the identification of both current and future human resource needs as well as potential challenges in order for the department to consistently achieve its organisational objectives. It is also the two-way operational link between high-level strategy and action-orientated implementation that can be regularly monitored and evaluated. HR Planning aims to ensure that an organisation has the right people, with the right skills at the right time, all the time. It is therefore important to keep management informed of the implementation of interventions and progress regarding the achievement of targets outlined in the HRP and that all the Human Resource Management legislative prescripts and procedures are adhered to.
<b>Source/collection of data</b>	The following will be used to compile the quarterly report: <ul style="list-style-type: none"> <li>• PERSAL reports and databases</li> <li>• Progress report on the implementation of the Recruitment and Selection Plan;</li> <li>• Progress report on the implementation of the Employment Equity Plan and Employment Equity Statistics;</li> <li>• Human Resource Development Implementation Plan and Human Resource Development Monitoring Tool;</li> <li>• Job Access Strategic Framework Implementation Report;</li> <li>• Gender Equity Strategic Framework Implementation Report ; and</li> <li>• Employee Health and Wellness Implementation Review Report</li> </ul>
<b>Method of calculation</b>	Simple count - Number of reports submitted
<b>Data limitations</b>	Information in reports is based on information collected manually.
<b>Type of indicator</b>	Output indicator
<b>Calculation type</b>	Cumulative
<b>Reporting cycle</b>	Quarterly
<b>New indicator</b>	Yes
<b>Desired performance</b>	Actual performance equal to targeted performance is desirable
<b>Indicator responsibility</b>	Deputy Director: Corporate Services Relations Management/Director: Strategic and Operational Management Support

## Sub-programme 1.3: Financial Management

### Strategic objective performance indicator

<b>Indicator title 3</b>	Number of material financial management audit findings.
<b>Short definition</b>	The number of material findings by the AGSA on financial management as reported in the Audit Report. Financial Management aims and adheres to all financial prescripts and complies with high standards that must be maintained.
<b>Purpose/importance</b>	To determine the level of financial management support rendered at the right time, maintaining correct standards within financial prescripts. Effective and efficient service delivery is regarded as high priority.
<b>Source/collection of data</b>	Report of the AG to the Western Cape Provincial Parliament on Vote No. 3: Western Cape Provincial Treasury.
<b>Method of calculation</b>	Simple count – Number of material audit findings
<b>Data limitations</b>	Not applicable
<b>Type of indicator</b>	Output
<b>Calculation type</b>	Non-cumulative
<b>Reporting cycle</b>	Annually
<b>New indicator</b>	No
<b>Desired performance</b>	Actual performance equal to targeted performance as outlined in the short description and purpose/importance above.
<b>Indicator responsibility</b>	Chief Financial Officer

### Programme performance Indicators

<b>Indicator title 3.1</b>	Number of In Year Monitoring reports.
<b>Short definition</b>	Monthly In-Year Monitoring reports submitted.
<b>Purpose/importance</b>	Actual spending to remain within the 2% limit of the budget and to obtain a clean audit report.
<b>Source/collection of data</b>	BAS, Persal, Vulindlela, LOGIS, MTEC database, EPRE
<b>Method of calculation</b>	Simple count
<b>Data limitations</b>	Not applicable
<b>Type of indicator</b>	Output
<b>Calculation type</b>	Cumulative
<b>Reporting cycle</b>	Monthly
<b>New indicator</b>	No
<b>Desired performance</b>	Actual performance as described under purpose/importance
<b>Indicator responsibility</b>	Chief Financial Officer

<b>Indicator title 3.2</b>	Number budget submissions
<b>Short definition</b>	Submission of Main Budget, draft budget, draft second main budget and Adjusted Budget within all statutory obligations as set by Provincial and National Treasury. High quality budgets must be submitted for use in all financial reports at all levels of government and to ensure consistent information is maintained in all government documents.
<b>Purpose/importance</b>	Statutory obligation in terms of PFMA on order to authorise the Department's annual expenditure and ensuring that there no material findings from auditors.
<b>Source/collection of data</b>	BAS, and MTEC database
<b>Method of calculation</b>	Simple count
<b>Data limitations</b>	Not an accrual system
<b>Type of indicator</b>	Output
<b>Calculation type</b>	Cumulative
<b>Reporting cycle</b>	As prescribed by PT
<b>New indicator</b>	Yes
<b>Desired performance</b>	As prescribed in budget circulars and under short definition above.
<b>Indicator responsibility</b>	AO and CFO

<b>Indicator title 3.3</b>	Number of Corporate Reports
<b>Short definition</b>	Compilation of quarterly governance review and outlook reports (CGRO) to improve adherence of audit findings (both internal and external audit findings). Any gaps identified within Financial Management that should be improved on are also listed in the CGRO report.
<b>Purpose/importance</b>	Monitoring tools to ensure clean administration and monitor improvement staff functions. The collation of CGRO information is regarded as a priority to obtain high quality financial management within the department as acts as a tool to minimise gaps that exist.
<b>Source/collection of data</b>	AGSA and IA and IC reports
<b>Method of calculation</b>	Simple count
<b>Data limitations</b>	Currently a tedious process for D:SOMS and CFO to comply with all the reporting.
<b>Type of indicator</b>	Output
<b>Calculation type</b>	Cumulative
<b>Reporting cycle</b>	Quarterly reporting with first two reports at the end of September of each year.
<b>New indicator</b>	No
<b>Desired performance</b>	Updating reports and monitoring quarterly progress is desirable.
<b>Indicator responsibility</b>	CFO and IC Unit

## Programme 2 – Sustainable Resource Management

### Sub-programme 2.1: Programme Support

#### Strategic objective performance indicator

<b>Indicator title 4</b>	Percentage of Programme 2 – Sustainable Resource Management's programme performance indicator targets achieved
<b>Short definition</b>	Percentage of Programme 2 – Sustainable Resource Management's performance indicators achieved as per the Annual Performance Plan.
<b>Purpose/importance</b>	To ensure that departmental goals and objectives are achieved.
<b>Source/collection of data</b>	Annual Performance Plan, Quarterly Performance Reports and Annual Report.
<b>Method of calculation</b>	Numerator: Number of achieved performance indicator targets Denominator: Number of planned performance indicator targets
<b>Data limitations</b>	None
<b>Type of indicator</b>	Output
<b>Calculation type</b>	Non-cumulative
<b>Reporting cycle</b>	Annually
<b>New indicator</b>	Yes
<b>Desired performance</b>	Optimum achievement of the planned targets.
<b>Indicator responsibility</b>	Programme Manager

#### Programme performance indicators

<b>Indicator title 4.1</b>	Number of quarterly performance reports for Programme 2 – Sustainable Resource Management submitted.
<b>Short definition</b>	Number of quarterly reports submitted on the performance of Programme 2 – Sustainable Resource Management.
<b>Purpose/importance</b>	To monitor progress towards the achievement of targets and to institute timeous remedial actions.
<b>Source/collection of data</b>	Progress reports submitted by sub-programme and element managers.
<b>Method of calculation</b>	Simple count
<b>Data limitations</b>	None
<b>Type of indicator</b>	Activities and output
<b>Calculation type</b>	Cumulative
<b>Reporting cycle</b>	Quarterly
<b>New indicator</b>	Yes
<b>Desired performance</b>	Actual performance equal to targeted performance is desirable.
<b>Indicator responsibility</b>	Programme Manager

## Sub-programme 2.2: Fiscal Policy

### Strategic objective performance indicator

<b>Indicator title 5</b>	Number of fiscal policy reports.
<b>Short definition</b>	Number of reports on fiscal matters that impact on the fiscal framework of provincial and local government.
<b>Purpose/importance</b>	To research, analyse and advise on the management of provincial and municipal fiscal capabilities to inform the Provincial and Local Government fiscal framework and budget policy.
<b>Source/collection of data</b>	PT Database
<b>Method of calculation</b>	Simple count – Number of research reports
<b>Data limitations</b>	Not applicable
<b>Type of indicator</b>	Output indicator
<b>Calculation type</b>	Cumulative
<b>Reporting cycle</b>	Annually
<b>New indicator</b>	Yes
<b>Desired performance</b>	To provide research, analysis and advice on provincial and municipal fiscal capability and cash management.
<b>Indicator responsibility</b>	Senior Manager: Fiscal Policy

### Programme performance Indicators

<b>Indicator title 5.1</b>	Number of research reports on the Provincial and Local Government Fiscal System.
<b>Short definition</b>	Research report written on the Fiscal System.
<b>Purpose/importance</b>	To present a research base allowing for intergovernmental discussion.
<b>Source/collection of data</b>	PT Database
<b>Method of calculation</b>	Simple count
<b>Data limitations</b>	Limitation to access certain information regarding fiscal variables.
<b>Type of indicator</b>	Output indicator
<b>Calculation type</b>	Cumulative
<b>Reporting cycle</b>	Quarterly
<b>New indicator</b>	No
<b>Desired performance</b>	Research Reports to inform intergovernmental discussions on fiscal policy matters.
<b>Indicator responsibility</b>	Senior Manager: Fiscal Policy

<b>Indicator title 5.2</b>	Number of Provincial Revenue reports.
<b>Short definition</b>	Monitor, analyse and report on the Provincial Fiscal Revenue Trends and evaluate policy influences on provincial fiscal capability.
<b>Purpose/importance</b>	To provide advice and support to departments in order to enhance revenue management.
<b>Source/collection of data</b>	PT Database
<b>Method of calculation</b>	Simple count
<b>Data limitations</b>	Subject to quality and accuracy of department reporting.
<b>Type of indicator</b>	Output indicator
<b>Calculation type</b>	Cumulative
<b>Reporting cycle</b>	Quarterly
<b>New indicator</b>	Revised performance indicator
<b>Desired performance</b>	To ensure timeous production of provincial revenue reports.
<b>Indicator responsibility</b>	Senior Manager: Fiscal Policy

<b>Indicator title 5.3</b>	Number of Cash Management Reports
<b>Short definition</b>	Number of Provincial and Municipal Cash Management reports monitoring revenue and cash flows in order to encourage efficient and effective collection of own revenue and cash flows.
<b>Purpose/importance</b>	To provide support to departments and municipalities in in order to reduce the risk of under collection through monthly monitoring.
<b>Source/collection of data</b>	PT Database
<b>Method of calculation</b>	Simple count
<b>Data limitations</b>	Subject to quality and accuracy of department and municipal reporting.
<b>Type of indicator</b>	Output indicator
<b>Calculation type</b>	Cumulative
<b>Reporting cycle</b>	Quarterly
<b>New indicator</b>	Revised performance indicator
<b>Desired performance</b>	To ensure timeous production of provincial and municipal cash management reports (4 for Provincial Government; 4 for Municipalities).
<b>Indicator responsibility</b>	Senior Manager: Fiscal Policy

<b>Indicator title 5.4</b>	Number of reports on the performance of the WCGRB.
<b>Short definition</b>	Quarterly report on the financial and performance of the WCGRB in order to promote good governance of the WCGRB.
<b>Purpose/importance</b>	To monitor, the performance of the WCGRB in order to promote good governance.
<b>Source/collection of data</b>	PT Database
<b>Method of calculation</b>	Simple count
<b>Data limitations</b>	None
<b>Type of indicator</b>	Output indicator
<b>Calculation type</b>	Cumulative
<b>Reporting cycle</b>	Quarterly
<b>New indicator</b>	No
<b>Desired performance</b>	Strengthen oversight and promote good governance of the WCGRB.
<b>Indicator responsibility</b>	Senior Manager: Fiscal Policy

## Sub-programme 2.3: Budget Management

### Element: Provincial Government Budget Office

#### Strategic objective performance indicator

<b>Indicator title 6</b>	Timeous Publication of the Overview of Provincial Revenue and Expenditure (OPRE).
<b>Short definition</b>	Publication of the OPRE (Provincial Budget Overview).
<b>Purpose/importance</b>	To provide a high-level overview of the main components of the provincial budget, including the key policy and budget priorities and in line with section 27(2) of the PFMA which requires the MEC for finance in a province to table a provincial annual budget for a financial year in the provincial legislature not later than two weeks after the tabling of the national annual budget.
<b>Source/collection of data</b>	The OPRE is available on the PT Database
<b>Method of calculation</b>	Date of publication
<b>Data limitations</b>	Not applicable
<b>Type of indicator</b>	Output indicator
<b>Calculation type</b>	Non-cumulative
<b>Reporting cycle</b>	Annually
<b>New indicator</b>	No
<b>Desired performance</b>	To publish timeously by March within two weeks of the tabling of the national budget.
<b>Indicator responsibility</b>	Senior Manager: Provincial Government Budget Office

**Programme performance indicators**

<b>Indicator title 6.1</b>	Number of provincial budget policy assessment reports.
<b>Short definition</b>	Budget submissions assessed as part of the Provincial Government Medium Term Expenditure Committee (MTEC) process.
<b>Purpose/importance</b>	To improve allocative efficiency, responsiveness of the budget to socio-economic needs, budget policy objectives and national and provincial priorities.
<b>Source/collection of data</b>	The assessment reports are available on the PT database.
<b>Method of calculation</b>	Simple count (1 assessment per vote per PG MTEC)
<b>Data limitations</b>	Not applicable
<b>Type of indicator</b>	Output indicator
<b>Calculation type</b>	Cumulative
<b>Reporting cycle</b>	Bi-annually
<b>New indicator</b>	No
<b>Desired performance</b>	Assessments on all votes
<b>Indicator responsibility</b>	Senior Manager: Provincial Government Budget Office

<b>Indicator title 6.2</b>	Timeous publication of the Provincial Economic Review and Outlook.
<b>Short definition</b>	The publication of research on the Provincial Economic Review and Outlook (PERO) which is tabled in the Provincial Parliament.
<b>Purpose/importance</b>	The PERO provides an economic review and outlook with a particular focus on the Western Cape economy that provides the backdrop for the annual Western Cape Medium Term Budget Policy Statement and Provincial Overview of Revenue and Expenditure.
<b>Source/collection of data</b>	Publication stored electronically on the Provincial Treasury database and hard copy publication
<b>Method of calculation</b>	Date of publication
<b>Data limitations</b>	Not applicable
<b>Type of indicator</b>	Output indicator
<b>Calculation type</b>	Non-cumulative
<b>Reporting cycle</b>	Annually
<b>New indicator</b>	No
<b>Desired performance</b>	To publish timeously to inform the Medium Term Budget Policy Statement by October 2015.
<b>Indicator responsibility</b>	Senior Manager: Provincial Budget Office

<b>Indicator title 6.3</b>	Timeous Publication of the Medium Term Budget Policy Statement.
<b>Short definition</b>	Timeous Publication of the 2016-2019 Medium Term Budget Policy Statement (MTBPS) to inform the preliminary and final budget allocations.
<b>Purpose/importance</b>	To provide the strategic direction and policy framework that informs the provincial budget.
<b>Source/collection of data</b>	The Western Cape Medium Term Budget Policy Statement (WC MTBPS) is available in hard copy and on the PT database.
<b>Method of calculation</b>	Date of publication
<b>Data limitations</b>	Not applicable
<b>Type of indicator</b>	Output indicator
<b>Calculation type</b>	Non-cumulative
<b>Reporting cycle</b>	Annually
<b>New indicator</b>	No
<b>Desired performance</b>	To publish timeously by November to inform the preliminary and final budget allocations.
<b>Indicator responsibility</b>	Senior Manager: Provincial Government Budget Office

<b>Indicator title 6.4</b>	Number of Quarterly Performance Reports assessed.
<b>Short definition</b>	Quarterly Performance Reports (QPRs) submitted by provincial departments assessed.
<b>Purpose/importance</b>	To monitor, evaluate and report on the progress of departments in terms of the implementation of the budget and annual performance plans (APPs).
<b>Source/collection of data</b>	Assessment reports and Cabinet submissions available on database.
<b>Method of calculation</b>	Simple count (1 QPR assessment per vote per quarter)
<b>Data limitations</b>	Not applicable
<b>Type of indicator</b>	Output indicator
<b>Calculation type</b>	Cumulative
<b>Reporting cycle</b>	Quarterly
<b>New indicator</b>	No
<b>Desired performance</b>	Evaluations/assessment of all votes' quarterly performance reports submitted.
<b>Indicator responsibility</b>	Senior Manager: Provincial Government Budget Office

**Element: Local Government Budgets****Strategic objective performance indicator**

<b>Indicator title 7</b>	Number of municipal budget policy assessment reports.
<b>Short definition</b>	Annual municipal budget assessments for the local Medium Term Expenditure Committee (LG MTEC).
<b>Purpose/importance</b>	To improve the allocative efficiency and responsiveness of municipal budgets and make recommendations for improvement.
<b>Source/collection of data</b>	Local Government Medium Term Expenditure Committee (LG MTEC) assessment reports e-copy available on the PT database.
<b>Method of calculation</b>	Simple count
<b>Data limitations</b>	Not applicable
<b>Type of indicator</b>	Output indicator
<b>Calculation type</b>	Non-cumulative
<b>Reporting cycle</b>	Annually
<b>New indicator</b>	No
<b>Desired performance</b>	Assessment Reports on all municipalities.
<b>Indicator responsibility</b>	Senior Manager: Local Government Budget Office

**Programme performance Indicators**

<b>Indicator title 7.1</b>	Number of municipal budget policy assessment reports.
<b>Short definition</b>	Annual municipal budget assessments for the local Medium Term Expenditure Committee (LG MTEC).
<b>Purpose/importance</b>	To improve the allocative efficiency and responsiveness of municipal budgets and make recommendations for improvement.
<b>Source/collection of data</b>	Local Government Medium Term Expenditure Committee (LG MTEC) assessment reports e-copy available on the PT database.
<b>Method of calculation</b>	Simple count
<b>Data limitations</b>	Not applicable
<b>Type of indicator</b>	Output indicator
<b>Calculation type</b>	Non-cumulative
<b>Reporting cycle</b>	Annually
<b>New indicator</b>	Yes
<b>Desired performance</b>	Assessment Reports on all municipalities.
<b>Indicator responsibility</b>	Senior Manager: Local Government Budget Office

<b>Indicator title 7.2</b>	Percentage Quarterly Performance Reports assessed.
<b>Short definition</b>	Evaluation of Quarterly Performance Reports of municipalities on the implementation of the budget.
<b>Purpose/importance</b>	To perform periodic in-year assessments on the performance of municipal budgets.
<b>Source/collection of data</b>	QPR assessments available on the database
<b>Method of calculation</b>	Numerator: Number of reports assessed. Denominator: Number of reports received.
<b>Data limitations</b>	Not applicable
<b>Type of indicator</b>	Output indicator
<b>Calculation type</b>	Non-cumulative
<b>Reporting cycle</b>	Quarterly
<b>New indicator</b>	No
<b>Desired performance</b>	Evaluations/assessment of all Quarterly performance reports submitted.
<b>Indicator responsibility</b>	Senior Manager: Local Government Budget Office

<b>Indicator title 7.3</b>	Timeous publication of Municipal Economic Review and Outlook.
<b>Short definition</b>	The publication of research on the Municipal Economic Review and Outlook (MERO) which is tabled in the Provincial Parliament.
<b>Purpose/importance</b>	The annual MERO provides credible and relevant social and economic development information to inform municipal planning and budgeting processes within the Province.
<b>Source/collection of data</b>	Publication stored electronically on the Provincial Treasury database and hard copy publication.
<b>Method of calculation</b>	Date of publication
<b>Data limitations</b>	Not applicable
<b>Type of indicator</b>	Output indicator
<b>Calculation type</b>	Non-cumulative
<b>Reporting cycle</b>	Annually
<b>New indicator</b>	No
<b>Desired performance</b>	To publish timeously to feed into the municipal planning and budgeting processes.
<b>Indicator responsibility</b>	Senior Manager: Local Government Budget Office

## Sub-programme 2.4: Public Finance

### Element: Provincial Government Finance

#### Strategic objective performance indicator

<b>Indicator title 8</b>	Timeous tabling of the Estimates of Provincial Revenue and Expenditure.
<b>Short definition</b>	Tabling of the Estimates of Provincial Revenue and Expenditure within two weeks of the tabling of the national budget.
<b>Purpose/importance</b>	Comply with section 18(1)(a) of the PFMA to prepare a provincial budget in order to monitor the implementation of the budget.
<b>Source/collection of data</b>	The Estimates of Provincial Revenue and Expenditure is available in hard copy an e-copy on database.
<b>Method of calculation</b>	Date of Publication
<b>Data limitations</b>	Not applicable
<b>Type of indicator</b>	Input Indicator
<b>Calculation type</b>	Non-cumulative
<b>Reporting cycle</b>	Annually
<b>New indicator</b>	No
<b>Desired performance</b>	Tabling within two weeks of the tabling of the national budget.
<b>Indicator responsibility</b>	Senior Manager: Provincial Government Finance

#### Programme performance Indicators

<b>Indicator title 8.1</b>	Number of provincial budget assessment reports
<b>Short definition</b>	The number of assessments of provincial budgets to determine the conformance, credibility and sustainability in order to influence the quality of the Estimates of Provincial Revenue and Expenditure.
<b>Purpose/importance</b>	Determining whether the budget is in line with the regulatory framework, based on previous expenditure trends, capacity to spend and that the input mix (economic classification) is realistic to achieve the stated outputs.
<b>Source/collection of data</b>	National and Provincial databases specific for departments and entities. An expenditure model based on past trends and department specific anomalies.
<b>Method of calculation</b>	On an annual basis each of the 14 votes submits their 1st draft budget to the Provincial Treasury by August or September. Provincial Treasury makes an assessment of the draft budget which is utilised for discussion with the department during the PG MTEC 1 engagement. By end of November or early December the 2 <sup>nd</sup> draft budget is submitted whereby again an assessment is made and utilised to for discussion during the PG MTEC2 engagement. A benchmark analysis report is prepared based on the 2 <sup>nd</sup> draft budget for each department, which is used at the discussion with the National Treasury in mid-January.

<b>Data limitations</b>	The assessment is dependent on the quality and completion of databases submitted by departments.
<b>Type of indicator</b>	Output indicator
<b>Calculation type</b>	Cumulative
<b>Reporting cycle</b>	Bi-annually
<b>New indicator</b>	No
<b>Desired performance</b>	Meeting target
<b>Indicator responsibility</b>	Senior Manager: Provincial Government Finance

<b>Indicator title 8.2</b>	No of expenditure reviews.
<b>Short definition</b>	Expenditure review working paper on selected expenditure items.
<b>Purpose/importance</b>	To understand and identify expenditure trends or any potential efficiency gains on selected expenditure items.
<b>Source/collection of data</b>	Past expenditure trends of selected items review papers.
<b>Method of calculation</b>	Simple count
<b>Data limitations</b>	Not applicable
<b>Type of indicator</b>	Input indicator
<b>Calculation type</b>	Non-cumulative
<b>Reporting cycle</b>	Annually
<b>New indicator</b>	New
<b>Desired performance</b>	Meeting target
<b>Indicator responsibility</b>	Senior Manager: Provincial Government Finance

<b>Indicator title 8.3</b>	Number of quarterly reports on the implementation of the budget.
<b>Short definition</b>	Reports submitted to Cabinet and Parliament on the performance of the implementation of the provincial budget.
<b>Purpose/importance</b>	To provide oversight information (financial and non-financial information) on the implementation of the provincial budget/Estimates of Provincial Revenue and Expenditure.
<b>Source/collection of data</b>	Information derived from the In-year monitoring (IYM) reports and Quarterly Performance Reports (QPRs) submitted to the Provincial Treasury by the provincial departments.
<b>Method of calculation</b>	Simple count
<b>Data limitations</b>	Not applicable
<b>Type of indicator</b>	Input and output indicator
<b>Calculation type</b>	Cumulative
<b>Reporting cycle</b>	Quarterly
<b>New indicator</b>	No
<b>Desired performance</b>	Within 45 days after the end of the particular quarter or date determined by Parliament.
<b>Indicator responsibility</b>	In-year Monitoring (IYM) Coordinator

**Element: Local Government Finance Group 1 and 2****Strategic objective performance indicators**

<b>Indicator title 9</b>	Number of quarterly reports on the implementation of municipal budgets
<b>Short definition</b>	Number of reports submitted to cabinet and parliament on the performance of municipalities on the implementation of their budgets.
<b>Purpose/importance</b>	Legislative requirement to report to the cabinet and parliament on the performance of municipalities on the implementation of the budget, as per section 71 of the MFMA.
<b>Source/collection of data</b>	Municipalities, NT LG-Data base
<b>Method of calculation</b>	Simple count
<b>Data limitations</b>	Data Integrity of Information received from municipalities
<b>Type of indicator</b>	Output Indicator
<b>Calculation type</b>	Cumulative
<b>Reporting cycle</b>	Quarterly
<b>New indicator</b>	No
<b>Desired performance</b>	Improved IYM reporting from municipalities, and improved Cabinet reporting to Parliament, Cabinet and relevant stakeholders.
<b>Indicator responsibility</b>	Senior Manager: Local Government Finance (Group 1) and Senior Manager: Local Government Finance (Group 2)

**Programme performance indicators**

<b>Indicator title 9.1</b>	Number of monthly IYM assessment reports on the implementation of the municipal budget.
<b>Short definition</b>	Number of monthly IYM reports on the monthly spending.
<b>Purpose/importance</b>	Legislative requirement to monitor the implementation of the budget in terms of conformance, accountability, data integrity, sustainability and efficiencies, as per section 71 of the MFMA.
<b>Source/collection of data</b>	Municipalities, NT LG-Data base
<b>Method of calculation</b>	Simple count - Monthly municipal IYM Assessment reports
<b>Data limitations</b>	Data Integrity of Information received from municipalities
<b>Type of indicator</b>	Output Indicator
<b>Calculation type</b>	Cumulative (30 assessments per month plus 1 consolidated report)
<b>Reporting cycle</b>	Quarterly
<b>New indicator</b>	No
<b>Desired performance</b>	Improved IYM reporting from municipalities.
<b>Indicator responsibility</b>	Senior Manager: Local Government Finance (Group 1) and Senior Manager: Local Government Finance (Group 2)

<b>Indicator title 9.2</b>	Number of municipal budget assessment reports.
<b>Short definition</b>	Draft municipal budgets assessed to improve conformance, credibility, and sustainability.
<b>Purpose/importance</b>	Compliance with section 22 and 23 of the MFMA.
<b>Source/collection of data</b>	From the Municipality: Municipal draft budgets.
<b>Method of calculation</b>	Sum Total of municipal budget assessment reports.
<b>Data limitations</b>	Quality of Budget documentations received from municipalities.
<b>Type of indicator</b>	Output indicator
<b>Calculation type</b>	Non-cumulative
<b>Reporting cycle</b>	Annually
<b>New indicator</b>	No
<b>Desired performance</b>	Improved Municipal Budgets (in terms of credibility, sustainability and conformance to all related legislation).
<b>Indicator responsibility</b>	Senior Manager: Local Government Finance (Group 1) and Senior Manager: Local Government Finance (Group 2)

<b>Indicator title 9.3</b>	Number of reports on MFMA implementation.
<b>Short definition</b>	Number of Quarterly reports on MFMA implementation.
<b>Purpose/importance</b>	To improve IGR and coordination within and across PT, other departments, and relevant stakeholders to improve conformance and performance in municipalities.
<b>Source/collection of data</b>	Status reports from the various MFMA directorates and the Department of Local Government as inputs into the consolidated report submitted to the National Treasury.
<b>Method of calculation</b>	Simple count
<b>Data limitations</b>	Quality of respective reports received from various MFMA directorates and the Department of Local Government.
<b>Type of indicator</b>	Output Indicator
<b>Calculation type</b>	Cumulative
<b>Reporting cycle</b>	Quarterly
<b>New indicator</b>	No
<b>Desired performance</b>	Coordinated reporting.
<b>Indicator responsibility</b>	Senior Manager: Local Government Finance (Group 1) and Senior Manager: Local Government Finance (Group 2)

<b>Indicator title 9.4</b>	Number of efficiency assessments on selected municipal budget expenditure items
<b>Short definition</b>	Working paper on selected municipal budget expenditure items.
<b>Purpose/importance</b>	To identify expenditure efficiency within municipalities to assist in reducing wasteful expenditure.

<b>Source/collection of data</b>	Municipal budgets and IYM reports on database.
<b>Method of calculation</b>	Assessment report on selected expenditure items.
<b>Data limitations</b>	Data Integrity of Information received from municipalities.
<b>Type of indicator</b>	Output Indicator
<b>Calculation type</b>	Non-cumulative
<b>Reporting cycle</b>	Annually
<b>New indicator</b>	No
<b>Desired performance</b>	Improved expenditure trends/patterns within municipalities.
<b>Indicator responsibility</b>	Senior Manager: Local Government Finance (Group 1) and Senior Manager: Local Government Finance (Group 2)

## Element: Infrastructure

### Strategic objective performance indicator

<b>Indicator title 10</b>	Number of assessments on the institutionalisation of the WCIDMS.
<b>Short definition</b>	This indicator relates to an Infrastructure Delivery Management System (IDMS) for infrastructure delivery and construction procurement necessary to deliver, operate and maintain infrastructure, capacitate delivery and facilitate a uniform approach to infrastructure delivery. Infrastructure will be rolled out to 5 Departments (Public Works, Roads, Education, Health and Human Settlements).
<b>Purpose/importance</b>	It is aimed to facilitate integration and promote seamless delivery through a holistic approach of viewing infrastructure delivery as the management of all aspects of the life cycle of immovable assets.
<b>Source/collection of data</b>	Quarterly Performance Report
<b>Method of calculation</b>	Simple count
<b>Data limitations</b>	Rate of implementation of key principles by departments.
<b>Type of indicator</b>	Inputs, activities, outputs, impact and efficiency.
<b>Calculation type</b>	Non-cumulative
<b>Reporting cycle</b>	Annually
<b>New indicator</b>	No
<b>Desired performance</b>	Greater compliance to WCIDMS and increase infrastructure delivery to Level 3+.
<b>Indicator responsibility</b>	Senior Manager: Infrastructure

**Programme performance indicators**

<b>Indicator title 10.1</b>	Number of asset management plans assessed.
<b>Short definition</b>	The number of U-AMPs/C-AMPs assessed.
<b>Purpose/importance</b>	It is a legislative requirement to assess the quality and monitor GIAMA compliance of departments' U-AMPs.
<b>Source/collection of data</b>	Submission of U-AMPs by departments.
<b>Method of calculation</b>	Simple count
<b>Data limitations</b>	Depends on the accuracy of the information and the timeous submission of the U-AMPs by departments.
<b>Type of indicator</b>	Output
<b>Calculation type</b>	Cumulative
<b>Reporting cycle</b>	Bi-annually
<b>New indicator</b>	No
<b>Desired performance</b>	28 assessments
<b>Indicator responsibility</b>	Senior Manager: Infrastructure

<b>Indicator title 10.2</b>	Number of infrastructure expenditure reports assessed.
<b>Short definition</b>	To assess and monitor projected project cash flows against actual project cash flows and to identify early challenges.
<b>Purpose/importance</b>	It is a legislative requirement (DORA: Incentive Grant) and it will assist the departments to effectively plan and manage infrastructure delivery in order to improve general service delivery to public.
<b>Source/collection of data</b>	Quarterly Performance Report
<b>Method of calculation</b>	Simple count
<b>Data limitations</b>	Accuracy and availability of data from departments.
<b>Type of indicator</b>	Outputs/Activities
<b>Calculation type</b>	Cumulative
<b>Reporting cycle</b>	Quarterly
<b>New indicator</b>	No
<b>Desired performance</b>	Improved infrastructure expenditure and delivery levels.
<b>Indicator responsibility</b>	Senior Manager: Infrastructure

<b>Indicator title 10.3</b>	Number of infrastructure project delivery assessments.
<b>Short definition</b>	To assess potential contribution of investment decisions and to gain more insight into the impact thereof.
<b>Purpose/importance</b>	This will provide intelligence about potential impact of investment and will enable Treasury to improve budget allocations for infrastructure projects. 10 Projects or Impact Delivery assessments to establish the impact of the infrastructure on the community.
<b>Source/collection of data</b>	Project Business Cases; site visits, project operations and maintenance reports, minutes of project meetings.
<b>Method of calculation</b>	Simple count
<b>Data limitations</b>	Depends on the accuracy of the information and the timeous submission of the source documentation listed above.
<b>Type of indicator</b>	Outputs
<b>Calculation type</b>	Cumulative
<b>Reporting cycle</b>	Bi-annually
<b>New indicator</b>	No
<b>Desired performance</b>	Infrastructure project delivery that addresses socio-economic requirements and delivery in accordance with the plan.
<b>Indicator responsibility</b>	Deputy Directors

## Element: Business Information and Data Management

### Strategic objective performance indicator

<b>Indicator title 11</b>	An available central repository.
<b>Short definition</b>	To avail a platform to PT Employees for the safeguarding of financial and performance information to enable proper decision-making and credible publications.
<b>Purpose/importance</b>	Ensure the availability of information to Provincial Treasury officials.
<b>Source/collection of data</b>	PT allotted space on a Ce-I file server
<b>Method of calculation</b>	Simple count
<b>Data limitations</b>	Quality of data sets received from the various Programmes.
<b>Type of indicator</b>	Output indicator
<b>Calculation type</b>	Non-cumulative
<b>Reporting cycle</b>	Annually
<b>New indicator</b>	Revised indicator
<b>Desired performance</b>	Operational and available centralised repository.
<b>Indicator responsibility</b>	Senior Manager: Business Information and Data Management

**Programme performance indicators**

<b>Indicator title 11.1</b>	Number of datasets managed.
<b>Short definition</b>	Datasets managed for use of Provincial Treasury officials, departments and public entities and conformance to applicable legislation.
<b>Purpose/importance</b>	Processing data from periodic reporting formats as well as from raw data sourced from various systems into information datasets to inform evidence based PT decision-making.
<b>Source/collection of data</b>	The four datasets are compiled using different data sources. The IYM Dataset uses the IYM database as its data source. The Master Provincial Dataset is compiled from an amalgam of the NTMTEC Database and the IYM Database. The Spatial Spending Dataset is formulated from data available in the Vulindlela Database. The IRM Database serves as the data source for the IRM Dataset.
<b>Method of calculation</b>	Simple count
<b>Data limitations</b>	Uptime of systems and format of data.
<b>Type of indicator</b>	Output indicator
<b>Calculation type</b>	Non-cumulative
<b>Reporting cycle</b>	Quarterly
<b>New indicator</b>	No
<b>Desired performance</b>	Production of four datasets per quarter.
<b>Indicator responsibility</b>	Senior Manager: Business Information and Data Management

<b>Indicator title 11.2</b>	Number of budget process plans managed.
<b>Short definition</b>	This indicator refers to the planning for the LG MTEC 3, PG MTEC 1 and PG MTEC 2 processes during the financial year under review (Provincial and Municipal).
<b>Purpose/importance</b>	Illustrates the timelines and internal deadlines of the various MTEC processes within Provincial Treasury. This in turn can provide for better planning and implementation of budget processes.
<b>Source/collection of data</b>	Provincial budget process: National Treasury MTEF Guidelines and Budget Process Schedule, the Western Cape Cabinet calendar programme, the Western Cape Parliament parliamentary programme, Budget Circulars and Treasury Circulars. Municipal budget process and Provincial Circulars: National Treasury Municipal Budget Circular for the Medium Term Revenue and Expenditure Framework.
<b>Method of calculation</b>	Simple count: Provincial – PG MTEC 1 and PG MTEC 2 and Municipal - LG MTEC 3
<b>Data limitations</b>	Quality of data received from departments and municipalities.
<b>Type of indicator</b>	Output indicator
<b>Calculation type</b>	Cumulative
<b>Reporting cycle</b>	Quarterly
<b>New indicator</b>	No
<b>Desired performance</b>	Management of budget processes in accordance with budget process plans.
<b>Indicator responsibility</b>	Senior Manager: Business Information and Data Management

## Programme 3 – Asset Management

### Sub-programme 3.1: Programme Support

#### Strategic objective performance indicator

<b>Indicator title 12</b>	Percentage of Programme 3 – Asset Management's programme performance indicator targets achieved
<b>Short definition</b>	Percentage of Programme 3 – Asset Management's performance indicators achieved as per the Annual Performance Plan.
<b>Purpose/importance</b>	To ensure that departmental goals and objectives are achieved.
<b>Source/collection of data</b>	Annual Performance Plan, Quarterly Performance Reports and Annual Report
<b>Method of calculation</b>	Numerator: Number of achieved performance indicator targets Denominator: Number of planned performance indicator targets
<b>Data limitations</b>	None
<b>Type of indicator</b>	Output
<b>Calculation type</b>	Non-cumulative
<b>Reporting cycle</b>	Annually
<b>New indicator</b>	Yes
<b>Desired performance</b>	Optimum achievement of the planned targets
<b>Indicator responsibility</b>	Programme Manager

#### Programme performance indicators

<b>Indicator title 12.1</b>	Number of quarterly performance reports for Programme 3 – Asset Management submitted.
<b>Short definition</b>	Number of quarterly reports submitted on the performance of Programme 3 – Asset Management.
<b>Purpose/importance</b>	To monitor progress towards the achievement of targets and to institute timeous remedial actions.
<b>Source/collection of data</b>	Progress reports submitted by sub-programme and element managers.
<b>Method of calculation</b>	Simple count
<b>Data limitations</b>	None
<b>Type of indicator</b>	Activities and output
<b>Calculation type</b>	Cumulative
<b>Reporting cycle</b>	Quarterly
<b>New indicator</b>	Yes
<b>Desired performance</b>	Actual performance equal to targeted performance is desirable.
<b>Indicator responsibility</b>	Programme Manager

## Sub-programme 3.2: Supply Chain Management

### Element: Supply Chain Management: Provincial Government

#### Strategic objective performance Indicator

<b>Indicator title 13</b>	Number of departments assisted to continuously improve management of supply chain and movable assets.
<b>Short definition</b>	Number of departments assisted in building their capacity to enable them to respond more effectively and efficiently to their budget allocation in respect of goods and services.
<b>Purpose/importance</b>	To assist departments in attaining the desired level of financial capability for SCM and moveable asset management that meets conformance and performance requirements and service delivery.
<b>Source/collection of data</b>	<ul style="list-style-type: none"> <li>• Departmental implementation plans; procurement plans, CGRO action plans</li> <li>• SCM and moveable asset management assessment reports and departmental annual reports, AG's report and AGSA management letters, MTEC reports</li> <li>• Query/opinion and complaint's registers held by the unit as well as helpdesk incident reports</li> <li>• Departmental procurement statistical reporting, monthly and quarterly reports, BAS, LOGIS, Vulindlela and KITSO reports; Western Cape Supplier Data base information</li> <li>• SCM and moveable asset management intervention training reports</li> <li>• Strategic sourcing intervention reports, business cases, tools, assessment reports, presentations, etc.</li> <li>• Unit's shared drive that houses all departmental data information.</li> </ul>
<b>Method of calculation</b>	Simple count
<b>Data limitations</b>	Quality and integrity of data is dependent on external sources and stakeholders and is outside of the Department's control and financial systems and tools that are not integrated.
<b>Type of indicator</b>	Input, output and Outcomes
<b>Calculation type</b>	Non-cumulative
<b>Reporting cycle</b>	Annually
<b>New indicator</b>	No
<b>Desired performance</b>	Enhanced departmental capacity and compliance to SCM and moveable asset management policy and procedure as well as attaining value for money.
<b>Indicator responsibility</b>	Senior Manager: Provincial Government Supply Chain Management

**Programme performance Indicators**

<b>Indicator title 13.1</b>	Number of departments assisted with the continuous improvements of their supply chain and asset management systems.
<b>Short definition</b>	Number of departments assisted, supported and guided to have and maintain a supply chain and asset management system, which is based on sound financial management principles and standards.
<b>Purpose/importance</b>	Improved financial management performance for SCM and asset management within the Province that facilitates conformance, clean audits and improved financial management performance.
<b>Source/collection of data</b>	<ul style="list-style-type: none"> <li>• Departmental improvement shown on AG's report and AGSA management letters.</li> <li>• Query/opinion and complaint's registers held by the unit as well as helpdesk incident reports and quarterly reports.</li> <li>• Training and/or intervention reports.</li> <li>• CGRO gap/action plans.</li> </ul>
<b>Method of calculation</b>	Simple count
<b>Data limitations</b>	Departmental progress in finalising implementation processes is dependent on its own internal capacity and is outside the control of the unit.
<b>Type of indicator</b>	Output and outcome
<b>Calculation type</b>	Cumulative
<b>Reporting cycle</b>	Quarterly
<b>New indicator</b>	No
<b>Desired performance</b>	Providing departmental support, assistance and guidance that facilitate improved departmental financial capability, addresses better internal control and affords greater accountability and transparency within SCM and moveable asset management.
<b>Indicator responsibility</b>	Senior Manager: Provincial Government Supply Chain Management

<b>Indicator title 13.2</b>	Number of SCM assessment reports
<b>Short definition</b>	Number of SCM assessment reports developed through CGRO assessment reports based on structured assessments and monitored action plans.
<b>Purpose/importance</b>	Give effect to the monitoring and evaluation of departments that addresses issues of capacity and control and gives effect to good governance principles and practices.
<b>Source/collection of data</b>	<ul style="list-style-type: none"> <li>• SCM and moveable asset management assessment reports</li> <li>• Departmental procurement information reporting, monthly and quarterly reports (e.g. statistical, conflicts of interest reports).</li> </ul>
<b>Method of calculation</b>	Simple count

<b>Data limitations</b>	Quality and integrity of data is dependent on external sources and stakeholders and is outside of the unit's control and financial systems and tools that are not integrated.
<b>Type of indicator</b>	Input, output and outcome
<b>Calculation type</b>	Cumulative
<b>Reporting cycle</b>	Quarterly
<b>New indicator</b>	Yes
<b>Desired performance</b>	Enhanced departmental capacity and compliance to SCM and moveable asset management policy and procedure that enables clean audits and efficiencies.
<b>Indicator responsibility</b>	Senior Manager: Provincial Government Supply Chain Management

<b>Indicator title 13.3</b>	Number of interventions for strategic sourcing implementation.
<b>Short definition</b>	To implement functional areas through policy that gives effect to bulk buying and economies of scale for the Province as well as departmental efficiencies in spending and procurement procedures.
<b>Purpose/importance</b>	Value for money and efficiencies attained. Implemented policy that gives effect to bulk buying and economies of scale for the Province as well as departmental efficiencies in spending and procurement procedures.
<b>Source/collection of data</b>	<ul style="list-style-type: none"> <li>• Business cases</li> <li>• Commodity Strategies</li> <li>• Implementation plans</li> <li>• Assessment reports</li> <li>• Tools, templates, frameworks, guides</li> </ul>
<b>Method of calculation</b>	Simple count
<b>Data limitations</b>	Quality and integrity of data is dependent on external sources and stakeholders and is outside of the Department's control and financial systems and tools that are not integrated.
<b>Type of indicator</b>	Input, output, outcome and impact
<b>Calculation type</b>	Cumulative
<b>Reporting cycle</b>	Annually
<b>New indicator</b>	No
<b>Desired performance</b>	Leveraged buying power and value for money in SCM and expenditure management through key linkages within the Provincial Budget Management and Public Finance Units within the Provincial Treasury.
<b>Indicator responsibility</b>	Senior Manager: Provincial Government Supply Chain Management

<b>Indicator title 13.4</b>	Number of supplier engagement sessions held to develop and educate suppliers.
<b>Short definition</b>	Implement supplier development initiatives that are responsive to the Province's socio-economic responsibilities and needs and gives effect to enhancing relationships with Small, Medium and Micro Enterprises (SMMEs) and Black Economic Empowerment (BEE) vendors with the view of building the supplier community to become economically viable.
<b>Purpose/importance</b>	Developing an enabling environment that facilitates Broad Based Black Economic Empowerment (BBBEE) and SMME supplier development initiatives that ensures government's socio-economic responsibility.
<b>Source/collection of data</b>	<ul style="list-style-type: none"> <li>• Quarterly performance and project milestones</li> <li>• Supplier incident/query/complaints register/s</li> <li>• Supplier intervention reports</li> <li>• Monitoring through the units shared drive and reporting on the unit's operational plan</li> </ul>
<b>Method of calculation</b>	Simple count
<b>Data limitations</b>	None
<b>Type of indicator</b>	Output
<b>Calculation type</b>	Cumulative
<b>Reporting cycle</b>	Quarterly
<b>New indicator</b>	No
<b>Desired performance</b>	Developed relationship between vendors that is responsive to provincial procurement requirements.
<b>Indicator responsibility</b>	Senior Manager: Provincial Government Supply Chain Management

## Element: Supply Chain Management: Local Government

### Strategic objective performance indicator

<b>Indicator title 14</b>	Number of municipalities assisted to improve management of supply chain and assets.
<b>Short definition</b>	Number of municipalities assisted in building their capacity to enable them to respond more effectively and efficiently to their budget allocation in respect of goods, services and construction related services.
<b>Purpose/importance</b>	To assist municipalities in attaining the desired level of financial capability for SCM and asset management that meets conformance and performance requirements and service delivery objectives.

<b>Source/collection of data</b>	<ul style="list-style-type: none"> <li>• SCM VC assessment action plans, MGRO Action Plans</li> <li>• IDP, Municipal Budgets, SDBIP and procurement/demand plans</li> <li>• AG's report and AGSA management letters, MTEC reports</li> <li>• SCM Model Policies and other prescribed legislation</li> <li>• Procurement Statistics Reports (CRA reports)</li> <li>• Query/opinion and complaint's registers held by the unit as well as helpdesk reports</li> </ul>
<b>Method of calculation</b>	Simple count
<b>Data limitations</b>	Quality and integrity of data is dependent on external sources and stakeholders and is outside of the Department's control and financial systems and tools that are not integrated.
<b>Type of indicator</b>	Output
<b>Calculation type</b>	Non-cumulative
<b>Reporting cycle</b>	Annually
<b>New indicator</b>	No
<b>Desired performance</b>	Enhanced municipal capacity and compliance to SCM and asset management policy and procedure as well as attaining value for money.
<b>Indicator responsibility</b>	Senior Manager: Local Government Supply Chain Management

### Programme performance Indicators

<b>Indicator title 14.1</b>	Number of municipal SCM and MAM Virtuous Cycle assessment reports.
<b>Short definition</b>	Performing SCM and Asset Management assessments at municipalities, and issuance recommended action plans on identified deficient areas.
<b>Purpose/importance</b>	To assess, promote and enforce effective and prudent financial management through SCM, and ensuring that the entire SCM cycle is applied and that the practices of municipalities are sound and promote governance, transparency and accountability.
<b>Source/collection of data</b>	<ul style="list-style-type: none"> <li>• SCM Virtuous Cycle assessment action plans, MGRO Action Plans for the identified municipality</li> <li>• IDP, Municipal Budgets, SDBIP and procurement/demand plans</li> <li>• AG's report and AGSA management letters, MTEC Reports</li> <li>• SCM Model Policies and other prescribed legislation</li> <li>• Procurement Statistics Reports</li> <li>• Query/opinion and complaint's registers held by the unit as well as helpdesk reports</li> </ul>
<b>Method of calculation</b>	Simple count

<b>Data limitations</b>	<ul style="list-style-type: none"> <li>Quality and integrity of data is dependent on external sources and stakeholders and is outside of the Department's control and financial systems and tools that are not integrated</li> <li>Non-availability of documents from municipalities when requested for review to execute the assessment</li> </ul>
<b>Type of indicator</b>	Output
<b>Calculation type</b>	Cumulative
<b>Reporting cycle</b>	Quarterly
<b>New indicator</b>	No
<b>Desired performance</b>	22 assessments
<b>Indicator responsibility</b>	Senior Manager: Local Government Supply Chain Management

<b>Indicator title 14.2</b>	Number of municipalities assisted with construction procurement planning.
<b>Short definition</b>	Number of municipalities assisted with designing and developing principles/framework/policy for construction procurement strategy.
<b>Purpose/importance</b>	Set the principles which will enhance planning for and fast tracking of capital expenditure, and creating an environment for institutions to respond quicker and efficiently to service delivery needs.
<b>Source/collection of data</b>	<ul style="list-style-type: none"> <li>Construction Industry Development Board (CIDB) practice notes</li> <li>Infrastructure Delivery Management System/guidelines</li> <li>International (European and Canadian models) standards on Construction Procurement Systems.</li> </ul>
<b>Method of calculation</b>	Simple count
<b>Data limitations</b>	Quality and integrity of data is dependent on external sources and international benchmarks, which might not be relevant to South African Local Government environment.
<b>Type of indicator</b>	Input, output, outcomes and targets (departmental long-term goals)
<b>Calculation type</b>	Cumulative
<b>Reporting cycle</b>	Quarterly
<b>New indicator</b>	Revised
<b>Desired performance</b>	<ul style="list-style-type: none"> <li>Enhanced municipal capacity and compliance to CIDB legislation, and appropriate capital expenditure, and ensuring appropriate quality infrastructure.</li> <li>Gearing municipalities to sufficiently support and operationalise the National Development Plan principles and goals.</li> </ul>
<b>Indicator responsibility</b>	Senior Manager: Local Government Supply Chain Management

<b>Indicator title 14.3</b>	Number of structured municipal training interventions.
<b>Short definition</b>	Number of structured training interventions for the identified SCM and asset management deficiencies; develop training interventions to address deficiencies and develop SCM capacity within municipalities.
<b>Purpose/importance</b>	To assist municipalities in attaining a Level 3+ financial capability for SCM and asset management, and application of good governance principles and practices.
<b>Source/collection of data</b>	<ul style="list-style-type: none"> <li>• SCM Virtuous Cycle assessment action plans, MGRO Action Plans</li> <li>• IDP, Municipal Budgets, SDBIP and procurement/demand plans</li> <li>• AG's report and AGSA management letters, MTEC Reports</li> <li>• SCM Model Policies, prescribed legislation and policy</li> <li>• Procurement Statistics Reports</li> <li>• Query/opinion and complaint's registers held by the unit as well as helpdesk reports</li> </ul>
<b>Method of calculation</b>	Simple count
<b>Data limitations</b>	Unavailability of defined SCM training materials, and Quality and integrity of data is dependent on external sources outside of the Department.
<b>Type of indicator</b>	Inputs and outputs
<b>Calculation type</b>	Cumulative
<b>Reporting cycle</b>	Quarterly
<b>New indicator</b>	No
<b>Desired performance</b>	Enhanced Municipal capacity that addresses better control over SCM and asset management policy and procedures and affords greater accountability and transparency within SCM.
<b>Indicator responsibility</b>	Senior Manager: Local Government Supply Chain Management

<b>Indicator title 14.4</b>	Number of municipalities assisted with supplier database and asset management system integrated with FMS.
<b>Short definition</b>	Implementation of one supplier Database for the government institutions in the Western Cape, inclusive of National, Provincial and local government spheres.
<b>Purpose/importance</b>	To assist municipalities in strengthen the governance requirements and prescripts.
<b>Source/collection of data</b>	Database lists from all 30 municipalities in the Province; and Suppliers in the Province.
<b>Method of calculation</b>	Simple count
<b>Data limitations</b>	Supplies not registering on the database
<b>Type of indicator</b>	Input, Output, outcomes and targets (long term goal)
<b>Calculation type</b>	Cumulative
<b>Reporting cycle</b>	Annually
<b>New indicator</b>	No
<b>Desired performance</b>	Improves governance controls and further enables the provincial government and municipalities to analyse their spending patterns and respond to the economic challenges per district and municipal area.
<b>Indicator responsibility</b>	Senior Manager: Local Government Supply Chain Management

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

#### Strategic objective performance Indicator

<b>Indicator title 15</b>	Number of votes assisted to effectively utilise the suite of financial systems.
<b>Short definition</b>	Number of votes assisted in the implementation, management and oversight of provincially operated financial systems and transition to new or replacement systems.
<b>Purpose/importance</b>	Improve financial system management in the Province by training of system users in accordance with their system profiles; maintenance of effective user account management; the further development of integrated training interventions to promote the correct and optimal use of financial systems; and steps to enhance to enhance the validity and veracity of data.
<b>Source/collection of data</b>	Transversal systems, project plans, call log registers, training database, KITSO and PERSAL share.
<b>Method of calculation</b>	Simple count
<b>Data limitations</b>	Availability of training databases, reports or credible information.
<b>Type of indicator</b>	Input
<b>Calculation type</b>	Non-cumulative
<b>Reporting cycle</b>	Annually
<b>New indicator</b>	No
<b>Desired performance</b>	Appropriately trained system users, optimal utilisation of systems and integrity of data.
<b>Indicator responsibility</b>	Senior Manager: Supporting and Interlinked Financial Systems

#### Programme performance Indicators

<b>Indicator title 15.1</b>	Number of institutions provided with an effective user account management service.
<b>Short definition</b>	To ensure that effective user account management is executed and maintained, generic policies exist for the management of transversal systems, users are trained in accordance with their profiles, effective user support service is provided.
<b>Purpose/importance</b>	The effective management of transversal systems and veracity of data.
<b>Source/collection of data</b>	Transversal systems, training database, reports, KITSO and PERSAL share.
<b>Method of calculation</b>	Simple count
<b>Data limitations</b>	The availability of the systems and system-generated reports.
<b>Type of indicator</b>	Output
<b>Calculation type</b>	Non-cumulative
<b>Reporting cycle</b>	Quarterly
<b>New indicator</b>	No
<b>Desired performance</b>	The effective management, optimal utilisation of transversal systems and integrity of data.
<b>Indicator responsibility</b>	Senior Manager: Supporting and Interlinked Financial Systems

<b>Indicator title 15.2</b>	Compilation and implementation of a project plan for the migration to the IFMS.
<b>Short definition</b>	A project plan that incorporates the clean-up and updating of data (e.g. asset registers) of departments, the implementation of GRAP17, the centralisation of item records on LOGIS and the migration of asset registers maintained on sub-systems to LOGIS.
<b>Purpose/importance</b>	To ensure the standardisation of systems and integrity of data for the programmatic migration to the IFMS.
<b>Source/collection of data</b>	System reports/downloads
<b>Method of calculation</b>	Simple count
<b>Data limitations</b>	Resource availability and readiness of the Departments/Institutions for implementation.
<b>Type of indicator</b>	Output
<b>Calculation type</b>	Non-cumulative
<b>Reporting cycle</b>	Quarterly
<b>New indicator</b>	Yes
<b>Desired performance</b>	Integrity of data being programmatically migrated to the IFMS.
<b>Indicator responsibility</b>	Senior Manager: Supporting and Interlinked Financial Systems

<b>Indicator title 15.3</b>	Number of votes where the Integrated Procurement Solution (IPS) is implemented.
<b>Short definition</b>	The implementation of e-procurement solution that complies with user and legislative requirements.
<b>Purpose/importance</b>	To ensure compliance to legislative and supply chain management prescripts.
<b>Source/collection of data</b>	A mutually agreed project plan
<b>Method of calculation</b>	Simple count
<b>Data limitations</b>	Resource availability and readiness of the institution for implementation.
<b>Type of indicator</b>	Output
<b>Calculation type</b>	Non-cumulative
<b>Reporting cycle</b>	Quarterly
<b>New indicator</b>	No
<b>Desired performance</b>	The successful implementation in accordance with the mutually agreed project plan.
<b>Indicator responsibility</b>	Senior Manager: Supporting and Interlinked Financial Systems

## Programme 4 – Financial Governance

### Sub-programme 4.1: Programme Support

#### Strategic objective performance indicator

<b>Indicator title 16</b>	Percentage of Programme 4 – Financial Governance's programme performance indicator targets achieved
<b>Short definition</b>	Percentage of Programme 4 – Financial Governance's performance indicators achieved as per the Annual Performance Plan.
<b>Purpose/importance</b>	To ensure that departmental goals and objectives are achieved.
<b>Source/collection of data</b>	Annual Performance Plan, Quarterly Performance Reports and Annual Report.
<b>Method of calculation</b>	Numerator: Number of achieved performance indicator targets Denominator: Number of planned performance indicator targets
<b>Data limitations</b>	None
<b>Type of indicator</b>	Output
<b>Calculation type</b>	Non-cumulative
<b>Reporting cycle</b>	Annually
<b>New indicator</b>	Yes
<b>Desired performance</b>	Optimum achievement of the planned targets.
<b>Indicator responsibility</b>	Programme Manager

#### Programme performance indicators

<b>Indicator title 16.1</b>	Number of quarterly performance reports for Programme 4 – Financial Governance submitted.
<b>Short definition</b>	Number of quarterly reports submitted on the performance of Programme 4 – Financial Governance.
<b>Purpose/importance</b>	To monitor progress towards the achievement of targets and to institute timeous remedial actions.
<b>Source/collection of data</b>	Progress reports submitted by sub-programme and element managers.
<b>Method of calculation</b>	Simple count
<b>Data limitations</b>	None
<b>Type of indicator</b>	Activities and output
<b>Calculation type</b>	Cumulative
<b>Reporting cycle</b>	Quarterly
<b>New indicator</b>	Yes
<b>Desired performance</b>	Actual performance equal to targeted performance is desirable.
<b>Indicator responsibility</b>	Programme Manager

## Sub-programme 4.2: Accounting Services

### Element: Local Government Accounting

#### Strategic objective performance indicator

<b>Indicator title 17</b>	Number of municipalities supported to comply with the GRAP Standards.
<b>Short definition</b>	Support 30 municipalities to ensure compliance with the accounting reporting framework.
<b>Purpose/importance</b>	Assists municipalities to comply with section 122 of the MFMA, to prepare AFS according to GRAP Reporting Framework.
<b>Source/collection of data</b>	AFS assessments are available in hard copy and e-copy on a central database.
<b>Method of calculation</b>	Simple count
<b>Data limitations</b>	Not applicable
<b>Type of indicator</b>	Output
<b>Calculation type</b>	Non-cumulative
<b>Reporting cycle</b>	Annually
<b>New indicator</b>	No
<b>Desired performance</b>	The assessment of 30 municipalities fully complies the accounting reporting framework.
<b>Indicator responsibility</b>	Senior Manager: Local Government Accounting

#### Programme performance Indicators

<b>Indicator title 17.1</b>	Number of municipalities assessed against the accounting reporting framework.
<b>Short definition</b>	Assessing all municipalities against the accounting framework.
<b>Purpose/importance</b>	Support municipalities to comply with section 122 of the MFMA, to prepare AFS according to GRAP Reporting Framework.
<b>Source/collection of data</b>	Assessments on audited AFS based on the GRAP disclosure checklist available (an approved assessment tool used by the team).
<b>Method of calculation</b>	Simple count
<b>Data limitations</b>	Not applicable
<b>Type of indicator</b>	Output
<b>Calculation type</b>	Non-cumulative
<b>Reporting cycle</b>	Quarterly
<b>New indicator</b>	No
<b>Desired performance</b>	The assessment of 30 municipalities fully implemented the accounting reporting framework.
<b>Indicator responsibility</b>	Senior Manager: Local Government Accounting

<b>Indicator title 17.2</b>	Number of municipalities supported and monitored on SCOA implementation.
<b>Short definition</b>	Assessing Municipalities on their compliance with the Standard Chart of Accounts piloting process.
<b>Purpose/importance</b>	Comply with SCOA gazette 37577 gazetted 22 April 2014
<b>Source/collection of data</b>	Assessment of Implementation Plans, Risk Matrix Reports and Minutes of meetings as evidence of support.
<b>Method of calculation</b>	Simple count
<b>Data limitations</b>	Not applicable
<b>Type of indicator</b>	Output
<b>Calculation type</b>	Cumulative
<b>Reporting cycle</b>	Bi-annually
<b>New indicator</b>	No
<b>Desired performance</b>	Implementation of SCOA in terms of legislated dates.
<b>Indicator responsibility</b>	Senior Manager: Local Government Accounting

<b>Indicator title 17.3</b>	Number of accounting support interventions.
<b>Short definition</b>	Number of risk based accounting interventions rolled out bi-annually.
<b>Purpose/importance</b>	To capacitate municipal officials by providing bespoke interventions to ensure compliance with GRAP Reporting Framework.
<b>Source/collection of data</b>	Manual attendance register
<b>Method of calculation</b>	Simple count
<b>Data limitations</b>	Dependent on the accuracy of the registers
<b>Type of indicator</b>	Output
<b>Calculation type</b>	Cumulative
<b>Reporting cycle</b>	Bi-annually
<b>New indicator</b>	No
<b>Desired performance</b>	Roll out interventions bi-annually.
<b>Indicator responsibility</b>	Senior Manager: Local Government Accounting

<b>Indicator title 17.4</b>	Percentage of municipal financial assessments on submitted AFS.
<b>Short definition</b>	Compile assessment reports for municipalities on the LG MTEC and MGRO.
<b>Purpose/importance</b>	To support municipalities in the achievement of funded budget and clean governance.
<b>Source/collection of data</b>	AFS received and municipal financial assessments done.
<b>Method of calculation</b>	Numerator: Number of financial assessments on AFS completed. Denominator: Number of AFS received.
<b>Data limitations</b>	Not applicable
<b>Type of indicator</b>	Output
<b>Calculation type</b>	Non-cumulative
<b>Reporting cycle</b>	Bi-annually
<b>New indicator</b>	No
<b>Desired performance</b>	Produce financial assessment on LG MTEC and MGRO.
<b>Indicator responsibility</b>	Senior Manager: Local Government Accounting

## Element: Provincial Government Accounting and Compliance

### Strategic objective performance indicators

<b>Indicator title 18</b>	Number of votes assisted to comply with financial accounting and governance norms and standards.
<b>Short definition</b>	Roll-out of accounting policy frameworks to 14 Votes.
<b>Purpose/importance</b>	Full compliance by all votes with the accounting frameworks.
<b>Source/collection of data</b>	NT guidelines on AFS/Interim Financial Statements (IFS) rolled out to all votes via workshops, circulars and Forum meetings for implementation.
<b>Method of calculation</b>	Simple count
<b>Data limitations</b>	Inadequate skills and system support.
<b>Type of indicator</b>	Output
<b>Calculation type</b>	Non-cumulative
<b>Reporting cycle</b>	Annually
<b>New indicator</b>	No
<b>Desired performance</b>	Unqualified audit opinion with no findings (Clean audits).
<b>Indicator responsibility</b>	Senior Manager: Provincial Government Accounting

**Programme performance indicators**

<b>Indicator title 18.1</b>	Number of votes assessed against the applicable accounting and norms and standards requirements.
<b>Short definition</b>	Effective roll-out of accounting policy frameworks that leads to clean audits.
<b>Purpose/importance</b>	To improve the financial management capability (FMC) of departments and entities to Level 3 and beyond.
<b>Source/collection of data</b>	NT guidelines on AFS/IFS (reporting frameworks and GRAP standards), bi-lateral engagements with clients and NT, workshops and training, CFO/FA/AGSA fora and AGSA audit reports.
<b>Method of calculation</b>	Simple count
<b>Data limitations</b>	Poor quality AFS submitted that requires corrections of material misstatements during audit process.
<b>Type of indicator</b>	Outcomes
<b>Calculation type</b>	Non-cumulative
<b>Reporting cycle</b>	Quarterly
<b>New indicator</b>	No
<b>Desired performance</b>	Unqualified audit opinion with no findings (Clean audits).
<b>Indicator responsibility</b>	Senior Manager: Provincial Government Accounting

<b>Indicator title 18.2</b>	Number of accounting training interventions.
<b>Short definition</b>	Provide structured training to build and maintain accounting capacity.
<b>Purpose/importance</b>	To improve the accounting skill level of staff in order to comply with the latest accounting reforms.
<b>Source/collection of data</b>	Analyses of the training needs of all accounting staff. PT SIFS Training database.
<b>Method of calculation</b>	Simple count
<b>Data limitations</b>	Inadequate nominations of candidates for training to make up a class.
<b>Type of indicator</b>	Output
<b>Calculation type</b>	Cumulative
<b>Reporting cycle</b>	Quarterly
<b>New indicator</b>	No
<b>Desired performance</b>	To establish and maintain competent accounting staff base across the Province to raise the FMC level to 3+
<b>Indicator responsibility</b>	Senior Manager: Provincial Government Accounting and Compliance

<b>Indicator title 18.3</b>	Timeous Publication and tabling of the ACFS.
<b>Short definition</b>	Compilation and publication of the ACFS for the Province in respect of departments and entities.
<b>Purpose/importance</b>	It's a PFMA imperative to inform the Provincial Government and other users of the position and performance of the Province.
<b>Source/collection of data</b>	Audited AFS of votes, entities, PRF, departmental appropriation statements and relevant audit reports.
<b>Method of calculation</b>	1 Month after receipt of Audit report
<b>Data limitations</b>	Dependent on the audit outcomes of the financial statements of the departments, the PRF and entities.
<b>Type of indicator</b>	Activity
<b>Calculation type</b>	Non-cumulative
<b>Reporting cycle</b>	Annually
<b>New indicator</b>	No
<b>Desired performance</b>	Compliance with Section 19 of the PFMA.
<b>Indicator responsibility</b>	Senior Manager: Provincial Government Accounting

<b>Indicator title 18.4</b>	Number of CGRO assessment reports coordinated per vote.
<b>Short definition</b>	Integrated approach to address audit and governance issues through Governance Action Plans (GAPs).
<b>Purpose/importance</b>	To achieve higher levels of governance by improving the financial management capability of departments and entities.
<b>Source/collection of data</b>	Cabinet Submissions and Governance Action Plans (GAPs)
<b>Method of calculation</b>	Simple count
<b>Data limitations</b>	Institutionalisation of the CGRO process.
<b>Type of indicator</b>	Outcome
<b>Calculation type</b>	Cumulative
<b>Reporting cycle</b>	Quarterly
<b>New indicator</b>	No
<b>Desired performance</b>	Improving the FMC level
<b>Indicator responsibility</b>	Senior Manager: Provincial Government Accounting

<b>Indicator title 18.5</b>	Number of interventions to institutionalise internal control units within departments.
<b>Short definition</b>	Standardisation of the key responsibilities for internal control units in the Province.
<b>Purpose/importance</b>	Effective monitoring of compliance of the internal control systems of departments.
<b>Source/collection of data</b>	Compliance Verification Assessment Reports
<b>Method of calculation</b>	Simple count
<b>Data limitations</b>	Incomplete self – assessments and delays in obtaining the information
<b>Type of indicator</b>	Output
<b>Calculation type</b>	Cumulative
<b>Reporting cycle</b>	Quarterly
<b>New indicator</b>	No
<b>Desired performance</b>	Department and provincial functional structure aligned.
<b>Indicator responsibility</b>	Senior Manager: Provincial Government Accounting

### Sub-programme 4.3: Corporate Governance

#### Strategic objective performance Indicator

<b>Indicator title 19</b>	Number of municipalities assisted to improve corporate governance.
<b>Short definition</b>	Municipalities assisted to improve corporate governance in risk management, internal audit, compliance to the MFMA and delegations.
<b>Purpose/importance</b>	To improve the FMC level of 30 municipalities
<b>Source/collection of data</b>	FMC assessments
<b>Method of calculation</b>	Simple count
<b>Data limitations</b>	Municipal leadership and limited integration of systems
<b>Type of indicator</b>	Output
<b>Calculation type</b>	Cumulative
<b>Reporting cycle</b>	Annually
<b>New indicator</b>	No
<b>Desired performance</b>	Annually published MGRO and unqualified audit opinion with no other matters.
<b>Indicator responsibility</b>	Senior Manager: Financial Governance

**Programme performance Indicators**

<b>Indicator title 19.1</b>	Number of municipal support interventions on BTO capacitation and development.
<b>Short definition</b>	To coordinate and support municipalities with skills development and capacitation.
<b>Purpose/importance</b>	To improve the FMC level of municipalities through 15 support interventions that will lead to the improvement of corporate governance. One intervention may cover all 30 municipalities. Different types of interventions are enumerated in the operational plan.
<b>Source/collection of data</b>	FMC assessments
<b>Method of calculation</b>	Simple count
<b>Data limitations</b>	Municipal leadership and limited integration of systems.
<b>Type of indicator</b>	Output
<b>Calculation type</b>	Cumulative
<b>Reporting cycle</b>	Quarterly
<b>New indicator</b>	No
<b>Desired performance</b>	To institutionalise NT capacity building frameworks in all municipalities and drive capacity at selected municipalities to the Level 3 FMC Model.
<b>Indicator responsibility</b>	Senior Manager: Financial Governance

<b>Indicator title 19.2</b>	Number of MGRO assessment reports coordinated per municipality.
<b>Short definition</b>	To coordinate the annual MGRO assessment reports per municipality.
<b>Purpose/importance</b>	To improve the FMC level of municipalities through MGRO 1 and MGRO 2.
<b>Source/collection of data</b>	FMC assessments
<b>Method of calculation</b>	Simple count
<b>Data limitations</b>	Municipal leadership and limited integration of systems.
<b>Type of indicator</b>	Output
<b>Calculation type</b>	Cumulative
<b>Reporting cycle</b>	Bi-annually
<b>New indicator</b>	No
<b>Desired performance</b>	Improving the FMC level in line with targets set in PSG 05
<b>Indicator responsibility</b>	Senior Manager: Financial Governance

<b>Indicator title 19.3</b>	Number of municipal support interventions on Governance, Risk and Control.
<b>Short definition</b>	To implement support interventions on ERM, IA and audit committees.
<b>Purpose/importance</b>	To ensure the implementation of enterprise risk management as per the NT risk frameworks and internal audit as per the IIA standards and other guidelines. 20 Interventions to improve corporate governance within all 30 municipalities. One intervention may cover all 30 municipalities. Different types of interventions are enumerated in the operational plan.
<b>Source/collection of data</b>	Bi-annual assessments, Fora and quarterly assistance reports
<b>Method of calculation</b>	Simple count
<b>Data limitations</b>	The accuracy of the assessment is dependent on the reliability of the information as supplied by municipalities.
<b>Type of indicator</b>	Output
<b>Calculation type</b>	Cumulative
<b>Reporting cycle</b>	Quarterly
<b>New indicator</b>	No
<b>Desired performance</b>	To institutionalise ERM, internal audit and audit committees in all municipalities and drive capacity at selected municipalities to the Level 3 FMC Model.
<b>Indicator responsibility</b>	Senior Manager: Financial Governance

<b>Indicator title 19.4</b>	Number of municipalities supported with financial delegation framework and policies.
<b>Short definition</b>	To support municipalities and departments with review of their financial delegation frameworks and policies.
<b>Purpose/importance</b>	To improve the FMC level of municipalities and departments.
<b>Source/collection of data</b>	FMC assessments
<b>Method of calculation</b>	Simple count
<b>Data limitations</b>	Municipal and departmental leadership and limited integration of systems.
<b>Type of indicator</b>	Output
<b>Calculation type</b>	Cumulative
<b>Reporting cycle</b>	Quarterly
<b>New indicator</b>	Yes
<b>Desired performance</b>	Annually support a number of municipalities and departments to have relevant financial delegation framework and policy framework
<b>Indicator responsibility</b>	Senior Manager: Financial Governance

<b>Indicator title 19.5</b>	Number of legislative scanning reports.
<b>Short definition</b>	To assist in ensuring that provincial legislation is relevant.
<b>Purpose/importance</b>	To ensure that our legislative framework addressed any possible lacuna and thereby strengthening good governance through compliance thereto.
<b>Source/collection of data</b>	Review of all financial legislation and compliance assessments.
<b>Method of calculation</b>	Simple count
<b>Data limitations</b>	Dependent on the update of national legislation.
<b>Type of indicator</b>	Output
<b>Calculation type</b>	Cumulative
<b>Reporting cycle</b>	Quarterly
<b>New indicator</b>	No
<b>Desired performance</b>	A robust and relevant legislative framework covering all national and provincial legislation and to drive financial management improvement.
<b>Indicator responsibility</b>	Senior Manager: Financial Governance

## Acronyms

ACFS	Annual Consolidated Financial Statements
AFS	Annual Financial Statement
AG	Auditor-General
AGSA	Auditor-General of South Africa
AO	Accounting Officer
AOS	Accounting Officer System
APP	Annual Performance Plan
BAS	Basic Accounting System
BEE	Black Economic Empowerment
CAE	Chief Audit Executive
C-AMP	Custodian Asset Management Plan
Ce-I	Centre for e-Innovation
CFO	Chief Financial Officer
CGRO	Corporate Governance Review and Outlook
COE	Compensation of Employees
CRO	Chief Risk Officer
CSC	Corporate Services Centre
CSRM	Corporate Services Relations Management
DORA	Division of Revenue Act
DotP	Department of the Premier
EPRE	Estimates of Provincial Revenue and Expenditure
FMC	Financial Management Capability
FARMCO	Fraud and Risk Management Committee
GAP	Governance Action Plan
GRAP	Generally Recognised Accounting Practice
IA	Internal Audit
ICT	Information and Communication Technology
IPS	Integrated Procurement Solution
IDMS	Infrastructure Delivery Management System
IFMS	Integrated Financial Management System
IYM	In-Year Monitoring
LG	Local Government
LG MTEC	Local Government Medium Term Expenditure Committee
LOGIS	Logistical Information System
MAM	Moveable Asset Management

MEC	Member of the Executive Council
MERO	Municipal Economic Review and Outlook
MFMA	Municipal Finance Management Act
MGRO	Municipal Governance Review and Outlook
MTBPS	Medium Term Budget Policy Statement
MTEC	Medium Term Expenditure Committee
MTEF	Medium Term Expenditure Framework
NT	National Treasury
NTR	National Treasury Regulations
OPRE	Overview of Provincial Revenue and Expenditure
PERO	Provincial Economic Review and Outlook
PERSAL	Personal and Salary Administration System
PFMA	Public Finance Management Act
PG MTEC	Provincial Government Medium Term Expenditure Committee
PI	Performance Indicator
PSG	Provincial Strategic Goal
PT	Provincial Treasury
PTI	Provincial Treasury Instruction
QPR	Quarterly Performance Report
SCM	Supply Chain Management
SCOA	Standard Chart of Accounts
SDIP	Service Delivery Improvement Plan
SDBIP	Service Delivery Budget Implementation Plan
SEP	Socio-Economic Profile
SMME	Small, Medium and Micro Enterprise
SMSS	Strategic Management Support Service
SOMS	Strategic and Operational Support Services
SOP	Standard Operating Procedures
TOR	Terms of Reference
U-AMP	User Asset Management Plan
WC	Western Cape
WCG	Western Cape Government
WCGRB	Western Cape Gambling and Racing Board
WCSD	Western Cape Supplier Database

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