



**Western Cape
Government**

Provincial Treasury

**Enabling
Service
Delivery**

**Integrated
Management**

**Enhanced
Governance**

**Creating
Public Value**

**Value for
Money**

**Accountability and
Oversight**

Partnerships

Annual Performance Plan 2018
Provincial Treasury

**Western Cape Government
Provincial Treasury**

**Annual Performance Plan
2018**

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Foreword

The 2018 Annual Performance Plan (APP) gives effect to the vision of Good Financial Governance, the 2014 – 2019 Provincial Strategic Plan and in particular Provincial Strategic Goal 5 which seeks to embed good governance and integrated management.

It is framed within the context of ongoing economic and fiscal constraints as well as risks identified in the Medium Term Budget Policy Statement 2017.

The APP highlights the central role the Integrated Work Plan, for Provincial and Municipal Planning, Budgeting and Governance will play in ensuring that provincial and local planning, budgeting and implementation is coordinated and streamlined.

Plans are set out to ensure improved transparency, accountability and capacity for supply chain management and moveable assets within departments and municipalities. It enforces the management of information system controls to safeguard the integrity of data as well as appropriate and timeous management information.

It further underscores the actions to be taken to improve the quality and integrity of financial accounting and reporting to fully reflect all events and transactions of government, including assets owned by government.

The constrained economic and fiscal outlook requires provincial and local government to ensure the efficient, effective and sustainable management of fiscal resources. Provincial Treasury will therefore take an unswerving and transparent fiscal policy approach to ensure fiscal consolidation, discipline and sustainability in response to the need for inclusive growth and creating public value.

I endorse the strategic objectives and the matching programmes of the 2018 APP as it aims to not only build greater efficiency, effectiveness and value for money while at the same time being responsive to many challenges facing our citizens.

The Head Official, Senior Management and Staff of the Western Cape Provincial Treasury have my full support as they set about implementing the 2018 Annual Performance Plan.



DR IH MEYER
MINISTER FOR 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 2018/19.

Ms U Brink
Acting Chief Financial Officer

Signature 

Ms A Smit
Director: Strategic and
Operational Management Support

Signature 

Mr Z Hoosain
Accounting Officer

Signature 

Approved by

Dr IH Meyer
Executive Authority

Signature 

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PART A

STRATEGIC OVERVIEW



PART A: STRATEGIC OVERVIEW

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

1. Vision

Good financial governance.

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 core values of the Western Cape Government, to which the department subscribes, are as follow:

	Caring	To care for those we serve and work with
	Competence	The ability and capacity to do the job we are appointed to do
	Accountability	We take responsibility
	Integrity	To be honest and do the right thing
	Innovation	To be open to new ideas and develop creative solutions to problems in a resourceful way
	Responsiveness	To serve the needs of our citizens and employees

To ensure that our staff and clients experience the above-mentioned values through words and deeds a Values and Leadership Behaviour Charter was developed and adopted by the top management team.

4. Legislative and other mandates

4.1 Constitutional mandates

Chapter 13 of the Constitution of the Republic of South Africa, 1996 (Act 108 of 1996) deals with general financial matters for national, provincial and local spheres of government. The following sections are applicable to Provincial Treasury:

Section 213(3):

A province's equitable share of revenue raised nationally is a direct charge against the National Revenue Fund.

Section 214(a) – (c):

An Act of Parliament must provide for –

- (a) the equitable division of revenue raised nationally among the national, provincial and local spheres of government;
- (b) the determination of each province's equitable share of the provincial share of that revenue; and
- (c) any other allocations to provinces, local government or municipalities from the national government's share of revenue, and any conditions on which those allocations may be made.

Section 215(1) – (3):

- (1) National, provincial and municipal budgets and budgetary processes must promote transparency, accountability and the effective financial management of the economy, debt and the public sector.
- (2) National legislation must prescribe –
 - (a) the form of national, provincial and municipal budgets;
 - (b) when national and provincial budgets must be tabled; and
 - (c) that budgets in each sphere of government must show the sources of revenue and the way in which proposed expenditure will comply with national legislation.
- (3) Budgets in each sphere of government must contain –
 - (a) estimates of revenue and expenditure, differentiating between capital and current expenditure;
 - (b) proposals for financing any anticipated deficit for the period to which they apply; and
 - (c) an indication of intentions regarding borrowing and other forms of public liability that will increase public debt during the ensuing year.

Section 217(1):

When an organ of state in the national, provincial or local sphere of government, or any other institution identified in national legislation, contracts for goods or services, it must do so in accordance with a system which is fair, equitable, transparent, competitive and cost-effective.

Section 218(1):

The national government, a provincial government or a municipality may guarantee a loan only if the guarantee complies with any conditions set out in national legislation.

Section 226(1):

There is a Provincial Revenue Fund for each province into which all money received by the provincial government must be paid, except money reasonably excluded by an Act of Parliament.

Section 226(2)(a) and (b):

Money may be withdrawn from a Provincial Revenue Fund only –

- (a) in terms of an appropriation by provincial Act; or
- (b) as a direct charge against the Provincial Revenue Fund, when it is provided for in the Constitution or provincial Act.

Section 227(1) – (4):

- (1) Local government and each province –
 - (a) is entitled to an equitable share of revenue raised nationally to enable it to provide basic services and perform the functions allocated to it; and
 - (b) may receive other allocations from national government revenue, either conditionally or unconditionally.
- (2) Additional revenue raised by provinces or municipalities may not be deducted from their share of revenue raised nationally, or from other allocations made to them out of national government revenue. Equally, there is no obligation on the national government to compensate provinces or municipalities that do not raise revenue commensurate with their fiscal capacity and tax base.
- (3) A province's equitable share of revenue raised nationally must be transferred to the province promptly and without deduction, except when the transfer has been stopped in terms of section 216 of the Constitution.
- (4) A province must provide for itself any resources that it requires, in terms of a provision of its provincial constitution, that are additional to its requirements envisaged in the Constitution.

Section 228(1) and (2):

- (1) A provincial legislature may impose –
 - (a) taxes, levies and duties other than income tax, value-added tax, general sales tax, rates on property or customs duties; and
 - (b) flat-rate surcharges on any tax, levy or duty that is imposed by national legislation, other than on corporate income tax, value-added tax, rates on property or customs duties.
- (2) The power of a provincial legislature to impose taxes, levies, duties and surcharges –
 - (a) may not be exercised in way that materially and unreasonably prejudices national economic policies, economic activities across provincial boundaries, or the national mobility of goods, services, capital or labour; and
 - (b) must be regulated in terms of an Act of Parliament which may be enacted only after any recommendations of the Financial and Fiscal Commission have been considered.

Section 230(1):

A province may raise loans for capital and current expenditure in accordance with national legislation, but loans for current expenditure may be raised only for bridging purposes during a fiscal year.

Sections 57 to 65 of the **Western Cape Provincial Constitution** deal with the general financial matters, including sources of provincial funding, the Provincial Revenue Fund, taxes, the provincial budget, the establishment of a provincial treasury, procurement, loans, guarantees and asset register of the province.

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, as amended) and its Regulations

The object of the PFMA is to secure transparency, accountability and sound management of revenue and expenditure, assets and liabilities of the institutions to which the Act applies. The Act applies to departments; public entities listed in Schedule 2 or 3; constitutional institutions and provincial legislatures, subject to subsection 3(2) of the Act.

A provincial treasury for each province is established in terms of section 17 of the PFMA. The powers and functions of a provincial treasury is assigned in section 18 of the PFMA and includes, amongst others, the following:

- i. Preparing and exercising control over the implementation of the provincial budget;
- ii. Promoting and enforcing transparency and effective management in respect of revenue, expenditure, assets and liabilities of provincial departments and provincial public entities;

- iii. Ensuring that the WCG's fiscal policies do not materially and unreasonably prejudice national economic policies;
- iv. Issuing of provincial treasury instructions not inconsistent with the PFMA;
- v. Enforcing the PFMA and any prescribed national and provincial norms and standards;
- vi. Complying with the annual Division of Revenue Act (DoRA) and monitoring and assessing the implementation of the DoRA in provincial public entities;
- vii. Monitoring and assessing the implementation by provincial entities of national and provincial norms and standards;
- viii. Assisting provincial departments and provincial public entities in building their capacity for efficient, effective and transparent financial management;
- ix. Investigating any system of financial management and internal control applied by a provincial department or a provincial public entity;
- x. Intervening by taking appropriate steps to address serious or persistent material breach of the PFMA by a provincial department or provincial public entity;
- xi. Promptly providing any information required by National Treasury (NT) in terms of the PFMA; and
- xii. Doing anything further that is necessary to fulfil its responsibilities effectively.

b. The Municipal Finance Management Act (MFMA), 2003 (Act 56 of 2003) and its Regulations

The MFMA aims to modernise budget, accounting and financial management practices by placing local government finances on a sustainable footing in order to maximise the capacity of municipalities to deliver services to communities. It also aims to put in place a sound financial governance framework by clarifying and separating the roles and responsibilities of the council, mayor and officials.

The oversight responsibilities of a provincial treasury are assigned in section 5(3) and (4) of the MFMA and includes, amongst others, the following:

- i. Must monitor -
 - a. compliance with the MFMA by municipalities and municipal entities in the province;
 - b. the preparation of municipal budgets;
 - c. the monthly outcomes of those budgets; and
 - d. the submission of reports by municipalities as required in terms of the MFMA.
- ii. May assist municipalities in the preparation of their budgets;
- iii. May exercise any powers and perform any duties delegated to it by the National Treasury in terms of the MFMA; and
- iv. May 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 steering the work of Provincial Treasury:

a. National Development Plan 2030 (NDP)

The NDP is the long-term strategic plan of the Government with the following four broad objectives:

- i. Providing overarching goals for what SA wants to achieve by 2030;
- ii. Building consensus on the key obstacles to us achieving these goals and what needs to be done to overcome those obstacles;
- iii. Providing a shared long-term strategic framework within which more detailed planning can take place in order to advance the long-term goals set out in the NDP; and
- iv. Creating a basis for making choices about how best to use limited resources.

Provincial Treasury must assist and support provincial departments and municipalities to build a capable state which is able:

- i. To enhance socio-economic opportunities;
- ii. Support the development of expertise, better systems and processes to reduce inefficiencies and enhance a high adherence to ethics;
- iii. Address weaknesses in procurement systems to ensure a greater focus on value for money; and
- iv. Build a government that is accountable to its people.

b. Medium Term Strategic Framework 2014 – 2019 (MTSF) as refined

The MTSF is Government's strategic plan for the 2014 – 2019 electoral term. The MTSF sets out the actions Government will take and targets to be achieved. It also provides a framework for the other plans of national, provincial and local government.

The MTSF highlights Government's support for a competitive economy, creation of decent work opportunities and encouragement of investment. It has two over-arching strategic themes – radical economic transformation and improving service delivery. It has fourteen key outcomes, associated activities and targets. The following two outcomes are applicable to the Provincial Treasury:

- i. National Outcome 9: A responsive, accountable, effective and efficient developmental local government system; and
- ii. National Outcome 12: An efficient, effective and development-oriented public service.

Provincial Treasury must assist and support provincial departments and municipalities to improve their management practices, financial practices and operations systems.

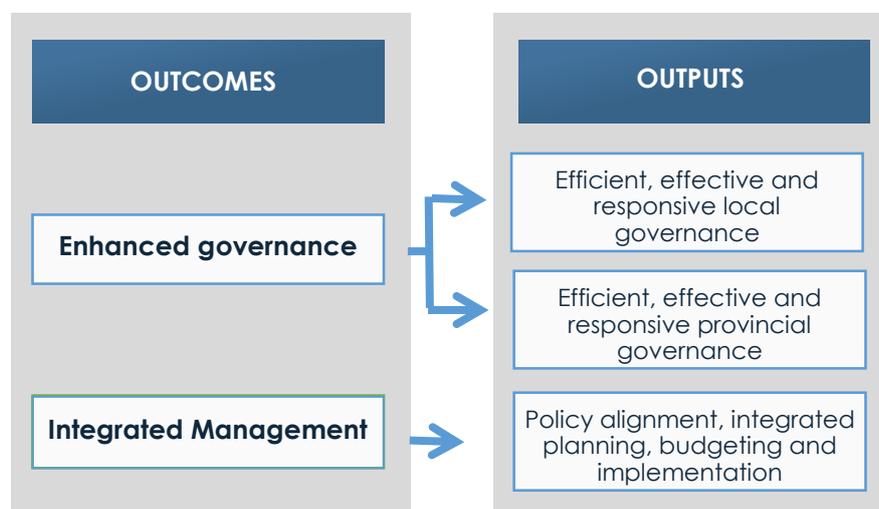
c. Provincial Strategic Plan 2014 – 2019 (PSP)

The PSP translates the vision of the Western Cape Government of an “open-opportunity society for all” into an actionable, measurable policy agenda focused on both the Province’s greatest challenges, and on unlocking the full potential of its people. It provides the roadmap to deliver on the OneCape 2040 vision and is closely aligned to the NDP and MTSF. The following five strategic goals have been identified:



The Provincial Treasury, Department of the Premier, Department of Local Government and 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.

Provincial Treasury will specifically contribute to the following outcomes and outputs:



4.4 Planned policy initiatives

Policy developments that will receive further attention in 2018/19 are:

- A key objective of Provincial Treasury is to continue to balance public finances and maintain fiscal stability within the new constrained fiscal environment with the emphasis on appropriate management of fiscal risks, such as the drought and where possible, strengthening fiscal consolidation and building up of reserves for contingencies. A specific strategy adopted by Provincial Treasury for the 2018/19 to 2020/21 MTEF, is to build on previous initiatives to improve fiscal discipline such as containing the wage bill and to set personnel ceilings over the 2018 MTEF.
- In line with National Treasury efforts, improve procurement policy planning to support departments and municipalities to promote budget planning, efficiency in spending, strategic sourcing and provide structured support programmes to improve supply chain management governance.
- Support the development and implementation of an economic procurement policy in conjunction with the Department of Economic Development and Tourism and the Department of the Premier for the Province that speaks to SMME development through the utilisation of procurement as a lever.
- Support National Treasury to optimise the current suite of financial systems, whilst at the same time assisting with the design and the ultimate roll-out of the integrated and revamped IFMS.
- Continued improvement will be maintained on the initiatives that have been introduced under the banners of the LG MTEC and PG MTEC processes, CGRO and MGRO. These initiatives, which are aimed at supporting the National Development Plan, National Outcomes 9 and 12 and PSG 5, will be further refined during the 2018 MTEF. The Back to Basics (B2B) approach, adopted by National Department of Cooperative Governance and Traditional Affairs, National Treasury Financial Management Capability Maturity Model principles and fundamentals are already embedded in the MGRO approach.

5. Update of situational analysis

5.1 Performance delivery environment

Socio-economic context

Although the global economic outlook is improving, South Africa is still recovering from the recession of 2008 and the resultant impact on the domestic economy. Combined with the legacy of high levels of poverty, inequality, unemployment and socio-economic challenges, the South Africa economic environment impacts on public finances and the increasing need to respond to the development needs and priorities of the citizens.

According to the International Monetary Fund (IMF), the global economy is improving, and expanded by 3.7 per cent in 2017, up from 3.2 per cent growth in 2016. Growth projections for world output is forecast at 3.9 per cent in 2018 and 2019. South Africa's economic performance continues to reflect subdued growth, although showing signs of improvement. The Bureau for Economic Research (BER) estimates GDP growth to have expanded from a 0.3 per cent in 2016 to 0.9 per cent in 2017 and forecasts it to further accelerate by 1.4 per cent in 2018 and by 1.9 per cent in 2019.

The Western Cape economy performance is tied to that of the global and national economies. Through the Provincial Strategic Goal 1 of Creating opportunities for growth and jobs, the Agri-processing, Oil and Gas and Tourism sectors are areas that will continue to receive focused attention – as well as instilling business confidence, where the Provincial Treasury plays a role through instilling good financial governance and promoting value for money in public spending in the Province.

Socio-economic conditions have been improving in the Western Cape, with improvements in key socio-economic indicators particularly with regards to health and education outcomes recorded over the past few years. However, significant challenges (e.g. high levels of youth unemployment, poverty and crime) do remain. According to the Quarterly Labour Force Survey, there has been improvements in the number of employed in the last quarter with 2.492 million people employed across the Western Cape in the fourth quarter 2017. The narrow unemployment rate in the Province is recorded at 19.5 per cent with 603 000 unemployed. Addressing unemployment remains a key challenge that government needs to respond to.

The Province face additional risks to the weak economic environment which relate to the socio-economic and service delivery environment and have implications for budget policy and public financial management. Key risks include the widespread impact of the drought and water crisis; the increasing demand for services and need for a social safety net; the broader impact of climate change; further deterioration of provincial infrastructure asset base; safety and security issues. National fiscal risks such as lower than expected revenue collection and the outcome of wage negotiations also have implications for provincial public finances.

Provincial Treasury, together with key partners within the Western Cape Government, as a collective remain committed to implementing the provincial Fiscal Strategy which focuses on balancing public finances and managing fiscal risks through the fiscal and budget policy principles of maintaining fiscal discipline, allocative efficiency, fiscal consolidation and fiscal sustainability.

The Western Cape Provincial and Municipal Economic Review and Outlook serves as economic intelligence which informs policymakers, departments and municipalities about key economic issues that will impact planning, policy-making and budgeting. It supports good governance, financial and economic sustainability, and facilitates the creation of public value through providing evidence based economic research. The key message from the PERO and MERO is that faster and more inclusive economic growth is essential to improve the economic outlook, labour market performance and to reduce social ills.

Population and economic activity is concentrated within the City of Cape Town and urban areas within the Province and hence a spatial focus remains key. The Western Cape population is estimated at 6.51 million people in 2017 with almost two-thirds (64 per cent) of the provincial population residing in the City of Cape Town. The integrated policy, planning and budgeting process driven by the Provincial Treasury together with key partners in the Departments of Local Government, Environmental Affairs and Development Planning, the Premier and the Economic Development Partnership, aims to stimulate inclusive growth and foster socio-economic development, within the Province taking the spatial context into account.

To maintain sustained progress toward creating public value and investing in initiatives toward promoting inclusive growth, delivering for the people, growth and prosperity will remain at the forefront of the Provincial Treasury agenda. Enhanced governance and integrated management are strategic priority areas and levers which support the Western Cape Government's goal of embedding good governance and integrated service delivery, ultimately supporting improved socio-economic impact.

Governance context

Slow economic growth and fiscal constraints has placed significant pressure on the public finances. This coupled with the demand for inclusive growth emphasises the need for the embedding of good governance across departments and municipalities, improving the ability to provide stakeholder and investor assurance.

Good Governance, and more specifically financial governance, is critical for development, economic growth, poverty reduction and service delivery. It contributes towards effective resource mobilisation, sound fiscal management, and the effective, efficient and economic use of resources and underpins transparent and accountable government.

The Western Cape Government in its Provincial Strategic Plan 2014 – 2019 (PSP) recognises that without implementing decisions and following processes that make the best use of the available people, resources and time to ensure the best possible results, objectives will not be achieved sustainably. The embedding of good governance, as articulated in Provincial Strategic Goal 5 (PSG), across the provincial and local government sphere is therefore a requirement to the achievement of the delivery of services to communities in an integrated, sustainable and equitable manner. It is the basis of building a robust and sustainable provincial and local government.

The Municipal Governance Review and Outlook (MGRO) and Corporate Governance Review and Outlook (CGRO) processes in support of the PSG 5 shifts the focus from compliance to good governance underpinned by the principles of accountability, collaboration, integration and partnership. These processes centre on the Financial Governance Capability Maturity Model which illustrates the stages through which an organisation can evolve as it defines, implements, measures, controls, and improves its financial governance processes.

Integrated engagement platforms have been established which strengthens the integrated approach to planning, budgeting and implementation through regular consultation with provincial departments and municipalities to strengthen governance that ultimately improves service delivery. These engagements recognise the strategic leadership role of accounting officers, chief financial officers and their teams in partnership with the Provincial Treasury towards joint work in implementing the WCG Fiscal Strategy, SCM reform, financial reform and systems reform.

The objective of these engagements is to collectively put together a response plan that speaks to the broader agenda of good financial governance and in particular the reforms and co-create departmental and municipal specific support plans for action and support by the Provincial Treasury on critical financial governance challenges raised at the engagements.

Departments and Municipalities in the Western Cape have made considerable strides in improving their financial governance practices, resulting in the increased number of improved audit outcomes. Albeit the progress made, to further embed good governance practices and commensurate service delivery improvements the following areas require improvement:

- Accountability and consequence management
- Embracing the change from compliance to governance supported by policies and procedures
- The effectiveness of oversight governance structures to adequately advise on current and emerging risks
- Competence and skill of officials with financial responsibilities
- Effective utilisation of data and systems to improve decision making
- Integrated monitoring, enforcing, evaluation and support
- The capacity of Provincial Treasury to respond to the above issues

Given the capacity constraints of Provincial Treasury the following areas will be prioritised for the MTREF:

- The strengthening of integrated monitoring, enforcement and evaluation with improved accountability
- Incorporating change management practices into existing financial governance strategies
- Building the competence and skill of officials with financial responsibilities
- Effective utilisation of data and systems to improve decision making
- Legislative and systems reforms

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

Currently the Basic Accounting System (BAS), Personnel and Salary Administration System (PERSAL) and Logistical Information System (LOGIS) are being utilised by the Western Cape

Provincial Departments. These systems are outdated and are not integrated thereby creating challenges for departments in effectively managing their financial affairs.

National Treasury implementation of an Integrated Financial Management System (IFMS) and the piloting of the new system has been delayed and the National Treasury is yet to provide details of the roll-out plan. Provincial Treasury is in constant discussion with the National Treasury to re-evaluate the WCG ability to implement as a lead site as well as the projected implementation timelines. In the meantime, Provincial Treasury will continue to focus on improving the integrity of data in the legacy systems to ensure a smooth migration to the IFMS when implemented.

To implement the provincial budget, manage the resources and give effect to various governance related requirements due to cost containment measures and governance, effective evidence based managerial decisions are required. There is thus a compelling need to present information to provincial management in a more credible and user friendly manner to enable effective decision-making. Provincial Treasury will continue with its partnership with the Centre for e-Innovation in continuing to enhance the finance cube as a business intelligence model for financial management decision-making.

In keeping with the National Treasury reform process and the WCG SCM response strategy which has been in place since 2009 and further enhanced in 2012 the four key performance areas for SCM Governance, SCM Capacitation and training; Strategic procurement and SCM technology will be the established approach that will be further matured to respond to provincial needs.

In light of the above, having regard to the current fiscal constraints and in the context of the national SCM reform process, added impetus and focus has been built into our core transversal functions that will drive governance efficiencies and fiscal consolidation in the Province. The WCG on average spends 30 per cent of its budget on procurement of goods, services and infrastructure. This will significantly increase in response to drought procurement initiatives and procurement need to drought relief initiatives. However, the promotion of improved procurement planning and the development of suitable procurement strategies and frameworks to optimise procurement spending and to improve service delivery will be a key focus. Provincial Treasury's supply chain performance will thus be driven through it's quarterly engagements with departments and the SCM Forum being one of the sub-fora of the CFO forum in the Province.

This SCM reform process model was customised for local government applicability and roll-out. The good governance model has been managed through a corporate governance assurance process assigning joint accountability and responsibility in moving provincial departments and municipalities to the desired or targeted levels of financial capability maturity. Support, capacitation and development are managed through training programmes, a SCM help desk, supplier development programmes, E-technology and SCM Forums.

The district SCM model introduced in 2016 and District SCM Fora were established which provided the opportunity for municipalities to take ownership of SCM related issues in their district with the support of the relevant district municipalities will continue to be driven. The district visits and approach covers the holistic SCM strategy that focus on governance, capacitation and training, technology and strategic procurement. Key focus will be given to the establishment of a "budget and treasury office support model" in which the Provincial Treasury works closely and to a large extent empowers/capacitate the district municipalities to perform its legislative mandates of coordinating, planning and supporting B municipalities.

A major focus going forward will be the use of procurement as a tool for economic development within the district environment with the support of the Department of Economic Development and Tourism. This will necessitate that municipalities come together and identify those procurement projects that can collectively be driven to maximise areas such as local labour and suppliers. This entails that a holistic approach be followed where SCM managers, LED managers and IDP managers integrate their planning. This integration was, and will continue to be facilitated, through an SCM Indaba for municipalities and through the Economic Procurement Policy for Provincial departments.

5.2 Organisational environment

The approved macro organisational structure remained unchanged.

Organisational refinement reviews on the structure of financial governance and provincial supply chain management were completed during previous financial years could still not be implemented as no suitable funding arrangements could be reached.

During the 2017/18 financial year the following organisational refinement reviews and organisational design investigations were commenced with and are scheduled to be completed by 31 March 2018:

- Data and Information Management, including a Departmental Project Office and Head of Department Support;
- Building capacity to implement and sustain the Infrastructure Delivery Management System (IDMS); and
- Coordination of the Municipal Finance Management Act (MFMA) functions.

To address the current needs of the Department, the Capability Model was used as guiding framework to determine the Departmental Organisational Development Plan for 2018/19. The following will be the key focus areas:

Functional capacity

- Define the optimal Service Delivery Model (SDM). A SDM describes how the Department will deliver on the services and products that are aligned to its core mandates and identified during the strategic planning process.

- Referencing the SDM, review the current functional capacity (process, lateral design mechanisms, systems and structure) and identify the areas of optimisation. Any process improvement will be validated within this phase.
- Following the optimisation of the design, updating of all Job Descriptions will to be done.
- Thereafter alignment to the provisions of the Public Service Regulations regarding Job Evaluations will be done.

Talent capacity

- Identify the current competency levels and contrast that against the desired competency requirements to support the optimised functional design.
- The contrast between the current competency levels and desired competency requirements will be addressed through various training and development initiatives.

Cultural capacity

- It is acknowledged that the culture of the organisation makes a real difference between success and failure and therefore the Department will embark on a leadership development journey and the creation and implementation of a culture journey.

As at 31 December 2017 the vacancy rate (calculated on the number of posts filled versus the number of posts on the approved establishment) was eighteen per cent (18%) as depicted in Table 1 and 2 below. Due to the continued constrained economic and fiscal situation and the decision to provide each department with a personnel expenditure ceiling it will be very difficult to bring the overall vacancy rate below ten per cent (10%). The implication of the ceiling on personnel expenditure is that not all vacant posts could be funded and filled and therefore the department determined the critical posts to be filled within the CoE allocation. The vacancy rate on the funded posts as at 31 December 2017 was 12 per cent.

The tables below depict the employment and vacancies per programme and salary bands as at 31 December 2017.

Table 1 Employment and vacancies by programme, 31 December 2017

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	68	54	20%	1	19%
Sustainable Resource Management	132	111	15%	-	15%
Asset Management	76	60	21%	5	14%
Financial Governance	52	41	21%	2	17%
Total	328	266	18%	8	16%

Table 2 Employment and vacancies by salary bands, 31 December 2017

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 ^[1]	2	2	50%	-	50%
SL 3 - 5	25	19	17%	3	16%
SL 6 - 8	51	38	25%	3	20%
SL 9 - 12	225	186	17%	2	16%
SL 13 - 16	25	21	16%	-	16%
Total	328	266	18%	8	16%

The Department remains committed to the implementation of the Employment Equity Act, 1998 (Act 15 of 1998 as amended) and departmental Employment Equity Plan (for the period 1 April 2016 to 31 March 2019). Progress on the implementation of the plan are monitored and reported at the quarterly Employment Equity Consultative Forum meetings.

The Head of Department remains committed to the implementation of the Public Sector's 8 Principle action plan for promoting women's empowerment and gender equality within the Public Service Workplace. The 8 Principles are as follow: Transformation for non-sexism; establishing a policy environment; meeting equity targets; creating an enabling environment; gender mainstreaming; empowerment; providing adequate resources and accountability, monitoring and evaluation.

Provincial Treasury is also committed to ensure that the working environment of all employees, but specifically people with disabilities are safe and to provide reasonable accommodation aimed at reducing or removing physical and communication barriers in the workplace by implementing the Policy on Reasonable Accommodation and Assistive Devices for Employees with Disabilities in the Public Sector.

The Provincial Treasury, in subscribing to the core values (i.e. Caring, Competence, Accountability, Innovation, Integrity and Responsiveness), acknowledges the seriousness of the water crisis of the Western Cape and is committed to implement various innovative measures to ensure responsible water consumption as part of local water disaster mitigation plans whilst ensuring the continued rendering of services.

In the aim to maintain all services and business processes as far as possible the provincial water disaster response team in conjunction with the departmental representative, embarked on the drafting of a departmental water related business continuity plan (Water BCP).

^[1] SL - Salary Level

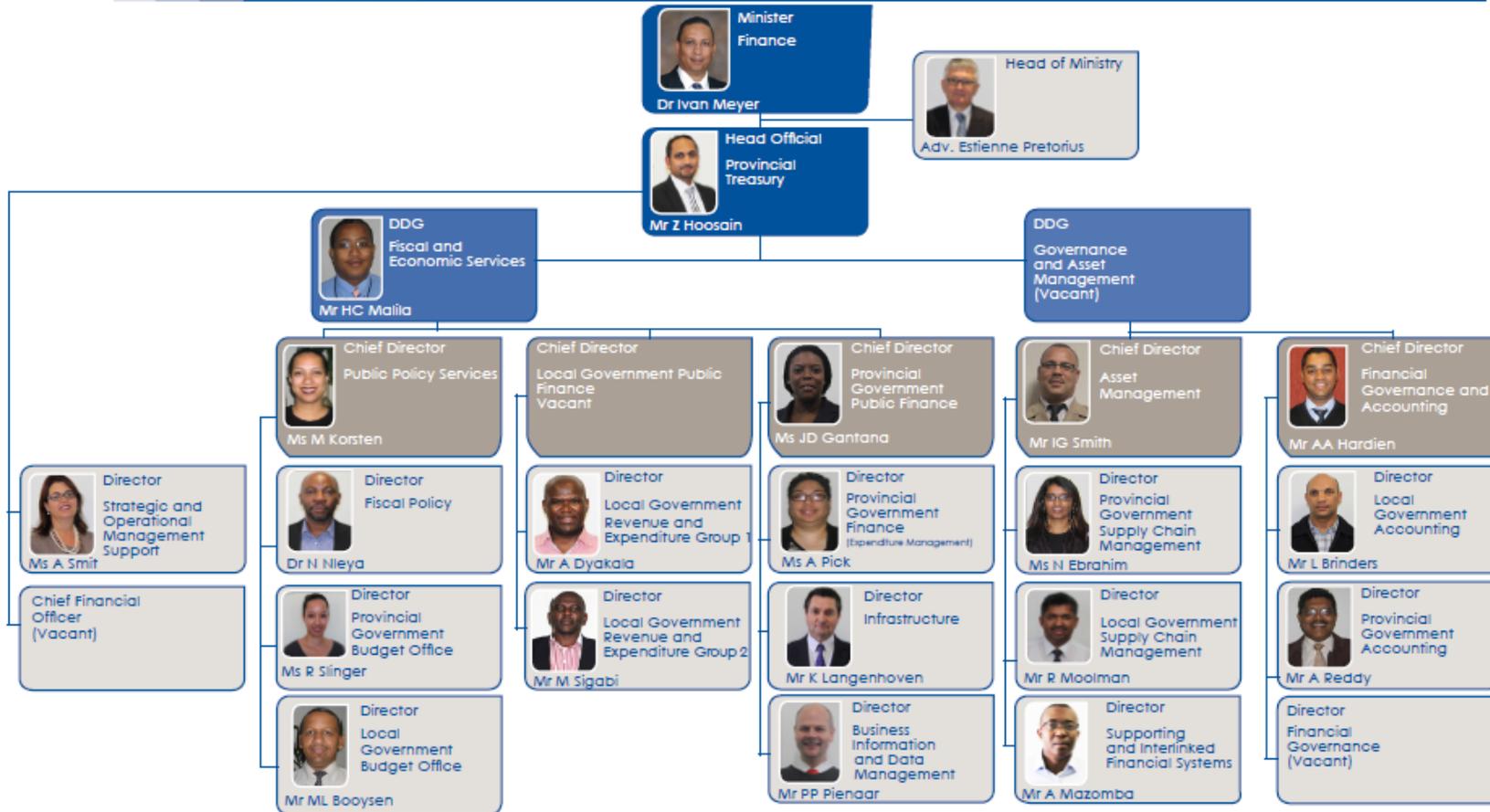
The organogram below depicts the management structure.



BETTER TOGETHER.

Organogram

As at 1 February 2018



5.3 Description of the strategic planning process

A corporate strategic planning session was held on 15 and 16 August 2017. At the session the Executive Authority, Minister Meyer, informed the management team of the top priorities for the department linked to PSG 5 – Embed Good Governance and Integrated Service Delivery as well as the top ten risks areas impacting the Western Cape that should be taken into account in determining the programmes and projects of the Department.

The Accounting Officer reaffirmed the strategic oriented goals as per the Strategic Plan 2015/16 – 2019/20 and the alignment thereof with Provincial Strategic Goal 5 – Embed good governance and integrated services, specifically with Outcome 1 – Enhanced governance and Outcome 3 – Integrated Management. Changes to the environment, specifically the Top Risk for South Africa as per the Institute for Risk Management South Africa and other emerging risks and the service delivery impact thereof on the way forward were highlighted.

The outcome of the strategic planning session provided direction to Programme Managers for the review, amendment and/or confirmation of the Strategic objectives, Programme Performance Indicators and targets.

Various sessions were held over the September 2017 to January 2018 period to finalise the Annual Performance Plan 2018.

6. Strategic outcome oriented goals of the department

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

Programme 1 – Administration

Strategic outcome oriented goal 1	Efficient and effective departmental governance support services.
Goal statement	Efficient and effective departmental governance support services to enable the Department to achieve all its goals and objectives and a clean audit outcome.
Justification	Good governance support enables effective decision-making and compliance with statutory requirements by Executive Authority and Accounting Officer.
Links	Chapter 13 – Building a capable and developmental state of the National Development Plan; National Outcome 12 – An efficient, effective and development-orientated public service of the Medium Term Strategic Framework 2014 – 2019 (as refined); and PSG 5 – Embed good governance and integrated service delivery through partnerships and spatial alignment.

Programme 2 - Sustainable Resource Management

Strategic outcome oriented goal 2	Effective, efficient and sustainable management of provincial and municipal fiscal resources.
Goal statement	<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"> • The annual tabling of the provincial budget; • Assistance to municipalities in preparation of municipal budgets through the annual municipal budget assessments; and • Monitoring and quarterly reporting on the budget implementation.
Justification	<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 constrained economic and fiscal outlook requires provincial and local government to ensure the efficient, effective and sustainable management of fiscal resources. Provincial Treasury will take a consistent and transparent fiscal policy approach to ensure fiscal consolidation, discipline and sustainability, in response to the need for inclusive growth and creating 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>
Links	<p>Chapter 13 – Building a capable and developmental state of the National Development Plan;</p> <p>National Outcome 9 – Responsive, accountable, effective and efficient developmental local government system of the Medium Term Strategic Framework 2014 – 2019 (as refined);</p> <p>National Outcome 12 – An efficient, effective and development-orientated public service of the Medium Term Strategic Framework 2014 – 2019 (as refined); and</p> <p>PSG 5 – Embed good governance and integrated service delivery through partnerships and spatial alignment.</p>

Programme 3 - Asset Management

Strategic outcome oriented goal 3	Financial system, supply chain and movable asset governance within the provincial and municipal spheres.
Goal statement	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.
Justification	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.

Links	<p>Chapter 13 – Building a capable and developmental state of the National Development Plan;</p> <p>National Outcome 9 – Responsive, accountable, effective and efficient developmental local government system of the Medium Term Strategic Framework 2014 – 2019 (as refined);</p> <p>National Outcome 12 – An efficient, effective and development-orientated public service of the Medium Term Strategic Framework 2014 – 2019 (as refined); 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

Strategic outcome oriented goal 4	To embed good governance through financial management improvement and capacity building initiatives for departments, entities and municipalities.
Goal statement	Achieving embedded good governance through accountability by promoting the continuous improvement of good financial governance through reporting frameworks and compliance with financial norms and standards with the establishment of sound financial governance within the provincial and municipal spheres. This will be continually measured to achieve the highest level of governance by 2020.
Justification	<p>Improve the quality and integrity of financial accounting and reporting to fully reflect all events and transactions of government, inclusive of extent of all assets owned by government.</p> <p>In terms of section 18 of the PFMA and section 5 of the 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>
Links	<p>Chapter 13 – Building a capable and developmental state of the National Development Plan;</p> <p>National Outcome 9 – Responsive, accountable, effective and efficient developmental local government system of the Medium Term Strategic Framework 2014 – 2019 (as refined);</p> <p>National Outcome 12 – An efficient, effective and development-orientated public service of the Medium Term Strategic Framework 2014 – 2019 (as refined); and</p> <p>PSG 5 – Embed good governance and integrated service delivery through partnerships and spatial alignment.</p>

7. Overview of 2018 Budget and MTEF (Medium Term Expenditure Framework) estimates

Table 3 Summary of payments and estimates

Programme R'000	Outcome			Main appro- pria- tion 2017/18	Adjusted appro- pria- tion 2017/18	Revised estimate 2017/18	Medium-term estimate			
	Audited	Audited	Audited				% Change from Revised estimate			
	2014/15	2015/16	2016/17				2018/19	2017/18	2019/20	2020/21
1. Administration	44 218	47 749	49 537	64 825	60 298	59 898	61 161	2.11	65 933	68 858
2. Sustainable Resource Management	101 491	108 379	111 431	140 563	135 872	135 270	159 486	17.90	164 739	173 428
3. Asset Management	55 732	53 472	54 106	59 820	52 943	52 940	62 524	18.10	66 222	68 175
4. Financial Governance	30 707	30 787	32 927	42 976	39 480	39 605	42 219	6.60	46 233	48 931
Total payments and estimates	232 148	240 387	248 001	308 184	288 593	287 713	325 390	13.10	343 127	359 392

Note: Programme 1: MEC total remuneration package: R1 977 795 with effect from 1 April 2017.

Economic classification R'000	Outcome			Main appro- pria- tion 2017/18	Adjusted appro- pria- tion 2017/18	Revised estimate 2017/18	Medium-term estimate			
	Audited	Audited	Audited				% Change from Revised estimate			
	2014/15	2015/16	2016/17				2018/19	2017/18	2019/20	2020/21
Current payments	193 043	197 077	208 985	249 657	225 571	224 691	250 434	11.46	271 857	285 847
Compensation of employees	137 911	148 038	157 405	185 665	173 074	172 194	192 055	11.53	214 927	230 548
Goods and services	55 132	49 039	51 580	63 992	52 497	52 497	58 379	11.20	56 930	55 299
Transfers and subsidies to	35 241	38 595	35 814	53 867	57 703	57 703	71 124	23.26	68 138	70 943
Provinces and municipalities	21 800	29 147	21 554	33 966	33 966	33 966	38 311	12.79	34 280	37 510
Departmental agencies and accounts	10 409	5 247	9 912	16 411	19 711	19 711	29 346	48.88	30 640	30 215
Non-profit institutions	100									
Households	2 932	4 201	4 348	3 490	4 026	4 026	3 467	(13.88)	3 218	3 218
Payments for capital assets	3 778	4 610	3 077	4 660	5 255	5 255	3 832	(27.08)	3 132	2 602
Machinery and equipment	3 753	4 014	3 039	4 619	5 214	5 214	3 792	(27.27)	3 092	2 562
Software and other intangible assets	25	596	38	41	41	41	40	(2.44)	40	40
Payments for financial assets	86	105	125		64	64		(100.00)		
Total economic classification	232 148	240 387	248 001	308 184	288 593	287 713	325 390	13.10	343 127	359 392

PART B

STRATEGIC OBJECTIVES



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

Strategic outcome oriented goal 1	Efficient and effective departmental governance support services.
Goal statement	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 relevant 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

Strategic objective 1	To provide ministerial support services.
Objective statement	To provide ministerial support services to enable the MEC to execute his/her duties.
Baseline	MEC enabled to execute his/her duties through the provision of ministerial support services.

Strategic objective annual targets for 2018/19

Strategic objective performance indicator	Strategic Plan Target	Audited/Actual performance			Estimated performance 2017/18	Medium-term targets		
		2014/15	2015/16	2016/17		2018/19	2019/20	2020/21
1. Number of reports to monitor compliance with statutory and executive requirements	18	New strategic objective indicator	New strategic objective indicator	4	4	4	4	4

Risk management

Risk: None

Mitigation: None

Programme performance indicators and annual targets 2018/19

Programme performance indicator		Audited/Actual performance			Estimated performance 2017/18	Medium-term targets		
		2014/15	2015/16	2016/17		2018/19	2019/20	2020/21
1.1	Number of formal engagements with the Department on meeting statutory and executive requirements	Revised PI	Revised PI	Revised PI	8	8	8	8
1.2	Number of formal engagements with the Western Cape Gambling and Racing Board on meeting statutory and executive requirements	Revised PI	New PI	Revised PI	4	4	4	4
1.3	Number of meetings/ engagements with the Consul Generals, members of the Diplomatic Corps and incoming foreign delegations	Revised PI	Revised PI	7	7	7	7	7

Quarterly targets for 2018/19

Performance indicator		PSG linkage	Reporting period	Annual target 2018/19	Quarterly targets			
					1 st	2 nd	3 rd	4 th
1.1	Number of formal engagements with the Department on meeting statutory and executive requirements	PSG 5	Quarterly	8	2	2	2	2

Performance indicator		PSG linkage	Reporting period	Annual target 2018/19	Quarterly targets			
					1 st	2 nd	3 rd	4 th
1.2	Number of formal engagements with the Western Cape Gambling and Racing Board on meeting statutory and executive requirements	PSG 5	Quarterly	4	1	1	1	1
1.3	Number of meetings/ engagements with the Consul Generals, members of the Diplomatic Corps and incoming foreign delegations	PSG 5	Quarterly	7	2	2	2	1

Sub-programme 1.2: Management Services

Purpose: To provide strategic and operational management support services.

The Sub-programme Management Services provides for the Head Official and the Directorate Strategic and Operational Management Support Services.

The main functions rendered are the following:

- Facilitate the departmental non-financial performance planning, monitoring, reporting and evaluation processes;
- Ensure the rendering of people management support services in terms of the service level agreement and service schedules;
- Ensure a working environment that is safe and without risk to the health of employees, is provided and maintained;
- Manage youth development initiatives, including amongst others, the Premier's Advancement of Youth project, Essay Writing Competition and External Bursary Programme;
- Secretarial and administrative support services;
- Parliamentary liaison services; and
- Internal and external communication services.

The objective of the sub-programme is to maintain the status of no material findings on the usefulness and reliability of reported performance information by the Auditor-General (AG). The focus will be to maintain and improve the current performance planning, monitoring, reporting and evaluation processes.

With regards to the people management support services the focus will be to monitor and report on the action plans to address the Workforce Plan priorities, i.e. recruitment and selection, employment equity/diversity management, succession planning and career development, retention, organisational structure, training and development, employee health and wellness and culture and ethics.

Strategic objective

Strategic objective 2	To improve corporate management processes.
Objective statement	To improve strategic support services and human resource management through building on and improving the current performance planning, monitoring, reporting and evaluation processes and the implementation of the Workforce Plan (2016 – 2021), to ensure that there are no material audit findings on the usefulness and reliability of the reported performance information and human resource management every year.
Baseline	No material audit findings on human resource management and the usefulness and reliability of the reported performance information.

Strategic objective annual targets for 2018/19

Strategic objective performance indicator	Strategic Plan Target	Audited/Actual performance			Estimated performance 2017/18	Medium-term targets		
		2014/15	2015/16	2016/17		2018/19	2019/20	2020/21
2. Number of material Human Resource Management and Performance Management audit findings	Zero material audit findings	0	0	0	0	0	0	0

Risk management

Risk: Material misstatement of pre-determined objectives due to line managers not adhering to planning, monitoring and reporting requirements resulting in negative audit outcome.

Mitigation: Review and communicate standard operating procedure and report non-adherence to time-lines and quality of inputs.

Risk: Lack of customised assistance from CSC and capacity of internal management to deal with people management issues within a specialist environment.

Mitigation: Monitor and report quarterly on progress of the implementation of the Workforce Plan.

Programme performance indicators and annual targets 2018/19

Programme performance indicator		Audited/Actual performance			Estimated performance 2017/18	Medium-term targets		
		2014/15	2015/16	2016/17		2018/19	2019/20	2020/21
2.1	Number of prescribed performance plans and reports submitted	7	6	7	7	6	7	6
2.2	Number of reports on the implementation of the Workforce Plan	Revised PI	Revised PI	4	4	4	4	4

Quarterly targets for 2018/19

Performance indicator		PSG linkage	Reporting period	Annual target 2018/19	Quarterly targets			
					1 st	2 nd	3 rd	4 th
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 Workforce 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 functions 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 on a monthly basis and collation of the departmental annual report. Furthermore, this section continuously monitors the IYM expenditure and cash flow of the Department to ensure that the actual spending is within the target (2%) of the adjusted budget.
- The Financial Accounting Section is responsible for maintaining payments system in terms of the PFMA delegations (BAS, LOGIS and PERSAL), compiling the Interim (IFS) and Annual Financial Statements (AFS) and providing a cashier, bookkeeping and salary function for the Department.
- The Supply Chain Management section is responsible for maintaining an appropriate procurement and provisioning system as well as the management, safeguarding and maintenance of departmental assets and specified auxiliary services. Furthermore, the Unit

also assist with the effective and efficient monitoring of contract management to ensure adherence to the Accounting Officer System (AOS) and SCM delegations.

- The Internal Control section ensures that internal control measures are in place throughout the Department, particularly in high-risk areas, to prevent any internal and external audit findings and ensure due diligence. Furthermore, the Unit acts as secretariat to the Enterprise Risk Management Committee (ERMCO) and compiles the quarterly CGRO assessment.

Strategic objective

Strategic objective 3	To provide financial administrative services to the Department.
Objective statement	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.
Baseline	No material audit findings on financial management.

Strategic objective annual targets for 2018/19

Strategic objective performance indicator	Strategic Plan Target	Audited/Actual performance			Estimated performance 2017/18	Medium-term targets		
		2014/15	2015/16	2016/17		2018/19	2019/20	2020/21
3. Number of material financial management audit findings	Zero material audit findings	0	0	0	0	0	0	0

Risk management

Risk: Non-conformance to SCM norms and standards, inadequate contract development and management, and material misstatements.

Mitigation: Implemented stricter contract controls and monitoring mechanisms to ensure effective service delivery.

Continuous post audits on financial transactions in line with prescripts.

Programme performance indicators and annual targets 2018/19

Programme performance indicator		Audited/Actual performance			Estimated performance 2017/18	Medium-term targets		
		2014/15	2015/16	2016/17		2018/19	2019/20	2020/21
3.1	Number of IYM reports	12	12	12	12	12	12	12
3.2	Number of Budget submissions	4	4	4	4	4	4	4
3.3	Number of Corporate reports	4	4	4	4	4	4	4

Quarterly targets for 2018/19

Performance indicator		PSG linkage	Reporting period	Annual target 2018/19	Quarterly targets			
					1 st	2 nd	3 rd	4 th
3.1	Number of IYM reports	PSG 5	Quarterly	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	1	1	1	1

Reconciling performance targets with the Budget and MTEF

Expenditure estimates

Table 4 Administration

Sub-programme R'000	Outcome			Main appropriation 2017/18	Adjusted appropriation 2017/18	Revised estimate 2017/18	Medium-term estimate			
	Audited 2014/15	Audited 2015/16	Audited 2016/17				% Change from Revised estimate			
							2018/19	2017/18	2019/20	2020/21
1. Office of the Minister	5 698	6 199	5 660	6 512	6 511	6 506	6 828	4.95	7 164	7 488
2. Management Services	13 993	17 688	20 115	30 148	26 826	26 729	29 294	9.60	32 843	34 749
3. Financial Management	24 527	23 862	23 762	28 165	26 961	26 663	25 039	(6.09)	25 926	26 621
Total payments and estimates	44 218	47 749	49 537	64 825	60 298	59 898	61 161	2.11	65 933	68 858

Note: Sub-programme 1.1: MEC total remuneration package: R1 977 795 with effect from 1 April 2017.

Sub-programme 1.3: Corporate Services and Sub-programme 1.5: Internal Audit as per the National Treasury uniform budget and programme structure, is not utilised as it is centralised with the Department of the Premier (Corporate Services Centre/CSC).

Economic classification R'000	Outcome			Main appropriation 2017/18	Adjusted appropriation 2017/18	Revised estimate 2017/18	Medium-term estimate			
	Audited 2014/15	Audited 2015/16	Audited 2016/17				% Change from Revised estimate			
							2018/19	2017/18	2019/20	2020/21
Current payments	37 483	39 786	43 743	57 016	51 481	51 081	54 107	5.92	59 579	63 034
Compensation of employees	25 124	29 869	33 339	43 404	39 558	39 158	43 091	10.04	48 522	51 943
Goods and services	12 359	9 917	10 404	13 612	11 923	11 923	11 016	(7.61)	11 057	11 091
Transfers and subsidies to	2 871	3 844	2 676	3 298	3 498	3 498	3 222	(7.89)	3 222	3 222
Departmental agencies and accounts	3	3	4	4	4	4	4		4	4
Non-profit institutions	100									
Households	2 768	3 841	2 672	3 294	3 494	3 494	3 218	(7.90)	3 218	3 218
Payments for capital assets	3 778	4 014	2 993	4 511	5 255	5 255	3 832	(27.08)	3 132	2 602
Machinery and equipment	3 753	4 014	2 955	4 470	5 214	5 214	3 792	(27.27)	3 092	2 562
Software and other intangible assets	25		38	41	41	41	40	(2.44)	40	40
Payments for financial assets	86	105	125		64	64		(100.00)		
Total economic classification	44 218	47 749	49 537	64 825	60 298	59 898	61 161	2.11	65 933	68 858

Performance and expenditure trends

The programme increased by R1.263 million from R59.898 million in 2017/18 (revised estimate) to R61.161 million in 2018/19, this equates to a nominal growth of 2.11 per cent. The growth from the 2017/18 (revised estimate) of R59.898 million to R68.858 million in 2020/21 reflects an annual average growth of 4.76 per cent over the three-year period. The growth relates to the salary cost of living adjustment and the extension of the asset refresh period from three years to four years.

Programme 2 – Sustainable Resource Management

Programme description

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

The Sustainable Resource Management Programme's key focus is giving effect to section 18 of the PFMA and section 5 of the MFMA through providing Fiscal and Economic services in the following key areas:

- Exercise of control over the implementation of the provincial budget and development of fiscal policies in line with national economic policies;
- Preparation of the provincial budget and assistance to municipalities in the preparation of their budgets;
- Monitoring of preparation of municipal budgets; outcomes of budgets, and the submission of required reports; and
- Promotion and enforcement of transparency and effective management in respect of revenue, expenditure, assets and liabilities.

The constrained economic and fiscal outlook requires provincial and local government to ensure the efficient, effective and sustainable management of fiscal resources. On the Provincial Government side, the Programme will focus on strengthening the fiscal policy approach to give effect to the Western Cape Fiscal Strategy and Budget Policy to ensure fiscal consolidation, discipline and sustainability, in response to the need for inclusive growth and creating public value. On the Local Government side, key initiatives entail continued municipal support to promote sustainable Local Government, with a focus on moving from compliance to performance, economic impact, integrated public financial management, and service delivery improvement plans that create financial sustainability.

Strengthening partnerships with key stakeholders is embedded in the strategic and operational approach of Programme 2 – Sustainable Resource Management which includes, among other, provincial departments, all 30 municipalities, National Treasury, South African Local Government Association, the Financial and Fiscal Commission, universities and research institutes and international partners in the Public Finance arena.

Strategic outcome oriented goal

Strategic outcome oriented goal 2	Effective, efficient and sustainable management of provincial and municipal fiscal resources.
Goal statement	<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"> • The annual tabling of the provincial budget; • Assistance to municipalities in preparation of municipal budgets through the annual municipal budget assessments; and • Monitoring and quarterly reporting on the budget implementation.

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

Strategic objective 4	To provide management and administrative support to Programme 2 - Sustainable Resource Management.
Objective statement	To provide management and administrative support to Programme 2 - Sustainable Resource Management to ensure that all strategic objectives and targets are achieved annually.
Baseline	100% targets achieved (2016/17 Annual Report).

Strategic objective annual targets for 2018/19

Strategic objective performance indicator	Strategic Plan Target	Audited/Actual performance			Estimated performance 2017/18	Medium-term targets		
		2014/15	2015/16	2016/17		2018/19	2019/20	2020/21
4. Percentage of Programme 2 – Sustainable Resource Management's programme performance indicator targets achieved	100% programme performance indicator targets achieved	100%	100%	100%*	100%**	100%***	100%***	100%***

* Method of calculation 2016/17:
 Numerator: Number of achieved performance indicator targets (25)
 Denominator: Number of planned performance indicator targets (25)

** Method of calculation 2017/18:
 Numerator: Number of achieved performance indicator targets (25)
 Denominator: Number of planned performance indicator targets (25)

*** Method of calculation 2018/19 - 2020/21:
 Numerator: Number of achieved performance indicator targets (24)
 Denominator: Number of planned performance indicator targets (24)

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 2018/19

Programme performance indicator		Audited/Actual performance			Estimated performance 2017/18	Medium-term targets		
		2014/15	2015/16	2016/17		2018/19	2019/20	2020/21
4.1	Number of quarterly performance reports for Programme 2 – Sustainable Resource Management submitted	New PI	4	4	4	4	4	4

Quarterly targets for 2018/19

Performance indicator		PSG linkage	Reporting period	Annual target 2018/19	Quarterly targets			
					1 st	2 nd	3 rd	4 th
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 policy, strategy and management of provincial and municipal fiscal resources.

The Fiscal Policy Directorate is responsible for the overall fiscal framework in the Province and undertakes research, revenue analysis, and manages the provincial cash, banking and investment function, and reviews and provides support on local government cash management. The unit conducts research and analysis on provincial and local government fiscal policy matters that impact on the fiscal framework of the Province. Fiscal Policy research to inform the development of a sustainable provincial and local government Fiscal Framework and the Provincial Fiscal Strategy focuses on the national transfer system (Equitable Share and Conditional Grants), the Local Government fiscal system and domestic resource mobilisation initiatives with regards to existing and new own revenue sources. The unit is also responsible for the management of the Provincial Revenue Fund and providing for the cash flow requirements of the Province. The unit provides support initiatives, advice and guidance to departments and municipalities on revenue related and cash management matters, through the analysis and reporting on in-year cash flow and revenue performance. This unit is also

responsible for departmental oversight of the Western Cape Gambling and Racing Board (WCGRB). Lastly the directorate is responsible for the management of crafting the legislative amendments affecting the gambling sector.

Strategic objective

Strategic objective 5	To conduct research and advise on the management of the provincial and municipal fiscal resources.
Objective statement	To conduct research on various methodologies for domestic resource mobilisation, and advise on the most appropriate approach to revenue and the fiscal framework for the provincial fiscal strategy. Continuous monitoring of revenue and cash trends, advise on the sustainability and management of provincial and municipal funding sources.
Baseline	20 Fiscal policy reports (4 reports on the Provincial and Local Government Fiscal System; 4 Provincial Revenue Reports; 4 Provincial Cash Management reports; 4 Municipal Cash Management Report; 4 WCGRB Performance Reports).

Strategic objective annual targets for 2018/19

Strategic objective performance indicator	Strategic Plan Target	Audited/Actual performance			Estimated performance 2017/18	Medium-term targets		
		2014/15	2015/16	2016/17		2018/19	2019/20	2020/21
5. Number of fiscal policy reports	20 fiscal policy reports	New PI	20	20	20	20	20	20

Risk management

Risk: The low economic growth outlook continues to negatively impact the fiscal environment resulting in persisting fiscal pressures which may have a negative impact on the provincial and municipal fiscal frameworks (conditional grant and equitable share transfers and own revenue collection).

Mitigation: Developing and implementing a fiscal framework that manages risks to the revenue envelope, informed by research, revenue and tariff assessments of departments and identified municipalities. Support initiatives, advice and guidance to departments, municipalities and the WCGRB to optimise revenue collection.

Programme performance indicators and annual targets 2018/19

Programme performance indicator		Audited/Actual performance			Estimated performance 2017/18	Medium-term targets		
		2014/15	2015/16	2016/17		2018/19	2019/20	2020/21
5.1	Number of research reports on the Provincial and Local Government Fiscal System	2	4	4	4	4	4	4
5.2	Number of Provincial Revenue reports	Revised PI	4	4	4	4	4	4

Programme performance indicator		Audited/Actual performance			Estimated performance 2017/18	Medium-term targets		
		2014/15	2015/16	2016/17		2018/19	2019/20	2020/21
5.3	Number of Cash Management Reports	Revised PI	8	8	8	8	8	8
5.4	Number of reports on the performance of the WCGRB	4	4	4	4	4	4	4

Quarterly targets for 2018/19

Performance indicator		PSG linkage	Reporting period	Annual target 2018/19	Quarterly targets			
					1 st	2 nd	3 rd	4 th
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
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, by providing socio-economic and policy research, analysis and advice that informs the preparation of the provincial budget, as well as the monitoring of budget implementation and performance.

The directorate conducts economic, policy and budget related research and analysis to inform the formulation of the provincial budget policy and recommend allocations in line with government's strategic priorities outlined in the Provincial Strategic Plan and other applicable policies. Research includes the annual Provincial Economic Review and Outlook which informs the planning and budgeting processes in the Province. The directorate coordinates the Western Cape Medium Term Budget Policy Statement (WC MTBPS) communicates the intended budget policy framework and budget priorities that support the service delivery of the WCG's policies, programmes and projects. To further strengthen the coordination and alignment between planning, budgeting and implementation for service delivery impact, the focus of the Directorate will be on programme and project effectiveness and performance with the aim of assessing allocative efficiency, responsiveness and the effectiveness of the budget in terms of the policy and delivery context. Initiatives over the 2018 MTEF will include conducting budget policy impact analysis as part of the performance assessments of budget priorities and spend.

Strategic objective

Strategic objective 6	To promote effective resource allocation within the provincial budget through research, analysis and advice.
Objective statement	To promote effective resource allocation within the provincial budget and its effective implementation through research, analysis and advice to key fiscal and budgetary stakeholders that informs budget policy and enables recommendations on budget allocations which reflect the priorities of government and are based on programme effectiveness.
Baseline	Overview of Provincial Revenue and Expenditure (Budget Overview) 2018 tabled by March.

Strategic objective annual targets for 2018/19

Strategic objective performance indicator		Strategic Plan Target	Audited/Actual performance			Estimated performance 2017/18	Medium-term targets		
			2014/15	2015/16	2016/17		2018/19	2019/20	2020/21
6.	Timeous publication of the Overview of Provincial Revenue and Expenditure	March 2020	March 2015	March 2016	March 2017	March 2018	March 2019	March 2020	March 2021

Risk management

Risk: The possible mismatch between budget allocations and actual budget implementation due to departments making trade-offs in the allocation and reallocation of resources, which could potentially undermine departmental budget responsiveness to adequately respond to socio-economic imperatives.

Mitigation: Risks will be addressed through the development and implementation of a budget policy framework that is responsive to the economic and fiscal climate and a focus on monitoring and evaluation of departmental budget performance towards achieving the desired outcomes and impact also aim to address the risks. An integrated approach to planning, budgeting and delivery approach entails a more critical focus on programme and project effectiveness, value for money and service delivery performance and impact.

Key initiatives will be driven through PSG 5 Workgroup 4 to support the integrated approach within provincial government, between local and provincial government and with strategic partners.

Programme performance indicators and annual targets 2018/19

Programme performance indicator		Audited/Actual performance			Estimated performance 2017/18	Medium-term targets		
		2014/15	2015/16	2016/17		2018/19	2019/20	2020/21
6.1	Number of provincial budget policy assessment reports	28	28	26	28	28	28	28
6.2	Timeous publication of the Provincial Economic Review and Outlook	October 2014	October 2015	September 2016	October 2017	September 2018	September 2019	September 2020
6.3	Timeous publication of the Medium Term Budget Policy Statement	November 2014	November 2015	November 2016	November 2017	November 2018	November 2019	November 2020

Quarterly targets for 2018/19

Performance indicator		PSG linkage	Reporting period	Annual target 2018/19	Quarterly targets			
					1 st	2 nd	3 rd	4 th
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	September 2018	-	September 2018	-	-
6.3	Timeous publication of the Medium Term Budget Policy Statement	PSG 5	Annually	November 2018	-	-	November 2018	-

Element: Local Government Budget Office

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

The Local Government Budget Office provides research, advice and analysis on the regional and local economy and the provision of economic intelligence for use in municipal planning and budgeting. The research and analysis culminates in two key annual publications: The Municipal Economic Review and Outlook (MERO) and the Socio-economic Profiles for Local Government. The unit also supports the municipal budget process through recommendations to improve the responsiveness of the budgets to target socio-economic and policy objectives and coordination of the Local Government Medium Term Expenditure Committee engagements including key initiatives to improve participatory budgeting practices such as

Taking the Budget to the People (TBTP) initiative aligned to the Integrated Management approach in PSG 5.

The focus for 2018 MTEF will be to deepen the process of integrated planning and budgeting and delivery specifically within the municipal space through implementation of the Integrated Work Plan. The primary objective of this Integrated Work Plan is to give effect to the Integrated Management approach through clearly outlining the framework for integrated planning, budgeting and implementation between the Western Cape Government (WCG) and the Western Cape Municipalities.

Strategic objective

Strategic objective 7	To promote effective resource allocation within municipal budgets through research, analysis and advice.
Objective statement	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.
Baseline	30 municipal budget policy assessments

Strategic objective annual targets for 2018/19

Strategic objective performance indicator	Strategic Plan Target	Audited/Actual performance			Estimated performance 2017/18	Medium-term targets		
		2014/15	2015/16	2016/17		2018/19	2019/20	2020/21
7. Number of municipal budgets with effective resource allocations	30 municipal budget policy assessments	30	Revised	30	30	30	30	

Risk management

Risk: Growing public demands in an environment of slow economic growth, fiscal uncertainty and environmental volatility.

Mitigation: Risks will be addressed through an integrated approach to planning, budgeting and delivery which entails a more critical focus on programme and project effectiveness, value for money and service delivery performance and impact. Key initiatives will be driven through PSG 5 Workgroup 4 to support the integrated approach within provincial government, between local and provincial government and with strategic partners. Further initiatives include providing economic intelligence to inform municipal planning and budgeting and, budget policy assessments to improve the responsiveness to the economic and fiscal climate. Support will also be provided through the Western Cape Financial Management Support Grant Programme and capacity building through customised training initiatives.

Programme performance indicators and annual targets 2018/19

Programme performance indicator		Audited/Actual performance			Estimated performance 2017/18	Medium-term targets		
		2014/15	2015/16	2016/17		2018/19	2019/20	2020/21
7.1	Number of municipal budget policy assessment reports	30	30	30	30	30	30	30
7.2	Percentage of Quarterly Performance Reports received, assessed	100%	100%	100%*	100%**	100%**	100%**	100%**
7.3	Timeous publication of the Municipal Economic Review and Outlook	Revised PI	October 2015	September 2016	October 2017	September 2018	September 2019	September 2020

* Method of calculation 2016/17:

Numerator: Number of Quarterly Performance Reports assessed (120)

Denominator: Number of Quarterly Performance Reports received (120)

** Method of calculation 2017/18 - 2020/21:

Numerator: Number of Quarterly Performance Reports assessed (120)

Denominator: Number of Quarterly Performance Reports received (120)

Quarterly targets for 2018/19

Performance indicator		PSG linkage	Reporting period	Annual target 2018/19	Quarterly targets			
					1 st	2 nd	3 rd	4 th
7.1	Number of municipal budget policy assessment reports	PSG 5	Annually	30	30	-	-	-
7.2	Percentage of Quarterly Performance Reports received, assessed	PSG 5	Quarterly	100%	100%	100%	100%	100%
7.3	Timeous publication of the Municipal Economic Review and Outlook	PSG 5	Annually	September 2018	-	September 2018	-	-

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.

Government's response to the constrained fiscal environment is through the Adjusted Estimates and main budget estimates. The weak economic environment intensifies the need to ensure fiscal sustainability. Provincial Government Finance assesses provincial budgets to improve the credibility and sustainability of the budget and for monitoring the implementation of budgets to enhance accountability, efficiency and data integrity. Fiscal consolidation is part of the Fiscal Strategy and therefore the focus is on expenditure control within budget limits and stringent management of personnel budgets.

Other focus areas include improving on the efficiency of expenditure management in departments through an integrated approach with the Provincial Treasury Supply Chain Management unit. A further focus area will be to assist in the improvement of data integrity, specifically relating to the recording of expenditure.

Strategic objective

Strategic objective 8	To improve the conformance, credibility, sustainability and guide and monitor the efficient implementation of the provincial budget.
Objective statement	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.
Baseline	Estimates of Provincial Revenue and Expenditure tabled by March 2018.

Strategic objective annual targets for 2018/19

Strategic objective performance indicator		Strategic Plan Target	Audited/Actual performance			Estimated performance 2017/18	Medium-term targets		
			2014/15	2015/16	2016/17		2018/19	2019/20	2020/21
8.	Timeous tabling of the Estimates of Provincial Revenue and Expenditure	March 2020	March 2015	March 2016	March 2017	March 2018	March 2019	March 2020	March 2021

Risk management

Risk: Failure to monitor the implementation of the budget in an integrated manner may compromise fiscal discipline and negatively impact the fiscal sustainability of the Province.

Mitigation: An integrated assessment of the implementation of the budget to influence decision-making in departments.

Programme performance indicators and annual targets 2018/19

Programme performance indicator		Audited/Actual performance			Estimated performance 2017/18	Medium-term targets		
		2014/15	2015/16	2016/17		2018/19	2019/20	2020/21
8.1	Number of provincial budget assessment reports	28	28	28	28	28	28	28
8.2	Number of expenditure reviews	New PI	1	1	1	2	2	2
8.3	Number of quarterly reports on the implementation of the budget	4	4	4	4	4	4	4

Quarterly targets for 2018/19

Performance indicator		PSG linkage	Reporting period	Annual target 2018/19	Quarterly targets			
					1 st	2 nd	3 rd	4 th
8.1	Number of provincial budget assessment reports	PSG 5	Bi-annually	28	-	-	14	14
8.2	Number of expenditure reviews	PSG 5	Bi-annually	2	-	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 towards sustainable local government.

Local Government Finance facilitates and co-ordinates the implementation of the MFMA in Provincial Treasury and municipalities. This is done to ensure that the objectives of the Local Government reform agenda with specific reference to implementation of the TCF Game Changers is achieved. Implementation of the MFMA will be driven through IGR coordination between municipalities, provincial national departments and other related stakeholders. Key responsibilities include monitoring, support and intervention in respect of MFMA implementation, budget implementation and revenue and expenditure management.

In support of strengthening municipalities' financial management and budgeting practices the unit will analyse and report on the in-year revenue and expenditure management for municipalities. The focus areas in line with the TCF Game Changers will facilitate integrated revenue management and funded budgets including being responsive to support particularly the vulnerable municipalities and to give effect to our main aim of driving the sustainable local government agenda.

Strategic objective

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

Strategic objective annual targets for 2018/19

Strategic objective performance indicator	Strategic Plan Target	Audited/Actual performance			Estimated performance 2017/18	Medium-term targets		
		2014/15	2015/16	2016/17		2018/19	2019/20	2020/21
9. Number of quarterly reports on the implementation of municipal budgets	4 quarterly reports on the implementation of municipal budgets	4	4	4	4	4	4	4

Risk management

Risk: Integrity of financial reporting and non-compliance to MFMA.

Mitigation: Bespoke support to municipalities to improve integrity of financial reporting and matters of compliance.

Risk: Financial sustainability of municipalities, absence of innovative early detection mechanism to detect sustainability challenges at municipalities.

Mitigation: In-year monitoring assessments and reviews of municipalities, supported by hands-on support.

Risk: Appropriate spending of Grant funding allocated to municipalities.

Mitigation: Quarterly Grant monitoring returns received from municipalities and reviewed.

Programme performance indicators and annual targets 2018/19

Programme performance indicator		Audited/Actual performance			Estimated performance 2017/18	Medium-term targets		
		2014/15	2015/16	2016/17		2018/19	2019/20	2020/21
9.1	Number of monthly IYM assessment reports on the implementation of the municipal budget	372	372	372	372	372	372	372
9.2	Number of Municipal budget assessment reports	30	30	30	30	30	30	30
9.3	Number of reports on MFMA implementation	4	4	4	4	4	4	4

Quarterly targets for 2018/19

Performance indicator		PSG linkage	Reporting Period	Annual Target 2018/19	Quarterly Targets			
					1 st	2 nd	3 rd	4 th
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

Element: Infrastructure

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

The Western Cape Provincial Government introduced the Infrastructure Delivery Management System (IDMS) to enhance efficiency in the delivery of infrastructure and value realised through the provincial asset base. Embedded in the IDMS is an integrated approach to planning and budgeting. A key focus of the unit remains the institutionalisation of the Standard for Infrastructure Procurement and Delivery Management (SIPDM) and IDMS in Provincial Departments. A further aim of the unit is to roll-out and institutionalise the SIPDM and IDMS within the municipal sphere of government. The unit is responsible for monitoring the infrastructure spending of designated departments. The Unit furthermore supports the Western Cape Ministerial Infrastructure Coordinating Committee, under the chairmanship of the Provincial Minister of Finance, in pursuit of efficient and effective delivery of infrastructure in the Province.

The Western Cape Government's capacity to select, plan, appraise and build projects of an infrastructural nature will continue to be strengthened over the 2018 MTEF. This will be done through assessments of User Asset Management Plans (U-AMPs), Custodian Asset Management Plans (C-AMPs), as well as the reports required (in terms of the Guidelines for Performance Based Incentive grants for infrastructure).

Strategic objective

Strategic objective 10	To institutionalise and standardise good practice methodologies, tools and systems for physical infrastructure delivery and maintenance of immovable assets.
Objective statement	To instil SIPDM and IDMS-principles in departments to improve delivery on planning, construction, and maintenance of projects.
Baseline	5 assessments conducted on the institutionalisation of IDMS 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 2018/19

Strategic objective performance indicator	Strategic Plan Target	Audited/Actual performance			Estimated performance 2017/18	Medium-term targets		
		2014/15	2015/16	2016/17		2018/19	2019/20	2020/21
10. Number of assessments on the institutionalisation of the IDMS	5 assessments	Revised SOPI	5	5	5	5	5	5

Risk management

Risk: Failure to institutionalise the SIPDM and IDMS may compromise efficient infrastructure delivery and spending by provincial departments and municipalities.

Mitigation:

Ongoing capacitation and implementation of good practice, systems, tools and techniques.

Programme performance indicators and annual targets 2018/19

Programme performance indicator	Audited/Actual performance			Estimated performance 2017/18	Medium-term targets		
	2014/15	2015/16	2016/17		2018/19	2019/20	2020/21
10.1 Number of asset management plans assessed	New PI	28	28	28	34	34	34
10.2 Number of infrastructure expenditure reports assessed	72	72	72	72	84	84	84
10.3 Number of infrastructure project delivery assessments	10	10	10	10	10	10	10

Programme performance indicator		Audited/Actual performance			Estimated performance 2017/18	Medium-term targets		
		2014/15	2015/16	2016/17		2018/19	2019/20	2020/21
10.4	Number of quarterly reports on the implementation of infrastructure budgets to Cabinet	New PI	New PI	4	4	4	4	4
10.5	Number of developed and tested infrastructure delivery management system(s) in municipalities	New PI	Revised PI	2	1	1	1	1

Quarterly targets for 2018/19

Performance indicator		PSG linkage	Reporting period	Annual target 2018/19	Quarterly targets			
					1 st	2 nd	3 rd	4 th
10.1	Number of asset management plans assessed	PSG 5	Bi-annually	34	-	17	-	17
10.2	Number of Infrastructure expenditure reports assessed	PSG 5	Quarterly	84	21	21	21	21
10.3	Number of infrastructure project delivery assessments	PSG 5	Bi-annually	10	-	5	-	5
10.4	Number of quarterly reports on the implementation of infrastructure budgets to Cabinet	PSG 5	Quarterly	4	1	1	1	1
10.5	Number of developed and tested municipal infrastructure delivery management system(s) in selected municipalities	PSG 5	Annually	1	-	-	-	1

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 Western Cape Archives and Records Service prescripts. The centralised repository is a system, providing a means for Provincial Treasury employees to enable proper decision-making, safeguard information and facilitate the retention of information. The Records Management section is also responsible for the Security Management aspects and the coordination of requests for information in terms of the Promotion of Access to Information Act, 2000 (PAIA) for 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. This section is also responsible for mainstreaming Information Communication Technology (ICT) within the Department through the implementation of the Department of Public Service and Administration (DPSA) Corporate Governance of Information Communication Technology Policy Framework (CGICTPF) and the monitoring of the Strategic ICT Plan Initiatives.
- The Client Interface section monitors and facilitates the coordination of departmental and municipal MTEC processes and the related document flow (hard and electronic information).
- The Data Collating section manages and maintains the Provincial Treasury's database and the technical refinement of treasury publications and working papers.

The four sections form an integral part in driving the development of the 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.

Strategic objective

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

Strategic objective annual targets for 2018/19

Strategic objective performance indicator		Strategic Plan Target	Audited/Actual performance			Estimated performance 2017/18	Medium-term targets		
			2014/15	2015/16	2016/17		2018/19	2019/20	2020/21
11.	An available central repository	One central repository	1	1	1	1	1	1	

Risk Management

Risk: Inadequate safeguarding and dissemination of information within Provincial Treasury resulting in loss of information and business discontinuity.

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

Programme performance indicators and annual targets 2018/19

Programme performance indicator		Audited/Actual performance			Estimated performance 2017/18	Medium-term targets		
		2014/15	2015/16	2016/17		2018/19	2019/20	2020/21
11.1	Number of datasets managed	4	4	4	4	4	4	4
11.2	Number of budget process plans managed	3	3	3	3	3	3	3

Quarterly targets for 2018/19

Performance indicator		PSG linkage	Reporting period	Annual target 2018/19	Quarterly targets			
					1 st	2 nd	3 rd	4 th
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

Reconciling performance targets with the Budget and MTEF

Expenditure estimates

Table 5 Sustainable Resource Management

Sub-programme R'000	Outcome			Main appro- priation 2017/18	Adjusted appro- priation 2017/18	Revised estimate 2017/18	Medium-term estimate			
	Audited	Audited	Audited				% Change from Revised estimate			
	2014/15	2015/16	2016/17				2018/19	2017/18	2019/20	2020/21
1. Programme Support	5 402	5 858	6 152	8 937	6 973	6 980	8 049	15.32	9 385	9 923
Programme Support	5 402	5 858	6 152	8 937	6 973	6 980	8 049	15.32	9 385	9 923
2. Fiscal Policy	20 245	14 594	21 432	29 735	31 745	31 431	43 685	38.99	45 918	46 055
Fiscal Policy	9 839	9 350	11 524	13 328	12 038	11 724	14 343	22.34	15 282	15 844
Western Cape Gambling and Racing Board	10 406	5 244	9 908	16 407	19 707	19 707	29 342	48.89	30 636	30 211
3. Budget Management	15 327	17 479	17 038	19 665	17 977	18 003	19 867	10.35	21 751	23 074
Provincial Government Budget Office	7 660	8 236	8 010	9 499	8 370	8 394	9 733	15.95	10 408	10 974
Local Government Budget Office	7 667	9 243	9 028	10 166	9 607	9 609	10 134	5.46	11 343	12 100
4. Public Finance	60 517	70 448	66 809	82 226	79 177	78 856	87 885	11.45	87 685	94 376
Provincial Government	8 558	8 410	9 182	10 119	10 263	10 253	10 904	6.35	11 647	12 440
Local Government Finance Group 1	7 643	9 025	9 388	10 875	9 295	9 258	10 472	13.11	11 211	12 000
Local Government Finance Group 2	28 671	35 126	27 510	41 471	41 365	41 330	46 376	12.21	42 916	46 783
Infrastructure	6 333	7 604	7 207	8 417	8 031	7 894	8 313	5.31	9 262	9 935
Business	9 312	10 283	13 522	11 344	10 223	10 121	11 820	16.79	12 649	13 218
Information and Data Management										
Total payments and estimates	101 491	108 379	111 431	140 563	135 872	135 270	159 486	17.90	164 739	173 428

Note: Sub-programme 2.2: Economic Analysis as per the National Treasury uniform budget and programme structure, is subsumed as part of the Budget Office function.

Earmarked allocation:

Included in Sub-programme 2.4.2: Local Government Finance (Group 2) is an earmarked allocation amounting to R16.999 million, R17.929 million and R18.915 million in 2018/19, 2019/20 and 2020/21 respectively for diverse financial support to municipalities to improve financial governance introduced during 2011/12 and will continue over the MTEF, specifically to support the most vulnerable municipalities. Some amounts are unallocated at this stage and will be shifted in the respective Adjusted Estimates that will be based on the outcomes and recommendations of Integrated Municipal Engagements (e.g. Municipal Governance Review and Outlook (MGRO), Integrated Development Plans (IDP) and Local Government Medium Term Expenditure Committee (LG MTEC)) processes.

Economic classification R'000	Outcome			Main appro- priation 2017/18	Adjusted appro- priation 2017/18	Revised estimate 2017/18	Medium-term estimate				
	Audited 2014/15	Audited 2015/16	Audited 2016/17				% Change from Revised estimate		2018/19	2019/20	2020/21
							2017/18	2017/18			
Current payments	69 193	73 806	79 951	90 190	82 142	81 540	91 584	12.32	99 823	105 707	
Compensation of employees	57 808	60 461	62 301	72 026	69 690	69 088	75 560	9.37	84 997	91 426	
Goods and services	11 385	13 345	17 650	18 164	12 452	12 452	16 024	28.69	14 826	14 281	
Transfers and subsidies to	32 298	34 573	31 480	50 373	53 730	53 730	67 902	26.38	64 916	67 721	
Provinces and municipalities	21 800	29 147	21 554	33 966	33 966	33 966	38 311	12.79	34 280	37 510	
Departmental agencies and accounts	10 406	5 244	9 908	16 407	19 707	19 707	29 342	48.89	30 636	30 211	
Households	92	182	18		57	57	249	336.84			
Total economic classification	101 491	108 379	111 431	140 563	135 872	135 270	159 486	17.90	164 739	173 428	

Performance and expenditure trends

The programme increased by R24.216 million from R135.270 million in 2017/18 (revised estimate) to R159.486 million in 2018/19, this equates to a nominal growth of 17.90 per cent. The growth from 2017/18 (revised estimate) of R135.270 million to R173.428 million in 2020/21 reflects an annual average growth of 8.64 per cent over the three-year period. The growth relates to financing of the Western Cape Gambling and Racing Board mainly due to the loss of the limited payout machine (LPM) operator fees and the priority funding allocations that are ring-fenced for municipal financial management improvement and capacity building support grants.

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.

The programme consists of the directorates Support and Interlinked Financial Systems (SIFS), Provincial Government SCM (PG SCM) and Local Government SCM (LG SCM). SIFS provides services to 13 departments and the Revenue Fund. PG SCM delivers services to

13 departments as well to the business community through their supplier development programme in conjunction with the Department of Economic Development and Tourism. LG SCM delivers services to 30 municipalities and is also part of the supplier development programme.

All the functions of the units are either driven on the Corporate Governance Review and Outlook (CGRO), Municipal Governance Review and Outlook (MGRO) or through the MTEC processes.

Any functions that the units perform to the relative departments and municipalities are focused on ensuring that financial management within these institutions are fully developed to ensure that the resources of government are effectively utilised. For SIFS the main focus is to manage the transversal systems of the WCG, ensuring data is of the highest quality and to provide credible financial information to all clients. Both the SCM directorates focus on governance, capacity building and training, technology and strategic procurement to ensure that both departments and municipalities procure efficiently and effectively and drive service delivery objectives within the necessary governance requirements.

As a result of the magnitude of activities performed and to ensure that there is a common understanding of the purpose of the programme, the target for the strategic objective indicator is further unpacked in the Programme Performance Indicator (PPI) wherein we illustrate the number of clients we perform targeted activities with, which is further expanded in Annexure A - Technical Indicator Description.

Strategic outcome oriented goal

Strategic outcome oriented goal 3	Financial system, supply chain and moveable asset governance within the provincial and municipal spheres.
Goal statement	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 the support staff of the Branch: Governance and Asset Management (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 of the programme.

Strategic objective

Strategic objective 12	To provide management and administrative support to Programme 3 – Asset Management.
Objective statement	To provide management and administrative support to Programme 3 - Asset Management to ensure that all strategic objectives and targets are achieved annually.
Baseline	92% targets achieved (2016/17 Annual Report).

Strategic objective annual targets for 2018/19

Strategic objective performance indicator	Strategic Plan Target	Audited/Actual performance			Estimated performance 2017/18	Medium-term targets		
		2014/15	2015/16	2016/17		2018/19	2019/20	2020/21
12. Percentage of Programme 3 – Asset Management's programme performance indicator targets achieved	100% programme performance indicator targets achieved	100%	100%	92%*	100%**	100%**	100%**	100%**

* Method of calculation 2016/17:
 Numerator: Number of achieved performance indicator targets (12)
 Denominator: Number of planned performance indicator targets (13)

** Method of calculation 2017/18 - 2020/21:
 Numerator: Number of achieved performance indicator targets (13)
 Denominator: Number of planned performance indicator targets (13)

Risk management

Risk: Insufficient capacity to appropriately address an increasingly complex and changing environment and an inadequate mix of skills to provide a broader range of services.

Mitigation: A reorganisation of the current staff into specialised areas, with a bespoke training and development plan for each staff member.

Programme performance indicators and annual targets 2018/19

Programme performance indicator	Audited/Actual performance	Estimated performance 2017/18	Medium-term targets				
			2014/15	2015/16	2016/17	2018/19	2019/20
12.1 Number of quarterly performance reports for Programme 3 – Asset Management submitted	New PI	4	4	4	4	4	4

Quarterly targets for 2018/19

Performance indicator		PSG linkage	Reporting period	Annual target 2018/19	Quarterly targets			
					1 st	2 nd	3 rd	4 th
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.

Provincial Government: Supply Chain Management Directorate is responsible for driving centre-led approach for SCM and moveable asset management governance and performance requirements in the Province.

In the current financial year, the unit will continue in sustaining and enhancing its dynamic governance model and the SCM strategy for the Province through monitoring and evaluation functions already being performed as well as through consistence impact assessments and the testing of gaps and key controls from a practical, efficiency gains and service impact perspective.

The unit will also mainstream its focus on utilisation of technology as an enabler to improve SCM performance. Key focus will involve the continued implementation of the central supplier database, and an evidenced based approach through improved efficiencies, governance requirements and enhancements on the e-procurement solution for quotations and the continuous building of the business intelligence competence to support procurement decision-making and better supply chain information management.

Procurement efficiencies and prudent procurement spending will continue to be supported by strategic sourcing methodologies in the procurement planning process to leverage efficiency gains and economies of scale through bulk/consolidated buying initiatives and potential transversal contracts. The linking of the budget to procurement planning has been a key project for the unit and the model will be developed further to address gaps and improvements to existing model

Capacity development 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, help desk support, assistance and guidance, road shows and the SCM Forum. Further mainstreaming of capacitation and development will be led through the four Focus Groups under the SCM Forum, i.e. SCM Policy and Governance; SCM Technology; SCM Capacitation and Development and the Demand Management Focus Groups. 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.

Strategic objective

Strategic objective 13	To maintain and implement the supply chain and asset management strategy for the Province by providing policy direction and support, assistance and guidance to departments.
Objective statement	To provide policy direction and facilitating the management of supply chain and asset management systems and practices through better procurement planning, capacity building, and business process enhancement, for efficiency gains and enhancing relationships with suppliers.
Baseline	13 departments assisted to manage supply chain and moveable asset management.

Strategic objective annual targets for 2018/19

Strategic objective Performance indicator		Strategic Plan Target	Audited/Actual performance			Estimated performance 2017/18	Medium-term targets		
			2014/15	2015/16	2016/17		2018/19	2019/20	2020/21
13.	Number of departments assisted to continuously improve management of supply chain and moveable assets	13 departments assisted to improve management of supply chain and movable assets	13	13	13	13	13	13	

Risk management

Risk: Lack of adequate resources and structure that gives effect to the Office of the Chief Procurement Officer function for the Province. Current high staff turnover further augments the said risk.

Mitigation: A review of the unit's structure via reconfiguration processes to align to National requirements; however, the current fiscal constraints may counter mitigation steps. Downscaling of performance targets.

Risk: The National Treasury Reform process and the issuance of SCM policies and prescripts by National Treasury without due consideration of legality, practicality and an ability to implement or proper impact assessments being conducted before issuance.

Mitigation: Play an active supporting role to the National Treasury in the development of policies and prescripts and utilise all mechanisms of escalation and consultation to flag concerns, constraints and challenges. This mitigation however is dependent on the National Treasury taking up the comments and risk mitigation indicated by the Province. As a further

mitigation, exercising the Provincial Treasury's section 18 mandate to issue requirements not inconsistent with legislation but that speaks to the Province's own bespoke key controls, and governance requirements.

Risk: Lack of coordination and role definition of key stakeholders within the SCM environment (SARS, National Treasury, **the dti**, SITA, DPSA, CIDB).

Mitigation: Play an active role in national processes; however, the mitigation is not totally in the provincial space, and within the Province one is dependent largely on national political will and competencies within the SCM environment.

Risk: Lack of integrated financial systems and business intelligence or data management tools.

Mitigation: Continuous maintenance and enhancements of the current data analytics and business intelligence tools to assist in supporting monitoring and evaluation, procurement planning, strategic sourcing and improved supply chain management performance that will afford process efficiencies and improved performance in respect of procurement processes and initiatives in the Province.

Programme performance indicators and annual targets 2018/19

Programme performance indicator		Audited/Actual performance			Estimated performance 2017/18	Medium-term targets		
		2014/15	2015/16	2016/17		2018/19	2019/20	2020/21
13.1	Number of interventions performed to assist departments with the continuous improvements of their supply chain and asset management systems	Revised PI	Revised PI	Revised PI	26	16	16	20
13.2	Number of SCM/AM and SCM systems assessment reports	Revised PI	Revised PI	Revised PI	169	108	108	108
13.3	Number of interventions for strategic sourcing implementation	Revised PI	Revised PI	4	3	1	1	1
13.4	Number of supplier engagement sessions held to develop and educate suppliers	11	4	19	12	5	5	6

Quarterly targets for 2018/19

Performance indicator		PSG linkage	Reporting period	Annual target 2018/19	Quarterly targets			
					1 st	2 nd	3 rd	4 th
13.1	Number of interventions performed to assist departments with the continuous improvements of their supply chain and asset management systems	PSG 5	Quarterly	16	4	4	4	4
13.2	Number of SCM/AM and SCM Systems assessment reports	PSG 5	Quarterly	108	27	27	27	27
13.3	Number of interventions for strategic sourcing implementation	PSG 5	Annually	1	-	-	-	1
13.4	Number of supplier engagement sessions held to develop and educate suppliers	PSG 5	Quarterly	5	1	1	2	1

Element: Supply Chain Management: Local Government

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

The Local Government Supply Chain Management Directorate is responsible for providing assistance and guidance in respect of good governance and performance in both SCM and asset management to all 30 Western Cape municipalities.

In 2016 the Local Government Supply Chain Directorate introduced the District Approach Strategy for the purpose of a more streamlined, economical and efficient delivery model, which Treasury can use to fulfil its mandate to support municipalities with maximum potential impact.

To this end, the District SCM Fora were established which provided the opportunity for municipalities to take ownership of SCM related issues in their district in collaboration with the relevant district municipalities. In the current financial year, the Programme Performance Indicators have been aligned to give effect to the District Approach.

Provincial Treasury's virtual cycle assessments were enhanced with the municipal self-assessments which were validated through the district visits. The approach covers the holistic SCM strategy that focus on governance, capacitation and training, technology and strategic procurement.

The key focus will be to use procurement as a tool for economic development within the respective districts. To this end the unit established, the SCM Indaba of which the objectives are to provide socio-economic context for the imperative of the utilisation of procurement as a significant contributor to inclusive economic growth and development. This entails that a holistic approach be followed where SCM managers, LED managers and IDP managers integrate their planning.

The unit will further focus on building data analytics and business intelligence competencies to support the municipalities, specific interventions will be undertaken to improve Data Governance and ultimately enhance procurement decision-making.

Training and capacity development programme for both Supply Chain and Asset Management disciplines will continue in a structured format which includes, formal training interventions, informal bespoke interventions, SCM and AM forums and AM colloquiums.

In addition, the Local Government Supply Chain Unit has started with the process of developing an Asset Management Governance Framework for municipalities as a first phase, focusing on Asset Management Policies/Strategies and Business Processes.

Strategic objective

Strategic objective 14	To provide policy guidance and facilitating the management of supply chain and asset management practices in municipalities.
Objective statement	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.
Baseline	30 municipalities assisted to manage supply chain and asset management.

Strategic objective annual targets for 2018/19

Strategic objective Performance indicator	Strategic Plan Target	Audited/Actual performance			Estimated performance 2017/18	Medium-term targets		
		2014/15	2015/16	2016/17		2018/19	2019/20	2020/21
14. Number of municipalities assisted to improve management of supply chain and assets	30 municipalities assisted to improve management of supply chain and assets	30	30	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 integrated financial systems and business intelligence or data management tools.

Mitigation: Implementation of data analytics tools to assist in supporting strategic procurement initiatives that will afford process efficiencies and improved performance in respect of procurement processes and initiatives in the Province.

Risk: Inadequate capacity and policy guidance in municipalities to adequately respond to the drought disaster.

Mitigation: Assist municipalities with the drafting of a Disaster Procurement Policy and implementation thereof. Furthermore, render assistance to central disaster command and control center at the Department of Local Government established to assist municipalities to prepare and respond to the drought disaster.

Programme performance indicators and annual targets 2018/19

Programme performance indicator		Audited/Actual performance			Estimated performance 2017/18	Medium-term targets		
		2014/15	2015/16	2016/17		2018/19	2019/20	2020/21
14.1	Number of municipal SCM and MAM Virtuous Cycle assessment reports	20	22	10	10	10	10	10
14.2	Number of Municipal Districts assisted with the implementation of the model policy for infrastructure procurement	Revised PI	Revised PI	Revised PI	Revised PI	5	5	5
14.3	Number of Municipal Districts assisted with structured training interventions and capacity building	Revised PI	Revised PI	Revised PI	Revised PI	5	5	5
14.4	Number of Municipal Districts assisted with asset management business processes	Revised PI	Revised PI	Revised PI	Revised PI	5	5	5
14.5	Number of Municipal Districts assisted with localisation of procurement	New PI	New PI	5	5	5	5	5

Quarterly targets for 2018/19

Performance indicator		PSG linkage	Reporting period	Annual target 2018/19	Quarterly targets			
					1 st	2 nd	3 rd	4 th
14.1	Number of municipal SCM and MAM Virtuous Cycle assessment reports	PSG 5	Quarterly	10	2	4	2	2
14.2	Number of Municipal Districts assisted with the implementation of the model policy for infrastructure procurement	PSG 5	Quarterly	5	1	2	1	1
14.3	Number of Municipal Districts assisted with structured training interventions and capacity building	PSG 5	Quarterly	5	1	2	1	1
14.4	Number of Municipal Districts assisted with asset management business processes	PSG 5	Quarterly	5	1	2	1	1
14.5	Number of Municipal Districts assisted with localisation of procurement	PSG 5	Quarterly	5	1	2	1	1

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 the IFMS.

Supporting and Interlinked Financial Systems aims to further improve financial system management in the Province by:

- a) Maintenance of effective user account management to improve security of the systems;
- b) Ensuring further development of integrated training interventions to promote the correct and optimal use of financial systems in accordance with system user profiles;
- c) Putting measures in place to improve the validity and veracity of system data; and
- d) Rendering credible and detailed system data and performing system data analysis for all Western Cape Government departments.

In preparation for the migration to the IFMS the focus will be on implementation readiness and system data cleanliness in the current provincially operated legacy financial systems.

Strategic objective

Strategic objective 15	To provide for the implementation, management and oversight of provincially operated financial systems and the migration to the IFMS.
Objective statement	To provide for the implementation, management and oversight of provincially operated financial systems through training of users in accordance with their system profiles, effective user account management, optimal utilisation of systems for migration to the IFMS.
Baseline	13 votes assisted to effectively utilise the suite of provincially operated financial systems.

Strategic objective annual targets for 2018/19

Strategic objective Performance indicator		Strategic Plan Target	Audited/Actual performance			Estimated performance 2017/18	Medium-term targets		
			2014/15	2015/16	2016/17		2018/19	2019/20	2020/21
15.	Number of votes assisted to effectively utilise the suite of financial systems	13 votes to assist to effectively utilise the suite of financial systems	14	14	14	14	13	13	13

Risk management

Risk: Not all system users are formally trained in at least their system profiles, which negatively impacts on integrity of data and optimal utilisation of the provincially operated financial systems.

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

Risk: Integrity of data for the programmatical migration to the IFMS.

Mitigation: Assist departments in accordance with a mutually agreed project plan with the clean-up and updating of data for the programmatical migration of data, to the Integrated Financial Management System (IFMS).

Risk: Lack of integrated financial systems and the readily availability of a business intelligence management data tool.

Mitigation: Implementation of data analytics and business intelligence tool to assist in supporting effective and efficient control, and decision-making in respect of Budget processes, and Governance initiatives in the Province.

Programme performance indicators and annual targets 2018/19

Programme performance indicator		Audited/Actual performance			Estimated performance 2017/18	Medium-term targets		
		2014/15	2015/16	2016/17		2018/19	2019/20	2020/21
15.1	Number of institutions provided with user account management service i.r.o. provincially operated financial systems	118	125	152	147	122	122	122
15.2	Number of votes assisted with the data maintenance planning and preparation i.r.o. all provincially operated financial systems for migration to the IFMS	Revised PI	Revised PI	Revised PI	Revised PI	13	13	13
15.3	Number of votes assisted in providing and analysing data	New PI	New PI	New PI	14	13	13	13

Quarterly targets for 2018/19

Performance indicator		PSG linkage	Reporting period	Annual target 2018/19	Quarterly targets			
					1 st	2 nd	3 rd	4 th
15.1	Number of institutions provided with user account management service i.r.o. provincially operated financial systems	PSG 5	Quarterly	122	122	122	122	122
15.2	Number of votes assisted with the data maintenance planning and preparation of data i.r.o. all provincially operated financial systems for migration to the IFMS	PSG 5	Quarterly	13	3	3	4	3
15.3	Number of votes assisted in providing and analysing data	PSG 5	Quarterly	13	1	3	4	5

Reconciling performance targets with the Budget and MTEF

Expenditure estimates

Table 6 Asset Management

	Outcome			Main appropriation 2017/18	Adjusted appropriation 2017/18	Revised estimate 2017/18	Medium-term estimate			
	Audited 2014/15	Audited 2015/16	Audited 2016/17				% Change from Revised estimate 2018/19	2019/20	2020/21	
1. Programme Support	3 577	3 664	4 217	4 772	4 205	4 072	3 493	(14.22)	4 709	4 993
2. Supply Chain Management	20 799	19 269	18 191	28 141	22 742	22 755	27 550	21.07	29 860	29 969
Supply Chain Management: Provincial Government	14 327	12 514	11 681	20 663	16 102	16 100	18 958	17.75	21 268	20 772
Supply Chain Management: Local Government	6 472	6 755	6 510	7 478	6 640	6 655	8 592	29.11	8 592	9 197
3. Supporting and Interlinked Financial Systems	31 356	30 539	31 698	26 907	25 996	26 113	31 481	20.56	31 653	33 213
Total payments and estimates	55 732	53 472	54 106	59 820	52 943	52 940	62 524	18.10	66 222	68 175

Note: Sub-programme 3.2: Asset Management and Sub-programme 3.3: Liabilities Management as per the National Treasury uniform budget and programme structure, have been subsumed within the Sub-programme Supply Chain Management.

Economic classification R'000	Outcome			Main appropriation 2017/18	Adjusted appropriation 2017/18	Revised estimate 2017/18	Medium-term estimate			
	Audited 2014/15	Audited 2015/16	Audited 2016/17				% Change from Revised estimate 2018/19	2019/20	2020/21	
Current payments	55 686	53 310	52 448	59 624	52 516	52 513	62 524	19.06	66 222	68 175
Compensation of employees	29 810	32 454	34 153	38 298	35 166	35 163	38 803	10.35	42 895	46 056
Goods and services	25 876	20 856	18 295	21 326	17 350	17 350	23 721	36.72	23 327	22 119
Transfers and subsidies to Households	46	162	1 658	196	427	427	(100.00)			
Total economic classification	55 732	53 472	54 106	59 820	52 943	52 940	62 524	18.10	66 222	68 175

Performance and expenditure trends

The programme increased by R9.584 million from R52.940 million in 2017/18 (revised estimate) to R62.524 million in 2018/19, this equates to a nominal growth of 18.10 per cent. The growth from 2017/18 (revised estimate) of R52.940 million to R68.175 million in 2020/21 reflects an annual average growth of 8.80 per cent over the three-year period. The growth relates to the continued development of strategic sourcing methodologies, maintenance of the central supplier database and the migration to LOGIS project.

Programme 4 – Financial Governance

Programme Description

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

In congruence with PSG 5, which focuses on embedding good governance and integrated service delivery through partnerships and spatial alignment, the programme will focus on the continuous improvement of good financial governance.

This embedding of good governance will be done through the programme's work as part of PSG 5 Workgroup 1 and 2, and to a lesser extent, Workgroup 4.

The programme will focus on the implementation of the financial governance norms and standards in both municipalities and departments in an integrated manner.

The various directorates will drive financial accounting and financial governance norms and standards through the CGRO and MGRO strategy, and by utilising electronic platforms as enabling tools to steer the Province, from a financial governance perspective, through the information revolution.

Strategic outcome oriented goal

Strategic outcome oriented goal 4	To embed good governance through financial management improvement and capacity building initiatives for departments, entities and municipalities.
Goal statement	Achieving embedded good governance through accountability by promoting the continuous improvement of good financial governance through reporting frameworks and compliance with financial norms and standards with 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 and related support staff. It also provides resources for the structured training and development of the staff within the programme.

Strategic objective

Strategic objective 16	To provide management and administrative support to Programme 4 – Financial Governance.
Objective statement	To provide management and administrative support to Programme 4 – Financial Governance to ensure that all strategic objectives and targets are achieved annually.
Baseline	100% targets achieved (2016/17 Annual Report).

Strategic objective annual targets for 2018/19

Strategic objective performance indicator	Strategic Plan Target	Audited/Actual performance			Estimated performance 2017/18	Medium-term targets		
		2014/15	2015/16	2016/17		2018/19	2019/20	2020/21
16. Percentage of Programme 4 – Financial Governance's programme performance indicator targets achieved	100% programme performance indicator targets achieved	100%	100%	100%*	100%**	100%***	100%***	100%***

* Method of calculation 2016/17:
 Numerator: Number of achieved performance indicator targets (15)
 Denominator: Number of planned performance indicator targets (15)

** Method of calculation 2017/18:
 Numerator: Number of achieved performance indicator targets (13)
 Denominator: Number of planned performance indicator targets (13)

*** Method of calculation 2018/19 - 2020/21:
 Numerator: Number of achieved performance indicator targets (14)
 Denominator: Number of planned performance indicator targets (14)

Risk management

Risk: Insufficient capacity to address an increasingly complex and changing environment in terms of the accounting and governance requirements.

Mitigation: A re-organisation of how the sub-directorates work, adopting a district approach for the local government space, and an integrated approach for the provincial government space.

Programme performance indicators and annual targets 2018/19

Programme performance indicator	Audited/Actual performance	Estimated performance 2018/19	Medium-term targets				
			2014/15	2015/16	2016/17	2018/19	2019/20
16.1 Number of quarterly performance reports for Programme 4 - Financial Governance submitted	New PI 4	4	4	4	4	4	4

Quarterly targets for 2018/19

Performance indicator		PSG linkage	Reporting period	Annual target 2018/19	Quarterly targets			
					1 st	2 nd	3 rd	4 th
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 assist municipalities to achieve accurate and complete recording of transactions as required by generally recognised accounting practices (GRAP), and conformance with applicable financial laws, regulations and the municipal standard chart of accounts. This would contribute to preventing material misstatements, irregularities and the deeper analysis of financial statements that could drive key policy decisions.

Strategic objective

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

Strategic objective annual targets for 2018/19

Strategic objective Performance indicator	Strategic Plan Target	Audited/Actual performance			Estimated performance 2017/18	Medium-term targets		
		2014/15	2015/16	2016/17		2018/19	2019/20	2020/21
17. Number of municipalities supported to comply with the GRAP standards	30 municipalities supported to comply with the GRAP standards	30	30	30	30	30	30	30

Risk management

Risk: Non-compliance with the evolving accounting frameworks i.e. GRAP for municipalities and municipal entities due to lack of knowledge and interpretation of these standards resulting in negative audit outcomes. The implementation of mSCOA, which constitutes one of the biggest reforms in local government since the promulgation of the MFMA.

Mitigation: Provide ongoing support and training to municipalities and entities on the new and existing accounting standards, and supporting municipalities with the implementation of the Municipal Standard Chart of Accounts.

Programme performance indicators and annual targets 2018/19

Programme performance indicator		Audited/Actual performance			Estimated performance 2017/18	Medium-term targets		
		2014/15	2015/16	2016/17		2018/19	2019/20	2020/21
17.1	Number of Municipalities supported with the accounting reporting framework	30	30	30	30	30	30	30
17.2	Number of Reports submitted for MGRO engagements	Revised PI	New PI	Revised PI	Revised PI	30	30	30
17.3	Number of municipalities monitored and supported with mSCOA implementation	New PI	New PI	New PI	New PI	30	30	30

Quarterly targets for 2018/19

Performance indicator		PSG linkage	Reporting period	Annual target 2018/19	Quarterly targets			
					1 st	2 nd	3 rd	4 th
17.1	Number of Municipalities supported with the accounting reporting framework	PSG 5	Quarterly	30	30	30	30	30
17.2	Number of Reports submitted for MGRO engagements	PSG 5	Annually	30	-	-	-	30
17.3	Number of municipalities monitored and supported with mSCOA implementation	PSG 5	Quarterly	30	30	30	30	30

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 and reporting of transactions as required in terms of the prescribed accounting frameworks. This contributes toward preventing irregularities and material financial misstatements in both the modified cash basis of accounting applied by departments and accrual basis of accounting applied by entities.

By coordinating and incrementally driving financial norms and standards, the unit also monitors and reports quarterly on the departmental CGRO (E-Gap) governance action plans to enable the improvement of financial management.

To continuously improve both governance and the application of the accounting framework through structured training programmes and the further enhancement of the E-Gap tool.

Strategic objective

Strategic objective 18	Improved application of accounting practices in line with the reporting frameworks, provincial consolidated financial statements tabled and improved financial governance.
Objective statement	To improve the application of accounting practices in line with the reporting frameworks, prepare provincial consolidated financial statements and drive financial governance reforms within departments and entities.
Baseline	14 votes assisted to comply with the applicable accounting and financial norms frameworks.

Strategic objective annual targets for 2018/19

Strategic objective performance indicators		Strategic Plan Target	Audited/Actual performance			Estimated performance 2017/18	Medium-term targets		
			2014/15	2015/16	2016/17		2018/19	2019/20	2020/21
18.	Number of votes assisted to comply with financial accounting and governance norms and standards	14 votes assisted to comply with financial accounting and governance norms and standards	14	14	14	14	14	14	

Risk management

Risk: Non-compliance with the evolving accounting frameworks i.e. GRAP for entities and Modified Cash Standard for departments due to interpretation issues on accounting frameworks by departments and entities resulting in negative audit outcomes.

Mitigation: Provide ongoing support and training to departments and entities on accounting standards.

Risk: The adequacy of the assessment criteria may not be comprehensive enough to assess the Financial Management Maturity Capability of Departments.

Mitigation: Benchmark against the NT FMCMM which is at a Level 3 (compliance level) and develop Level 4 - 6 assessment criteria.

Risk: The inability to monitor and provide oversight over compliance with the PFMA by departments due to inadequate structure within the Compliance unit to perform required oversight resulting in non-compliance with the PFMA.

Mitigation: To strengthen the existing structure in order to provide the required oversight over departments.

Programme performance indicators and annual targets 2018/19

Programme performance indicator		Audited/Actual performance			Estimated performance 2017/18	Medium-term targets		
		2014/15	2015/16	2016/17		2018/19	2019/20	2020/21
18.1	Number of votes assessed against the applicable accounting and norms and standards requirements	14	14	14	14	14	14	14
18.2	Number of accounting training interventions	6	5	5	5	5	5	5
18.3	Timeous Publication and tabling of the ACFS	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	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 Cabinet submissions coordinated	4	4	4	4	4	4	4
18.5	Number of quarterly governance engagements with departments	New PI	New PI	New PI	2	2	2	2

Quarterly targets for 2018/19

Programme Performance indicator		PSG linkage	Reporting period	Annual target 2018/19	Quarterly targets			
					1 st	2 nd	3 rd	4 th
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 Cabinet submissions coordinated	PSG 5	Quarterly	4	1	1	1	1
18.5	Number of quarterly governance engagements with departments	PSG 5	Quarterly	2	1	1	-	-

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 MGRO programme and progressively drive the maturity criteria across various disciplines to achieve maturity in governance.

Established forums such as the Chief Risk Officer and Chief Audit Executive (CAE) fora are used to drive norms and standards relating to risk management and internal audit practices.

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

Strategic objective

Strategic objective 19	To develop, monitor and advise on norms and standards of corporate governance within municipalities and financial legislation in departments.
Objective statement	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.
Baseline	Assistance to improve Corporate Governance in 30 municipalities.

Strategic objective annual targets for 2018/19

Strategic objective performance indicators	Strategic Plan Target	Audited/Actual performance			Estimated performance 2017/18	Medium-term targets		
		2014/15	2015/16	2016/17		2018/19	2019/20	2020/21
19. Number of municipalities assisted to improve corporate governance	30 municipalities assisted to improve corporate governance	30	30	30	30	30	30	30

Risk management

Risk: Non-compliance with financial governance norms and standards due to lack of capacity of municipal officials to effectively conform to financial governance norms and standards resulting in low governance maturity levels.

Mitigation: Provide ongoing support and training on financial governance norms and standards.

Risk: The inability to monitor and provide oversight over the compliance of the MFMA by municipalities due to lack of uniform system or process.

Mitigation: To strengthen the existing structured measurement processes in order to provide the required oversight over municipalities.

Programme performance indicators and annual targets 2018/19

Programme performance indicator	Audited/Actual performance			Estimated performance 2017/18	Medium-term targets		
	2014/15	2015/16	2016/17		2018/19	2019/20	2020/21
19.1 Number of municipal support initiatives on integrated capacity building and training	11	15	10	10	10	10	10
19.2 Number of municipal MGRO assessment reports	2	2	1	28	28	28	28

Programme performance indicator		Audited/Actual performance			Estimated performance 2017/18	Medium-term targets		
		2014/15	2015/16	2016/17		2018/19	2019/20	2020/21
19.3	Number of municipal support initiatives on Governance, Risk and Control	41	20	12	12	12	12	12
19.4	Number of municipalities supported with a financial delegation framework	Revised PI	Revised PI	Revised PI	Revised PI	4	4	4
19.5	Number of initiatives to support the Departments on the Financial Review Framework	New PI	New PI	New PI	New PI	2	2	2

Quarterly targets for 2018/19

Performance indicator		PSG linkage	Reporting period	Annual target 2018/19	Quarterly targets			
					1 st	2 nd	3 rd	4 th
19.1	Number of municipal support initiatives on integrated capacity building and training	PSG 5	Quarterly	10	3	3	2	2
19.2	Number of municipal MGRO assessment reports	PSG 5	Annually	28	-	-	-	28
19.3	Number of municipal support initiatives on Governance, Risk and Control	PSG 5	Quarterly	12	2	4	4	2
19.4	Number of municipalities supported with a financial delegation framework	PSG 5	Bi-annually	4	-	2	2	-
19.5	Number of initiatives to support the Departments on the Financial Review Framework	PSG5	Annually	2	-	-	-	2

Reconciling performance targets with the Budget and MTEF

Expenditure estimates

Table 7 Financial Governance

Sub-programme R'000	Outcome			Main appro- pria- tion 2017/18	Adjusted appro- pria- tion 2017/18	Revised estimate 2017/18	Medium-term estimate			
	Audited	Audited	Audited				% Change from Revised estimate			
	2014/15	2015/16	2016/17				2018/19	2017/18	2019/20	2020/21
1. Programme Support	3 307	1 506	4 493	7 429	6 399	6 375	9 039	41.79	9 848	10 109
Programme Support	3 307	1 506	1 616	2 413	2 273	2 253	3 308	46.83	3 469	3 632
CA Academy			2 877	5 016	4 126	4 122	5 731	39.03	6 379	6 477
2. Accounting Services	16 101	17 479	17 084	21 083	19 550	19 561	20 442	4.50	21 976	23 413
Provincial Government Accounting and Compliance	8 623	10 712	9 669	10 699	10 291	10 316	10 983	6.47	11 765	12 565
Local Government Accounting	7 478	6 767	7 415	10 384	9 259	9 245	9 459	2.31	10 211	10 848
3. Corporate Governance	11 299	11 802	11 350	14 464	13 531	13 669	12 738	(6.81)	14 409	15 409
Total payments and estimates	30 707	30 787	32 927	42 976	39 480	39 605	42 219	6.60	46 233	48 931

Note: Sub-programme 4.3: Norms and Standards and Sub-programme 4.4: Risk Management as per the National Treasury uniform budget and programme structure, have been subsumed within the Sub-programme Corporate Governance. Sub-programme 4.5: Provincial Internal Audit as per the National Treasury uniform budget and programme structure, was shifted to the Department of the Premier during the 2010/11 financial year.

Economic classification R'000	Outcome			Main appro- pria- tion 2017/18	Adjusted appro- pria- tion 2017/18	Revised estimate 2017/18	Medium-term estimate			
	Audited	Audited	Audited				% Change from Revised estimate			
	2014/15	2015/16	2016/17				2018/19	2017/18	2019/20	2020/21
Current payments	30 681	30 175	32 843	42 827	39 432	39 557	42 219	6.73	46 233	48 931
Compensation of employees	25 169	25 254	27 612	31 937	28 660	28 785	34 601	20.20	38 513	41 123
Goods and services	5 512	4 921	5 231	10 890	10 772	10 772	7 618	(29.28)	7 720	7 808
Transfers and subsidies to	26	16			48	48		(100.00)		
Households	26	16			48	48		(100.00)		
Payments for capital assets		596	84	149						
Machinery and equipment			84	149						
Software and other intangible assets		596								
Total economic classification	30 707	30 787	32 927	42 976	39 480	39 605	42 219	6.60	46 233	48 931

Performance and expenditure trends

The programme increased by R2.614 million from R39.605 million in 2017/18 (revised estimate) to R42.219 million in 2018/19, this equates to a nominal growth of 6.60 per cent. The growth from 2017/18 (revised estimate) of R39.605 million to R48.931 million in 2020/21 reflects an annual average growth of 7.30 per cent over the three-year period. The growth relates to the salary cost of living adjustment.

PART C

LINKS TO OTHER PLANS



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 of 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 and betting activities conducted in the Province conform to the legislative provisions and regulatory requirements.</p> <p>To provide innovative and practical ICT solutions to the WCGRB both on a strategic and functional level.</p>

Ongoing evaluation of the WCGRB is conducted via a number of mechanisms, e.g.:

- Quarterly meetings between the Minister of Finance; Provincial Treasury the Western Cape Gambling and Racing Board; and
- Quarterly assessment of the WCGRB's financial and performance information and feedback to the entity.

4. Public private partnerships

The Department does not have any Public private partnerships.

ANNEXURE A

TECHNICAL INDICATOR DESCRIPTIONS



ANNEXURE A

Technical indicator descriptions

Sub-programme 1.1: Office of the Minister

Strategic objective performance indicator

Indicator title 1	Number of reports to monitor compliance with statutory and executive requirements.
Short definition	Report to monitor compliance with PFMA, MFMA and other applicable legislation.
Purpose/importance	To ensure that Minister discharges his executive and legislative functions.
Source/collection of data	Minutes (Action notes), relevant submissions and annexures, attendance registers of meetings
Method of calculation	Simple count
Data limitations	Not applicable
Type of indicator	Output
Calculation type	Cumulative
Reporting cycle	Annually
New indicator	No
Desired performance	Actual performance equal to targeted performance is desirable.
Indicator responsibility	Head of Office: Ministry

Programme performance Indicators

Indicator title 1.1	Number of formal engagements with the Department on meeting statutory and executive requirements.
Short definition	Minister to meet with senior management of Provincial Treasury, in furtherance of provisions of PFMA, MFMA and other applicable legislation.
Purpose/importance	Engagements will enable Minister to discharge his executive and legislative functions.
Source/collection of data	Minutes, relevant annexures and submissions and attendance registers of meetings with senior management (TMM)
Method of calculation	Simple count
Data limitations	Not applicable
Type of indicator	Output
Calculation type	Cumulative
Reporting cycle	Quarterly
New indicator	No
Desired performance	Compliance with PFMA, MFMA and Western Cape Gambling & Racing Act, Act 4/1996.
Indicator responsibility	Head of Office: Ministry

Indicator title 1.2	Number of formal engagements with the Western Cape Gambling and Racing Board on meeting statutory and executive requirements.
Short definition	Minister to meet with board members of the Western Cape Gambling and Racing Board in furtherance of provisions of PFMA, MFMA and the Western Cape Gambling and Racing Act, Act 4/1996.
Purpose/importance	Engagements will enable Minister to discharge his executive and legislative functions.
Source/collection of data	Minutes, relevant annexures, submissions and attendance registers of meetings with Executive and officials of the Western Cape Gambling and Racing Board
Method of calculation	Simple count
Data limitations	Not applicable
Type of indicator	Output
Calculation type	Cumulative
Reporting cycle	Quarterly
New indicator	No
Desired performance	Compliance with PFMA, MFMA and Western Cape Gambling & Racing Act, Act 4/1996.
Indicator responsibility	Head of Office: Ministry

Indicator title 1.3	Number of meetings/engagements with the Consul Generals, members of the Diplomatic Corps and incoming foreign delegations.
Short definition	Minister to meet Diplomatic Representatives to give effect to the International Relations Strategy.
Purpose/importance	Engagements will enable Minister to foster sound International Relations with regional/foreign governments/interest groups.
Source/collection of data	Minutes and attendance registers of meetings; Reports and Briefing documents
Method of calculation	Simple count
Data limitations	Not applicable
Type of indicator	Output
Calculation type	Cumulative
Reporting cycle	Quarterly
New indicator	No
Desired performance	Sound relations with foreign countries/regions.
Indicator responsibility	Media Liaison Officer - Ministry

Sub-programme 1.2: Management Services

Strategic objective performance Indicator

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

Programme performance indicators

Indicator title 2.1	Number of prescribed performance plans and reports submitted.
Short definition	Submission of 1 Annual Performance Plan, 4 Quarterly Performance Reports, 1 Annual Performance Information Report. The performance plans and reports must be compliant with legislative prescripts, reporting guidelines and procedures.
Purpose/importance	<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>

Source/collection of data	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 Quarterly Performance Reports: Assessments of Quarterly Performance Report Annual Performance Information Report: Provincial Parliament's Announcements, Tabling and Committee reports document for the tabling of Vote 3 – Provincial Treasury, hardcopy AR and e-copy AR
Method of calculation	Simple count - Number of reports submitted
Data limitations	Not applicable
Type of indicator	Output
Calculation type	Cumulative
Reporting cycle	Quarterly
New indicator	No
Desired performance	Actual performance equal to targeted performance is desirable.
Indicator responsibility	Deputy Director: Strategic Management Support Services/ Director: Strategic and Operational Management Support

Indicator title 2.2	Number of reports on the implementation of the Workforce Plan.
Short definition	Quarterly report on the progress regarding the implementation of the identified interventions contained in the Workforce Plan and the adherence to legislature prescripts and procedures.
Purpose/importance	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 Workforce Plan and that all the Human Resource Management legislative prescripts and procedures are adhered to.
Source/collection of data	The following will be used to compile the quarterly report: <ul style="list-style-type: none"> • PERSAL reports and databases; • Progress report on the implementation of the Recruitment and Selection Plan; • Progress report on the implementation of the Employment Equity Plan and Employment Equity Statistics; • Human Resource Development Implementation Plan and Human Resource Development Monitoring Tool; • Job Access Strategic Framework Implementation Report; • Gender Equity Strategic Framework Implementation Report; and • Employee Health and Wellness Implementation Review Report.

Method of calculation	Simple count - Number of reports submitted
Data limitations	Information in reports is based on information collected manually.
Type of indicator	Output indicator
Calculation type	Cumulative
Reporting cycle	Quarterly
New indicator	No
Desired performance	Actual performance equal to targeted performance is desirable.
Indicator responsibility	Deputy Director: Corporate Services Relations Management/ Director: Strategic and Operational Management Support

Sub-programme 1.3: Financial Management

Strategic objective performance indicator

Indicator title 3	Number of material financial management audit findings.
Short definition	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.
Purpose/importance	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.
Source/collection of data	Report of the AG to the Western Cape Provincial Parliament on Vote No. 3: Western Cape Provincial Treasury
Method of calculation	Simple count – Number of material audit findings
Data limitations	Not applicable
Type of indicator	Output
Calculation type	Non-cumulative
Reporting cycle	Annually
New indicator	No
Desired performance	Actual performance equal to targeted performance as outlined in the short description and purpose/importance above.
Indicator responsibility	Chief Financial Officer

Programme performance Indicators

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

Indicator title 3.2	Number of Budget submissions.
Short definition	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.
Purpose/importance	Statutory obligation in terms of PFMA in order to authorise the Department's annual expenditure and ensuring that there are no material findings from auditors.
Source/collection of data	BAS and MTEC database
Method of calculation	Simple count
Data limitations	Not applicable
Type of indicator	Output
Calculation type	Cumulative
Reporting cycle	Quarterly
New indicator	No
Desired performance	As prescribed in budget circulars and under short definition above.
Indicator responsibility	AO and CFO

Indicator title 3.3	Number of Corporate reports.
Short definition	Compilation of quarterly governance review and outlook reports (CGRO) to improve adherence to audit findings (both internal and external). Any gaps identified within Financial Management should be improved on are also listed in the CGRO report.
Purpose/importance	Monitoring tools to ensure clean administration. The collation of CGRO information is regarded as a priority to obtain high quality financial management within the department as acts and as a tool to minimise gaps that exist.
Source/collection of data	AGSA and IA and IC reports
Method of calculation	Simple count
Data limitations	Too many reports limit verification and compliance.
Type of indicator	Output
Calculation type	Cumulative
Reporting cycle	Quarterly
New indicator	No
Desired performance	Updating reports and monitoring quarterly progress is desirable.
Indicator responsibility	CFO and IC Unit

Programme 2 – Sustainable Resource Management

Sub-programme 2.1: Programme Support

Strategic objective performance indicator

Indicator title 4	Percentage of Programme 2 – Sustainable Resource Management's programme performance indicator targets achieved.
Short definition	Percentage of Programme 2 – Sustainable Resource Management's performance indicators achieved as per the Annual Performance Plan.
Purpose/importance	To ensure that departmental goals and objectives are achieved.
Source/collection of data	Annual Performance Plan, Quarterly Performance Reports and Annual Report
Method of calculation	Numerator: Number of achieved performance indicator targets Denominator: Number of planned performance indicator targets
Data limitations	None
Type of indicator	Output
Calculation type	Non-cumulative
Reporting cycle	Annually
New indicator	No
Desired performance	Optimum achievement of the planned targets.
Indicator responsibility	Programme Manager/Office Manager

Programme performance indicators

Indicator title 4.1	Number of quarterly performance reports for Programme 2 – Sustainable Resource Management submitted.
Short definition	Number of quarterly reports submitted on the performance of Programme 2 – Sustainable Resource Management.
Purpose/importance	To monitor progress towards the achievement of targets and to institute timeous remedial actions.
Source/collection of data	Progress reports submitted by sub-programme and element managers.
Method of calculation	Simple count
Data limitations	None
Type of indicator	Activities and output
Calculation type	Cumulative
Reporting cycle	Quarterly
New indicator	No
Desired performance	Actual performance equal to targeted performance is desirable.
Indicator responsibility	Programme Manager/Office Manager

Sub-programme 2.2: Fiscal Policy
Strategic objective performance indicator

Indicator title 5	Number of fiscal policy reports.
Short definition	Number of reports on fiscal matters that impact on the fiscal frameworks of provincial and local government.
Purpose/importance	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.
Source/collection of data	Provincial Treasury Database
Method of calculation	Simple count – Number of research reports
Data limitations	Not applicable
Type of indicator	Output indicator
Calculation type	Cumulative
Reporting cycle	Annually
New indicator	No
Desired performance	To provide research, analysis and advice on provincial and municipal fiscal capability and cash management.
Indicator responsibility	Senior Manager: Fiscal Policy

Programme performance Indicators

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

Indicator title 5.2	Number of Provincial Revenue reports.
Short definition	Monitor, analyse and report on the Provincial Fiscal Revenue Trends and evaluate policy influences on provincial fiscal capability.
Purpose/importance	To provide advice and support to departments in order to enhance revenue management.
Source/collection of data	Provincial Treasury Database
Method of calculation	Simple count
Data limitations	Subject to quality and accuracy of department reporting.
Type of indicator	Output indicator
Calculation type	Cumulative
Reporting cycle	Quarterly
New indicator	No
Desired performance	To ensure timeous production of provincial revenue reports.
Indicator responsibility	Senior Manager: Fiscal Policy

Indicator title 5.3	Number of Cash Management Reports.
Short definition	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.
Purpose/importance	To provide support to departments and municipalities in order to reduce the risk of under collection through monthly monitoring.
Source/collection of data	Provincial Treasury Database
Method of calculation	Simple count
Data limitations	Subject to quality and accuracy of department and municipal reporting.
Type of indicator	Output indicator
Calculation type	Cumulative
Reporting cycle	Quarterly
New indicator	No
Desired performance	To ensure timely production of provincial and municipal cash management reports (4 for Provincial Government; 4 for Municipalities).
Indicator responsibility	Senior Manager: Fiscal Policy

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

Sub-programme 2.3: Budget Management

Element: Provincial Government Budget Office

Strategic objective performance indicator

Indicator title 6	Timeous publication of the Overview of Provincial Revenue and Expenditure.
Short definition	Publication of the OPRE (Provincial Budget Overview).
Purpose/importance	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.
Source/collection of data	The OPRE is available on the Provincial Treasury Database.
Method of calculation	Date of publication
Data limitations	Not applicable
Type of indicator	Output indicator
Calculation type	Non-cumulative
Reporting cycle	Annually
New indicator	No
Desired performance	To publish timeously by March within two weeks of the tabling of the national budget.
Indicator responsibility	Senior Manager: Provincial Government Budget Office

Programme performance indicators

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

Indicator title 6.2	Timeous publication of the Provincial Economic Review and Outlook.
Short definition	The publication of research on the Provincial Economic Review and Outlook (PERO) which is tabled in the Provincial Parliament.
Purpose/importance	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.
Source/collection of data	Publication stored electronically on the Provincial Treasury database and hard copy publication.
Method of calculation	Date of publication
Data limitations	Not applicable
Type of indicator	Output indicator
Calculation type	Non-cumulative
Reporting cycle	Annually
New indicator	No
Desired performance	To publish timeously to inform the Medium Term Budget Policy Statement by September.
Indicator responsibility	Senior Manager: Provincial Government Budget Office

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

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

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

Programme performance Indicators

Indicator title 7.1	Number of municipal budget policy assessment reports.
Short definition	Annual municipal budget assessments for the Local Government Medium Term Expenditure Committee (LG MTEC).
Purpose/importance	To improve the allocative efficiency and responsiveness of municipal budgets and make recommendations for improvement.
Source/collection of data	Local Government Medium Term Expenditure Committee (LG MTEC) assessment-copy reports available on the Provincial Treasury database.
Method of calculation	Simple count
Data limitations	Not applicable
Type of indicator	Output indicator
Calculation type	Non-cumulative
Reporting cycle	Annually
New indicator	No
Desired performance	Assessment Reports on all municipalities
Indicator responsibility	Senior Manager: Local Government Budget Office

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

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

Sub-programme 2.4: Public Finance

Element: Provincial Government Finance

Strategic objective performance indicator

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

Programme performance Indicators

Indicator title 8.1	Number of provincial budget assessment reports.
Short definition	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.
Purpose/importance	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.
Source/collection of data	National and Provincial databases specific for departments and entities. An expenditure model based on past trends and department specific anomalies.
Method of calculation	On an annual basis each of the 14 votes submits their 1 st draft budget to 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 nd draft budget is submitted whereby again an assessment is made and utilised for discussion during the PG MTEC 2 engagement. A benchmark analysis report is prepared based on the 2 nd draft budget for each department, which is used at the discussion with the National Treasury in mid-January.
Data limitations	The assessment is dependent on the quality and completion of databases submitted by departments.
Type of indicator	Output indicator

Calculation type	Cumulative
Reporting cycle	Bi-annually
New indicator	No
Desired performance	Meeting target
Indicator responsibility	Senior Manager: Provincial Government Finance

Indicator title 8.2	Number of expenditure reviews.
Short definition	Expenditure review working paper on selected expenditure items.
Purpose/importance	To understand and identify expenditure trends or any potential efficiency gains on selected expenditure items.
Source/collection of data	Past expenditure trends of selected items review papers.
Method of calculation	Simple count refers to output from processes associated with the indicator that will serve as evidence.
Data limitations	Not applicable
Type of indicator	Input indicator
Calculation type	Cumulative
Reporting cycle	Bi-annually
New indicator	No
Desired performance	Meeting target
Indicator responsibility	Senior Manager: Provincial Government Finance

Indicator title 8.3	Number of quarterly reports on the implementation of the budget.
Short definition	Reports submitted to Cabinet and Parliament on the performance of the implementation of the provincial budget.
Purpose/importance	To provide oversight information (financial and non-financial information) on the implementation of the provincial budget/Estimates of Provincial Revenue and Expenditure.
Source/collection of data	Information derived from the In-year monitoring (IYM) reports and Quarterly Performance Reports (QPRs) submitted to Provincial Treasury by the provincial departments.
Method of calculation	Simple count
Data limitations	Not applicable
Type of indicator	Output indicator
Calculation type	Cumulative
Reporting cycle	Quarterly
New indicator	No
Desired performance	1 report per quarter
Indicator responsibility	In-year Monitoring (IYM) Coordinator

Sub-programme 2.4: Public Finance

Element: Local Government Finance Group 1 and 2

Strategic objective performance indicators

Indicator title 9	Number of quarterly reports on the implementation of municipal budgets.
Short definition	Number of reports submitted to Cabinet and Parliament on the performance of municipalities on the implementation of their budgets.
Purpose/importance	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.
Source/collection of data	Municipalities, NT LG Database
Method of calculation	Simple count
Data limitations	Data Integrity of Information received from municipalities.
Type of indicator	Output Indicator
Calculation type	Non-cumulative
Reporting cycle	Annually
New indicator	No
Desired performance	Accurate IYM reporting from municipalities, and Improved Cabinet reporting to Parliament, Cabinet and relevant stakeholders.
Indicator responsibility	Senior Manager: Local Government Finance (Group 1) and Senior Manager: Local Government Finance (Group 2)

Programme performance indicators

Indicator title 9.1	Number of monthly IYM assessment reports on the implementation of the municipal budget.
Short definition	Number of monthly IYM reports on the monthly financial performance.
Purpose/importance	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.
Source/collection of data	Municipalities, NT LG Database
Method of calculation	Simple count - Monthly municipal IYM Assessment reports
Data limitations	Data Integrity of Information received from municipalities
Type of indicator	Output Indicator
Calculation type	Cumulative (30 assessments per month plus 1 consolidated report)
Reporting cycle	Annually
New indicator	No
Desired performance	Improved IYM reporting from municipalities.
Indicator responsibility	Senior Manager: Local Government Finance (Group 1) and Senior Manager: Local Government Finance (Group 2)

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

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

Element: Infrastructure**Strategic objective performance indicator**

Indicator title 10	Number of assessments on the institutionalisation of the IDMS.
Short definition	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 7 key areas (Public Works, Roads, Education, Health, Human Settlements, Social Development and Cape Nature).
Purpose/importance	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.
Source/collection of data	Quarterly Performance Report
Method of calculation	Simple count
Data limitations	Rate of implementation of key principles by departments
Type of indicator	Inputs, activities, outputs, impact and efficiency
Calculation type	Non-cumulative
Reporting cycle	Annually
New indicator	No
Desired performance	Greater compliance to WCIDMS and increase infrastructure delivery to Level 3+.
Indicator responsibility	Senior Manager: Infrastructure

Programme performance indicators

Indicator title 10.1	Number of asset management plans assessed.
Short definition	The number of U-AMPs and C-AMPs assessed.
Purpose/importance	It is a legislative requirement to assess the quality and monitor GIAMA compliance of departments' U-AMPs.
Source/collection of data	Submission of U-AMPs and C-AMP's by departments.
Method of calculation	Simple count
Data limitations	Depends on the accuracy of the information and the timeous submission of the U-AMPs and C-AMP's by departments.
Type of indicator	Output
Calculation type	Cumulative
Reporting cycle	Bi-annually
New indicator	No
Desired performance	34 assessments (14 U-AMP's for Vote, 2 C-AMP's and a U-AMP for Cape Nature)
Indicator responsibility	Senior Manager: Infrastructure

Indicator title 10.2	Number of infrastructure expenditure reports assessed.
Short definition	To assess and monitor projected project cash flows against actual project cash flows and to identify early challenges.
Purpose/importance	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 the public.
Source/collection of data	Quarterly Performance Report
Method of calculation	Simple count
Data limitations	Accuracy and availability of data from departments.
Type of indicator	Outputs/Activities
Calculation type	Cumulative
Reporting cycle	Quarterly
New indicator	No
Desired performance	Improved infrastructure expenditure and delivery levels in 7 key areas (Public Works, Roads, Education, Health, Human Settlements, Social Development and Cape Nature)
Indicator responsibility	Senior Manager: Infrastructure

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

Indicator title 10.4	Number of quarterly reports on the implementation of infrastructure budgets to Cabinet.
Short definition	This indicator relates to the preparation of 4 Cabinet Submissions outlining the expenditure of infrastructure funding within a quarter versus what was projected.
Purpose/importance	The reports will serve to provide Cabinet with an overarching view of infrastructure expenditure in the Province, to highlight certain risks at the appropriate level, and to assess whether mitigation mechanisms are adequate and/or being implemented as proposed.
Source/collection of data	Monthly Infrastructure Reporting Model assessment reports; minutes of project meetings; minutes of Interdepartmental meetings such as the Infrastructure Delivery Management Committee; project site visits.
Method of calculation	Simple count
Data limitations	Accuracy and availability of data from departments.
Type of indicator	Outputs
Calculation type	Cumulative
Reporting cycle	Quarterly
New indicator	No
Desired performance	Improved infrastructure delivery with respect to time, quality and quantity of deliverables.
Indicator responsibility	Senior Manager: Infrastructure

Indicator title 10.5	Number of developed and tested municipal infrastructure delivery management system(s) in municipalities.
Short definition	To identify municipalities where the institutionalisation of the IDMS could be piloted, to assess those municipalities' current processes, to customise the IDMS for a municipality and to implement the customised version at a municipality.
Purpose/importance	It is aimed to facilitate integration and promote seamless delivery through a holistic approach of facilitating infrastructure delivery, in the management of all aspects of the life cycle of immovable assets.
Source/collection of data	Quarterly Performance Report
Method of calculation	Simple count
Data limitations	Rate of implementation of key principles by municipalities
Type of indicator	Inputs, activities, outputs, impact and efficiency
Calculation type	Non-cumulative
Reporting cycle	Annually
New indicator	No
Desired performance	Improved infrastructure delivery in terms of expedited processes, quality of governance as well as end products delivered.
Indicator responsibility	Senior Manager: Infrastructure

Element: Business Information and Data Management**Strategic objective performance indicator**

Indicator title 11	An available central repository.
Short definition	To avail a platform to Provincial Treasury Employees for the safeguarding of financial and performance information to enable proper decision-making and credible publications.
Purpose/importance	Ensure the availability of information to Provincial Treasury officials.
Source/collection of data	Provincial Treasury allotted space on a Ce-I file server or WCG Cloud Service
Method of calculation	Simple count
Data limitations	Quality of data sets received from the various Programmes.
Type of indicator	Output indicator
Calculation type	Non-cumulative
Reporting cycle	Annually
New indicator	No
Desired performance	Operational and available centralised repository.
Indicator responsibility	Senior Manager: Business Information and Data Management

Programme performance indicators

Indicator title 11.1	Number of datasets managed.
Short definition	Datasets managed for use of Provincial Treasury officials, departments and public entities and conformance to applicable legislation.
Purpose/importance	Processing data from periodic reporting formats as well as from raw data sourced from various systems into information datasets to inform evidence based Provincial Treasury decision-making.
Source/collection of data	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 NT MTEC 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.
Method of calculation	Simple count
Data limitations	Uptime of systems and format of data.
Type of indicator	Output indicator
Calculation type	Non-cumulative
Reporting cycle	Quarterly
New indicator	No
Desired performance	Production of four datasets per quarter.
Indicator responsibility	Senior Manager: Business Information and Data Management

Indicator title 11.2	Number of budget process plans managed.
Short definition	This indicator refers to the planning for the LG MTEC, PG MTEC 1 and PG MTEC 2 processes during the financial year under review (Provincial and Municipal).
Purpose/importance	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.
Source/collection of data	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
Method of calculation	Simple count: Provincial – PG MTEC 1 and PG MTEC 2 and Municipal - LG MTEC
Data limitations	Quality of data received from departments and municipalities.
Type of indicator	Output indicator
Calculation type	Cumulative
Reporting cycle	Quarterly
New indicator	No
Desired performance	Management of budget processes in accordance with budget process plans.
Indicator responsibility	Senior Manager: Business Information and Data Management

Programme 3 – Asset Management

Sub-programme 3.1: Programme Support

Strategic objective performance indicator

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

Reporting cycle	Annually
New indicator	No
Desired performance	Optimum achievement of the planned targets
Indicator responsibility	Programme Manager

Programme performance indicators

Indicator title 12.1	Number of quarterly performance reports for Programme 3 – Asset Management submitted.
Short definition	Number of quarterly reports submitted on the performance of Programme 3 – Asset Management.
Purpose/importance	To monitor progress towards the achievement of targets and to institute timeous remedial actions.
Source/collection of data	Progress reports submitted by sub-programme and element managers.
Method of calculation	Simple count
Data limitations	None
Type of indicator	Activities and output
Calculation type	Cumulative
Reporting cycle	Quarterly
New indicator	No
Desired performance	Actual performance equal to targeted performance is desirable.
Indicator responsibility	Programme Manager

Sub-programme 3.2: Supply Chain Management

Element: Supply Chain Management: Provincial Government

Strategic objective performance Indicator

Indicator title 13	Number of departments assisted to continuously improve management of supply chain and moveable assets.
Short definition	Number of departments monitored and assisted in building their capacity to enable them to respond more effectively and efficiently to their budget allocation in respect of goods and services.
Purpose/importance	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.

Source/collection of data	<ul style="list-style-type: none"> • Support and intervention reports; databases and registers, impact assessment/perception surveys and helpdesk performance reports • SCM/moveable asset management; systems assessment reports; performance reports and Departmental Implementation Plans • Strategic sourcing intervention reports, strategies; business cases, tools, assessment reports, presentations, implementation and/enablement plans, project reports, etc. • Query/opinion and complaint's registers, helpdesk performance reports and engagement reports
Method of calculation	Simple count
Data limitations	Quality and integrity of data is dependent on external sources and stakeholders and is outside of the Department's control. Financial systems and tools are not integrated and there is no existence of a central consolidated data warehouse a single source of information.
Type of indicator	Input, output and outcomes
Calculation type	Non-cumulative
Reporting cycle	Annually
New indicator	No
Desired performance	Enhanced departmental capacity and compliance to SCM and moveable asset management policy and procedure as well as attaining value for money.
Indicator responsibility	Senior Manager: Provincial Government Supply Chain Management

Programme performance Indicators

Indicator title 13.1	Number of interventions performed to assist departments with the continuous improvements of their supply chain and asset management systems.
Short definition	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.
Purpose/importance	Improved financial management performance for SCM and asset management within the Province that facilitates conformance, clean audits and improved financial management performance.
Source/collection of data	13 interventions which will reflect the following interventions: <ul style="list-style-type: none"> • Training and/or intervention reports jointly or severally completed. • Impact assessment reports or position papers for key SCM issues • Policy assessment reports.
Method of calculation	Simple count
Data limitations	Departmental progress in finalising implementation processes is dependent on its own internal capacity and is outside the control of the unit.
Type of indicator	Output and outcome
Calculation type	Cumulative

Reporting cycle	Quarterly
New indicator	No
Desired performance	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.
Indicator responsibility	Senior Manager: Provincial Government Supply Chain Management

Indicator title 13.2	Number of SCM/AM and SCM systems assessment reports.
Short definition	Number of SCM/AM and SCM Systems assessment reports developed through CGRO assessment reports based on structured assessments and monitored action plans.
Purpose/importance	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.
Source/collection of data	<ul style="list-style-type: none"> • 4 targeted X SCM and moveable asset management assessment reports as per quarterly target per department. • (13 x 4) Procurement Planning Assessment Reports per quarter per department. • (13 x 4) Systems Insight Reports per quarter per department.
Method of calculation	Simple count
Data limitations	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.
Type of indicator	Input, output and outcome
Calculation type	Cumulative
Reporting cycle	Quarterly
New indicator	No
Desired performance	Enhanced departmental capacity and compliance to SCM and moveable asset management policy and procedure that enables clean audits and efficiencies.
Indicator responsibility	Senior Manager: Provincial Government Supply Chain Management

Indicator title 13.3	Number of interventions for strategic sourcing implementation.
Short definition	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.
Purpose/importance	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.

Source/collection of data	Evidence will be any of the following: <ul style="list-style-type: none"> • Business cases • Commodity Strategies • Implementation and/enablement plans • Specific sourcing type Assessment reports • Tools, templates, frameworks, guides • Transversal contracts
Method of calculation	Simple count as per project milestone
Data limitations	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.
Type of indicator	Input, output, outcome and impact
Calculation type	Cumulative
Reporting cycle	Annually
New indicator	No
Desired performance	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.
Indicator responsibility	Senior Manager: Provincial Government Supply Chain Management

Indicator title 13.4	Number of supplier engagement sessions held to develop and educate suppliers.
Short definition	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.
Purpose/importance	Developing an enabling environment that facilitates Broad Based Black Economic Empowerment (BBBEE) and SMME supplier development initiatives that ensures government's socio-economic responsibility.
Source/collection of data	<ul style="list-style-type: none"> • Project plans • Supplier incident/query/complaints register/s • Supplier engagement reports and quarterly helpdesk report • Attendance registers • Perception surveys
Method of calculation	Simple count
Data limitations	None
Type of indicator	Output
Calculation type	Cumulative
Reporting cycle	Quarterly
New indicator	No

Desired performance	Developed relationship between vendors that is responsive to provincial procurement requirements.
Indicator responsibility	Senior Manager: Provincial Government Supply Chain Management

Element: Supply Chain Management: Local Government

Strategic objective performance indicator

Indicator title 14	Number of municipalities assisted to improve management of supply chain and assets.
Short definition	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.
Purpose/importance	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.
Source/collection of data	<ul style="list-style-type: none"> • SCM and AM VC Assessment Reports, VC Assessment Action Plans, Assessment Action Minutes • Infrastructure Procurement Model Policy Close Out Reports; Infrastructure Procurement Model Policies Assessed • SCM and AM Training Close Out Reports; SCM and AM Policies; project plans, presentations, etc. • Asset Management Business Processes Reports, Asset Management Progress Reports • Municipal District Visit Close Out Report; Localisation of Procurement Reports; Procurement Planning and Expenditure Analysis Reports; Data Analytics Reports, etc. • Query/opinion and complaints registers, help desk performance reports and engagement reports
Method of calculation	Simple count
Data limitations	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.
Type of indicator	Output
Calculation type	Non-cumulative
Reporting cycle	Annually
New indicator	No
Desired performance	Enhanced municipal capacity and compliance to SCM and asset management policy and procedure as well as attaining value for money.
Indicator responsibility	Senior Manager: Local Government Supply Chain Management

Programme performance Indicators

Indicator title 14.1	Number of municipal SCM and MAM Virtuous Cycle assessment reports.
Short definition	Performing SCM and Asset Management assessments at municipalities, and issuance recommended action plans on identified deficient areas.
Purpose/importance	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.
Source/collection of data	<ul style="list-style-type: none"> • SCM Virtuous Cycle Assessment Reports per quarterly targets; • Asset Management Baseline Assessment Reports; • SCM Virtuous Cycle assessment action plans; • VC SCM and AM Assessment Engagement Letters; and • VC SCM and AM Assessment Action Minutes.
Method of calculation	Simple count
Data limitations	<ul style="list-style-type: none"> • 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. • Non-availability of documents from municipalities when requested for review to execute the assessment.
Type of indicator	Input, Output and Outcome
Calculation type	Cumulative
Reporting cycle	Quarterly
New indicator	No
Desired performance	To assist municipalities sustaining good governance and to improve municipal external audit process, outcomes and overall good governance.
Indicator responsibility	Senior Manager: Local Government Supply Chain Management

Indicator title 14.2	Number of Municipal Districts assisted with the implementation of the model policy for infrastructure procurement.
Short definition	To provide policy direction and facilitating the effectiveness and efficient management of supply chain and asset management practices in municipalities.
Purpose/importance	To institutionalise the model policy for infrastructure procurement in municipalities.
Source/collection of data	<ul style="list-style-type: none"> • 5 x Infrastructure Procurement Model Policy Close Out Reports as per the quarterly targets per Municipal District • 5 x List of attendance registers as per the quarterly targets per Municipal District • 5 x Agendas as per the quarterly targets per Municipal District • 5 x Infrastructure Procurement Policies assessment reports as per the quarterly targets per Municipal District
Method of calculation	Simple count

Data limitations	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.
Type of indicator	Input, output and outcomes
Calculation type	Cumulative
Reporting cycle	Quarterly
New indicator	Revised
Desired performance	Fully implemented SCM Model Policy for Infrastructure for all build environment procurement requirements.
Indicator responsibility	Senior Manager: Local Government Supply Chain Management

Indicator title 14.3	Number of Municipal Districts assisted with structured training interventions and capacity building.
Short definition	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.
Purpose/importance	To assist municipalities in attaining a Level 3+ financial capability for SCM and asset management, and application of good governance principles and practices.
Source/collection of data	<ul style="list-style-type: none"> • 5 x SCM and AM Training Close Out Reports as per the quarterly targets per Municipal District • 5 x Attendance registers as per the quarterly targets per Municipal District • 5 x Agendas as per the quarterly targets per Municipal District • 5 x SCM and AM Training Presentations as per the quarterly targets per Municipal District • 5 x Evaluation forms as per the quarterly targets per Municipal District • 5 x SPL Training Reports as per the quarterly targets per Municipal District • SCM and AM Policy assessment reports
Method of calculation	Simple count
Data limitations	Unavailability of defined SCM training materials, and quality and integrity of data is dependent on external sources outside of the Department.
Type of indicator	Inputs and outputs and outcomes
Calculation type	Cumulative
Reporting cycle	Quarterly
New indicator	Revised
Desired performance	To assist and provide support to municipalities and municipal entities in building their capacity for efficient, effective and transparent financial management within the SCM and AM environment.
Indicator responsibility	Senior Manager: Local Government Supply Chain Management

Indicator title 14.4	Number of Municipal Districts assisted with asset management business processes.
Short definition	Implementation of asset management business processes that bring about efficiencies with regard to the management and reporting of assets in municipalities.
Purpose/importance	To assist municipalities in strengthening the asset management governance and reporting requirements.
Source/collection of data	<ul style="list-style-type: none"> • Asset Management Business Processes Reports • Asset Management Progress Report • Asset Management Attendance Registers • Asset Management Agendas • Asset Management Minutes • Asset Management Specifications • Asset Management Terms of Reference
Method of calculation	Simple count
Data limitations	Quality and Integrity of data is dependent on external sources
Type of indicator	Inputs, outputs and outcomes
Calculation type	Cumulative
Reporting cycle	Quarterly
New indicator	Revised
Desired performance	Municipalities fully utilising, applying correct values (replacement values) and maintaining procedures and keeping proposer accounting records for all their classes of assets.
Indicator responsibility	Local Government Supply Chain Management.

Indicator title 14.5	Number of Municipal Districts assisted with localisation of procurement.
Short definition	To provide policy direction and facilitating the effectiveness and efficient management of supply chain and asset management practices in municipalities.
Purpose/importance	Implementation of a district approach and bringing the two disciplines of SCM and LED closer to each other, while creating and enabling environment for local economic development.
Source/collection of data	<ul style="list-style-type: none"> • Municipal District Visit Close Out Report • Municipal District Minutes • Municipal District Attendance Registers • Municipal District Agenda's • Localisation of Procurement Reports • Procurement Planning and Expenditure Analysis Reports • Data Analytics Reports • Framework Agreement Reports
Method of calculation	Simple count

Data limitations	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.
Type of indicator	Input, output and outcomes
Calculation type	Cumulative
Reporting cycle	Quarterly
New indicator	No
Desired performance	Municipalities developing tools and procedures to use procurement as a conduit to local and regional economic development stimulation initiatives.
Indicator responsibility	Senior Manager: Local Government Supply Chain Management

Sub-programme 3.3: Supporting and Interlinked Financial Systems

Strategic objective performance Indicator

Indicator title 15	Number of votes assisted to effectively utilise the suite of financial systems.
Short definition	Number of votes assisted in the implementation, management and oversight of provincially operated financial systems and migration to the Integrated Financial Management System (IFMS).
Purpose/importance	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 which includes rendering a service to all departments by providing credible data and assist departments in the analysing of data.
Source/collection of data	Transversal financial systems, project plans, call log registers, training database, Kitso and PERSAL share
Method of calculation	Simple count
Data limitations	Availability of training databases, reports or credible information.
Type of indicator	Input
Calculation type	Non-cumulative
Reporting cycle	Annually
New indicator	No
Desired performance	Appropriately trained system users, optimal utilisation of systems and integrity of data.
Indicator responsibility	Senior Manager: Supporting and Interlinked Financial Systems

Programme performance Indicators

Indicator title 15.1	Number of institutions provided with user account management service i.r.o. provincially operated financial systems.
Short definition	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, comprehensive user support service and detailed/management information is provided in accordance with legislative requirements.
Purpose/importance	The effective management of transversal systems and veracity of data.
Source/collection of data	Transversal financial systems, training database, reports (system and in-house developed), Kitso and PERSAL share.
Method of calculation	Simple count
Data limitations	The availability of the systems and system-generated reports.
Type of indicator	Output
Calculation type	Non-cumulative
Reporting cycle	Quarterly
New indicator	No
Desired performance	The effective management, optimal utilisation of transversal systems and integrity of data.
Indicator responsibility	Senior Manager: Supporting and Interlinked Financial Systems

Indicator title 15.2	Number of votes assisted with the data maintenance, planning and preparation i.r.o. all provincially operated financial systems for migration to the IFMS.
Short definition	To enable project preparation with affected departments in migration to the IFMS in accordance with a mutually agreed project plan, leading the change management initiatives, data clean up and eventual migration to IFMS.
Purpose/importance	To ensure the standardisation of systems and integrity of data for the programmatic migration to the IFMS.
Source/collection of data	System reports/downloads
Method of calculation	Simple count
Data limitations	Resource availability and readiness of the Departments/Institutions for implementation.
Type of indicator	Output
Calculation type	Cumulative
Reporting cycle	Quarterly
New indicator	Revised
Desired performance	Integrity of data being for management decision-making as well as preparation for programmatic migrated to the IFMS
Indicator responsibility	Senior Manager: Supporting and Interlinked Financial Systems

Indicator title 15.3	Number of votes assisted in providing and analysing data.
Short definition	The extracting, compilation and analysing data and providing credible information to all Departments.
Purpose/importance	To improve sound Financial Management decision-making and contribute to enhance effective day to day management of financial processes according to legislative requirements.
Source/collection of data	BAS, PERSAL, LOGIS, Kitso, PERSAL Share and other form of Data Collection
Method of calculation	Simple count
Data limitations	Resource availability and collection of data to provide credible reports.
Type of indicator	Output
Calculation type	Cumulative
Reporting cycle	Quarterly
New indicator	No
Desired performance	Improved Financial Management and enhanced decision-making.
Indicator responsibility	Senior Manager: Supporting and Interlinked Financial Systems

Programme 4 – Financial Governance

Sub-programme 4.1: Programme Support

Strategic objective performance indicator

Indicator title 16	Percentage of Programme 4 – Financial Governance's programme performance indicator targets achieved.
Short definition	Percentage of Programme 4 – Financial Governance performance's indicators achieved as per the Annual Performance Plan.
Purpose/importance	To ensure that departmental goals and objectives are achieved.
Source/collection of data	Annual Performance Plan, Quarterly Performance Reports and Annual Report
Method of calculation	Numerator: Number of achieved performance indicator targets Denominator: Number of planned performance indicator targets
Data limitations	None
Type of indicator	Output
Calculation type	Non-cumulative
Reporting cycle	Annually
New indicator	No
Desired performance	Optimum achievement of the planned targets.
Indicator responsibility	Programme Manager

Programme performance indicators

Indicator title 16.1	Number of quarterly performance reports for Programme 4 - Financial Governance submitted.
Short definition	Number of quarterly reports submitted on the performance of Programme 4 – Financial Governance.
Purpose/importance	To monitor progress towards the achievement of targets and to institute timeous remedial actions.
Source/collection of data	Progress reports submitted by sub-programme and element managers.
Method of calculation	Simple count
Data limitations	None
Type of indicator	Activities and output
Calculation type	Cumulative
Reporting cycle	Quarterly
New indicator	No
Desired performance	Actual performance equal to targeted performance is desirable.
Indicator responsibility	Programme Manager

Sub-programme 4.2: Accounting Services**Element: Local Government Accounting****Strategic objective performance indicator**

Indicator title 17	Number of municipalities supported to comply with the GRAP standards.
Short definition	Support 30 municipalities to ensure compliance with the accounting reporting framework.
Purpose/importance	Assists municipalities to comply with section 122 of the MFMA, to prepare AFS according to GRAP Reporting Framework.
Source/collection of data	AFS assessments in hard copy and e-copy on a central database; training attendance registers; ratio analysis; Accounting Working Committee Meeting minutes; Public Sector Accountants Forum minutes; Municipal Accountants Forum minutes; Chief Financial Officers forum minutes MSCOA Training attendance registers; Other training initiatives attendance registers MGRO support; MGAP review PSAF minutes
Method of calculation	Simple count
Data limitations	Not applicable
Type of indicator	Output
Calculation type	Non-cumulative
Reporting cycle	Annually
New indicator	No
Desired performance	Municipalities to fully comply with the accounting reporting framework.
Indicator responsibility	Senior Manager: Local Government Accounting

Programme performance Indicators

Indicator title 17.1	Number of municipalities supported with the accounting reporting framework.
Short definition	Supporting all municipalities against the accounting framework.
Purpose/importance	Support municipalities to comply with section 122 of the MFMA, to prepare AFS according to GRAP Reporting Framework.
Source/collection of data	Assessments on AFS based on the GRAP disclosure checklist available. Attendance register at GRAP training sessions provided to municipalities; or ratio analysis; Accounting Working Committee Meeting minutes; Public Sector Accountants Forum minutes; Municipal Accountants Forum minutes; Chief Financial Officers forum minutes; PSAF minutes.
Method of calculation	Simple count
Data limitations	Not applicable
Type of indicator	Output
Calculation type	Non-cumulative
Reporting cycle	Quarterly
New indicator	No
Desired performance	To provide support to all municipalities to fully comply with the accounting reporting framework.
Indicator responsibility	Senior Manager: Local Government Accounting

Indicator title 17.2	Number of Reports submitted for MGRO engagements.
Short definition	Reports submitted for MGRO engagements based on MGAP tool and other intelligence.cd
Purpose/importance	In support of a technical engagement with each municipality focussing on improving control and governance, with the objective of improving financial and accounting governance at municipalities.
Source/collection of data	Reports submitted to MGRO coordinators.
Method of calculation	Simple count
Data limitations	Not applicable
Type of indicator	Output
Calculation type	Non-cumulative
Reporting cycle	Annually
New indicator	Revised
Desired performance	Report submitted for inclusion in Technical Integrated Municipal Engagement Report.
Indicator responsibility	Senior Manager: Local Government Accounting

Indicator title 17.3	Number of municipalities monitored and supported with mSCOA implementation.
Short definition	Monitor and support municipalities with the implementation of mSCOA per National Treasury regulations.
Purpose/importance	Monitor MSCOA implementation at municipalities.
Source/collection of data	Municipal self-assessments; MAF & CFO forum presentations; MFMA Exco and Coordinators meeting presentations; Engagements with municipalities and vendors; Attending NT mSCOA events.
Method of calculation	Simple count
Data limitations	Not applicable
Type of indicator	Output
Calculation type	Non-cumulative
Reporting cycle	Quarterly
New indicator	New
Desired performance	Monitor the level of MSCOA implementation in municipalities.
Indicator responsibility	Senior Manager: Local Government Accounting

Element: Provincial Government Accounting and Compliance

Strategic objective performance indicators

Indicator title 18	Number of votes assisted to comply with financial accounting and governance norms and standards.
Short definition	Roll-out of accounting policy frameworks to 14 Votes.
Purpose/importance	Full compliance by all votes with the accounting frameworks.
Source/collection of data	Assessment reports on the AFS/Interim Financial Statements (IFS), CGRO Cabinet submission, ACFS Publication, Training attendance registers and action minutes of the Quarterly engagements
Method of calculation	Simple count
Data limitations	Not applicable
Type of indicator	Output
Calculation type	Non-cumulative
Reporting cycle	Annually
New indicator	No
Desired performance	Unqualified audit opinion with no findings (Clean audits).
Indicator responsibility	Senior Manager: Provincial Government Accounting and Compliance

Programme performance indicators

Indicator title 18.1	Number of votes assessed against the applicable accounting and norms and standards requirements.
Short definition	Effective roll-out of accounting policy frameworks that enable clean audits.
Purpose/importance	To improve the financial management capability (FMC) of departments and entities to Level 3 and beyond.
Source/collection of data	Assessment reports on the AFS/IFS (reporting frameworks and GRAP standards)
Method of calculation	Simple count
Data limitations	Not applicable
Type of indicator	Outcomes
Calculation type	Non-cumulative
Reporting cycle	Quarterly
New indicator	No
Desired performance	Unqualified audit opinion with no findings (Clean audits).
Indicator responsibility	Senior Manager: Provincial Government Accounting and Compliance

Indicator title 18.2	Number of accounting training interventions.
Short definition	Provide training to build and maintain accounting capacity.
Purpose/importance	To improve the accounting skill level of staff in order to comply with the accounting frameworks.
Source/collection of data	Attendees trained as per attendance register.
Method of calculation	Simple count
Data limitations	Inadequate nominations of candidates for training to make up a class.
Type of indicator	Output
Calculation type	Cumulative
Reporting cycle	Quarterly
New indicator	No
Desired performance	To establish and maintain competent accounting staff.
Indicator responsibility	Senior Manager: Provincial Government Accounting and Compliance

Indicator title 18.3	Timeous publication and tabling of the ACFS.
Short definition	Compilation and publication of the ACFS for the Province.
Purpose/importance	It's a PFMA imperative to inform the Provincial Government and other users of the position and performance of the Province.
Source/collection of data	ACFS publication
Method of calculation	1 month after receipt of Audit report

Data limitations	Dependent on the audit outcomes of the financial statements of the departments, the PRF and entities.
Type of indicator	Activity
Calculation type	Non-cumulative
Reporting cycle	Annually
New indicator	No
Desired performance	Compliance with section 19 of the PFMA.
Indicator responsibility	Senior Manager: Provincial Government Accounting and Compliance

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

Indicator title 18.5	Number of quarterly governance engagements with departments.
Short definition	Integrated approach to address audit and governance issues through quarterly engagements with departments.
Purpose/importance	To achieve higher levels of governance by improving the financial management capability of departments.
Source/collection of data	Action minutes of the engagements
Method of calculation	Simple count
Data limitations	Not applicable
Type of indicator	Output
Calculation type	Cumulative
Reporting cycle	Quarterly
New indicator	No
Desired performance	Improving the FMC level.
Indicator responsibility	Senior Manager: Provincial Government Accounting and Compliance

Sub-programme 4.3: Corporate Governance

Strategic objective performance Indicator

Indicator title 19	Number of municipalities assisted to improve corporate governance.
Short definition	Municipalities assisted to improve financial governance in risk management, internal audit, compliance to the MFMA and delegations.
Purpose/importance	To improve the FMC level of 28 municipalities.
Source/collection of data	MGRO assessments
Method of calculation	Simple count
Data limitations	Not applicable
Type of indicator	Output
Calculation type	Non-cumulative
Reporting cycle	Annually
New indicator	No
Desired performance	Improved annually published MGRO score.
Indicator responsibility	Senior Manager: Financial Governance

Programme performance Indicators

Indicator title 19.1	Number of municipal support initiatives on integrated capacity building and training.
Short definition	To coordinate and support municipalities with skills development and capacitation through the agreed integrated capacitation strategy.
Purpose/importance	To improve the FMC level of municipalities through 10 support initiatives in the areas of internship, bursary support, compliance to capacity reforms, training provision that will lead to the improvement of corporate governance. One intervention may cover all 30 municipalities. The detail of these different types of initiatives is enumerated in the operational plan.
Source/collection of data	MGRO assessments
Method of calculation	Simple count
Data limitations	Not applicable
Type of indicator	Output
Calculation type	Cumulative
Reporting cycle	Quarterly
New indicator	No
Desired performance	To institutionalise NT capacity building – reforms in all municipalities and drive capacity at selected municipalities to the Level 3 MGRO Model.
Indicator responsibility	Senior Manager: Financial Governance

Indicator title 19.2	Number of municipal MGRO assessment reports.
Short definition	To coordinate the annual MGRO assessment reports per municipality.
Purpose/importance	To improve the financial governance level of municipalities through MGRO process.
Source/collection of data	FMC assessments
Method of calculation	Simple count
Data limitations	The accuracy of the assessment is dependent in the reliability of the information as supplied by municipalities.
Type of indicator	Output
Calculation type	Non-cumulative
Reporting cycle	Annually
New indicator	No
Desired performance	Improving the MGRO level in line with targets set in PSG 5.
Indicator responsibility	Senior Manager: Financial Governance

Indicator title 19.3	Number of municipal support initiatives on Governance, Risk and Control.
Short definition	To implement support interventions on ERM, IA and audit committees.
Purpose/importance	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. 12 Interventions to improve corporate governance within all 30 municipalities, these include attending audit committee and risk committee meetings. One intervention may cover all 30 municipalities as in a forum meeting. Different types of interventions are enumerated in the operational plan.
Source/collection of data	MGRO assessments, fora and quarterly assistance reports
Method of calculation	Simple count
Data limitations	The accuracy of the assessment is dependent on the reliability of the information as supplied by municipalities.
Type of indicator	Output
Calculation type	Cumulative
Reporting cycle	Quarterly
New indicator	No
Desired performance	To institutionalise ERM, internal audit and audit committees in all municipalities and drive capacity at selected municipalities to the Level 3 MGRO Model.
Indicator responsibility	Senior Manager: Financial Governance

Indicator title 19.4	Number of municipalities supported with a financial delegation framework.
Short definition	To support and assist municipalities through initiatives toward a dynamic and relevant financial legal framework that enables sound financial management and service delivery.
Purpose/importance	To ensure that the municipal financial legislative framework addresses any possible gaps and thereby strengthening good governance through compliance therewith and to improve the levels of governance in municipalities
Source/collection of data	Attendance registers, MGRO assessments, M-Gap tool and or Financial Legislation.
Method of calculation	Simple count
Data limitations	None.
Type of indicator	Output
Calculation type	Cumulative
Reporting cycle	Bi-annually
New indicator	Revised
Desired performance	To provide support to municipalities towards ensuring a dynamic and relevant municipal financial legal framework that will enable sound financial management and service delivery.
Indicator responsibility	Senior Manager: Financial Governance

Indicator title 19.5	Number of initiatives to support the Departments on the Financial Review Framework
Short definition	To support and assist departments through initiatives toward a dynamic and relevant financial legal framework that enables sound financial management and service delivery.
Purpose/importance	To ensure that the departmental financial legislative framework addresses any possible gaps and thereby strengthening good governance through compliance therewith and to improve the levels of governance in departments
Source/collection of data	Commentary on legislative amendments bills or regulations
Method of calculation	Simple Count
Data limitations	None
Type of indicator	Output
Calculation type	Non-cumulative
Reporting cycle	Annual
New indicator	New
Desired performance	To provide support to departments toward ensuring a dynamic and relevant departmental financial legal framework that will enable sound financial management and service delivery.
Indicator responsibility	Senior Manager: Financial Governance

ANNEXURE B

CHANGES TO STRATEGIC PLAN



ANNEXURE B

Changes to Strategic Plan

Due to operational and tactical adjustments a number of the strategic objectives and strategic objective performance indicators were amended to better articulate the desired outputs. The detail comparison between the 2015/16 to 2018/19 financial years, as reflected in the three APPs, are set in the table below:

Strategic objective in Strategic Plan 2015 - 2020 that have changed	Strategic objective in APP 2015/16	Strategic objective in APP 2016	Strategic objective in APP 2017	Strategic objective in APP 2018
Strategic Objective 10				
To institutionalise and standardise good practice methodologies, tools and systems for physical infrastructure delivery and maintenance	To institutionalise and standardise good practice methodologies, tools and systems for physical infrastructure delivery and maintenance	To institutionalise and standardise good practice methodologies, tools and systems for physical infrastructure delivery and maintenance	To institutionalise and standardise good practice methodologies, tools and systems for physical infrastructure delivery and maintenance	To institutionalise and standardise good practice methodologies, tools and systems for physical infrastructure delivery and maintenance of immovable assets
Strategic Objective 13				
To provide policy direction and facilitating the management of supply chain and asset management practices in departments	To provide policy direction and facilitating the management of supply chain and asset management practices in departments	To provide policy direction and facilitating the management of supply chain and asset management practices in departments	To provide policy direction and facilitating the management of supply chain and asset management systems and practices in the department	To maintain and implement the supply chain and assets management strategy for the Province by providing policy direction and support, assistance and guidance to departments
Strategic Objective 18				
To improve application of accounting practices in line with the reporting framework, prepare provincial consolidated financial statements and gradually drive financial governance reform	To improve application of accounting practices in line with the reporting framework, prepare provincial consolidated financial statements and gradually drive financial governance reform	To improve application of accounting practices in line with the reporting framework, prepare provincial consolidated financial statements and gradually drive financial governance reform	To improve application of accounting practices in line with the reporting framework, prepare provincial consolidated financial statements and gradually drive financial governance reform	Improved application of accounting practices in line with the reporting frameworks, provincial consolidated financial statements tabled and improved financial governance

Strategic objective performance indicator (SOPI) in Strategic Plan 2015 - 2020 that have changed	Strategic objective performance indicator in APP 2015/16	Strategic objective performance indicator in APP 2016	Strategic objective performance indicator in APP 2017	Strategic objective performance indicator in APP 2018
Programme 2 – Sustainable Resource Management				
Number of municipal budget policy assessment reports	Number of municipal budget policy assessment reports	Number of municipal budgets with effective resource allocations	Number of municipal budgets with effective resource allocations	Number of municipal budgets with effective resource allocations
Programme 3 – Supporting and Interlinked Financial Systems				
Number of votes assisted to effectively utilise the suite of financial systems	Number of votes assisted to effectively utilise the suite of financial systems	Number of votes assisted to effectively utilise the suite of financial systems	Number of votes assisted to effectively utilise the suite of financial systems	Number of votes assisted to effectively utilise the suite of financial systems
Target by 2020: 14	Target: 14	Target 2016 - 2019: 13	Target 2017 - 2020: 13	Target 2018 - 2021: 13

Acronyms

ACFS	Annual Consolidated Financial Statements
AFS	Annual Financial Statements
AG	Auditor-General
AGSA	Auditor-General of South Africa
AM	Asset Management
AO	Accounting Officer
AOS	Accounting Officer System
APP	Annual Performance Plan
AR	Annual Report
BAS	Basic Accounting System
BCP	Business Continuity Plan
BEE	Black Economic Empowerment
BEEE	Broad Based Black Economic Empowerment
CAE	Chief Audit Executive
C-AMP	Custodian Asset Management Plan
CCT	City of Cape Town
Ce-I	Centre for e-Innovation
CFO	Chief Financial Officer
CGICTPF	Corporate Governance of Information Communication Technology Policy Framework
CGRO	Corporate Governance Review and Outlook
CIDB	Construction Industry Development Board
CoE	Cost of employment
CSC	Corporate Services Centre
DoRA	Division of Revenue Act
the dti	Department of Trade and Industry
DPSA	Department of Public Service and Administration
ERM	Enterprise Risk Management
ERMCO	Enterprise Risk Management Committee
EPRE	Estimates of Provincial Revenue and Expenditure
FMC	Financial Management Capability
GRAP	Generally Recognised Accounting Practice
IA	Internal Audit
IIA	Institute for Internal Audits
ICT	Information and Communication Technology

IDMS	Infrastructure Delivery Management System
IDP	Integrated Development Plan
IC	Internal Control
IFMS	Integrated Financial Management System
IFS	Interim Financial Statements
IYM	In-Year Monitoring
LED	Local Economic Development
LG	Local Government
LG MTEC	Local Government Medium Term Expenditure Committee
LG SCM	Local Government Supply Chain Management
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
mGAP	Municipal Governance Action Plan
MGRO	Municipal Governance Review and Outlook
mSCOA	Municipal Standard Chart of Accounts
MTBPS	Medium Term Budget Policy Statement
MTEC	Medium Term Expenditure Committee
MTEF	Medium Term Expenditure Framework
MTSF	Medium Term Strategic Framework
NDP	National Development Plan
NT	National Treasury
NT FMCMM	National Treasury Financial Management Capability Maturity Model
NTR	National Treasury Regulations
OPRE	Overview of Provincial Revenue and Expenditure
PAIA	Promotion of Access to Information Act
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
PG SCM	Provincial Government Supply Chain Management
PI	Performance Indicator
PPI	Programme Performance Indicator
PRF	Provincial Revenue Fund
PSG	Provincial Strategic Goal

PSP	Provincial Strategic Plan
PT	Provincial Treasury
PTI	Provincial Treasury Instruction
QPR	Quarterly Performance Report
SA	South Africa
SARS	South African Revenue services
SCM	Supply Chain Management
SCOA	Standard Chart of Accounts
SDM	Service Delivery Model
SIFS	Support and Interlinked Financial Systems
SMME	Small, Medium and Micro Enterprise
SOMS	Strategic and Operational Support Services
SOPI	Strategic Objective Performance Indicator
TBTP	Talking the Budget to The People
TID	Technical Indicator Description
U-AMP	User Asset Management Plan
WC	Western Cape
WCG	Western Cape Government
WCGRB	Western Cape Gambling and Racing Board
WCIDMS	Western Cape Infrastructure Delivery Management System
WCMES	Western Cape Monitoring and Evaluation System
WC SCM	Western Cape Supply Chain Management

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